

**COLORADO DIVISION OF HOUSING  
CONTRACTOR ADMINISTRATIVE PLAN**

**HOUSING CHOICE VOUCHER PROGRAMS  
(AKA SECTION 8 PROGRAMS)**



**REVISION EFFECTIVE: October 1, 2008**

**COLORADO DIVISION OF HOUSING**  
**PUBLIC HOUSING AGENCY'S ADMINISTRATIVE PLAN**  
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## **1. STATEMENT OF POLICIES AND OBJECTIVES**

The Housing Choice Voucher Program of the Colorado Division of Housing (CDOH) serves metro and non-metropolitan areas of the State that are currently underserved by rental assistance programs. CDOH contracts for direct services with a number of local agencies, many of which are small housing authorities, non-profits and council of governments (hereinafter referred to as *Contractors*). Although CDOH's Voucher Program is managed by Contractors at a local level, CDOH retains total responsibility for compliance with statutory and regulatory requirements.

The Voucher Program was enacted as part of the Housing and Community Development Act of 1974, which re-codified the U.S. Housing Act of 1937 (the Act) and included Vouchers as a substitute for the Section 23 Leased Housing Program. The Act has been amended from time to time and its requirements, are described in and implemented through this Administrative Plan (hereinafter *the Plan*).

Administration of the Voucher Rental Assistance Program, and the functions and responsibilities of the PHA staff and its Contractors, shall be in compliance with the PHA Personnel Policy, its Equal Housing Opportunity Plan, and HUD's Voucher Regulations and Existing Operations/Procedures Handbook (7420.7), where applicable, as well as all Federal, State and local Fair Housing Laws and Regulations.

### **A. PURPOSE OF THE PLAN**

The overall plan for the Voucher Rental Assistance Program is designed to achieve four major objectives:

1. To provide improved living conditions for very low-income families while maintaining their rent payments at an affordable level.
2. To promote freedom of housing choice and spatial de-concentration of very low income and minority families.
3. To provide decent, safe and sanitary housing for eligible participants.
4. To provide an incentive to private property Landlords to rent to very low-income families by offering timely assistance payments.

The purpose of the Plan is to establish policies for carrying out the local Rental Assistance and Housing Voucher Programs in a manner which is consistent with HUD requirements but is not a mere restatement of HUD-mandated policies and procedures.

The Plan covers both admission and continued participation in these programs. Policies are the same for both programs, unless otherwise noted.

Changes to the Plan will be approved by the State Housing Board of the PHA and submitted to the Department of Housing and Urban Development (HUD).

The PHA is responsible for complying with all subsequent changes in HUD regulations pertaining to these programs. If such changes conflict with this Plan, HUD regulations will have precedence.

### **B. FAIR HOUSING POLICY**

It is the policy of the PHA and its Contractors to comply fully with all federal, State, and local nondiscrimination laws and in accordance with the rules and regulations governing Fair Housing and Equal Opportunity in housing and employment.

Specifically, the PHA and its Contractors shall not deny any family or individual the opportunity to apply for or receive assistance under HUD's Housing Choice Voucher Program on account of race, color, sex, religion, creed, national or ethnic origin, age, family or marital status, or disability.

To further its commitment to full compliance with applicable Civil Rights laws, the PHA and its Contractors will provide federal, State, and local information to Housing Voucher holders regarding discrimination and any recourse available to them should they feel they have been the victim of discrimination. This information shall be made available during the family briefing session and all

applicable Fair Housing Information and Discrimination Complaint Forms will be made a part of the Housing Voucher holder's briefing packet.

Posters and housing information, which are easily readable from a wheelchair, are provided in locations throughout the Contractor's office. Except as otherwise provided in 24 CFR 8.21(c)(1), 8.24(a), 8.25, and 8.31, no qualified individual with disabilities shall, because the housing agency's facilities are inaccessible to or unusable by persons with disabilities, be denied the benefits, be excluded from participation in, or otherwise be subjected to discrimination under any program or activity that receives Federal financial assistance.

The PHA central office, located at 1313 Sherman Street, Room 518, Denver, CO 80203, is accessible. The TTD/TDY telephone number, (303) 866-5300, is accessible for the hearing impaired.

In addition, all PHA Contractors are required to utilize the Colorado Relay Service, a TDD service for those individuals with hearing and speech disabilities, at 1-866-327-8877.

In compliance with Section 147 of the National Affordable Housing Act, no owner who has entered into a contract for housing assistance payments under this section on behalf of any tenant in a multifamily housing project shall refuse to lease any available dwelling unit in any multifamily housing project for an amount greater than the market rent for a comparable unit to a Housing Voucher holder because of their status as a Housing Voucher holder;

For purposes of this section, the term *multifamily housing project* means a residential building containing more than four dwelling units.

#### **C. PRIVACY RIGHTS**

Applicants will be required to sign the *Federal Privacy Act Statement* and *HUD Authorization for Release of Information, Form 9886*, and *Form 9886-A* in conjunction with the *50058 Form* which states under which conditions HUD will release tenant and owner information.

The PHA policy regarding release of information is in accordance with these documents. Requests for information must be accompanied by a written release request in order for the PHA or its Contractors to release any information involving an applicant or participant, unless disclosure is authorized under Federal or State law.

#### **D. STATEMENT OF LOCAL OBJECTIVES**

There is an undeniable need for affordable rental housing for very low-income households within the jurisdiction of the PHA, as evidenced by waiting lists for various housing assistance programs. There is also a need for decent, safe and sanitary housing units available for program participants. There is not an abundance of affordable housing for extremely low and very low income households within the jurisdiction without the availability of subsidy.

CDOH has established realistic and attainable goals to ensure that the families who need rental assistance and are able to access the opportunity to move to better quality affordable housing. In establishing CDOH's goals, the PHA also has given special consideration to the likely availability of existing housing. The strategy is to attain these goals in the simplest manner possible, at the least expense, while complying with the Voucher requirements and regulations.

#### **E. RULES AND REGULATIONS**

All issues not addressed in this document related to tenants and participants are guided by HUD Handbook 7420.7, where applicable, Federal regulations, HUD Memos and Notices, and guidelines or other applicable law.

#### **F. REFERENCE**

The **Housing Agency of the State of Colorado** is referred to as "PHA" or "Housing Authority" throughout this document. The local administering agencies are referred to as "Contractors".

## **2. ABOUT THE AUTHORITY**

The Colorado Housing Act of 1970 created the Colorado Division of Housing. On February 1, 1983, the PHA entered into an Annual Contributions Contract with HUD and received its first allocation of Voucher Existing Housing units. Currently the PHA partners with 40 housing agencies to carry out its mission.

### **A. ORGANIZATIONAL SETUP**

Under the direction of the Colorado State Housing Board and the Director of CDOH, the PHA administers the Voucher program's day-to-day operations.

The staffing information contained in this section includes only those positions directly responsible for the Program at the State level. The PHA receives input from the State of Colorado Comprehensive Plan, which provides the guidelines for development of the PHA objectives. The PHA and its Contractors are charged with the full responsibility of administering the various housing rental subsidy programs.

The PHA staff is responsible for administering the Voucher Rental Assistance Program beginning with responding to HUD's Notice of Fund Availability (NOFA), through training Contractors to successfully administer the program, and to payment of housing assistance payments to Landlords throughout the state.

The following are the job descriptions of PHA staff:

#### Executive Director

The Director of the Colorado Division of Housing serves as the Executive Director of the State of Colorado PHA.

#### Program Manager

The Program Manager (PM) is responsible for contracting with local agencies for delivery of the program services and fiscal year activities. The PM is also responsible for the overall coordination of the Program and the development of necessary agreements between participating local agencies. In addition, the PM will establish and maintain effective contact with groups or individuals representing program-related interests and be responsible for the general program management, develop program materials and disseminate information to local agencies, supervise day-to-day activities of the PHA staff, and develop training sessions for the Contractors in the regulatory requirements that accompany agency responsibilities.

#### Asset Managers

The Asset Managers (AMs) are responsible for programmatic monitoring of the Contractors both in Voucher Program compliance and Housing Quality Standards. In addition, the AMs provide guidance to new and existing housing agencies in establishing Voucher Program rental assistance and Family Self Sufficiency programs, and provide technical assistance to Contractors concerning family moves, tenant/Landlord relations, re-certification, terminations, and income or other income adjustments.

#### Financial Administrative Assistants

The Financial Administrative Assistants (FAAs) are responsible for the financial portion of the program, daily data entry, filing, and preparation of electronic and paper payment vouchers. The AA functions as the primary telephone contact regarding check status inquiries.



Activities of this PHA include:

- Update Program descriptions
- Determine applicant preferences
- Prepare funding applications
- Set policy and procedures
- Inspect 5 percent of the subsidized units
- Determine applicant eligibility
- Develop and revise housing forms
- Develop Annual Agency Plan
- Develop Contractor Administrative Plan
- Develop and annual budgets on Mainstream Program and Mod Rehab
- Correct submission errors according to HUD timelines
- Track program compliance on repayment agreements
- Submit Homeownership reports to HUD
- Promote program marketing
- Provide training and technical assistance to contractors
- Pay administrative fees to Contractors
- Monitor Program Tenant files
- Send payments to Landlords
- Control and monitor program allocations
- Enter family statistical information in ECS database
- Upload data to HUD Public Information Center (PIC)
- Upload quarterly financial information to REAC
- Annually submit SEMAP report to HUD
- Undergo HUD Audits for program compliance
- Submit FSS Grant to grants.gov to obtain continued funding
- Submit D-HAP reports to HUD

Activities of the Contractor include:

- Conduct initial marketing and Program outreach
- Perform initial certification
- Issue Housing Vouchers
- Process requests for lease approval
- Negotiate rents and preparing contact documents
- Monitor applicants in location suitable housing
- Attend Annual Contractor's Meeting
- Perform annual re-certification of participant income, HQS inspection of units, and renegotiation of rents
- Contribute input for the preparation of policies and procedures
- Conduct informal reviews and hearings
- Maintain active leases
- Conduct unit inspections
- Conduct individual/group briefings
- Provide notification to applicants
- Provide notification to applicants
- Determine applicant preferences

Administrative Fees

On-going administrative fees for the Voucher Rental Assistance Program are calculated in the following manner:

**Housing Choice Voucher Fee.**

Contractor shall earn a monthly administrative fee, established by CDOH, for each voucher leased on the first day of the month. This fee will be reviewed annually to determine whether an increase in fee can be provided to the contractor. This determination will be made based on the HUD fees received by CDOH.

