

# The Owner's Handbook

A Guide to the Housing Choice Voucher Program  
for Owners and Property Managers



Product #304-007

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El Cajon, California

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by Nan McKay & Associates, Inc.

First edition, May 15, 1996  
Second edition, July 1, 1996  
Third edition, November 15, 1997  
Fourth edition, July 1, 1998  
Fifth edition, January 1, 1999  
Sixth edition, April 1, 1999  
Seventh edition, August 1, 1999  
Eighth edition, October 1, 1999  
Ninth edition, December 1, 1999  
Tenth edition, July 1, 2000

Eleventh edition, October 1, 2000  
Twelfth edition, January 1, 2001  
Thirteenth edition, December 1, 2001  
Fourteenth edition, December 1, 2003  
Fifteenth edition, October 1, 2005  
Sixteenth edition, March 1, 2006  
Seventeenth edition, May 1, 2008  
Eighth edition, May 1, 2009

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Printed in the United States of America

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## The Housing Choice Voucher (HCV) Program

If you are a landlord, rental property owner, or manager, this handbook is designed to provide you with accurate information about how the Section 8 *Housing Choice Voucher (HCV) program* works. It has been prepared for you in appreciation of your interest in participating in the program.

The rules and regulations for this tenant-based *public assistance* program are determined by the U.S. Department of Housing and Urban Development (*HUD*). The success of the program depends on your ability to work with your *Public Housing Agency (PHA)*, and its ability to contract with property managers and owners who have decent, safe, and sanitary rental *units*.

In most communities, there is a shortage of decent and affordable housing, and many *low-income families* rely on owners like you who are willing to participate in the HCV program. The subsidy that comes with this program helps *participant* families to rent in many different neighborhoods.

Although the HCV program was designed to be voluntary, in some states (e.g., Connecticut) it is illegal to simply refuse a *tenant* because he or she is a participant in the HCV program. Participant families include *elderly persons*, *persons with disabilities*, and working families who do not earn enough to keep pace with rising rental housing costs. You should check with your local or state human rights agencies to find out what the fair housing laws are in your state.



### PHA Service Commitment

As a public service agency, it is the PHA's goal to provide excellent service to both families and owners participating in the HCV program. The PHA will make every effort to inform you of the program rules, and to advise you of how these rules affect you. Since federal regulations are not always easy to understand, it is very important to ask questions if you are not sure of something or if something is unclear.

Do not hesitate to contact a PHA representative if you have a question or problem that pertains to one of the housing programs.

### Getting in Touch with You

Since the PHA may need to contact you from time to time, be sure they have a daytime phone number where you can be reached. After the initial lease-up period, most of your contact with the PHA will probably be by first-class mail.

Your cooperation is essential to the PHA's ability to serve you and any family you may select as a tenant.



### Definitions

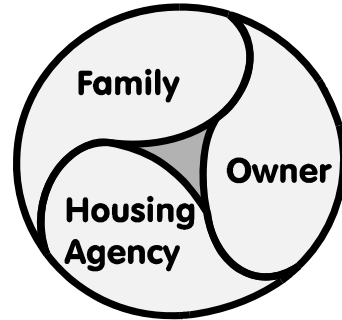
In order to explain how the HCV program works, it is necessary to become familiar with its terminology. For this reason, a glossary of commonly used program terms has been included in the back of this handbook. As you may have noticed, when key HCV program terms are used for the first time in this text, they appear in ***bold italics***. Definitions of these key terms are also in the glossary.

## Chapter 2      General Program Information

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### Responsibilities Within the HCV Program

The HCV program is a three-way partnership between the **housing agency**, the tenant family, and you – the **owner** or **landlord** of the **housing unit**.



### Housing Agency's Job

In order for the program to work, the PHA must do the following:

- Review all applications to determine whether an **applicant** is eligible for the program.
- Explain all the rules of the program to all of the families who qualify.
- Issue a **voucher** and, if necessary, assist the family in finding a place to live.
- Approve the **unit**, the owner, and the tenancy.
- Make **housing assistance payments** to the owner in a timely manner.
- Ensure that both the family and the unit continue to qualify under the program.
- Ensure that owners and families comply with the program rules.
- Provide families and owners with prompt, professional service.

### Family's Job

In order for the program to work, the family must do the following:

- Provide the PHA with complete and accurate information.
- Make a best effort to find a place to live that is suitable for them and qualifies for the program.
- Cooperate in attending all appointments scheduled by the PHA.
- Take responsibility for the care of the housing unit.
- Comply with the terms of the lease with the owner.
- Comply with the family obligations of the voucher.





