



## Legislation Details (With Text)

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8/21/2019	1	Housing Commission	Approved by the Commission	Pass

Resolution to Amend the Administrative Plan Regarding Chapter 16 Repayment Policy

### Chapter 16: PROGRAM ADMINISTRATION PART IV: OWNER OR FAMILY DEBTS TO THE PHA 16-IV.B. REPAYMENT POLICY

#### Current Administrative Plan

##### 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)].

##### AAHC Current 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. 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

### **Interruption of Monthly Payment**

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.

## **Proposed PHA Additional Policy**

### **Adjustments in Monthly Payment**

The Voucher Program Manager may redetermine the monthly payment amount for approved hardship cases, the maximum repayment agreement cannot exceed sixty months. 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. In making its determination, the PHA shall 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.

The terms of the repayment agreement may be re-determined at the discretion of the PHA, under the following conditions:

- The family income increases or decreases

- The family violates the terms of the repayment agreement

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Approved by: Jennifer Hall, Executive Director

WHEREAS, The Ann Arbor Housing Commission's Housing Choice Voucher Administrative Plan details its policies and procedures for the management of its Housing Choice Voucher (HCV) Program; and

WHEREAS, The AAHC has a repayment agreement policy for households who must repay the AAHC due to overpayment of HAP, which sometimes can cause a hardship for tenants due to family circumstances: and

WHEREAS, The AAHC recommends that the board amend the Administrative Plan to allow repayment agreements for up to 60 months, at the discretion of the AAHC; and

RESOLVED, that the Board of the Ann Arbor Housing Commission approve the revisions to the Administrative Plan as described in the memorandum above to take effect on September 1, 2019.