**Portable Voucher Fee.** Contractor shall earn fifty percent (50%) of the administrative fee received by CDOH for each incoming portable unit in which CDOH bills another housing authority.  
**Homeownership Fee.** Contractor shall earn a one-time fee of \$500.00 for every voucher holder that becomes a participant in the HCV Homeownership Program.

**Family Self-Sufficiency (FSS) Coordinator Fee.** Contractor shall receive an annual administrative fee established by CDOH, based on the number of families participating in the FSS program.

**Disaster Housing Assistance Fee.** Contractor shall earn a one-time fee of \$500.00 for each new participant in the Disaster HAP Program. The Contractor shall also earn a monthly administrative to be determined by CDOH and a case management fee determined by HUD.

## B. DESCRIPTION OF PROGRAMS OFFERED

The PHA administers the following programs:

- Voucher Housing Choice Voucher Program
- Voucher Moderate Rehabilitation Program
- Family Self-Sufficiency
- HOME Program Tenant Based Rental Assistance Program

## C. LEGAL JURISDICTION

The Colorado Division of Housing (CDOH) is a Public Housing Agency. The CDOH Public Housing Agency satisfies the statutory definition of a public housing agency that has been set forth in 24 CFR 982.51. The CDOH legal jurisdiction is the State of Colorado. The State of Colorado Department of Law Office of the Attorney General rendered a legal opinion regarding this on September 16, 1980. This opinion is on file at the Colorado Division of Housing.

**Colorado Revised Statutes, Part 7, Division of Housing - Colorado Housing Act of 1970, 24-32-701. Legislative declaration.** It is hereby declared that there exists in this State a need for additional adequate, safe, sanitary, and energy-efficient new and rehabilitated dwelling units; that a need exists for assistance to families in securing new or rehabilitated rental housing; and that, unless the supply of housing units is increased, a large number of residents of this State will be compelled to live under unsanitary, overcrowded, and unsafe conditions to the detriment of their health, Public Assistance, and well-being and to that of the communities of which they are a part. It is further declared that coordination among private enterprise and state and local government are essential to the provision of adequate housing, and to that end it is desirable to create a Division of Housing within the Department of Local Affairs. The general assembly further declares that the enactment of these provisions as set forth in this part 7 which are for the public and statewide interest.

### **3. OUTREACH PROCEDURES**

#### **A. FAMILY OUTREACH**

The PHA will continue to publicize and disseminate information concerning the availability and nature of new rental housing assistance. Upon execution of a contract with the PHA, Contractors will make known to the public through publication in a newspaper of general circulation, minority media, broadcasting media, and other suitable means, the availability and nature of rental housing assistance for extremely-low, and very low-income families.

The Notice must accomplish the following:

1. Advise families that applications will be taken at the designated office, including the dates and times applications will be accepted;
2. Briefly describe the Voucher rental assistance program; and
3. The Notice should run at least 3 days.  
For a sample of a notice, please contact the CDOH.

The publication shall specify the location of where applications are accepted. Generally, applications will be accepted at the Contractor's office. The Contractor may also take applications at designated outreach sites as the Contractor determines necessary to assist in special outreach efforts. The PHA and its Contractors have a system in place to assist families with disabilities. Families can contact the PHA at (303) 866-2033 or the Colorado Relay Service (A TDD service for those individuals with hearing and speech disabilities) at 1-866-327-8877 to make special arrangements to complete their application.

If the waiting list is closed and the Contractor decides to re-open the list, the Contractor will publish the application date(s) for when the waiting list is opening in the local newspaper. In addition, the Contractor contacts agencies whose clients are extremely low and very low income and flyers will be available in the front office of the Contractor.

#### **B. OUTREACH FOR FAMILY SELF-SUFFICIENCY (FSS)**

The Contractor conducts outreach to Voucher participants at each annual reexamination, through personal contact with the family, and by periodically mailing program recruitment notices. The notice will give a brief description of the program, services to be offered, and how the participant can notify the Contractor of the family's interest in the program.

#### **C. LANDLORD OUTREACH**

The PHA and its Contractors issue public invitations to Landlords on an ongoing basis as needed to make dwelling units available for leasing by eligible families in accordance with the Equal Opportunity Housing Plan.

1. The Contractor's staff will make personal contact with private Landlords, property managers, and real estate agencies to encourage their participation in making rental housing available whose rents are within reach of the subsidy restrictions for the Housing Voucher Program. Program requirements are explained, and printed material is offered to acquaint the Landlord/manager with the opportunities available under the program.
2. The Contractor shall inform the Landlords that tenant screening is the Landlord's responsibility.
3. A Landlord may request information about the prospective family from the Contractor, by submitting the request either in writing or over the telephone. The Contractor must give prospective Landlords the family's current address and, if known, the name and address of the Landlord at family's current and prior address. This information will only be provided at the time the applicant is looking for a place to live. Once a lease is signed, the Contractor will not provide this information.

## **4. APPLYING FOR ADMISSION AND MAINTAINING THE WAITING LIST**

### **A. APPLICATION INTAKE INTEGRITY**

Good interviewing skills are essential to the Housing Choice Voucher Program. The interview fulfills a twofold purpose: 1) to obtain accurate information; and 2) to ensure consistency in applicant response.

The following factors contribute to a successful interview:

- Conduct interview in person, whenever possible;
- Make the applicant feel welcome and express appreciation for them coming.
- Build rapport. Explain what you would like to accomplish.
- Make sure location is accessible to persons with disabilities;
- Create a non-threatening atmosphere by using open-ended questions: *who, what, where when, how and why*;
- Ensure a thorough response by using probing questions: *what did you mean, could you explain, help me understand*;
- Allow adequate time for the applicants time for response;
- Avoid technical language and jargon;

When conducting the interview the Contractor should cover the following:

- Request an acceptable form of legal identification;
- Explain the types of information that are needed to determine eligibility;
- Explain that information is kept strictly confidential;
- Explain that all information is required to be verified and how the information is verified;
- Provide information on the agency and it's programs;
- Discuss program requirements: let them know what will be expected of them;
- Make sure all forms are completed, signed and dated and information applies to all family members;

At the close of the interview, the Contractor shall explain the rest of the application process, including the estimated timeframe and each party's responsibility.

### **B. HOW TO APPLY**

Once received, applications are placed on a Contractor's waiting list. Depending on the demand for housing in the Contractor's jurisdiction, and the length of the waiting list, the Contractor's waiting list may be open or closed to enrollment. Any family requesting an application for Voucher rental assistance will be given the opportunity to apply for admission if the waiting list is open. If the waiting list is open, applications may be mailed or delivered to the Contractor's office during specified dates and business hours defined by the Contractor. Individuals who have a physical impairment, which would prevent them from making an application, may contact the Contractor to make special arrangements to complete their application.

When the application is received, the Contractor must review the application for completeness, then date, time-stamp, and initial the document. The application and waiting list follow this general procedure:

1. An application is taken to place the applicant on the waiting list.
2. When the applicant's name reaches the top of the waiting list, the Contractor will contact the applicant for an initial briefing, take a personal declaration from the applicant, and verify the information provided on the application and personal declaration.
3. If the applicant passes the verification process, the Contractor will contact the applicant for the Housing Voucher briefing, and the applicant will then look for housing.

### **C. OPENING/CLOSING OF WAITING LIST**

Any opening of the waiting list shall be done in accordance with the HUD requirements as outlined in 24 CFR Section 982.206, and/or any waiver to Section 982.203 that HUD may have granted for special allocations through memorandum and notice from the HUD Central Office. Any such determination by the Contractor shall be publicly announced in the same manner as provided in 24 CFR Section 982.206. The following are suggested methods for notice:

- Publish a Notice in newspaper of general circulation.
- Post a Notice in plain view in the Contractor's office.
- Publish a Notice in minority media publications in the Contractor's jurisdiction.
- Post notices in Community Centers or other areas where families may congregate.
- Advertise on the radio.

Closing the waiting list shall follow the same notice process that was used when the list was opened. A waiting list may not be closed unless there are enough Preference holders to fill the Housing Voucher openings, which are expected to occur during the next 12-month period. The waiting list may not be closed if it would have a discriminatory effect inconsistent with applicable civil rights laws.

#### **D. APPLICATION PROCEDURES**

The purpose of the application is to permit the Contractor to initially assess family eligibility, to determine placement on the waiting list, with the final eligibility determination which is based on family composition and income qualification. The application requests the following types of information:

- Name, age and gender of all household members
- Social Security numbers
- Information if Head of Household or spouse is elderly or disabled.
- Addresses and telephone numbers
- Amount and source of all income and assets
- Information related to application selection criteria

The information on the form will **not** be verified until the applicant has been selected from the waiting list for eligibility determination. Final eligibility will be determined only after all information is verified.

#### **E. NOTIFICATION OF WAITING LIST STATUS**

Based on the information from the application, the family will be informed in person or in writing if they are initially determined to be eligible for the program. If the applicant is determined to be ineligible, a letter will be sent to the family stating the reason why and advise them of their rights to an informal review regarding the decision.

**The Contractor's communication shall in no way lead applicants to believe that the estimated date of Housing Voucher issuance is exact, and communication shall emphasize that the estimated date of Housing Voucher issuance is often subject to factors that are often beyond the Contractor's control.**

Applicants are responsible for letting the Contractor know of change in address, and are responsible for responding to requests from the Contractor to update applications. Failure to provide requested information may result in the applicant being removed from the waiting list. When applicants are notified in writing that their application has been removed, the Contractor will advise the applicant of their right to an informal review.

