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person other than a disabled or elderly person or remaining family member, such PHA exception may not override the limitation in paragraph (b)(7) of this section.)

- (c) Effect of family unit size-maximum subsidy in voucher program. The family unit size as determined for a family under the PHA subsidy standard is used to determine the maximum rent subsidy for a family assisted in the voucher program. For a voucher tenancy, the PHA establishes payment standards by number of bedrooms. The payment standard for a family shall be the lower of:
- (1) The payment standard amount for the family unit size; or
- (2) The payment standard amount for the unit size of the unit rented by the family.
- (3) Voucher program. For a voucher tenancy, the PHA establishes payment standards by number of bedrooms. The payment standards for the family must be the lower of:
- $\left(i\right)$ The payment standards for the family unit size; or
- (ii) The payment standard for the unit size rented by the family.
- (d) Size of unit occupied by family. (1) The family may lease an otherwise acceptable dwelling unit with fewer bedrooms than the family unit size. However, the dwelling unit must meet the applicable HQS space requirements.
- (2) The family may lease an otherwise acceptable dwelling unit with more bedrooms than the family unit size.

[60 FR 34695, July 3, 1995, as amended at 63 FR 23861, Apr. 30, 1998; 64 FR 26646, May 14, 1999]

§ 982.403 Terminating HAP contract when unit is too small.

- (a) Violation of HQS space standards.
 (1) If the PHA determines that a unit does not meet the HQS space standards because of an increase in family size or a change in family composition, the PHA must issue the family a new voucher, and the family and PHA must try to find an acceptable unit as soon as possible.
- (2) If an acceptable unit is available for rental by the family, the PHA must terminate the HAP contract in accordance with its terms.

- (b) Certificate program only—Subsidy too big for family size. (1) Paragraph (b) of this section applies to the tenant-based certificate program.
- (2) The PHA must issue the family a new voucher, and the family and PHA must try to find an acceptable unit as soon as possible if:
- (i) The family is residing in a dwelling unit with a larger number of bedrooms than appropriate for the family unit size under the PHA subsidy standards: and
- (ii) The gross rent for the unit (sum of the contract rent plus any utility allowance for the unit size leased) exceeds the FMR/exception rent limit for the family unit size under the PHA subsidy standards.
- (3) The PHA must notify the family that exceptions to the subsidy standards may be granted, and the circumstances in which the grant of an exception will be considered by the PHA.
- (4) If an acceptable unit is available for rental by the family, the PHA must terminate the HAP contract in accordance with its terms.
- (c) Termination. When the PHA terminates the HAP contract under paragraph (a) of this section:
- (1) The PHA must notify the family and the owner of the termination; and
- (2) The HAP contract terminates at the end of the calendar month that follows the calendar month in which the PHA gives such notice to the owner.
- (3) The family may move to a new unit in accordance with §982.314.

(Approved by the Office of Management and Budget under control number 2577–0169)

[60 FR 34695, July 3, 1995, as amended at 60 FR 45661, Sept. 1, 1995; 64 FR 26647, May 14, 1999]

§ 982.404 Maintenance: Owner and family responsibility; PHA remedies.

- (a) Owner obligation. (1) The owner must maintain the unit in accordance with HQS.
- (2) If the owner fails to maintain the dwelling unit in accordance with HQS, the PHA must take prompt and vigorous action to enforce the owner obligations. PHA remedies for such breach