



Landlord Handbook



*Please Read &
Keep for your records!*

Housing Choice Voucher Program Information for Owners

The United States Congress enacted recent regulatory changes that made significant changes in the Section 8 tenant-based program. Effective October 1, 1999, the Section 8 Certificate and Voucher Programs were merged into ONE new program: The Housing Choice Voucher Program.

HUD regulations for the Housing Choice Voucher Program require the owner to use the standard form of lease used by the owner for unassisted tenants. The HUD Tenancy Addendum must be attached to and incorporated into the owner's lease. Copies of the HUD Tenancy Addendum and a sample Housing Assistance Payments Contract are attached to this notice for your review.

When requesting approval of a tenancy, please complete the Request for Lease Approval/ Approval of Tenancy form, and attach the proposed lease that you intend to use. The lease must be completed, but not signed.

HUD requires the initial term of the lease to be at least 12 months, unless the housing authority approves a shorter term in compliance with HUD regulations. If you want the lease to have an initial term of less than 12 months, contact the housing authority for more information.

The HUD Tenancy Addendum does not contain any provision for automatic renewal. You must include terms for renewal after the initial term.

HUD regulations require that the following information must be included in your lease:

- The name of the tenant.
- The name of the owner.
- The address of the unit rented, including the apartment number.
- The term of the lease (initial term and any provisions for renewal).
- The amount of the monthly rent to owner.
- Which utilities and appliances are to be supplied and paid for by the owner.
- Which utilities and appliances are to be supplied and paid for by the tenant.

You determine the amount of the security deposit. You may not charge the last month's rent in advance. It is your responsibility to collect the security deposit and the tenant's portion of the rent directly from the tenant.

You must complete all credit, reference and other background checks prior to signing the attached Request for Lease Approval/ Approval of Tenancy. Upon request, the housing authority will provide you with the family's current and prior address and the name of the family's current and prior landlord.

The unit must pass HUD's Housing Quality Standards inspection prior to the start of the lease and contract. If the unit fails to pass HUD Housing Quality Standards within the time allowed by the housing authority, the tenant has the option of refusing the unit. A tenancy cannot be approved until the unit PASSES HUD Housing Quality Standards Inspection. The tenant may not sign the lease prior to approval by the housing authority.

Before housing assistance payments are released, you will be required to submit a completed, signed W-9 form, including a correct tax ID number and the exact name on file with the IRS.

The housing authority will pay a housing assistance payment for the unit on or about the first of each month while the Housing Assistance Payments Contract remains in effect. Due to the amount of computer processing and paperwork necessary to set up a new tenancy file, the initial housing assistance payment may be delayed for as long as sixty days.

Rent Reasonableness: After the lease has been reviewed and the unit has been inspected, the housing authority will determine whether the rent requested is reasonable compared to other similar units in the area. The tenancy may not be approved unless the rent is reasonable.

Under current HUD regulations, the tenant is not allowed to lease from the following family members: parent, child, grandchild, grandparent, sister or brother of any member of the tenant family. Certain exceptions may apply.

Please be advised that we only process move-ins for the 1st of the month. To be considered, the unit must pass inspection 5 days prior to lease up date. NO EXCEPTIONS WILL BE MADE.

I. OVERVIEW OF THE SECTION 8 HOUSING PROGRAM

1A. WHAT IS THE SECTION 8 HOUSING PROGRAM?

The Section 8 Housing Assistance Program was enacted by the Housing and Community Development Act of 1974. The Program is funded through and monitored by the United States Department of Housing and Urban Development (HUD).

The Village of Park Forest Housing Authority was established on September 22, 1988, and became a division of the Community Development Department of the Village of Park Forest October 1, 1994. It is authorized to administer the Section 8 Existing Housing Assistance Payments Program within the Village of Park Forest.

The Housing Authority of Park Forest's (HAPF) Section 8 program is a federally funded rental assistance program that allows income eligible households to rent quality housing in the private market. Participating households will pay approximately 30% of their income for rent and utilities; HAPF will pay the remaining for rent and a utility allowance in accordance with program rules.

Participating households may choose to remain where they are living now or move elsewhere providing the housing is in good condition and the owner is willing to participate in the program. Most types of rental housing are eligible for the program including single family houses, apartments and condominiums. Property owners retain all normal management rights including tenant selection, rent collection, property maintenance and lease termination.

A summary of the Section 8 Housing Program is provided below.

1B. SUMMARY OF SECTION 8 PROGRAM

The HAPF selects income eligible families from its waiting list and issues a voucher.

The voucher holder searches for housing that meets program requirements.

The HAPF ensures units are decent, safe and sanitary by conducting initial and annual inspections of participating units.

Owners use their own tenant selection criteria to select tenants; the **HAPF does not screen participant households.**

Owners may collect a security deposit that is not in excess of private market practice, or in excess of amounts charged by the owner to unassisted tenants.

The HAPF and the owner sign a Housing Assistance Payments contract that guarantees a rental payment to the owner on behalf of the tenant.

1C. WHY SHOULD I PARTICIPATE?

