



Legislation Details (With Text)

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Resolution to Approve Amendment to the Housing Choice Voucher Administrative Plan Regarding Deferral of Repayment Agreements Payments

HUD provides the primary source of Housing Authority policy through federal regulations, HUD Notices and Handbooks. Compliance with federal regulations, current HUD Notices and HUD Handbooks is mandatory and HUD also allows local programs the flexibility to adopt policies in specified areas. HUD requires all Housing Authorities to adopt an Administrative Plan for the Voucher Program which includes all of the required and optional program policies.

The AAHC allows tenants to sign a repayment agreement if they owe the AAHC money. Typically in the voucher program, money is owed when there is unreported income that is discovered during an annual income certification. When income is unreported, the AAHC must adjust retroactively the amount of rent the tenant should have paid. Sometimes, this is a large amount that the tenant is unable to pay in a lump sum and so they request to pay it over time, through a repayment agreement.

AAHC staff recommend adding a section to the Administrative Plan allowing the tenant to request a short-term (up to 90 days) payment deferral to their repayment agreement by adding the following language to Section 16.IV.B:

*The Voucher Program Manager may approve a temporary (up to 3 months) deferral of the monthly payment for participants who experience a hardship (such as loss of income or a medical situation), provided that the participant requests a hardship in writing, at least 10 days prior to their payment due date, provides verification of the hardship, and has been in compliance with the terms of the agreement up until the hardship. The change in monthly payment shall be made an attachment to the*

*payment agreement and shall be signed by the Voucher Program Manager and the participant(s). The term of the payment agreement shall be lengthened accordingly.*

Prepared by Weneshia Brand, Housing Choice Voucher Manager  
Approved by Jennifer Hall, Executive Director

WHEREAS, the Ann Arbor Housing Commission's Administrative Plan includes policies related to tenants requesting a repayment agreement for money that is owed to the AAHC; and

WHEREAS, Tenants occasionally have a hardship during their repayment agreement period and the Administrative Plan currently does not allow for a hardship exemption; and

WHEREAS, Following is the current section of the Administrative Plan related to Repayment Agreements; and

#### **16-IV.B. REPAYMENT POLICY:**

##### **Payment Thresholds**

Notice PIH 2010-19 recommends that the total amount that a family must pay each month-the family's monthly share of rent plus the monthly debt repayment amount-should not exceed 40 percent of the family's monthly adjusted income. However, a family may already be paying 40 per cent or more of its monthly adjusted income in rent. Moreover, Notice PIH 2010-19 acknowledges that PHAs have the discretion to establish "thresholds and policies" for repayment agreements with families [24 CFR 982.552(c)(1)(vii)].

##### PHA Policy

The PHA has established the following thresholds for repayment of debts:

Amounts between \$3,000 and the federal or state threshold for criminal prosecution must be repaid within 36 months.

Amounts between \$2,000 and \$2,999 must be repaid within 30 months.

Amounts between \$1,000 and \$1,999 must be repaid within 24 months.

Amounts under \$1,000 must be repaid within 12 months.

Amounts under \$500 must be repaid within 3 months.

Amounts under \$250 must be repaid within 2 months. Amounts under \$50 within 30 days.

If a family can provide evidence satisfactory to the PHA that the threshold applicable to the family's debt would impose an undue hardship, the PHA may, in its sole discretion, determine that a lower monthly payment amount is reasonable. However, all debts must be paid within 60 months. In making its determination, the PHA will consider all relevant information, including the following:

The amount owed by the family to the PHA

The reason for the debt, including whether the debt was the result of family action/inaction or circumstances beyond the family's control

The family's current and potential income and expenses

The family's current family share, as calculated under 24 CFR 982.515

The family's history of meeting its financial responsibilities

WHEREAS, the adding the following language will enable a family to request a temporary payment deferral for a repayment agreement:

*The Voucher Program Manager may approve a temporary (up to 3 months) deferral of the monthly payment for participants who experience a hardship (such as loss of income or a medical situation), provided that the participant requests a hardship in writing, at least 10 days prior to their payment due date, provides verification of the hardship, and has been in compliance with the terms of the agreement up until the hardship. The change in monthly payment shall be made an attachment to the payment agreement and shall be signed by the Voucher Program Manager and the participant(s). The term of the payment agreement shall be lengthened accordingly.*

RESOLVED, that the Ann Arbor Housing Commission Board approve the Housing Choice Voucher Administrative Plan to incorporate the recommended language above regarding hardship exemptions for repayment agreements, which will be effective February 1, 2018.