#### **F. MAINTAINING THE WAITING LIST**

After the preliminary eligibility determination has been made, applicants are placed on the waiting list by date and time of application and in order of preference. The Contractor will maintain an updated waiting list that conforms to HUD requirements. The Contractor will always comply with reasonable accommodations required by handicapped and/or disabled applicants. The waiting list will provide the following information on pre-qualified applicants so that contractors can find and give preference to the following:

- Date and time the application was received
- Funding amount required
- Minority/ Elderly/ Disability status
- 30-50% of area Median Income (AMI)



## **G. UPDATING THE WAITING LIST**

The Contractor will periodically update the waiting list to ensure that it is current and accurate. The Contractor will mail a letter to the applicant's last known address, requesting information regarding the applicant's continued interest in maintaining a place on the waiting list. If the applicant did not notify the Contractor of a move, as required, the Contractor will not be responsible for the applicant's failure to receive the update request.

The application update/continued interest letter includes a date by which the applicant must contact the Contractor, by mail or in person. Applicants will be given 15 business days to return the notice of continued interest in writing. The Contractor does not accept responsibility for mail delays.

If the letter is returned by the Post Office, with the forwarding address noted, the Contractor will extend the deadline date, and resend the letter. If there is no response within 15 business days, the Contractor will send an application termination notice to the applicant at the last known address with an opportunity for an informal review. If there still is no response, the applicant's name will be removed from the waiting list.

## **H. COMPLETION OF A FULL APPLICATION**

Applicants on the waiting list will be mailed a *Personal Declaration Form* and *Items To Bring* list when the Contractor estimates that a Housing Voucher can be issued within 60 days. The Personal Declaration will be completed in the applicant's handwriting whenever possible. If the applicant is unable to complete the personal declaration form, the Contractor will interview the applicant by asking the questions and will complete the personal declaration form for them.

The applicant will provide information on family composition, income, assets, eligibility criteria, allowances and deductions, and other factors relating to eligibility determination verification before the applicant is issued a Housing Voucher. All family members 18 years old and older must sign the *Authorization for the Release of Information* (Forms 9886 and 9886-A) and Applicant Certification Form in order for the application to be considered complete.

## **I. FINAL DETERMINATION AND NOTIFICATION OF ELIGIBILITY**

Because HUD can make changes in rules and regulations during the review process and a family's circumstances may have changed between since initial eligibility was determined, it is necessary to make a final determination of eligibility. The household is not considered eligible for a Housing Voucher until final determination has been made, even if they have been determined initially eligible. After the verification process is complete, the Contractor makes a final determination of eligibility with verified data. Only one Housing Voucher will be issued per application. The contractor shall make the final determination of eligibility based on verification of information provided.



## 5. VERIFICATION PROCEDURES

### A. GENERAL POLICY

Applicants and program participants will be required to furnish proof of their family composition and income whenever required by the PHA and its Contractors.

Applicants and participants are required to sign an Authorization For Release of Information form for further verification of income. Additionally, families may be required to provide copies of their most recent federal income tax statements. Random referrals to the IRS may be made for confirmation of income statements. Where reasonable doubt regarding income exists, a referral to the IRS for confirmation will be made on a case-by-case basis.

For initial participation, the verifications must not be older than 60 days old prior to the issuance of the Housing Voucher. For annual re-certification, the verifications are good for 120 days from the date of the verification document.

### B. FIVE LEVELS OF INCOME VERIFICATION

Verification of income, assets and expenses must be done at each annual certification and any interim done due to income change.

Level 5 – highest: **Upfront Income Verification (UIV)**

This level must be tried before any other method. This determines the Enterprise Income Verification (EIV) using HUD's computer programs such as REAC and TASS.

#### 1. Use of (UIV) for Verification

UIV is considered Third Party Verification and is:

- Most preferred for of verification
- Meets regulatory requirements

UIV is intended to streamline the verification process and may eliminate the need for written third party verification in many cases

2. Enterprise Income Verification (EIV) is sufficient as third-party verification when:

- The family does not dispute the data *and*,
- The current tenant provided documents (ie: 2 months current consecutive paystubs) are available

The PHA MUST obtain additional third-party verification when the family disputes the EIV employer data

The PHA MAY obtain additional third-party verifications when the PHA determines that additional information is necessary, such as:

- Effective dates of employment
- Pay rate, hours worked for new jobs
- Confirmation of a change in circumstances (reduced hours, reduced rate of pay)

Use tenant provided documents to project annual income, unless:

- The family disputes EIV employer data, *or*
- The PHA determines that additional information necessary

HUD recommends that tenant provided documents should be dated within 60 days of interview date and be current and consecutive

The PHA will use tenant provided documents or most current information to calculate the anticipated annual income

EIV quarterly wages are NOT used to project annual income

### **3. File Documentation**

If the family does not dispute the EIV employer data, and the PHA determines that additional information not necessary:

- EIV income details report
- Tenant provided documents

If the family does dispute the EIV employer data, or the PHA requires additional information:

- EIV printout
- Tenant provided documents
- Third-party written verification

**To apply for access to the EIV system**, a completed Access Authorization Form and Rules of Behavior and User Agreement must be submitted to the Colorado Division of Housing EIV Security Coordinator. These forms can be found on the CDOH website .The Executive Director of the Public Housing Authority or Housing Agency must authorize a person’s access by signing the Access Authorization Form. To terminate access to the EIV system, the Executive Director of the Public Housing Authority or Housing Agency must submit in writing a request to terminate the access rights of employees. –

**Please see Addendum B-1, for EIV Policy**

#### Level 4 –high preference: Written Third Party Verification

The Contractor verifies information by the contractor faxing or mailing verification documents. The verification documents must be supplied directly to the independent source by the Contractor and returned directly to the Contractor. This method is used if UIV is not available. If a response is not received within 10 days, send a second notice. After another 10 days with no response, move to level 3 and document the unsuccessful attempts.

#### Level 3 –medium preference: Oral Third Party Verification

In the event the independent source does not respond to the written request for information, contact the independent source by phone or in person. The date, time, and name and phone number of the person contacted and the outcome must be documented. Also, make note of why third party verification was not used. After two attempts at this method move down to level two.

#### Level 2 – medium/ low preference: Document Review

When neither UIV nor both forms of third party verification can be obtained, paperwork supplied by the tenant such as W-2 forms, at least three months of pay stubs, bank statements, a Social Security award letter of TPQY may be reviewed. These documents must be dated within 60 days of the interview.

#### Level 1-low preference: Tenant Declaration - Use as last resort

Notarized statement or affidavit from the tenant that declares the family’s total annual income from earnings, including self-employment, or any other source may be used. It must be must documented why all other levels were unsuccessful..

For further clarification, HUD Notice *PIH 2004-01 (HA)*.

### **C. MANDATORY VERIFICATION OF ELIGIBLE IMMIGRATION STATUS**

In order for a family to be eligible to receive full Housing Choice Voucher housing assistance, all family members must be United States citizens, nationals, or non-citizens with eligible immigration status. When an applicant reaches the top of the waiting list, The Contractor will request declaration or verification of citizenship or eligible immigration status at the initial screening. Housing assistance cannot be provided if an applicant does not declare citizenship or provide proof of eligible immigration status.

To qualify for 100 percent subsidy under this requirement, all family members must complete the appropriate *Declaration of Citizenship or Immigration Status Form* (Citizen 214 forms). They must also submit supporting documentation to the Contractor. Any change in family composition must include

proof of citizenship or eligible immigrant status.

## 1 VERIFICATION OF U.S. CITIZENSHIP

U.S. Citizenship may be verified using any of the following:

- Social Security card; (is required for each member receiving subsidy, or proration applies to the household)
- Birth certificate issued in the United States;
- Passport;

## 2. VERIFICATION OF ELIGIBLE IMMIGRATION STATUS

The following types of verification will be accepted to document an applicants' eligible immigration status:

- A signed declaration of U.S. citizenship or eligible immigration status; and
- Acceptable Immigration and Naturalization Service (INS) documents, such as a Permanent Resident Card , an Employment Authorization Card or other; and
- A signed verification consent form;

The Systematic Alien Verification for Entitlements (SAVE) Program is an intergovernmental information-sharing initiative designed to aid service providers and housing agencies in determining a non-citizen applicant's immigration status. Housing agencies must access the following U.S. Citizenship and Immigration Services website: USCIS main web page (was INS): <HTTPS://www.vis-dhs/agencyregistration> to register and access the information to verify that non-citizens are legally entitled to receive public benefits in the United States.

State of Colorado law has like and additional requirements for the receipt of public assistance. In May 2006, House Bill 1023 was passed implementing requirements of verification of immigration status of persons in Colorado. This became part of C.R.S. 24-76.5. On and after August 1, 2006, requires each state agency or political subdivision to verify the lawful presence in the United States of each person 18 years of age or older who applies for public benefits.

- Recipients of housing benefits (applicant/participant) must supply the following documentation stating citizenship or eligible immigration status:

### **Photo ID, including:**

- Colorado drivers' license,
- Colorado identification card,
- Military ID
- military dependent's identification card,
- United States Coast Guard Merchant Mariner card
- Native American tribal document
- Must sign and an "Affidavit of Legal Residency", stating: "That he or she is a United States citizen or legal permanent resident"; or "That he or she is otherwise lawfully present in the United States pursuant to federal law".