The primary benefit of the Section 8 program is the guarantee that payments from the Housing Authority of Park Forest to the owner will be made on time. Other benefits of participation include:

1. Providing housing to persons with low incomes at no cost to the owner.
2. The tenant usually pays no more than 30% of his or her monthly income toward the rent; therefore, the tenants are less likely to ever have difficulty paying rent.
3. At lease renewal, the landlord may increase the rent within reasonable limits if needed, and the tenant will not bear any of the increase.
4. Tenants are more likely to adhere to their lease obligations since failure to do so will jeopardize their rent assistance.

The Section 8 Existing Housing Program has been one of the most successful housing subsidy programs. Landlords of more than two million rental units have participated nationwide, and the Housing Authority of Park Forest has signed contracts for more than 200 units in the Village.

1D. HOW DOES THE SECTION 8 PROCESS WORK?

There are eight steps involved in the Section 8 process before a family is provided with housing assistance. The owner does not become involved until Step 4:

- Step 1. Application
- Step 2. Eligibility Determination/Issuance of voucher
- Step 3. Housing Search
- Step 4. Tenant Selects Housing Unit
- Step 5. Request for Lease Approval
- Step 6. Housing Quality Standards (HQS) Inspection
- Step 7. Rent Negotiation and Contract/Lease Execution
- Step 8. Contract Payments

Step 1. Application

When accepting applications, a household applies to the HAPF for assistance and is placed on the waiting list if the household appears to meet basic eligibility qualifications.

Step 2. Eligibility Determination/Issuance Of Voucher

When the HAPF has vouchers available, it will select households from the waiting list and determine if they are eligible according to income requirements and other program rules. If eligible, the applicant household will be provided with a voucher of Family Participation and will be ready to search for housing.

Step 3. Housing Search

A family may decide to stay in its current unit if the housing is in good condition, or the family may look for new housing. The household is given 120 days to find housing that is in good condition and meets rent reasonableness criteria and maximum rent levels.

Step 4. Tenant Selects A Housing Unit

Once a voucher holder decides to apply for a unit, the household will complete any application paper work required by the owner.

The HAPF does not screen voucher holders for their suitability as good tenants. Owners should conduct their own screening and follow the same nondiscriminatory procedures they would use for any non-assisted applicant applying for the unit.

Step 5. Request For Lease Approval

If the applicant meets the owner's screening criteria, the owner and prospective tenant should complete and sign the Request for Lease Approval form and attach a copy of the owner's lease (if the owner prefers the HAPF can prepare an assisted lease for the unit). The prospective tenant should take these forms to the HAPF for approval.

Step 6. Housing Quality Inspection

The owner should contact the Village's Building Department for an inspection to ensure the housing is in good condition. The direct line is 503-1703. We ask that you give the inspector a one week notice.

Step 7. Rent Negotiation And Contract And Lease Execution

If the unit passes inspection and the lease is approved, the HAPF will negotiate the rent with the owner and compute the amounts the tenant and the HAPF will pay. The tenant will generally pay 30% of adjusted monthly income for rent and utilities (Total Tenant Payment); the HAPF will pay the remaining rent and utilities costs (Housing Assistance Payment).

Following the HAPF approval and assistance payment calculation, the owner will sign a lease with the tenant and a Housing Assistance Payments contract with the HAPF.

Step 8. Contract Payments

After the tenant moves in and contracts are signed, Housing Assistance Payments from the HAPF to the owner will begin. Payments will begin with the first of the month following the contract signing. A more detailed description of each of these steps is provided in the following sections.

There are Fair Market Rent (FMR) and Rent Reasonableness limitations on rents.

The subsidy payment is the difference between 30% of the family's monthly adjusted income and the gross rent for the unit.

The family may not pay more or less than 30% of its adjusted income.

The owner's rent increases are limited by HUD's Annual Adjustment Factor and Rent Reasonableness. The owner is limited to an annual increase that must be requested in writing 60 days before the anniversary date of the HAPF contract.

Claims for unpaid rent and damages are only permitted for owners with HAPF contract forms signed prior to September 1995. If eligible, claims are limited to two month's rent less the security deposit shown on the lease.

2. APPLICATION AND CERTIFICATION PROCESS FOR SUBSIDY HOLDERS

2A. WHAT IS THE APPLICATION/ISSUANCE PROCESS?

All households interested in receiving a voucher must complete a preliminary application when the HAPF waiting list is open. An applicant will be placed on the waiting list if the family appears to be eligible based on the income level.

When HAPF has a voucher available, the applicant will be taken off the waiting list and a more detailed application form will be completed. Information on family composition and income will be verified.

Eligible households are issued a voucher based on availability and the household's choice. The voucher sets forth the agreement between the HAPF and the participant and the rights and responsibilities of each. This agreement is the participant's guarantee that the HAPF will pay a portion of his/her rent and utilities in accordance with Section 8 program requirements. Participants are given 60 days from the date of issuance to find housing. After the 60 day period has ended, the voucher will expire if a participant has not located housing. Participants may be given additional time to search for housing for up to 60 additional days.

2B. HOW ARE TOTAL TENANT PAYMENTS, TENANT RENTS, UTILITY ALLOWANCES AND HOUSING ASSISTANCE PAYMENTS CALCULATED?

Total Tenant Payment (TTP) is the maximum amount the tenant household will pay for rent and utilities (not including phone) with a voucher. TTP is calculated by computing the family's gross monthly income and adjusted income (less certain deductions). The voucher holder will always pay the greater of:

- 30% of monthly adjusted income
- 10% of gross monthly income
- or \$50

If the family pays for any utilities, the estimated cost of these utilities is subtracted from TTP to compute Tenant Rent. Tenant Rent represents the amount the family will pay directly to the owner.