### Owner's Job

In order for the program to work, you must:

- Screen families who apply to determine if they will be good renters. The PHA can supply you with the current and previous address and landlord information. The PHA may also provide additional information pertaining to a tenant's performance as a renter.
- Consider a family's background regarding factors such as:
  - Paying rent and utility bills.
  - Caring for property.
  - Respecting the rights of others to peaceful enjoyment of their residences.
  - Engaging in ***drug-related criminal activity*** or other criminal activity that is a threat to life, safety, or the property of others.
  - Compliance with other essential conditions of tenancy.
- Comply with fair housing laws and discriminate against no one.
- Maintain the housing unit by making necessary repairs in a timely manner.
- Comply with the terms of the ***housing assistance payments (HAP) contract*** with the housing agency.
- Collect the rent due by the tenant and otherwise enforce the ***lease***.

### HCV Program Owner Benefits

More than one million families nationwide have been served by the HCV program and one of the reasons for this program's success is that owners like you have taken the time to learn the rules and have recognized some of the benefits of becoming a participating landlord.

Over the years, many owners and property managers have come to appreciate the advantages of having a contracted, monthly assistance payment as well as minimum inspection standards. Keeping your property consistently well maintained helps ensure both its resale value and its appeal to prospective tenants when an HCV family moves out.

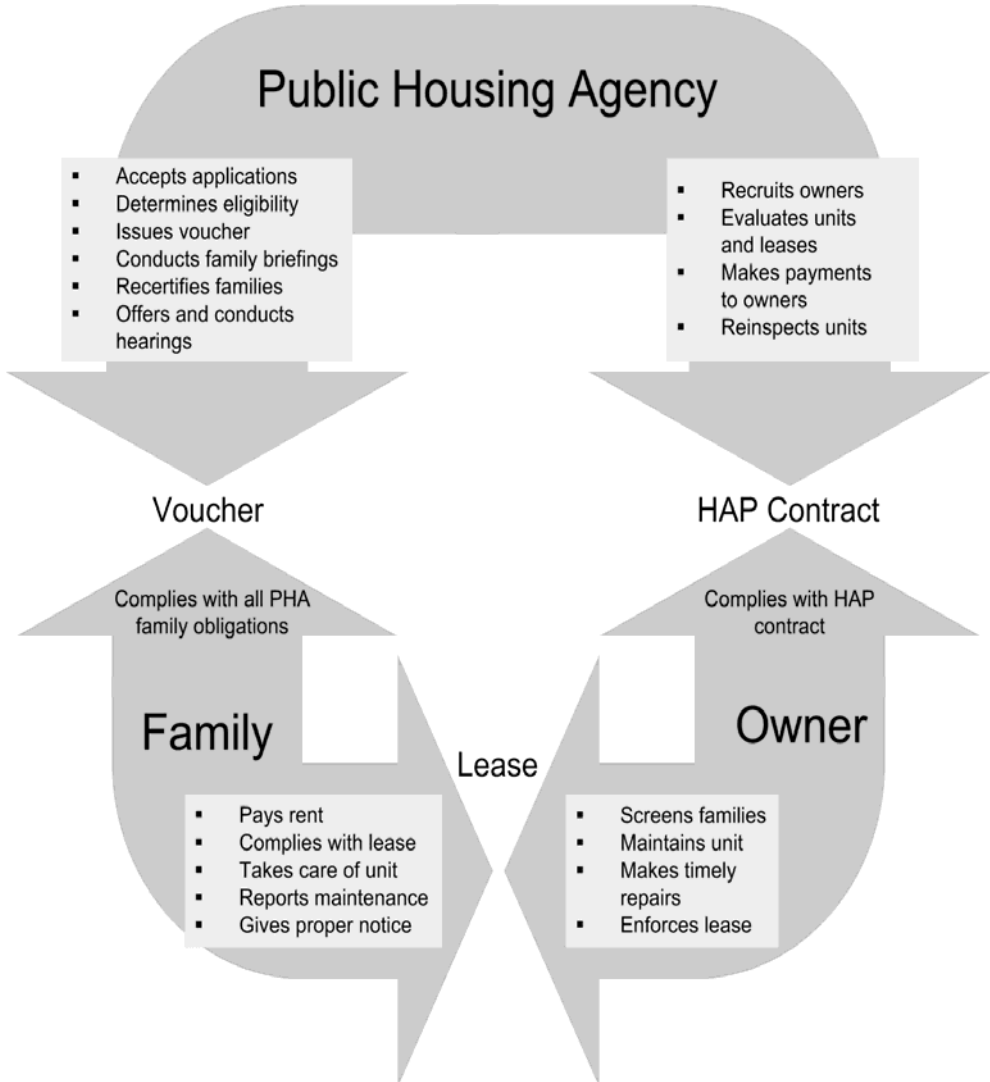
The HCV program has also introduced many novice property owners to key property management principles regarding tenant selection and lease enforcement, and it has helped others develop better building maintenance skills.