**\*\* NOTE: Use of the SAVE Program is also required by the State of Colorado Revised Statute:**

### **C.R.S. 24-76.5-103 (7)**

FOR AN APPLICANT WHO HAS EXECUTED AN AFFIDAVIT STATING THAT HE OR SHE IS AN ALIEN LAWFULLY PRESENT IN THE UNITED STATES, VERIFICATION OF LAWFUL PRESENCE FOR FEDERAL PUBLIC BENEFITS OR STATE OR LOCAL PUBLIC BENEFITS SHALL BE MADE THROUGH THE FEDERAL SYSTEMATIC ALIEN VERIFICATION OF ENTITLEMENT PROGRAM, REFERRED TO IN THIS SECTION AS THE "SAVE PROGRAM", OPERATED BY THE UNITED STATES DEPARTMENT OF HOMELAND SECURITY OR A SUCCESSOR PROGRAM DESIGNATED BY THE UNITED STATES DEPARTMENT OF HOMELAND SECURITY. UNTIL SUCH VERIFICATION OF LAWFUL PRESENCE IS MADE, THE AFFIDAVIT MAY BE PRESUMED TO BE PROOF OF LAWFUL PRESENCE FOR PURPOSES OF THIS SECTION.

### 3. PRO-RATED ASSISTANCE FOR MIXED FAMILIES

Families that include members who are citizens or have eligible immigration status as well as members who do not have eligible immigration status (or elect not to state their have eligibility status) are referred to as "mixed families." A mixed family is eligible for prorated assistance. The pro-rata calculation is determined by dividing the HAP amount by the total number of family members, then multiplying the result by the number of eligible family members.

### 4. NON-CITIZEN STUDENTS

Non-citizen students are not eligible to housing assistance.

### 5. TERMINATION OR DENIAL OF ASSISTANCE

Assistance to an applicant shall be denied or terminated in accordance with the following:

- Evidence or declaration of citizenship or eligible immigration status is not submitted as required at the time of eligibility qualification, or by the expiration of any extension granted to the family for pursuit of eligible status;
- Evidence of citizenship or eligible immigration status was submitted on a timely basis, but the Contractor's primary and/or secondary verification procedures were unable to verify eligible immigration status of a family member; and
  - a. The family elected not to pursue informal hearing rights
  - b. Informal hearing rights are pursued but the hearing decisions are decided against the family member

If the Contractor decides to terminate assistance to a family, the Contractor must follow the process outlined in Chapter 15.

### 6. RETAIN INS DOCUMENTS

The Contractor must retain the following documents that may have been provided by the family, as part of the INS appeal or the informal hearing process for a minimum of five years:

- a. Application for financial housing assistance.
- b. Form completed by the family for income reexamination.
- c. Photocopies of any original documents (front and back).
- d. Signed verification consent form.
- e. INS verification results.
- f. Request for an INS appeal.
- g. Final INS determination.
- h. Request for an Informal Hearing.
- i. Final Contractor informal hearing decision.

### 7. MANDATORY SOCIAL SECURITY NUMBERS

Prior to admission, families are required to provide Social Security cards for all family members age six and older, if they were issued a number by the Social Security Administration. Any new family members, age six and older will be required to produce their Social Security card at the time of their admission.

### 8. VERIFICATION OF SOCIAL SECURITY NUMBER

An applicant must submit a valid Social Security card; or sign a certification that they have never been issued a Social Security Number. If the family member is under the age of 18 at the time of admission, his/her parent or guardian can execute the certification. For any family member who

obtains a Social Security Number after admission, they shall submit the information at the next regularly scheduled reexamination.

**D. RELEASE OF INFORMATION**

At initial eligibility and at each re-certification, families will be asked to sign appropriate verification forms, as well as a *Blanket Authorization* (Form 9886). Each adult family member signing consent to the release of information form will be provided copies of the appropriate forms for their review if they request them.

Each and every verification form will contain the appropriate family members' signature as proof of:

1. Consent to the third party for release of specified information; and
2. Evidence of their understanding of the type/nature of information being sought.

Family refusal to cooperate with the HUD prescribed verification system will result in the termination of the household's application or program participant and will result in ineligibility status.

**D. COMPUTER VERIFICATION**

Where allowed by HUD and/or other State or local agencies, computer matching will be done. Where computer card or computer printouts are a feasible method of verification, those sources will be utilized.

**E. ITEMS TO BE VERIFIED**

The following includes, but does not exhaust, a list of typical items to be verified:

1. Citizenship Status
2. Waiting List Selection Criteria
3. Colorado Bureau of Investigation
4. Family Composition
5. Income
6. Assets
7. Expenses
8. Elderly/Disability Status
9. Deductions

## 6. ELIGIBILITY CRITERIA

To be eligible for participation in the Voucher Program, an applicant must meet HUD's and the PHA eligibility criteria based on the following:

- |  |                                  |
|--|----------------------------------|
| A. Family Composition                    | E. Mandatory CBI Reports         |
| B. Maximum Gross Income Limits           | F. Selection Preference Criteria |
| C. Mandatory Eligible Immigration Status | G. Other Criteria for Admission  |
| D. Mandatory Social Security Numbers     |                                  |

The Family's placement on the waiting list is determined by the date and time of receipt of the application, the Family's gross income as reported on the application, and whether the Family claims a preference or not. The actual gross income and other criteria will not be verified until selection from the waiting list is made.

### A. **FAMILY COMPOSITION**

A family is a single or two or more person household sharing residency, whose income and resources are available to meet the family's needs, and who are either related by blood, marriage, or operation of law, or who evidence a stable family relationship.

The Head of Household is the person who assumes the primary financial responsibility for the household, and is listed on the application as Head of Household. A family may not designate an elderly family member as Head of Household solely to qualify the family as an Elderly Household.

The family will need to declare, in writing, changes in family composition. This includes family members permanently or temporarily absent, and when the household gains a member. The Contractor will advise the family at that time, or at reexamination, what the options are, and how the change affects the Total Tenant Payment and Housing Voucher size.

The following types of verification will be accepted to document the applicant or participants' family composition.

#### 1. **Adults**

Adults are family members 18 years of age, and older. Emancipated minors may also be considered adults.

##### Verification for Adult Family Members

- Certificate of Birth naturalization papers
- Legal driver's license
- US passport
- Company ID
- Hospital records
- Social Security ID
- Church issued baptismal certificate
- US military discharge
- Voter registration
- Health and Human Services ID
- Emancipation papers for minors
- Department of Motor Vehicles Identification card.

##### Verification of Marriage

- Certificate of marriage

##### Verification of a Separation

- Copy of court-ordered maintenance

##### Verification of Divorce

- Divorce decree signed by a Court Officer

## 2. **Stable Family Relationship**

This includes singles that have lived together for a period of six months or more, whose income and resources are available to meet the household's needs.

### Verification of Stable Family Relationship

- Joint bank accounts, purchases, loans, tax returns, and insurance policies
- Prior or current lease or rental agreements showing cohabitation
- Credit report showing residence and joint financial activity

## 3. **Minors**

Minors are persons 17 years old, and younger. A child is defined as a person under the age of 18 who is neither the Head of Household nor the spouse.

### Verification for Minors

- Certificate of Birth
- Custody agreement
- School records
- Adoption papers
- Health and Human Services ID

### Verification of Joint Custody of Children

Children who are subject to a joint custody agreement, but live with one parent at least 51 percent of the time will be considered members of the household. Fifty-one percent of the time is defined as 183 days of the year, which need not run consecutively.

When both parents are assisted under subsidized rental assistance programs, the parent whose address is listed in the school or daycare records will be allowed to claim the school-age child as a dependent. If the child is not in school or daycare, one parent will need to prove that the child lives with them at least 183 days of the year in order to claim them as a family member.

### Verification of Guardianship

- Court-ordered assignment
- Verification from Social Services agency
- Notarized declaration of parent
- School records

## 4. **Permanent and Temporarily Absent Spouse/Other Adults**

If an adult leaves the household, the family must report the change in family composition to the Contractor, stating the family member is permanently or temporarily absent. Persons reporting that a family member has left the household must provide adequate proof of absence if the family member is to be considered permanently absent. Generally, 90 days absence is considered permanently absent. The 90-day period starts from the time the Head of Household reports the change in family composition, or the family member actually left the unit, whichever is earlier and can be verified. If the family member leaves the household and the period of time is less than 90 days, the absent family member may be determined temporarily absent.

### Verification of Absent Spouse/Other Adult

The family member is determined permanently absent if the Head of Household declares, in writing, that the family member has been gone for at least 90 days and declares the family member is permanently absent. Adequate proof of absence includes:

- Order of protection
- Husband or Wife institutes legal separation
- Adult child entering military
- Husband or wife institute divorce action

If the family member is incarcerated, a document from the Court or prison or a statement from their attorney or Probation Officer must be obtained showing how long they will be incarcerated.

Proof that the family member is living in another location such as utility bills, lease and canceled rent checks, or driver's license address change. If one of these cannot be provided, the Contractor will consider statements from other agencies such as the Human Services Department.

An adult student (other than husband or wife) who attends school away from home but lives with the family during school recesses may be considered permanently absent (income not counted, not on lease, not counted for Housing Voucher funding size) or temporarily absent (income counted, on lease, counted for Housing Voucher size) at the family's option.

#### **5. Permanent and Temporarily Absent Minor Child**

If the child (ren) is projected to be out of the home for more than six months from the initial removal date, the Housing Voucher size may be reduced. If the parent(s) has no other children in the home, the parent will retain his/her eligibility as a remaining member of the tenant family.

##### Verification of Absent Minor Child

If the family includes a child who is temporarily absent from the home due to foster care, the person(s) contributing to the decision as to whether and when the child may be returned to the family will be consulted. If the consultant confirms, in writing, that the child will be returned to the household within the next 90 days, to the best of his/her knowledge, the family will retain the Housing Voucher size issued. If the consultant does not make this confirmation, the situation will be reevaluated after 90 days. The 90-day period specified in this section starts from the earliest of the time the family reported the change in family composition, or the Contractor learns of the change

#### **6. Absent Sole Member of Household**

If the sole member of the household has to leave the household for more than three months, the unit will not be considered to be his/her principal place of residence and their Voucher assistance will be terminated unless the participant requests an extension by submitting documentation from a reliable medical source that s/he will return within a maximum of six months.