The cost of utilities is estimated using the HAPF's most recent Utility Allowance Schedule. This schedule is developed after conducting a survey of local rates. It is based on the number of bedrooms in the unit, the type of building and the number and type of utilities the household pays (not including phone).

The Housing Assistance Payment is the amount paid by the HAPF to the owner and cannot be computed until the amount of rent charged and the estimate of utilities are known. Once rent and the appropriate utility allowance are determined, the Housing Assistance Payment amount is calculated as the difference between the contract rent for the unit (rent charged by owner) and the Tenant Rent.

2C. HOW DO PARTICIPANTS FIND HOUSING?

Participating households may look for private market housing in the Village of Park Forest. Households are advised to look at bulletin boards and newspapers for available housing and by contacting the HAPF for Property Listings when available.

3. OWNER PARTICIPATION

3A. HOW DO I GET INVOLVED IN THE SECTION 8 PROGRAM?

An owner who is interested in renting to households participating in the Section 8 Program is encouraged to contact the HAPF and provide information on available units. Property listings are maintained at the HAPF and prospective tenants are referred to the properties listed. Vacancies will remain on the list for one month (less if the owner calls the HAPF to say the unit is rented) and then will be removed unless the owner calls to re-list the property.

Interested owners may also want to advertise their units in newspapers with the phrase “Section 8 Accepted” to encourage subsidy holders to apply.

4. TENANT SELECTION

4A. DO I SELECT THE TENANT?

Yes. Section 8 participants follow the owner’s standard application procedures. **The HAPF does not screen applicants for their suitability as tenants.** The HAPF encourages owners to contact the prior landlords of applicant households and to follow the same screening procedures as for other applicants for housing. The HAPF provides owners with voucher holders’ current address (and their previous address, if known).

Owners should become familiar with federal, state, and local fair housing laws. Additionally, owners should become familiar with tenant/owner laws to ensure the screening criteria applied are not discriminatory. Federal fair housing laws state that owners/managers must not discriminate based on race, color, creed, religion, sex, national origin, age, familial status or handicap.

5. LEASE-UP PROCESS

5A. WHAT IS THE PURPOSE OF THE REQUEST FOR LEASE APPROVAL FORM?

When an owner agrees to rent to a Section 8 tenant, the owner and the prospective tenant should complete the Request for Lease Approval (RFLA) form (see Attachments). The form requests information on type of unit, utilities and appliances which will be furnished, security deposit, most recently charged rent and proposed rent. If the owner is providing his or her own lease it should be attached to the form and submitted to the HAPF by the prospective tenant. Upon receipt of the RFLA, the HAPF will review the lease; no rent approval will be made until after the unit passes inspection.

5B. WHAT IS THE HOUSING QUALITY STANDARDS INSPECTION?

A HAPF representative will inspect the unit using a Section 8 Housing Inspection Report to ensure the unit is decent, safe and sanitary. Program standards require that the housing has adequate living space, facilities and services, light and ventilation and does not endanger the health and safety of the tenant. In addition, the inspector will assess if the unit meets the Village’s municipal code of ordinances. The brochure, “A Good Place to Live”- describes what the HAPF will be looking for during the inspection.

Property owners are encouraged to be present during this inspection. If the unit and lease are approved, the owner and the HAPF will negotiate the rent. If not, the inspector will provide the owner with a copy of the Housing Inspection Results Form itemizing repairs; the owner will be given the opportunity to make repairs within a reasonable time frame. After the repairs are made, the owner should contact the HAPF to have the unit re-inspected.

The unit must pass inspection before a contract can be signed. The only exception to this rule is if the outside of the building needs work and, due to the weather, the work cannot be done within the specified time frame.

5C. HOW MUCH CAN I CHARGE FOR RENT?

The total cost for the unit including rent and utilities must not exceed the Fair Market Rent Limits (FMR) for the Chicago metropolitan area which are established by the Department of Housing and Urban Development.

Note that the FMR includes both the rent to the owner and the estimated cost for tenant paid utilities. For example, if the Fair Market Rent Limit is \$500 and the utility allowance for utilities paid by the tenant is \$50, the rent on the unit cannot exceed \$450.

Units under the voucher program must meet rent reasonableness criteria which means the rents charged are not more than for similar, unassisted units in the same neighborhood. For the voucher program, both rent reasonableness and Fair Market Rent Limits must be applied.

The HAPF will negotiate rent levels with owners within the FMR limits and rent reasonableness determinations. Negotiations will cover the condition of the unit, amenities offered and utilities included as compared to similar units in the same neighborhood.

5D. HOW MUCH CAN I CHARGE FOR A SECURITY DEPOSIT?

Owners are encouraged but not required to collect a security deposit. The HAPF does not make up the difference between what the family pays and the security deposit the owner would normally charge.

If a tenant is remaining in a unit, and the owner has collected a security deposit, the owner is not required to reimburse the tenant until the tenant vacates the unit subject to lease terms.

5E. WHAT DOCUMENTS DO I NEED TO SIGN?

