



Housing Choice Voucher E-Newsletter

March 2012 | Volume 3, Issue 1



<http://www.hud.gov/offices/pih/programs/hcv/>

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Non-Elderly Disabled (NED) Vouchers and the Recent Guidance from HUD

NED vouchers are special purpose vouchers specifically designed to assist non-elderly persons with disabilities. These vouchers have been issued under several different special voucher types beginning in 1997. HUD has awarded thousands of NED vouchers over the years through various Notice of Funding Availability (NOFA). In October 2010, 4,321 vouchers were awarded to 46 PHAs as Category 1 vouchers for non-elderly disabled persons or families with disabilities to remain housed in the community. In January of 2011, 948 vouchers were awarded to 28 PHAs under Category 2 vouchers to help non-elderly disabled move from nursing homes or healthcare facilities to the private housing market.

Over the years tracking these special purpose vouchers and issuance of these vouchers was never contained in one notice establishing policies and procedures. Therefore, HUD recently issued PIH 2011-32 "Policies and Procedures for Special Purpose Housing Choice Vouchers for Non-Elderly Disabled Families and Other special Populations," on June 14, 2011, to establish policies and procedures for tracking, monitoring and issuing Housing Choice Vouchers (HCV) awarded under a NOFA for NED families. As the notice outlines, all vouchers issued since 1997 for non-elderly disabled families "must be reestablished and maintained as NED vouchers." PHAs have twelve months to reestablish their baseline number of NED vouchers. To expedite the process, PHAs may code the vouchers of current participants who meet the definition of NED family, or issue vouchers to non-elderly disabled families on their HCV waiting list. HUD makes it clear in this notice that NED vouchers must be reissued to non-elderly disabled families only upon turnover. PHAs that cannot maintain baseline number of NED families will have to open their waiting lists to the non-elderly disabled population.

Other policies and procedures addressed in this Notice include funding shortfalls, PIC reporting, VMS reporting, renewal funding and reasonable accommodations.

HUD has a comprehensive website devoted to NED vouchers. Information included on the website consists of:

- A List of PHAs that have received funding for NED vouchers since 1997
- Relevant Notices pertaining to NED vouchers
- NED NOFA information
- NED Frequently Asked Questions (FAQs)
- NED Category 2 Resources
- HUD forms and guidance
- HCV program regulations

For additional information go to: <http://1.usa.gov/sNVTqh> and <http://1.usa.gov/yOX5zt>.

HUD Issues Homeownership Option 10-Year Exclusion Guidance

HUD issued PIH 2012-3 "Housing Choice Voucher-Homeownership Option 10 Year Asset Exclusion," on January 27, 2012, as a reminder to PHAs to exclude from assets a home purchased with voucher assistance for the first 10 years after the purchase date. However, after the 10 years the value of the home is included in the net family assets.

Generally equity in a home is counted when determining net family assets. However, when HUD issued the proposed rule on homeownership, comments were received expressing concerns that immediately including the asset value could deter a family's success in the homeownership program. Therefore, HUD revised the regulations found at 24 CFR 5.603(b) by adding an exemption for a home being purchased under the Section 8 Homeownership program for the first ten years. This Notice serves as a reminder to recipients and PHAs that in the eleventh year, the equity in real property is included in total assets.

Equity is derived by determining market value and subtracting this from any outstanding loan or mortgage balance. The Notice breaks down how to determine market value, loan or mortgage balance, and cash value of an asset.

Market value can be determined in various ways including reviewing comparable sales in the area, reviewing online resources such as <http://zillow.com>, or reviewing local assessments or the most recent tax assessor's determination on the market value of the home. A PHA is reminded in this Notice to be consistent in any market value approach and include this method in the Administrative Plan.

When determining the loan balance, a PHA should look at the most recent monthly mortgage statement; the PHA may rely upon the loan balance in lieu of an actual payoff amount for calculating asset value. Another factor that must be considered when determining value of an asset is to determine the cost to convert the asset to cash. This cost must be deducted from the equity valuation. The PHA may use a flat percentage of up to 10% of the value of the asset as a cost to convert to cash, in lieu of calculating actual costs.

For additional information: <http://1.usa.gov/uBAGLE>

PIH Notices

PIH 2011-62, "Extension of Cost-Test and Market Analyses Guidelines for the Voluntary Conversion of Public Housing Units Pursuant to 24 CFR Part 972" issued November 2, 2011. This notice indefinitely extends PIH 2008-35, same subject, previously extended for one-year periods by PIH 2009-42 and PIH 2010-48. The notice provides guidance to PHAs on preparing the market analyses for public housing property proposed for voluntary conversion to tenant-based assistance under 24 C.F.R. § 972.218(b). The market analysis evaluates recapitalization options, including how rehabilitation and the proposed future use of the property as public, assisted or market-rate may affect values.