### HCV Program Family Benefits

The program has also been successful because it provides families with the opportunity to choose rental units and neighborhoods that meet their needs. Unlike project-based housing programs, tenant-based programs allow families to take their rental assistance with them. Having this flexibility has enabled many families to pursue employment and educational opportunities, reunite with their friends and extended families, live in a better climate, or move out of unsafe neighborhoods. Owner participation is essential to making these opportunities a reality.

# Relationships and Responsibilities



## How to Get Involved

You may call your local PHA at any time during business hours if you are interested in the HCV program and have one or more rental units. The PHA will send you a packet of information about the HCV program and may offer to schedule an **owner orientation** for you. If you decide to participate in the program, be prepared to furnish proof of legal ownership of any unit(s) that you would like to offer; this is one of HUD's requirements.

There are five steps that lead to a lease-up in the HCV program. Let's look at each step in detail.

### Step 1: Tenant Found

A prospective tenant family may come to you with a voucher in hand, or you can list your available unit with the PHA.

- ❑ When a family is determined to be eligible for the HCV program and funding is available, the PHA issues the family a **Housing Choice Voucher**. The family receives the voucher at the tenant briefing, then they begin looking for a unit.
- ❑ If you would like to list your available units, the PHA will give your name and general information about your rental unit(s) to families who have been issued a voucher.
  - The PHA will not steer families to specific owners or rental units, but it will furnish families with information on units that are available.
  - Any interested families will then contact you for an appointment to see your unit(s).

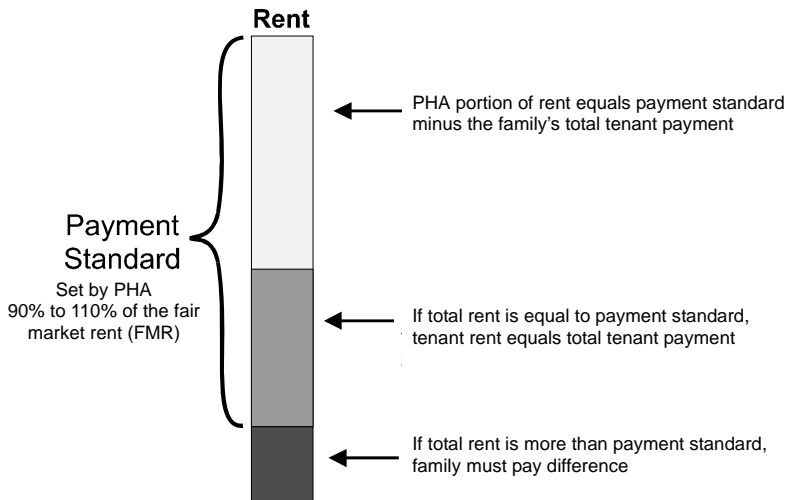
## Payment Standard

In the HCV program, the maximum amount that the PHA will pay is an amount equal to the *payment standard* minus the *total tenant payment (TTP)*.

The payment standard:

- Is established by the PHA, but must be set at an amount that is between 90% and 110% of the HUD-established *fair market rent (FMR)* for the program and the area.
- Is based on the cost of housing and utilities for your area.
- Depends on the family composition and the bedroom size of the unit.
  - For example, the payment standard is higher for families requiring 3-bedroom units than for families requiring 1-bedroom units.

## Who pays what in the Voucher Program



## Step 2: Tenant Approved by Owner

Even though a family is determined by the PHA to be eligible for the program, it is your responsibility to approve the family as a suitable renter. You should use the same diligence in screening a potential HCV tenant as you would any other tenant.

To start, ask to see his or her voucher.

### Review the Voucher

- Check the expiration date on the voucher to determine whether it is still valid. Vouchers expire on this date unless they have been extended by the PHA.
- Check the unit bedroom size on the voucher for which the family has been approved.



### Screen the Family

When you are contacted by a prospective tenant, evaluate him or her as you would any other renter. Remember, the PHA does not screen families for their suitability as renters.

- Make sure that your tenant selection standards are based on objective, business-related considerations, such as previous history of nonpayment, damage to property, or disturbance of neighbors.
- Owners must apply the same standards of tenant selection to any family that applies, whether the family is an HCV program participant or not.
  - Tenant selection cannot be based on race, color, age, religion, sex, familial status, disability, or any other discriminatory factors.

### Security Deposits

In the HCV program, you may collect a *security deposit*. The PHA has the discretion to prohibit security deposits that are in excess of either private market practice or the security deposits for your unassisted units.