Owners need to sign a lease and lease addendum with the tenant and the Housing Assistance Payments (HAP) contract with the HAPF.

Owners may submit a lease with the Request for Lease Approval form. The initial lease term must be for at least one year. Once approved by the HAPF, the lease is signed by the owner and tenant.

Program rules require that owners and tenants also agree to provisions contained in HUD's Lease Addendum which sets forth some of the responsibilities the owner and tenant have under the Section 8 program. An owner may update his/her lease to incorporate all of the lease addendum provisions, or sign HUD's lease addendum form. Lease provisions that are prohibited in the Section 8 program are described below.

The HAPF contract is the legal agreement between the HAPF and the owner and describes the rights and responsibilities of the HAPF and the owner and the effective date of the contract.

Prohibited Lease Provisions

Confession Of Judgment. Prior consent by tenant to any lawsuit the owner may bring against him/her in connection with the lease and to a judgment in favor of the owner.

Distrain For Rent Or Other Charges. Authorization to the owner to take property of the tenant and hold it as a pledge until the tenant performs an obligation which the owner has determined the tenant has failed to perform.

Exculpatory Clause. Agreement by tenant not to hold the owner or owner's agents liable for any acts or omissions whether intentional or negligent on the part of the owner or the owner's authorized representative or agents.

Waiver Of Legal Notice By Tenant Prior To Actions for Eviction or Money Judgments. Agreement by tenant that the owner may institute suit without any notice to the tenant that the suit has been filed.

Waiver Of Legal Proceedings. Authorization to the owner to evict the tenant or hold or sell the tenant's possessions whenever the owner determines that a breach or default has occurred, without notice to the tenant or any determination by a court of the rights and liabilities of the parties.

Waiver of Jury Trial. Authorization to the owner's lawyer to appear in court for the tenant and to waive the tenant's right to a trial by jury.

Waiver Of Right To Appeal Judicial Error In Legal Proceedings. Authorization to the owner's lawyer to waive the tenant's right to appeal on the ground of judicial error in any suit or the tenant's right to file a suit in equity to prevent the execution of a judgment.

Tenant Chargeable With Cost Of Legal Actions Regardless Of Outcome. Agreement by the tenant to pay attorney's fees or other legal costs whenever the owner decides to take action against the tenant even though the court finds in favor of the tenant. (Omission of this clause does not mean that the tenant as a party to a lawsuit may not be obligated to pay attorney's fees or other costs if he loses the suit.)

5F. WHEN DO I RECEIVE PAYMENTS?

After the contract is signed, the HAPF will make payments directly to the owner, for the HAPF's portion of the rent, on the first of the month as long as the terms of the contract are still in effect (e.g., tenant in residence). The tenant will be responsible for making his/her portion of rental payments directly to the owner on the first of each month. Owners should keep the HAPF informed of any change in their mailing address.

6. CONTINUING ACTIVITIES

There are a few ongoing activities which will continue throughout the household's tenancy as an assisted tenant. These include annual reviews of the income on which the tenant's rent is based, annual inspection of unit conditions and annual changes to the owner's rent. Mid-year reviews and inspections may also be required.

6A. WHAT ARE ANNUAL AND INTERIM RE-EXAMINATIONS?

Participants in the Section 8 Program are expected to give the HAPF updated information on their household composition, income, assets, and deductions every year. Participants must also notify the HAPF any time their household composition changes. They also must report changes in income between annual re-examinations. If they request a decrease between annual re-examinations, they must report any subsequent increases.

HAPF will review and verify the information submitted and will compute a new total tenant payment, tenant rent and housing assistance payment, and notify the tenant and owner of the changes. These changes will not affect the total amount the owner receives, however, the portion of the total rent that the tenant and HAPF pay to the owner may be different.

6B. WHAT ARE ANNUAL INSPECTIONS?

Inspections must be conducted on all units participating in the Section 8 Housing Program annually to ensure they are still decent, safe and sanitary and meet basic housing quality standards.

At the time of the tenant's annual re-examination (generally 60 days prior to the anniversary date of the previous re-examination), the HAPF will notify the owner that it is time to schedule an annual inspection. If it passes inspection, payments will continue as before.

6C. WHAT HAPPENS IF A UNIT DOES NOT PASS INSPECTION?

If a unit does not pass inspection, the HAPF will inform the owner of the repairs which need to be made, within a specified time period, in order for the owner to continue to receive HAP

payments from the HAPF. If the repairs are not made within the time allotted, rent payments from the HAPF will be abated (stopped) until the repairs are made and the HAPF has reinspected and passed the unit. The tenant should continue to make payments during this time period. The owner may not evict the tenant for nonpayment as long as the tenant is making timely payments for his/her portion of the rent.

If payments are abated, and then reinstated after the unit passes, owners should realize that the HAPF will not reimburse the owner for payments not made by the HAPF during the time rent was abated.

If the required repairs were not made within the specified time frame, and rent was abated, the owner should contact the HAPF for an inspection when the repairs have been completed. If the repairs are not corrected within a specified period of time after abatement, the HAPF will terminate the contract.

If the reason the unit does not pass inspection is because the tenant damaged the unit, or did not pay for utilities for which the tenant was responsible, the tenant will be given a time frame to make the necessary fixes. If the tenant does not make repairs within the specified time frame, the assistance will be terminated.