##### Verification of Sole Member's Absence

If the sole member of the household has to leave the household to go to the hospital or nursing home, advice from a reliable medical source will be obtained as to the likelihood and timing of his/her return. If the medical source feels the individual will be permanently confined to a nursing home, they will be considered permanently absent. If they are temporarily confined, they will not be considered permanently absent. In no event, however, will the unit be considered their principal place of residence when they are out of the household for more than 180 days.

If the sole member of the household is incarcerated, the Contractor will initiate proceedings to terminate the participant from the program.

Also, see regulations regarding principal place of residence, and vacated unit in Chapter 15.C.

#### **7. Remaining Member of Tenant Family**



There may be instances where all but one family member moves out of the unit. That person is defined as the *remaining member*. Minor child (ren) will not be allowed to retain the status of remaining family member(s) unless:

- a. The court has awarded emancipated minor status to the minor or upon recommendation of a qualified case worker or social services representative; or
- b. The parent(s) must leave the household (for any reason other than incarceration) and the Department of Social Services and/or the Juvenile Court has determined that another eligible adult is to be brought into the assisted unit to care for the children.

If the parent(s) have not returned to the home within 180 days the Contractor will determine whether court-awarded custody or legal guardianship has been granted to the program eligible caretaker. If so, the Housing Voucher may be transferred to the eligible caretaker.

If custody or legal guardianship has not been awarded by the court, but the action is in process, the Contractor will secure verification from the human services staff or attorney as to the status. The caretaker will be allowed to remain in the unit until a determination of custody is made.

This process does not preclude the fact that the Landlord may choose to not allow the new adult caretaker. The Contractor will work with the appropriate service agencies and the Landlord to provide a smooth transition of the process(es) involved in these cases.

## **8. Visitors**

Visitors are allowed to stay up to 30 days under a typical lease. Any visitor staying longer than the lease allows, must obtain written permission from the Landlord and provide a copy to the Contractor, in order to continue staying at the unit. Family members are not considered visitors. If a person is a visitor, s/he must be able to provide proof that the assisted unit is not her/his principal place of residence. The PHA considers visitors who are in the unit more than 30 days in a 12-month period to be a household member.

### Verification of Visitor Status

The following are considered proof that the visitor resides at another location: a lease in her/his name at another location, drivers license, canceled rent checks and utility bills, employment verification showing her/his home address or school records for minors.

## **9. Live-in Attendants**

A live-in attendant has been determined by the Contractor to be essential to the care and well being of the elderly or disabled family member. The live-in attendant must not be obligated for the support of the elderly or disabled family member, and would not be living in the unit except to provide care for the elderly or disabled family member. The live-in attendant's income will not be counted for purposes of determining eligibility or tenant rent, and they may not be considered a remaining member of the tenant family.

Relatives are not automatically excluded from being live-in attendants, but must meet the definition described above. The live-in attendant's family members may also reside in the unit, providing that doing so does not increase the need for additional bedrooms, or overcrowd the unit.

### Verification of Live-in Attendant

To determine whether a live-in attendant is essential to the care and well being of the elderly or disabled person, the Contractor will request third-party verification from a reliable medical source familiar with the needs of the applicant. The request will seek precise information as to the services and time required from the live-in attendant.

## **B. MAXIMUM GROSS INCOME LIMITATIONS**

Annual Income for admission shall not exceed the extremely low (30% AMI) and very low income (50% AMI) limits established by HUD. The participant must be income eligible in the area where s/he is first assisted. The PHA is targeting 85 percent of all new admissions to the Voucher program to families at or below 30 percent of the area median income (AMI), and the remaining 15 percent of new admissions to families at or below 50 percent of the AMI.

An easy way for contractors to determine how many units to lease to families at 30 percent of the AMI, is for the contractor to determine the average annual turnover for their program and multiply this by 85 percent. Example: Contractor determines that the average annual turnover of the program is 11 families a year.  $11 \times 85\% = 9.35$  units. The contractor will round up at 50 and down at 49 so the contractor should lease at least 9 units to families at 30 percent of AMI and 2 units to families at 50 percent of AMI.

For Verification of Income see Chapter 5.

## **C. MANDATORY VERIFICATION OF ELIGIBLE IMMIGRATION STATUS**

In order for a family to be eligible to receive full Voucher housing assistance, all family members must be United States citizens, nationals, or certain categories of eligible non-citizens. Once an applicant reaches the top of the waiting list, the initial screening of the applicant and their family will include declaration or verification of citizenship or eligible immigration status.

To qualify for 100 percent subsidy under this requirement, when the applicant reaches the top of the waiting list all family members must declare citizenship, submit evidence of citizenship, or eligible immigration status to the Contractor.

If an applicant family does not declare citizenship or provide proof of eligible immigration status, housing assistance will be denied to that applicant. If there are members of the family who do not contend to be citizens or have eligible immigration status, then that family's housing assistance payment will be pro-rated to assist only those citizens, nationals, and eligible non-citizens. At any time in the future the family composition changes, proof of citizenship or eligible immigrant status must be provided.

### Verification of Eligible Immigration Status

The following types of verification will be acceptable as methods to document applicants' citizenship or eligible immigration status:

For citizens and non-citizens claiming eligible immigration status:

- A signed declaration of U.S. citizenship

For non-citizens 62 years of age or older and who are receiving assistance on June 19, 1995:

- A signed declaration, of eligible immigration status, and Proof of age

For all other non-citizens:

- A signed declaration of eligible immigration status; and
- Acceptable INS documents; and
- A signed verification consent form.

The touch-tone telephone method for verification of immigration status of non-citizen applicants for housing assistance has been replaced by the use of a personal computer (PC) method. The PC method provides automated status verification when the information is contained in the database in 3-5 seconds. It also automates the secondary verification process, which eliminates in most instances the completion of the paper *Form G-845*. The US Immigration and Naturalization Service (INS) has sent most housing authorities a compact disc (CD) containing the software to install to enable agencies to

obtain verification information through their PC. If an agency did not receive the CD, Contractors may request this software by dialing 1-800-467-0375. A Contractor will not be able to verify immigration status electronically if a PC does not have a CD drive and Windows. Instead, the Contractor must use the paper process.

#### Paper Process Procedures

Complete a *Document Verification Request* (G-845 Form), and attach fully readable photocopies of both sides of the non-citizen's immigration documentation. Mail the completed form and the photocopies of the immigration documentation to the local INS office. Detailed instructions for the paper process are contained in Section 4 in the SAVE Manual. To obtain a SAVE Manual please contact the INS SAVE Program Office at (202) 514-2317 or at USCIS main web page (was INS): [www.uscis.gov/portal/site/uscis](http://www.uscis.gov/portal/site/uscis).

Send verification consent form to the Immigration Status Verifier for secondary verification:

Immigration and Naturalization Service  
Immigration Status Verifier  
4730 Paris Street  
Denver, CO 80239

#### **PRO-RATED ASSISTANCE**

A mixed family may be provided pro-rated assistance if they are not receiving continued assistance, or temporary deferral of assistance, or upon request, if the other options are not utilized. The pro-ration calculation is based on the HAP amount being divided by the total number of family members, and multiplied by the number of eligible housing members.

#### **TERMINATION OR DENIAL OF ASSISTANCE**

Assistance to an applicant shall be denied, and a participant's assistance shall be terminated in accordance with the following:

4. Evidence or declaration of citizenship or eligible immigration status is not submitted as required at the time of eligibility qualification, or by the expiration of any extension granted to the family for pursuit of eligible status;
5. Evidence of citizenship and eligible immigration status was submitted on a timely basis, but neither the Contractor's primary or secondary verification procedures verified eligible immigration status of a family member; and
  - The family has elected not to pursue informal hearing rights.
  - Informal hearing rights are pursued but the hearing decision was made to deny a family member's eligibility.

If the Contractor decides to terminate assistance to a family, the Contractor must follow the process outlined in Chapter 15.

#### **RETAIN INS DOCUMENTS**

The Contractor must retain the following documents that may have been submitted to the Contractor by the family, or provided to the Contractor as part of the INS appeal, or the informal hearing process for a minimum of five years:

1. Application for financial housing assistance
2. Form completed by the family for income reexamination
3. Photocopies of any original documents (front and back)
4. Signed *Verification Consent Form*
5. INS verification results
6. Request for an INS appeal
7. Final INS determination
8. Request for an informal hearing
9. The final Contractor informal hearing decision.

#### D. MANDATORY SOCIAL SECURITY NUMBERS

All family members six and older are required to provide Social Security cards prior to admission, if they were issued a number by the Social Security Administration. All new family members are required to produce their Social Security card at the time of their admission.

##### Verification of Social Security Number

1. Submit a valid Social Security card; or
2. Sign a certification that they have never been issued a Social Security Number. If the family member is under the age of 18 at the time of admission, his/her parent or guardian can execute the certification. For any family member who obtains a Social Security Number after admission, they shall submit the information at the next regularly scheduled reexamination.

#### E. MANDATORY COLORADO BUREAU OF INVESTIGATION REPORTS

No Family member may engage in substance abuse related criminal activity or violent criminal activity. Screening may be comprised of routine inquiries for any family member age 18 or older through the Colorado Bureau of Investigation (CBI) and other information provided to the Contractors. CDOH reserves the right to waive the CBI check when administering vouchers concerning Voucher Project-Based multi-family apartments in which the owner has decided to opt out of the Annual Contributions Contract (ACC) with HUD. CBI (background check-Colorado, costs approximately \$6.95 per report: [www.cbirecordscheck.com/Index.asp](http://www.cbirecordscheck.com/Index.asp))

Substance abuse related criminal activity is defined as the *felonious* manufacture, sale or distribution, or the possession with intent to manufacture, sell or distribute, a controlled substance. It is considered a felony and not a misdemeanor. Substance abuse related criminal activity does not include the use or possession of a controlled substance if the Family member can demonstrate that s/he:

1. Has an addiction to a controlled substance, has a record of such an impairment, or is regarded as having such an impairment, and
2. Has recovered from such addiction and does not currently use or possess controlled substances.