PIH 2011-65, "Timely Reporting Requirements of the Family Report (form HUD-50058 and form HUD- 50058 MTW) into the Public and Indian Housing Information Center" issued November 30, 2011. The purpose of this notice is to extend Notice PIH 2010-25 which established timeframes for timely reporting of the Family Report (form HUD-50058) into the Public and Indian Housing Information Center (PIC), explained PIC modifications and clarified Family Self-Sufficiency (FSS) reporting requirements. The Department places great importance on the data it receives from PIC. The Department relies on PHAs to submit accurate, complete and timely data to administer, monitor and report on the management of its rental assistance programs. In order to fully justify its budget requests to Congress, the Department needs full cooperation from all PHAs in meeting their reporting requirements in a timely manner. This notice applies to PHAs administering Housing Choice Voucher (HCV) programs (including the project-based certificate, project-based voucher and homeownership programs), the Section 8 Moderate Rehabilitation (MR) program, the Public Housing (PH) program and the MTW program.

PIH 2011-66, "Terminal Guidance on Disaster Housing Assistance Program - Ike (DHAPIke) and Extension Operating Requirements" issued December 7, 2011. This Notice serves to provide Public Housing Agencies (PHAs) with updated information on the most current extension of the DHAP- Ike program. Modifications have been made which will change the PHAs' administration of the program. The information provided in this notice will supersede the guidance provided in the following notices: PIH 2008-38, PIH 2008-45, PIH 2010-22, and PIH 2011-35. This Notice also sets forth amendments to the Extension Operating Requirements, which establish the policies and procedures for the October 2011 DHAP-Ike Extension. The DHAP-Ike is a HUD-FEMA initiative to provide monthly rental assistance, service connections, security deposit and utility deposit assistance for eligible families displaced from their homes by Hurricanes Gustav or Ike. The program was scheduled to end on September 30, 2011, but was extended for the final time with an absolute termination date no later than January 31, 2012.

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PIH 2011-67, “Implementation of New Cash Management Requirements for the Housing Choice Voucher Program” issued December 9, 2011. This Notice announces the implementation of new cash management requirements and procedures for the disbursement by HUD of Housing Assistance Payments (HAP) funds provided to public housing agencies (PHA) under the Housing Choice Voucher (HCV) program. The cash management procedures outlined by this notice will mitigate PHA accumulation of NRA funds, reduce Treasury outlays by timing the disbursements based on actual need, and facilitate a more efficient and timely method by which to account for PHA program reserves.

PIH 2011-68, “Extension of Notice 2010-49: Protecting Tenants at Foreclosure Act – Guidance on New Tenant Protections” issued December 16, 2011. This Notice reinstates Notice PIH 2010-49, which expired on December 31, 2011. Procedures contained within PIH Notice 2010-49 remain in effect until the statutory provisions sunset on December 31, 2014.

PIH 2012-1, “Income Exclusion of Kinship, Kin-GAP and Other Guardianship Care Payments” issued January 6, 2012. This notice supersedes notices PIH-2008-30 and 2008-40 and clarifies the treatment of income received from Kinship Guardian Assistance Payments (Kin-GAP), kinship care payments, and other guardianship care payments pursuant to 24 CFR § 5.609(c) (2). The Department determined that kinship care, Kin-GAP, and similar programs funded by states serve as an alternative to foster care placements and that the compensation to participating relatives or legal guardians is comparable to the compensation to foster care parents. Payments for the care of foster children (including foster adults) are exempt from income. Thus, during annual and/or interim reexamination of family income pursuant to 24 CFR § 960.257 for public housing and 24 CFR § 982.516 for Section 8 programs, kinship, Kin-GAP and similar state guardianship care payments are to be excluded from a household’s income under 24 CFR § 5.609(c)(2).

PIH 2012-3, “Housing Choice Voucher – Homeownership Option 10 Year Asset Exclusion” issued January 27, 2012. The purpose of this Notice is to remind Public Housing Agencies (PHA) of the regulatory provision regarding how the value of a home purchased under the Housing Choice Voucher (HCV) homeownership option (24 CFR 982 Subpart M) is treated for the purpose of determining the family’s annual income. The rule (24 CFR 5.603(b) Net Family Assets. (4)) exempts the home purchased with voucher assistance from being counted as an asset for the first 10 years after the closing date. HUD issued the final rule on September 12, 2000. PHAs and industry professionals need to be aware that the exemption terminates after a family’s 10th year of participation in the program. The Notice provides guidance on including the value of the home in “net family assets” starting in the eleventh year following the purchase of the home. The Notice also establishes safe harbors that a PHA may rely upon to determine the cash value of real estate purchased under the homeownership option.

PIH 2012-4, “Effective Use of the Enterprise Income Verification (EIV) System’s Deceased Tenants Report to Reduce Subsidy Payment & Administrative Errors” issued January, 1 2012. This notice explains the procedures Public Housing Agencies (PHAs) are required to implement to deal with families with deceased household members. The implementation of the procedures outlined in this notice will ensure that PHAs successfully submit accurate data to HUD via the Public and Indian Housing Information Center (PIC) and that PHAs do not make subsidy overpayments on behalf of deceased single member households. Where overpayments have been made, the PHA will recoup the overpayment from the landlord/owner of the rental property under the programs noted in Section 2 of this notice, with the exception of the Public Housing program. This notice supersedes PIH Notices 2010-50 and 2010-09.

HUD’s PIH Notices can be viewed online at: <http://1.usa.gov/uBAGLE>

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