6D. WHAT ARE COMPLAINT INSPECTIONS?

Complaint inspections are conducted between annual re-examinations at owner or tenant request. The owner may request an inspection if he/she believes the tenant is abusing the unit or has poor housekeeping skills and is not keeping the unit in decent, safe and sanitary condition. The tenant may request an inspection if he/she believes the unit is in poor condition and the owner is not making repairs in response to his/her complaints.

If repairs are needed as a result of a complaint inspection, the owner will be given a time frame in which to complete the repairs. If the time frame is not adhered to, rent will be abated as described above. If the tenant caused the damages, the tenant will be responsible for making the repairs within a specified time frame. The assistance will be terminated if the tenant does not complete the repairs within the time allotted.

6E. WHEN CAN I INCREASE THE RENT?

Owners with tenants using a voucher are eligible to annual rent increases within the Annual Adjustment Factor, however, owners must notify the HAPF if they want a rent increase in writing 60 days prior to the anniversary date of the contract. The rent increase may not be greater than the current rent multiplied by the Annual Adjustment Factor published by HUD.

The rent increase is also subject to rent reasonableness. The full rent increase will not be approved by the HAPF if other units in the neighborhood of similar style and amenities are not in the same price range.

The HAPF will approve rent increases only if the above criteria are met, the owner is in compliance with the terms of the HAPF contract and lease addendum and the unit is in decent, safe and sanitary condition. The increase will be effective on the later of the anniversary date of the HAPF contract or the first of the month following the owner's request.

Under the voucher program, owners may also be entitled to rent adjustments other than on an annual basis. These adjustments will be approved only if they are put in writing and if the owner provides documentation of significantly increased costs which were not covered by the last annual rent adjustment; for example an increase in tax or utility rates that was not covered by the last annual increase. These special rent increases require HUD approval.

7. TERMINATIONS

There are several different kinds of terminations: termination of assistance by the HAPF, termination of tenancy by tenant and termination of tenancy by owner.

7A. WHEN CAN THE HAPF TERMINATE ASSISTANCE?

If an owner violates the Housing Assistance Payment contract, the HAPF may suspend payments and will investigate the situation to determine if the contract should be terminated. If a serious breach of contract occurs, the HAPF may bar the owner from future participation for a specified period of time or indefinitely.

The HAPF may be required to terminate the contract if a tenant is not in compliance with Section 8 voucher program rules. This could happen if the tenant does not recertify annually, commits fraud, engages in drug-related criminal activity, or if the tenant no longer needs the subsidy (30% of the tenant's income after deductions is greater than or equal to the rent and utilities for the unit). When assistance terminates, the contract terminates. The HAPF will provide the owner with at least 30 days notice prior to the termination date.

7B. WHEN CAN THE TENANT TERMINATE TENANCY?

The tenant may not terminate tenancy during the first 12 months of the lease unless the owner provides written approval for an early lease termination. Thereafter the tenant may terminate tenancy after providing the owner with appropriate notice in accordance with the lease, and providing the HAPF with 30 days notice.

Tenants who wish to move to another unit, but still want to remain on the program, must obtain another voucher from the HAPF to move. These tenants must have their household composition, income, assets, and allowances reviewed again by HAPF.

7C. WHEN CAN THE OWNER TERMINATE TENANCY?

The lease (and lease addendum) and the Housing Assistance Payments contract permit termination of tenancy by the owner. Owners may terminate tenancy for serious or repeated violation of the terms and conditions of the lease, violation of federal, state, or local law, criminal activity or other good cause.

An owner has the same rights for evicting assisted tenants as for private market tenants; however, owners must give the tenant a notice stating the purpose for the eviction and provide a copy to the HAPF as well.

8. CLAIMS

8A. WILL I BE REIMBURSED BY HAPF FOR UNPAID RENT, DAMAGES AND VACANCY LOSS?

Owners with HAP contracts signed **prior to the September 1995** edition may be eligible to receive vacancy loss payments for unpaid rent and damages to the unit. Newer HAPF contracts do not allow claims for damages, unpaid rent or vacancy loss.

Vacancy Loss

When a tenant moves out of the owner's unit without giving adequate notice, or if the only tenant in the owner's unit dies, the owner may be entitled to vacancy loss payments from the HAPF.

Under the voucher program, if an owner attempts to re-rent the vacant unit, the owner may retain the Housing Assistance Payment amount already received for the month the tenant moved out and up to 80% of the contract rent for the allowable vacancy period. The vacancy period ends the earlier of the date the unit is re-rented, the date the lease would have terminated or one additional month.

To receive the vacancy payment, an owner must notify the HAPF of the vacancy, subtract the security deposit collected from the amount claimed, document attempts to re-rent the unit and certify that payments for vacancy loss were not paid from some other source.

Damages And Unpaid Rent

Owners may be entitled to payment from the HAPF for unpaid rent and tenant damages if the owner can document the costs, and show that the tenant was billed but has not paid.

The maximum the owner will receive from the HAPF is the lesser of the amount owed to the owner less the security deposit which was collected, or two month's contract rent less the security deposit.

To receive the payment, owners must notify the HAPF of the vacancy within three days of the date the tenant moved out. The owner must also give the HAPF the opportunity to conduct a move-out inspection to assess the damage. After the move-out inspection, owners should make the unit repairs and bill the tenant for the unpaid rent and/or damages.