Violent criminal activity is any criminal activity that includes the use, attempted use, or threatened use of physical force against the person or property of another.

##### Verification of Substance Abuse Related Criminal Activity, or Violent Criminal Activity

If the CBI report demonstrates instances of substance abuse related criminal activity, or violent criminal activity the Contractor will be required to further research the incidence shown on the report to determine the disposition and details of the case. Contractors may also use other sources such as local police department records to research applicants if they have reason to believe that the family or any family member is engaged in substance abuse related criminal activity or violent criminal activity (i.e. reasonable suspicion). As a measure to determine whether the person has violated this family obligation, one of the following situations must be present:

1. S/he has engaged in any felonious substance abuse related criminal activity or felonious violent criminal activity within the past 36 months.
2. S/he has been convicted of any drug-related criminal activity within the past 36 months.
3. S/he has have been arrested within the past 36 months for felonious criminal or drug-related activity, and resolution of the case is still pending. (A denial of participation until a final resolution of the case.)
4. S/he is currently using drugs.

The Contractor shall have discretion to consider all of the circumstances in each case, including the seriousness of the offense, the extent of participation by the family member(s), and the effect that denial or termination would have on family members not involved in the criminal activity.

In appropriate cases, the Contractor may permit the remaining family members to continue receiving assistance, and may impose the condition that family members determined to have engaged in the criminal activities will not reside in the unit. If the convicted felon is a minor, the Contractor may consider individual circumstances with the advice and counsel of Juvenile Court officials.

#### Other Criminal Behavior That Would Result in Denial

If an applicant's criminal background check indicates that any of the following information, or if any of the following behaviors are exhibited, the application is denied:

- 1) Sex offenders: these are required to register with the Department of Corrections for a lifetime
- 2) Persons currently involved in illegal drug activity
- 3) Persons convicted of manufacturing methamphetamines (a meth lab) on federally assisted housing premises
- 4) Persons evicted from housing for drug-related activity less than three years ago UNLESS the tenant successfully completes an approved rehabilitation program or the circumstances for the eviction no longer exist (i.e. the convicted family member no longer part of household due to incarceration, divorce or death, etc.).

#### Retention of Criminal or Drug Use Related Information from the Application

If an applicant or household's application is approved for receipt of a VOUCHER, the criminal background checks received must be destroyed immediately. If an applicant or household's application is denied, however, due to information received on the background check, the background information must be kept in a separate file (not with the rest of the application) for a year, the expiration of the Colorado statute of limitations for civil action challenging a denial. These files must be kept in a locked location with very limited access to even office staff.

#### Sharing of Information With Landlord

Per DOH's policy, each Contractor determines eligibility for the applicant to participate in the Voucher Program. The information for making this decision is not to be shared with a Landlord or anyone else inquiring as to why an applicant was not approved.

### **F. WAITING LIST SELECTION PREFERENCES**

At the time of application, initial determination of an applicant's entitlement to an application selection preference will be made on the basis of the applicant's certification for that preference. Before selection is made, the Contractor must verify this preference. During the eligibility process, all applicants will be given the opportunity to show that they qualify for a selection preference. Applicants meeting application selection criteria are entitled to a preference in qualifying for a Housing Voucher.

Applicant circumstances may change while waiting for a Housing Voucher. These changes may affect entitlement to a preference. Applicants are required to notify the Contractor in writing when their circumstances change. If an applicant that had not claimed a preference contacts the Contractor and claims a preference, they will be reordered on the waiting list by the date and time of their original application.

To receive the selection preference, applicants must meet their preference category cited at the time a Housing Voucher is expected to be available, and a full application is completed. If the applicant's preference cannot be verified, the applicant will be notified of the preference denial in writing, and given the opportunity for an informal review. The person conducting the review may be an officer or an employee of the Contractor, including the person who made or reviewed the determination. If the selection preference cannot be verified, the applicant will be reordered on the waiting list by the date and time of the original application, without the selection preference.

## **G. APPLICATION SELECTION PREFERENCES**

### **1. Victims of Violence, Natural Disaster or Government Action**

- a. Victims of domestic violence have had actual or threatened physical violence directed against them by a spouse or other household member, or the applicant lives in a housing unit with an individual who engages in such violence. The actual or threatened violence must have occurred recently, or be of a recurring nature. An applicant who is fearful of other violence outside the household (i.e. in the neighborhood) is not considered involuntarily displaced unless the applicant is the victim of hate crimes.
- b. Victims of natural disaster have vacated housing as a result of a natural disaster such as a fire or a flood.
- c. Victims of federal, state or local government action have been displaced due to code enforcement, public improvement, or development or because of a HUD disposition of a multifamily project
- d. Victims of witness relocation have been displaced at the recommendation of law enforcement agency in order to avoid reprisal if the family provides crime information to the police or other law enforcement.
- e. Victims of hate crimes of actual have experienced physical, threatened physical violence or intimidation based on race, color, religion, sex, sexual orientation, national origin, disability, or familial status.
- f. Victims of mobility impairment have been displaced by inaccessibility of the unit in that they cannot successfully live in the unit because of mobility impairment.

Applicants who are victims of domestic violence or natural disaster must not be living in standard permanent housing at the time of application. Standard replacement housing does not include transient facilities, hotels, motels, temporary shelters, and in the case of victims of domestic violence, does not include housing in which the applicant lives with the individual who engages in such violence.

#### Verification of Victims of Violence, Natural Disasters or Government Action

The following are considered acceptable forms of verification for displaced victims of domestic violence:

- Certification from local police, social service agency, court, clergy, physician, public or private shelter, or counseling facility;
- The Family must certify that the person perpetrating the violence will not rejoin the family without advance written approval by the Contractor. Violation of this certification is grounds for termination from the program.
- Certification from police concerning displacement due to witness protection or hate crimes.
- Certification from a unit of government concerning displacement due to a natural disaster.
- Certification from a unit of government concerning displacement due to code enforcement, public improvement or development.
- Contractor HQS inspection, or other appropriate agency's certification concerning displacement due to lack of use of critical elements because of mobility impairment.

**2. Homelessness**

An applicant is considered homeless if the individual or family lacks a fixed, regular, adequate nighttime residence or has a primary nighttime residence that is a supervised public or private shelter or transitional housing facility providing temporary accommodations, or an institution providing temporary residence for individuals intended to be institutionalized, or a public/private place not ordinarily used as a sleeping accommodation for human beings. Individuals who are imprisoned or detained pursuant to State Law or an Act of Congress are not considered homeless.

Verification of Homelessness

Certification of this homelessness can be from a public or private facility providing shelter to the family, or from local police or a social service agency.

**3. Those currently enrolled in educational, training or upward mobility programs**

These are applicants who are currently working towards self-sufficiency and are enrolled in school or working with a job-training program.

Verification of Those Currently Enrolled in Educational, Training or Upward Mobility Programs

Certification of this status can be provided by a current school schedule that reflects courses for a degree, a letter from a job-training provider or a case manager.

**4. Those previously enrolled in educational, training or upward mobility programs and who are achieving their goals**

These are applicants who have completed an education or job-training program and have since entered or reentered the work force.

Verification of Those Previously Enrolled in Educational, Training or Upward Mobility Programs, and who are Executing Their Goals

Certification of this status can be provided by a copy of an educational or job training graduation certificate or a letter from a case manager.

**5. Those who are currently working**

These are applicants who are currently employed.

Verification of those who are currently working

Certification of this status can be provided by a letter from the employer.

**6. Families currently participating in one of the CDOH Tenant Based Rental Assistance (TBRA) Pilot Programs.**

CDOH has established TBRA programs targeted toward working poor households earning less than 30% of AMI, many of whom reside in area homeless shelters. The TBRA program is designed to provide rental assistance to families for up to two years. Within this same two years families are expected to apply for permanent housing through housing authorities to stabilize their housing situation in the future.

**7. Elderly and Disabled Families**

Families whose head of household or spouse are 1) at least 62 years of age; 2) disabled individuals with a physical impairment which is expected to be of long continued and indefinite duration, which substantially impedes but does not prohibit his/her ability to live independently, and is of such nature that such ability could be improved by more suitable housing conditions; or 3) disabled individuals within the scope of Section 223 of the Social Security Act or Section 102(b)(7) of the Developmentally Disabled Act.



## Verification of Elderly or Disabled Head of Household or Spouse

Certification of this status can be provided by an applicant's driver's license or a doctor's statement

### **8. STUDENT ELIGIBILITY**

Effective January 30, 2006, law and final rule (FR-5036-F-01) require that if a student is enrolled at an institution of higher education and meets *all* of the following: is under the age of 24, is not a veteran, is unmarried and does not have a dependent child, is individually ineligible for Section 8 assistance or the student's parents are, individually or jointly ineligible for Section 8 assistance, no Section 8 assistance shall be provided to the student.

Section 327 of this rule states the income eligibility requirements for students enrolled in Section 8 assistance. Any state or federal financial assistance in excess of amounts received for tuition must be counted as income. Although student loans are considered financial assistance under the Higher Education Act of 1965, student loans are not considered income for purposes of determining student eligibility.

#### **A. For Eligibility**

1. This new law and final rule does not apply to students who currently reside with parents in a Section 8 rental assisted unit or students whose parents are applying for Section 8. Per the rule, student's income would be disregarded from household income.
2. If the student *and* the parents are income eligible, *and* the student lives apart from parents, both the student and the student's parents (individually or jointly) must be income eligible for the student to receive Section 8 assistance. PHAs, Owners, and Managers will need to verify a student's independence from his/her parents to determine that the student's parents' income is not relevant for determining the student's eligibility for assistance.
  - a. Student applicants must verify they have established a household separate from parents for at least one year prior to application for occupancy.
  - b. Students must not be claimed as a dependent by parents pursuant to IRS regulations.
  - c. A student must be enrolled part-time or full-time at an institution of higher education.
  - d. Certification of amount of assistance from parents must be provided, *including* certification of no assistance from parents.