## Step 3: Tenancy and Unit Approved by PHA

The PHA knows you have approved an HCV tenant when a ***Request for Tenancy Approval (RTA)*** form is submitted to it. The PHA must then approve the HUD-required ***tenancy addendum*** before the lease is signed (a copy is available in Chapter 7).

### Leasing Process

You must submit your own lease to the PHA along with the RTA form. The PHA may review the lease to make sure it does not contain any provision that conflicts with HCV program rules or state law.

The lease must include all of the following:

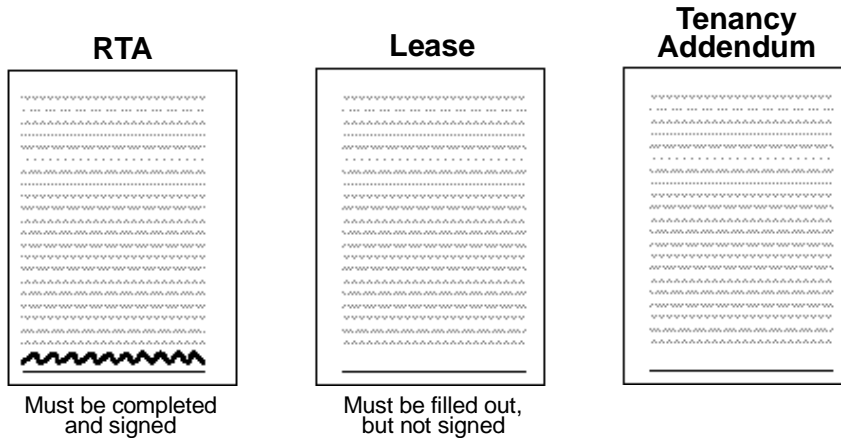
- Name of the owner
- Name of the tenant
- Unit rented (address, apartment number, and any other information needed to identify the unit)
- Term of the lease
  - Initial term
  - Provision for renewal terms
- Amount of the monthly ***rent to owner***
- Utilities and appliances to be supplied by the owner
- Utilities and appliances to be supplied by the tenant

Your lease should include the amount of the security deposit and address renewal terms, notice period for termination of tenancy, and rent increases after the initial term.

### Required Forms

The HCV participant family was given an RTA form at its tenant briefing. When you send the signed RTA to the PHA, it will be reviewed to determine if the proposed rent can be approved.

In addition to the RTA, you must also submit to the PHA your standard lease for unassisted tenants with the HUD-required tenancy addendum attached to it.



### Important Information About the Lease

- The HAP contract between the PHA and the owner begins on the first day of the term of the lease and ends on the last day.
- The initial term of the lease must be for at least one year unless the PHA approves a shorter term. The PHA may approve a shorter term under the following two conditions:
  - It would improve housing opportunities for the HCV tenant.
  - It is the prevailing market practice.
- The lease must comply with state and local law.

### Inspection Process

After an HCV family finds a suitable unit and the owner approves the family, the PHA needs to determine if the unit qualifies for the HCV program. This includes a ***Housing Quality Standards (HQS)*** inspection.

On receipt and review of the RTA, the PHA will notify you and your tenant of the date and time of the HQS inspection. You or your representative should be there.

- If the unit passes the initial inspection and the rent is reasonable, the PHA will prepare the necessary paperwork, and tenant assistance will begin.
- If the unit does not pass the initial inspection, you will be given a reasonable time period to correct any items that failed.

### Meeting HQS

The unit must meet HUD's minimum HQS before the PHA can make payments to you on behalf of a tenant family. These standards have been implemented by HUD nationwide to ensure that all assisted units meet minimum health and safety standards.

The HUD booklet *A Good Place to Live!* describes the general aspects of a unit that must be inspected for compliance with HQS. Your PHA representative can provide you with much more detailed information about additional standards that may be required under local code.



### Preparing the Unit for Inspection

- Review the information on HQS as you evaluate your rental unit.
- Try to correct any HQS violations before the inspection.
- Make sure that at the time of the inspection the unit is “move-in” ready. (This prevents delays in beginning the HCV tenant’s rental assistance.)
- If the family is already in the unit, go over the checklist with them to ensure that the unit will meet HQS requirements.

### Participating in the Inspection

You and the HCV family will receive written notification of the date and time of the unit inspection. If you have ever had to have a housing inspection to get a mortgage, many of the items are similar.

- Take advantage of this opportunity to meet the HQS inspector and discuss the various aspects of the inspection.
- Learn more about HQS so that you will know how best to prepare for other inspections.
- After you’ve gone through an HQS inspection, keep in mind what the inspector is looking for.