If the vacated tenant does not pay the bill, the owner may submit a claim to the HAPF for the expenses of repairing the unit. The owner's claim must be received by the HAPF no later than 120 days after the tenant vacated. Owners must submit supporting documentation of the attempts to bill the tenant and estimate costs for fixing the unit.

9. SUMMARY OF RIGHTS AND RESPONSIBILITIES

9A. WHAT ARE THE OWNER'S RIGHTS?

- Collect a security deposit.
- Request a rent adjustment as of the anniversary date of the contract, of an amount no greater than the Annual Adjustment Factor and capped by rent reasonableness.
- Request a special rent adjustment to reflect increases in the actual and necessary expenses of owning and maintaining the unit, by demonstrating that substantial increases in taxes, utilities or similar cost are not compensated for by the annual adjustments.

Terminate the tenancy for:

- Serious or repeated violation of the terms and conditions of the lease.
- Violation of federal, state or local law.
- Criminal activity.
- Other good causes
- Evict the family from the unit through court action.

9B. WHAT ARE THE OWNER'S RESPONSIBILITIES?

- Screen applicants for suitability as tenants.

- Comply with the lease.
- Collect the tenant's share of the rent and make timely repairs and keep the unit in good condition.
- Comply with federal, state, and local regulations, fair housing laws, and owner-tenant laws. Copies of HUD's Fair Housing brochure will be provided to any owner upon request.
- Permit inspections.
- Correct any deficiencies when they are discovered. The HAPF may abate payments or terminate the HAP contract if deficiencies are not corrected.
- Comply with the Housing Assistance Payments contract.

Renegotiate the lease with the tenant and the HAPF prior to the lease expiration date; contact the Section 8 Housing Caseworker and provide the HAPF with written notice before initiating eviction proceedings; inform the Section 8 Housing Caseworker immediately of any move-outs or damages caused by Section 8 tenants; and if eligible for a claim, submit documentation to the HAPF for claims for vacancy loss and damages/rent loss compensation.

9C. WHAT ARE THE TENANT'S RIGHTS?

- Participate in the program if eligible under the program guidelines and rules.
- Live in a decent, safe and sanitary unit.
- Not be discriminated against by the owner in the provision of services for any reason covered by federal, state or local fair housing laws.
- Terminate the lease with the owner after the first year of the lease with proper notice.

9D. WHAT ARE THE TENANT'S RESPONSIBILITIES?

- Report changes in household composition.
- Permit inspections.
- Comply with the lease.
- Submit information on household composition, income, assets, and allowances annually.
- Notify the HAPF and the owner of intent to move.
- Make utility payments for utilities not included in the rent.

9E. WHAT ARE THE HAPF RIGHTS?

- Be notified by the owner when the tenant has moved from the contract unit in violation of the lease.
- Inspect the unit to determine damages and establish vacancy loss.
- Inspect the unit annually, and at other times as determined necessary, after reasonable notice.
- Request any documentation and verification as determined necessary for the administration of the program.
- Receive repayment from a tenant of any amounts paid by the HAPF to an owner for vacancy loss or damage payments on behalf of the family.
- Receive repayment from an owner of amounts paid to an owner which are not due the owner.
- Terminate the Housing Assistance Payment contract for any breach of contract by the owner.
- Terminate the participant (tenant) from the program in accordance with the law, HUD regulations and program rules for any violation of family obligations.
- Require a participant to request a voucher prior to giving notice to move, and require a participant to give proper notice to vacate a unit.
- Require a participant to be recertified.
- Require the owner to maintain the unit in decent, safe and sanitary condition.
- Receive notice of proposed evictions.

9F. WHAT ARE THE HAPF'S CONTINUING RESPONSIBILITIES?

- Make HAPF payments.
- Review family income, assets, allowances, and household composition annually.
- Re-determine amounts of rent payable by the family and the amount of HAPF payment to the owner, as a result of any adjustment.
- Make inspections, at least annually.

10. OTHER QUESTIONS YOU MAY HAVE

10A. WHAT ARE THE MAIN BENEFITS OF THE PROGRAM TO AN OWNER?

1. Guaranteed prompt payment of part of the rent each month.
2. Decreased vacancy rates and delinquencies.
3. Reduced turnovers and related expenses.

10B. HOW DOES THE OWNER RECEIVE THE FULL CONTRACT RENT PAYMENT?

The owner receives rent through the combination of Housing Assistance Payments from the HAPF and the rent paid directly by the tenant. Housing Assistance Payments make up the difference between the contract rent and what the tenant pays.

10C. ARE AN OWNER'S RIGHTS AND RESPONSIBILITIES CHANGED BY PARTICIPATION IN THE SECTION 8 PROGRAM?

The owner's rights and responsibilities are the same as those exercised in a normal tenant-owner relationship. The owner contacts the applicant's previous landlords, selects the tenant and is responsible for managing and maintaining the unit. Tenants violating their leases are subject to corrective action by the owner through normal management and legal process.

10D. CAN AN OWNER'S PRESENT TENANT STAY IN PLACE AND STILL GET ASSISTANCE?

Yes, current residents may receive assistance if the tenant has received a voucher from the HAPF and the dwelling is in good condition. The rent, plus any utilities paid directly by the tenant, must be at or below the Fair Market Rent Limits for the program and meet rent reasonableness requirements.