#### **B. For Denial**

A student who is not income qualified, is under 24 years of age, is not a veteran of the United States military, is unmarried, does not have a dependent child and or whose parents are not income qualified is not eligible to receive Section 8 assistance.

For example, an unmarried full-time student who is 22 years of age, is not a veteran, and has no dependent children but lives with his/her parents who receive Section 8 assistance. The parents claim this student as a dependent, according to IRS guidelines. The student would thus be considered ineligible because s/he currently resides with parents. In order to become eligible, the student would have to establish a separate residence for at least one year and may not be claimed by parents as a dependent.

**C. For Termination**

1. If a student does not meet the eligibility requirements stated above and is currently receiving Section 8 assistance, s/he will be terminated at the next recertification. Neither Section 327 nor the final rule provides for a grandfathering clause for current Section 8 student participants.
2. If a household is comprised of eligible and ineligible students is applying for Section 8 assistance, the household may choose to remove the ineligible student(s) from the application so the eligible student(s) may be admitted to the program. PHAs may not prorate assistance to households composed of eligible and ineligible students.
3. If a household comprised of eligible and ineligible students is *currently* residing in a Section 8 assistance unit, eligible student(s) shall not have their assistance terminated, but shall be issued a voucher to move with continued assistance in accordance with program regulations or shall be given the opportunity to lease in place if the terminated ineligible members elect to move out of assisted unit.

**H. ORDER OF SELECTION**

Selection from the waiting list will be made without regard to race, color, creed, religion, sex, disability, national origin, familial status, marital status, or source of income.

CDOH program admission order is prioritized by a **1** that indicates first preference, a **2** that indicates second preference, and a **3** that indicates third preference.

**1** **Victims of Homelessness**

**1** **Victims of Violence, Natural Disaster or Government Action**

**2** **Those currently enrolled in educational, training or upward mobility programs**

**2** **Those previously enrolled in educational, training or upward mobility programs and who are executing their goals**

**2** **Families currently working**

**2** **Families currently participating in one of the CDOH TBRA Pilot Programs.**

**2** **Elderly or Disabled**

**3** **Date and time of application**

Example: The family has a number **1** because they are homeless, and a number **3** based on the date and time of their application, and another family has a number **2** because a family member is currently enrolled in an educational, training or upward mobility program, and a number **3** based on the date and time of application. The Contractor will process the application with the preference numbers **1** and **3**, even if the application with the numbers **2** and **3** was received earlier.

CDOH also gives equal weight to the preferences, which means that having more than one preference does not boost a family higher on the list.

Example: If a family qualifies for more than one selection preference, such as a **1** because they are homelessness, a **2** because a family member is currently enrolled in educational, training or upward mobility program, and a **3** based on the date and time of application, and another family has a number **1** because they are homeless, and a **3** based on the date and time of application, the Contractor will process whichever application was first received.

## I. PROJECT ELIGIBILITY CRITERIA

Project eligibility criteria are preferences used in selecting among applicants that qualify for a special population preference. CDOH has established several project eligibility preferences. These preferences apply to particular Contractors who serve special populations in specific geographic areas of the State. No more than 10 percent of the PHA Housing Voucher funding is designated for this purpose. The following project eligibility criteria have been established:

### 1. Individuals with an AIDS Diagnosis or the HIV Disease

This project criterion was created for the purpose of determining policy for funding specific to individuals with an AIDS diagnosis or the HIV disease. CDOH has 30 vouchers reserved to serve this population. The funding is administered by, the Colorado Health Network (a.k.a. Colorado AIDS Project), a non-profit organization located in the Denver Metro area.

All families receiving rental assistance from this project must meet the additional criteria by receiving counseling and other supportive services provided by the Colorado Health Network, and having an AIDS diagnosis or be HIV positive.

#### Verification must include the following documentation

Certification must be made by a healthcare professional able to diagnose these diseases. Self-certifications will not be accepted. Verification must be presented at the time of final eligibility determination. If an individual does not meet these criteria at the time of application, s/he will be removed from the waiting list.

### 2. Families Living in Emergency Shelters or Transitional Housing

This project criteria was created for the purpose of assisting families living in emergency shelters or transitional housing who are now ready for permanent housing. CDOH has 40 vouchers reserved to assist this population. Local housing authorities, in conjunction with emergency shelter agencies, administer these Vouchers.

All families receiving rental assistance from this project must meet the additional criteria by living in transitional housing or an emergency shelter and be immediately ready for permanent housing. In order to be immediately ready for permanent housing, a family's needs shall have been adequately addressed through a transitional housing program, but continues to have needs that can be addressed by receiving appropriate services and treatment while residing in permanent housing and has the life skills needed to succeed in the rental assistance program. If the contractors listed below do not have families who meet the guidelines for this project criteria preference, they may qualify families from their regular Voucher Program waiting list.

- Pueblo Housing Authority/Pueblo County Dept. of Health and Human Resources (20 Vouchers)
- Grand Junction Housing Authority/The Resource Center (15 Vouchers)
- Loveland Housing Authority (5 Vouchers)

#### Verification must include the following documentation

Written certification from the emergency shelter agency documenting that the family is receiving housing counseling, other supportive services, and that the family is ready for permanent housing.

## J. OTHER CRITERIA FOR ADMISSION

The following is a non-exclusive list of other criteria that must be met in order for an applicant to be determined eligible for assistance under the Voucher Rental Assistance Program:

1. The family's rent and utility contribution must be equal to or less than 40 percent of their adjusted gross income when entering into a lease if the gross rent of the unit is greater than the applicable payment standard.

2. At application, the family must pay in full any money owed to a PHA in order to be considered eligible for issuance of a Housing Voucher. A Repayment Agreement will be accepted during the waiting period, and the amount owed must be paid in full prior to final eligibility determination. The repayment agreement will be in accordance with Chapter 16 of the Administrative Plan.

The PHA reserves the right, in the case of extreme hardship, to amend or waive the Repayment Agreement. Full documentation of the hardship must be maintained in the applicant's file.

3. The Contractor will request that CDOH make a rental subsidy payment to the Landlord when the family initially joins the program.
4. The family will be denied participation if their income exceeds the maximum limit between the time from final eligibility determination to HAP contract execution.
5. If the head of household or spouse loses her/his disability status that was necessary to establish eligibility between the time of final eligibility determination and HAP contract execution, the household will be placed back on the waiting list according to the date and time of application, along with any other additional selection criteria.

If any situation occurs which could impact the applicant's participation in the program, the Contractor shall provide timely written notice, along with the opportunity for an informal review in accordance with procedures outlined in Chapter 16.

## **7. INCOME, EXPENSES, AND DEDUCTIONS**

### **A. GENERAL POLICY**

Income and allowable expenses are calculated according to *24 CFR Subpart F 5.601* through *5.617*. Gross annual income determines whether the family is initially eligible within the extremely low and very low income limits. The Contractor must compute the income of every family member, including those who are temporarily absent. In addition, the Contractor must count the income of the spouse of the head of the household if that person is temporarily absent and is not living at home. Income of persons permanently absent will not be counted.

Annual income is defined as the amount of gross income the family anticipates receiving during the 12 months after certification or re-certification. *Income* is defined in HUD regulations and is further interpreted in HUD Notices, Memos and Addendums. When applicable deductions are made from annual income, the result is adjusted income.

### **B. ANNUAL INCOME CALCULATION METHODS**

There are two ways to calculate anticipated annual income. The Contractor will select the most reasonable method based on the family's circumstances.

1. Annualizing is used when the family's income is generally stable, and changes are not expected. It is subsequently used to conduct an interim reexamination if income changes.
2. Averaging allows the Contractor to budget a family's monthly housing expense when family income is sporadic. An interim adjustment in income would require that the new amounts of income be averaged in with the past amounts.

### **C. INCOME**

Listed below are acceptable verifications for income when income cannot be verified through the UIV system

1. Employment
  - a. *Employment Verification Form* completed by the employer specifying the amount and frequency of pay, the effective date of the last pay increase, and the probability of, and effective date of any increase during the next 12 months.
  - b. At least 6 current consecutive check stubs or earning statements showing employee's gross pay per pay period, and frequency of pay.
  - c. W-2 forms if family has had the same job for at least two years and pay increases can be accurately projected.
  - d. Notarized statements, affidavits or income tax returns signed by the applicant describing income from tips and other gratuities.
2. Social Security, Pensions, Supplementary Security Income (SSI)
  - a. Benefit verification form completed by agency providing the benefits.
  - b. Award or benefit notification letters prepared and signed by the authorizing agency. Since checks or bank deposit slips show only net amounts remaining after deducting SSI or Medicare, they may be used only when award letters cannot be obtained and must be followed up with telephone verification to assess the gross and net amounts of the benefit.
  - c. Public Assistance

Human Services' statement showing the type and net amount of assistance the family is receiving, and any expected changes in assistance during the next 12 months.

3. Child Support and Alimony Payments

- a. Copy of the separation agreement, settlement agreement or a divorce decree stating amount and type of support and payment schedules; or
- b. A notarized certification from the person responsible for making payments, along with documentation showing the past three months of payments may be used as verification; or
- c. At least three copies of the most recent checks; or
- d. If using bank statements, the Contractor must record the date, amount, check number and from whom the check was received; or
- e. Family's notarized statement or affidavit of the amount received.

If the support is not received on a regular basis, the Contractor must count the amount of support in the divorce decree or separation agreement unless the Contractor verifies that the income is not received.

In order to calculate amounts other than shown in the award, the Contractor must obtain a certification from the participant on how much is received on an annual basis. The family must also file with the agency responsible for enforcing support payments. When the printout is received (from the District Attorney's office or Child Support Enforcement Division, for example), the Contractor will use the amount received over the last 12 months.

