



## HOUSING CHOICE VOUCHER PROGRAM



### FREQUENTLY ASKED QUESTIONS FOR OWNERS OF RENTAL PROPERTIES

**What is the Housing Choice Voucher Program?** The US Department of Housing and Urban Development (HUD) provides rent subsidies to eligible low-income individuals and families in the form of *Housing Choice (Section 8) Vouchers*. Under contract with HUD, the Housing Authority of the City of Old Town (HACOT) provides Housing Choice Voucher subsidies to eligible families in Old Town and within a ten-mile radius of Old Town. HACOT is responsible for determining applicant and tenant income eligibility, inspecting rental units to ensure HUD's *Housing Quality Standards* (HQS) are met, and negotiating fair and reasonable rents that reflect the local housing market.

**Is there a limit on how much rent I can charge in the program?** There is no limit on how much you can request for your unit, but there is a limit on how much a household can spend on its rent. To determine how much a voucher holder can pay for rent, HACOT uses HUD's Fair Market Rents (FMR) for units of that size in the area. HACOT applies a Payment Standard between 90-110% to the FMR to determine the rental range for each unit size. Families can rent a unit with a higher cost than the Payment Standard. They will be responsible for 30% of their income plus the difference between the payment standard and the actual rent. The total rental amount must be within 40% of their adjusted monthly income.

**What are the requirements for my unit to be rented to an assisted family?** 1. The unit must meet HUD *Housing Quality Standards*; 2. The rent must meet rent reasonableness guidelines; and 3. Initially, the family cannot pay more than 40% of their monthly-adjusted income for housing costs (therefore, income of the prospective tenant must be calculated before a rental unit can be approved).

**How do I make a unit available to Housing Choice Voucher holders?** Contact HACOT and they will let voucher holders know of the available unit. You may also advertise in the newspaper with a phrase "will accept Housing Choice Vouchers." Families look for those listings.

**What do I do when a voucher holder is interested in my unit?** The selection of a family for participation in our program does not mean that HACOT has screened the tenant's suitability for tenancy. Choice of tenant remains with the owner/landlord. You are encouraged to consider a family's background with respect to such factors as:

- Payment of rent and utility bills (keep in mind that the tenant's subsidy may improve that picture)
- Caring for a unit or premises
- Respecting the rights of others to the peaceful enjoyment of their housing
- Drug related criminal activity or other criminal activity that is a threat to the life, safety or property of others
- Compliance with other essential conditions of tenancy.

HACOT can give you the family's current address, their current landlord's name and address and the name and address of the previous owner, when requested. HACOT's policy under HUD guidelines does not allow us to supply any further information.

**What do I do once I've selected a Housing Choice Voucher holder to be a tenant?** When you have selected a tenant, they will have a "*Request For Lease Approval*" with attachments for you to complete. When the tenant submits the form to HACOT, the HQS Inspector will contact you to arrange an inspection of the unit.

*Inspection:* The unit will be inspected to ensure that it meets HUD's Housing Quality Standards. You will be mailed a letter detailing any repairs that need to be made, if any.

*Security Deposit:* The property owner may collect a security deposit in accordance with Maine State law. The amount cannot exceed the amounts charged to other unassisted tenants.

**What kind of paperwork is involved?** Three agreements are made – the *Lease, Lease Addendum and Contract*. After the unit passes inspection and the rent has been approved, the landlord and tenant enter into a lease (provided by the landlord) with an initial term of one year. The Lease should detail the specific roles each will be responsible for throughout the rental agreement; HACOT attaches an Addendum to the Lease. At the same time, HACOT and the Landlord enter into a Housing Assistance Payments (HAP) Contract that allows the PHA to make rent payments on behalf of the family. If the family moves out of the unit, the contract between the PHA and the owner ends. After the first year of the lease, the lease may self-renew based on the terms as stipulated in the lease or a new lease can be signed. Requests for rent increases after the initial term must be made in writing to HACOT in accordance with the Lease Addendum.

**When do I get paid?** Housing assistance payments are mailed on the first working day of each month for that month's rent. Due to the processing of paperwork, the first check from HACOT usually is mailed one to two weeks after the tenant moves into the unit and the Lease, Addendum and HAP Contract have been signed.

**Can I terminate the tenancy of a Housing Choice Voucher program participant?** Yes, you have the same rights with Housing Choice Participants that you have with any other tenants. If a tenant is late paying their rent or violating the lease in other ways, you may notify HACOT and we will contact the family to assist in resolving the issue. However, The tenant has the responsibility to live up to his/her duties as spelled out in the lease, and you have the right to evict a tenant if he/she violates the lease. Evicting a voucher holder follows the same procedure as evicting any other tenant. You should, however, inform the PHA when beginning eviction proceedings against a tenant. However, any eviction notice must be issued in accordance with the lease and State and local law. During the first year, you must have "Good Cause" to terminate the lease. Following the first year, cause is not necessary. You provide a copy of any eviction notice to the Housing Authority the same time you notify the tenant.

**What protection do I have if a tenant damages the unit?** Your protection is your security deposit. The Housing Choice program provides no additional monetary protection. Landlords accepting voucher holders are encouraged to get a full month's rent for security deposit from the tenant (not just the tenant's share of the rent).

**What are my rights and responsibilities as a landlord?**

*As an owner, you have the right to expect your tenant to:*

- Pay rent on time
- Keep the unit clean
- Avoid illegal activity
- Permit access for repairs (after notification)
- Avoid damage to the property
- Refrain from disturbing others
- Report income changes (decrease in income of tenant results in a higher subsidy payment from HACOT).

**As an owner, you have the responsibility to:**

- Allow only those occupants on the lease to reside in the unit
- Maintain your property in good condition
- Complete repairs within 30 days upon request by HACOT or the tenant (within 24 hours for "life safety" HQS failures)
- Collect appropriate security deposits as directed under Maine State law
- Enforce tenant obligations under the lease
- Comply with the terms of the lease and the HAP contract
- Take action through the court to evict when the tenant violates the lease
- Not receive any amount of money from the tenant in excess of the rent stated on the lease and contract
- Notify HACOT if a tenant vacates their unit.

**What are the benefits of renting to a voucher holder?** When you rent to a participant in the Housing Choice Voucher program, there is an added level of assurance. When a family is in good standing, you are guaranteed the HUD portion of the rent on a timely basis each and every month.

If you would like more information about participating in the Housing Choice Voucher Program, please contact us.