10E. WHAT KIND OF HOUSING IS ELIGIBLE?

Any type of rental housing from single family dwellings to high-rise apartments is eligible for Section 8 assistance. **Co-ops are not eligible for this assistance.**

10F. WHAT RENT CAN THE OWNER CHARGE?

The owner's monthly rent, plus any utilities paid directly by the tenant, must be within the Fair Market Rent limits and the rent must be comparable to rents for similar units in the neighborhood.

10G. IF THE OWNER'S EXPENSES INCREASE, CAN THE RENT BE ADJUSTED?

Yes, under the voucher program, owners may receive rent adjustments annually. However, the owner must submit a written request for an increase. The increase is limited by HUD's annual adjustment factor and rent reasonableness. Special adjustments in response to unusual expenses are allowed in the voucher program.

10H. WHO ARE THE TENANTS PARTICIPATING IN THE PROGRAM?

Program participants include modest income families and individuals whose incomes do not exceed established limits. The program assists a broad range of tenants, including moderate income working families, as well as the elderly and the disabled.

10I. HOW MUCH RENT DOES THE TENANT PAY?

The tenant pays the greater of 30% of monthly adjusted income, 10% of monthly gross income or \$50 for rent and utilities. The portion the tenant pays to the owner will be adjusted to provide an allowance for any utilities (except telephone) paid directly by the tenant.

10J. HOW MUCH PAPER WORK IS INVOLVED?

Very little paper work is required of owners and most of it is completed by the HAPF. Once the lease, addendum and contract are signed, the owner will have no regular paper work. Annual rent adjustments and re-inspections require minimal paper work.

10K. WHAT IF THE OWNERSHIP OR MANAGEMENT OF THE UNIT CHANGES?

Property owners must notify the HAPF whenever there is a change in ownership or management of a unit receiving Section 8 assistance. In order to ensure uninterrupted and timely HAP payments, owners should notify us before the closing of the property has taken place. Owners must provide the property's address, the tenant's name, the name of the new company or individual who is to assume ownership or management of the property(s). The new owner should also provide us with their taxpayer identification number.

Property owner's filing a change of ownership must also attach a copy of proof of transfer of ownership such as a deed or closing statement. Property owners changing management agents must attach a copy of the management agreement and the Internal Revenue Service letter establishing the management company's employer ID number.

A new owner or management company can expect to begin receiving HAP payments within 30 days of the HAPF's receipt of all required documents.

10L. SECTION 8 PROGRAM CHANGES/CONFORMING RULES

The U.S. Department of Housing and Urban Development (HUD) has rewritten the regulations for both the Section 8 voucher and Voucher Programs. The overriding theme of the amendments is to clarify the responsibilities of all parties: tenants, property owners and administrator. This highlights the most important changes:

Security Deposit/Damage Claims

Effective December 1, 1995, property owners can require as a term of their lease agreement with the tenant that the tenant pay a full security deposit. The property owner must comply with all state laws and regulations regarding security deposits. For those tenants who do not have the entire security deposit available, the owner may collect the deposit over a period of months. This is a matter of negotiation between the tenant and the property owner. However, property owners are not allowed to collect any money to be applied to the last month's rent.

With respect to all Housing Assistance Payments (HAP) Contracts (vouchers and vouchers) and leases which began after October 1, 1995, the HAPF will no longer be responsible to the owner for damage claims, vacancy loss, unpaid rent or any other special claims. The HAPF financial obligation to the property owner will simply be to pay the monthly subsidy payment. No other payments will be made by the HAPF to any owner.

The HAPF will continue to pay, on behalf of tenants, damage claims, vacancy loss and unpaid rent claims to property owners who have contracts with the HAPF, which began prior to October 1, 1995. Tenants will be responsible for repaying the HAPF for any such claim that is paid to a property owner by the HAPF.

Tenant Screening/Information From The HAPF

Property owners are responsible for screening prospective tenants, legally and completely. The HAPF does not have the authority to screen a family with respect to behavior or suitability. However, the HAPF must now release to a prospective landlord, upon written request, the current address of the tenant family (as shown on the HAPF records) and the names and addresses of the current and prior landlords (if known to the HAPF) of the tenant family. The HAPF will not release any additional information to landlords without a signed authorization from the tenant allowing such release of information to the landlord.

Housing Quality Standards/Tenant Responsibility

Formerly, the property owner was responsible for insuring that all Housing Quality Standards (HQS) were met regardless of the reason for the violation. Now, the HAPF will not suspend rent to property owners for a breach of the HQS which has been caused by the tenant family due to the family (or guest). For example:

- Not paying any utility for which the tenant family is responsible.
- Failing to provide or maintain any appliance, which is to be provided by the tenant, or damaging the unit beyond ordinary wear and tear.

If any of these circumstances arise, then it can be deemed by the HAPF to be a violation of the family obligations and be grounds for termination of the family from the Section 8 Program. If the HAPF terminates the assistance to the family for this reason, then subsidy payments to the property owner will stop.

Section 8 Inspectors make the determination of owner/tenant responsibility. When it is not clear whether the damages are the owner's or tenant's responsibility, the owner will still be responsible for making repairs. For this reason, many owners make repairs of tenant-caused damages, bill the tenant and keep the Section 8 payments coming.

New Family Obligations

The following additional family obligations are now requirements of the Section 8 Program. The tenant family must:

- Supply any information requested by the HAPF to verify that the family is living in the unit or information relating to family absence from the unit.
- Promptly notify the HAPF in writing of the birth, adoption, or court-awarded custody of a child.
- Request the HAPF written approval to add any other family member as an occupant of the unit.
- Give the HAPF a copy of any owner eviction notice.
- Pay utility bills and supply appliances that the owner is not required to supply under the terms of the lease.

The tenant family must not:

- Damage the unit or premises (other than ordinary wear and tear) or permit any guest to damage the unit or premises.

Restrictions On Renting To Relatives

Effective July 17, 1998 HUD ruled to limit the circumstances under which a landlord could lease a unit with Section 8 voucher or voucher assistance to a relative of the landlord. It would permit such leasing only if a Housing Authority determines that the leasing would accommodate a person with disabilities.

Miscellaneous

1. Both vouchers and vouchers may now be used across the entire United States. Although there are certain exceptions, a family now has the ability to move across the country as they see fit and continue to receive Section 8 rental assistance.
2. The tenant family may not be held responsible for any portion of the subsidy payment which is to be paid by the HAPF. If a Housing Assistance Payment (HAP) is not made by the HAPF due to violations of the Housing Quality Standards or other reasons, then the property owner must make the necessary repairs in order to restore payment. Agent/Owners may not attempt to recover HAPF payments lost during the period of abatement from the tenant. Additionally, the landlord may not evict a tenant for non-payment because the HAPF assistance check is not paid, as long as the tenant continues to pay tenant contribution.
3. The HAPF now has the discretion to deny a property owner from participating in the Section 8 Program if the owner has a history of noncompliance with HQS, has failed to pay real estate taxes, and has engaged in fraud in connection with federal housing programs or other similar activities.

11. SEVEN STEPS TO RENTING YOUR UNIT UNDER THE SECTION 8 PROGRAM

To lease your unit to a family participating in the HAPF Section 8 Housing Assistance Program, follow these steps:

1. List your vacant unit by phone, (708) 748-1112, ext. 149, fax, (708) 748-4355 or mail, Housing Authority of Park Forest, 350 Victory Drive, Park Forest, IL 60466; Attention: Office Assistant.
2. Screen all prospective Section 8 tenants legally and completely.
3. The tenant you select will provide a REQUEST FOR LEASE APPROVAL (RFLA) packet, which must be completed by you and the tenant.
4. Carefully determine the rent you will request for the unit. It must be comparable to rents charged for similar, market rate units in the neighborhood. You may request a security deposit as a term of your lease agreement with the tenant.
5. Prepare your unit for inspection. Use the HUD Housing Quality Standards as a guide.

6. Call the Building Department to schedule an inspection. You or your designated representative must be present. The unit must be vacant and our Inspector must have access to the common and service areas of the unit, including boiler rooms and hot water heaters.
7. At the conclusion of the inspection, the Inspector will notify you if the unit passes or fails inspection. If the unit passes inspection the HAPF's caseworker will contact you within a few days to negotiate the rent amount determined to be reasonable for your unit and neighborhood and give a contract signing appointment. You and the tenant must complete and sign the following documents:
 - Contract (HUD form of document required.)
 - Lease addendum (HUD form of document required.)
 - Lease (you may use your own form of lease.)

If the unit fails the inspection, you must make the required repairs within 15 days and call our Building Department to schedule a re-inspection.

You will receive a rent payment from the HAPF within 30 days after receipt of the above documents, retroactive to the effective date of the lease and contract.

12. FRAUD PREVENTION

The Department of Housing and Urban Development (HUD) has conveyed to us its serious concerns about violations of the Section 8 Existing Housing Program requirements. The HUD Office of the Inspector General (IG) has recently identified cases of fraud by Public Housing Agencies (PHAs) and their employees, owners/managers, and tenants participating in the Section 8 Existing Housing Program.

In order that the Department may provide Section 8 housing assistance to as many needy families as possible, all participants in this HUD-sponsored program must properly utilize government funds and follow Departmental policy requirements. Incidences of fraud, willful misrepresentation, or intent to deceive with regard to the Section 8 Existing Housing Program are criminal acts. If you are suspected of committing any fraudulent actions, we are required to refer the matter to the proper authority for appropriate action. This could lead to an investigation of the allegation and could result in your being accused of a federal crime and you could also be terminated from participation in the program.

Some examples of fraud involving owner/managers identified by the IG's investigation included:

1. Requiring extra ("side") payments in excess of the family's share of the rent. As you know, any payment in excess of the rent must receive prior approval by us.

2. Collecting assistance payments for units not occupied by Section 8 tenants.
3. Bribing PHA employees to certify substandard units as standard.

We urge you to report any violations of the Section 8 Existing Housing Program. These violations should be reported immediately rather than to continue in non-compliance with the program requirements.

If you know of any violations of fraud committed by other persons, including PHA employees, tenants or other owners, please contact us at 748-1112.

We will take any action warranted to ensure that the cases of fraud are prevented or prosecuted and are working with HUD to accomplish this task.

Thank you for your cooperation.

Housing Authority of Park Forest