4. Self Employment

The Contractor must consult with family and use the prior years' data to estimate income for the next 12 months.

- a. IRS Tax Return, Form 1040, including;  
Schedule C (Small Business)  
Schedule E (Rental Property Income)  
Schedule F (Farm Income)
- b. An accountant's calculation of depreciation expense, computed using straight-line depreciation rules. (Required when accelerated depreciation was used on the tax return or financial statement.)
- c. Audited or unaudited financial statement(s) of the business.
- d. Loan Application listing income derived from the business during the previous 12 months.
- e. Documents such as manifests, appointment books, cashbooks, bank statements, and receipts will be used as a guide for the prior six months (or lesser period if not in business for six months) to project income for the next 12 months. The family will be advised to maintain these documents in the future if they are not now available.
- f. Family's notarized statement or affidavit as to net income realized from the business during previous years.

5. Child Care Business

If a family is operating a licensed day care business and has been operating as a business, income will be verified as with any other business.

However, if the family is operating a "cash and carry" operation (which may or may not be licensed) the Contractor will require that the family complete a form that shows: name of person whose child is being cared for, phone number, number of hours child is being cared

for, method of payment (check/cash), with the signature of person(s) certifying to the amount they pay for child care.

If the family has filed a tax return, the family will be required to provide it.

6. Unemployment Compensation

- a. Verification form completed by the unemployment compensation agency.
- b. Records from unemployment office stating amount, and payment start and end dates.

7. Regular Contributions and Gifts

The Contractor must count as income regular contributions and gifts from persons outside the household. The Contractor should employ good interviewing techniques and common sense to determine if the family could be receiving regular contributions.

- a. Family's notarized statement or affidavit that provides the required information.
- b. Notarized statement or affidavit signed by the person providing the assistance. Must give the purpose, dates and value of the gifts.

8. Rental Property

Contractors must adjust these amounts for changes expected during the next 12 months.

- a. IRS Form 1040 with Schedule E (Rental Income).
- b. Copies of the lease, utility bills paid by the family, and receipts for rent received.
- c. Documentation of family's income and expenses in renting the property (tax statements, insurance premiums, receipts for reasonable maintenance and utilities, bank statements or amortization schedules showing monthly interest expense).
- d. Tenant's written statement identifying monthly payments paid to the family, and the family's affidavit to net income realized.

9. Interest Income from an Installment Land Contract, or Similar Arrangement

1. A letter from an accountant, attorney, real estate broker, the buyer, or a financial institution stating the interest payable to the family for next 12 months. A copy of the check paid by the buyer to the family is not sufficient since the breakdown of interest and principal are not included.
2. Amortization schedule showing interest for the 12 months following the effective date of the certification or re-certification.

10. Minimum/Zero Income

There is no minimum income requirement for the Program. Families who report zero income will be required to fill out the *Survival Statement* and certification every thirty days to determine if there is any money being paid on behalf of the household on a regularly recurring basis that should be included as income for TTP determination purposes. If the family reports zero income, the Contractor will have the family sign Release of Information Request forms from the Department of Social Services, unemployment, the IRS, the Social Security Administration, and a credit reporting agency to verify that no income is being provided. Contractor should use good interviewing skills to determine whether there is any income when none is being reported.

11. Contractor may recommend that families reporting zero income apply for Public Assistance, though this is not required. Family Members Permanently Confined to a Nursing Home

If a family member is permanently confined to the hospital or nursing home, and there are remaining family members, the Contractor will calculate the TTP, using the following methods to determine what best benefits the family.

- a. Exclude the income of the person permanently confined to the nursing home and give the tenant no medical deductions paid on behalf of the confined family member;
- b. Include the income of the person permanently confined to the nursing home and give the tenant the medical deductions allowable on behalf of the person in the nursing home.

12. Temporarily Absent Family Members

Income of temporarily absent family members is counted. If the spouse or Head of Household is temporarily absent, his/her entire income is counted, whether or not s/he is on the lease. The decision as to whether the person is considered temporarily absent will be made in accordance with Chapter 6.

If the spouse is temporarily absent and in the military, all military pay and allowances (except exceptions to military pay HUD may promulgate) is counted as income.

13. Lump Sum Receipts

Lump-sum payments of Social Security Income (SSI) and Social Security benefits are not counted.

Lump-sum payments caused by delays in processing periodic payments (unemployment or Public Assistance) are counted as income. Treatment of accumulated periodic payments because the income was deferred due to a dispute is handled no differently than periodic payments, which are deferred because of processing problems.

Attorney fees the family has incurred to obtain a lump sum payment may be deducted from lump-sum payment when computing annual income when the attorney's efforts have recovered a lump-sum compensation for the wrongful reduction or denial of a periodic payment, and the recovery does not include an additional amount in full satisfaction of the attorney fees.

The Contractor will calculate retroactively or prospectively, depending upon how timely the payment was reported, and the Contractor gets the full rent out of it.

- a. Prospective Calculation Methodology

If the lump-sum amount is received and reported so that it results in an interim adjustment, the entire lump-sum payment will be added to the rest of the annual income at the interim. The Contractor will determine the percent of the year the interim represented. Example: There are three months left in this certification period, this equals 25 percent of the year remaining, leaving 75 percent to be counted next year. At the next annual re-certification, the Contractor will take 75 percent of the lump sum and add it into the annual income.

- b. Retroactive Calculation Methodology

If the family did not report the receipt of the lump-sum payment in a timely manner (within thirty days of receipt of the lump sum) the Contractor will retroactively calculate the rent due, going back to the date the lump-sum payment should have been considered, as long as that date is not prior to program participation. The Contractor will determine the amount of income for each year and recalculate the rent for each year and determine the rent due to the Contractor.



The family is expected to pay the overpayment to the Contractor all at once, or at the Contractor's option, the Contractor may enter into a Repayment Agreement with the family. The family owes this money to the Contractor whether or not they choose to continue to reside in any of the Contractor's housing programs.

14. Grants and Scholarships

Educational scholarships include various financial awards. No portion of this assistance should be used to determine eligibility or calculate rent.

Any financial assistance in excess amounts received for tuition shall be considered income. This does not include student loans, which are not considered income even if part of the loan is being used for general living expenses.

**D. ASSETS**

While there is no maximum limit of assets, a family must verify all assets using the highest level of income verification possible. An asset is not computed as income unless it produces revenue, such as a dividend from stock or an interest payment. The Contractor will follow the *Asset Income Worksheet* to assist in calculating the correct amount for gross family income. Contractors must also note in the family file if there are zero assets.

Lump-sum additions to the family, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses are treated as assets and not income.

The following are acceptable forms of verification of assets:

- a. Certificates of deposit, passbooks, savings, checking and other cash accounts: most recent statement showing the current fund balance.
- b. Stocks, bonds, real estate or other commodities: quotes from a stockbroker or Real Estate agent for the net amount the family would receive if they liquidated their securities or real estate.
- c. Real property: real estate tax statements if tax authority uses approximate market value, Copies of closing documents showing the selling price, the distribution of the sales proceeds and the net amount to the Voucher family.
- d. Personal property held as an investment: appraisals
- e. Non-liquid assets: collect enough information to determine the current cash value, and the net amount the family would receive if the asset were converted to cash, family's notarized statements or signed affidavits describing assets or cash.

For assets disposed of for less than fair market value:

Assets disposed of as a result of foreclosure or bankruptcy are not considered assets disposed of for less than fair market value, and generally assets disposed of as a result of a divorce or separation are not considered disposed of for less than fair market value.

The PHA's minimum threshold for counting assets disposed of for less than Fair Market value is \$1000. Assets of \$1,000 or less disposed of within a one-year period will not be considered.

If the assets disposed of within a one-year period are more than \$1000, all assets disposed of for less than Fair Market value will be counted as assets, for two years from the date the asset was disposed of.

- a. At every certification, the Contractor will obtain the family's certification whether any member has disposed of assets for less than fair market value during the past two years.

- b. If the family certifies they disposed of assets for less than fair market value showing all assets disposed of for less than fair market value, the date they disposed of the assets, the amount the family received; and the asset's market value at the time of disposition. A calculation method similar to that shown in paragraph D. 14. above, will be used to assess the income to include in the family's gross income.

## **E. DEDUCTIONS**

### **1. Childcare Expense**

Childcare deduction will be allowed for children less than 13 years of age if the childcare expense enables the family member to work, look for employment, or go to school. The amounts deducted must be reasonable and only to the extent the amounts are not otherwise reimbursed. A PHA may not disallow a deduction because there is an unemployed adult family member who may provide the services. A PHA may not decide who will provide childcare for a participant's child (ren). A PHA may not decide the type of childcare available for a participant's child (ren).

The following standards are used for child-care expenses. If the Contractor feels the amount of child-care expense being claimed is unreasonable according to this standard, the standard may be used as the maximum expense deduction.

- a. Child care to work

The maximum child-care allowed would be based on the amount earned by the person enabled to work. The "person enabled to work" will be the adult member of the household who earns the least amount of income from working. The amount deducted shall not exceed the amount of employment income that is included in annual income.

- b. Child care for school

The Contractor will compare the number of hours the family member is attending school and base the reasonableness standard on the number of hours attending school (with the addition of one hour travel time to and from school) versus the number of hours claimed for child care.

- c. Rate of Expense

The Contractor will survey the local day care providers in the area or community to determine a reasonableness standard.

Written verification from the person who receives the payments. If the childcare provider is an individual, they must provide:

- 1) their name
- 2) their address
- 3) their telephone number
- 4) their social security number
- 5) the names of the children cared for
- 6) the ages of the children cared for, and
- 7) the rate of pay, including school and vacation periods.
- 8) applicant/participant's certification as to whether any of those payments have been or will be paid or reimbursed by outside sources.

## 2. MEDICAL EXPENSES

Medical expenses may be deducted from the income of a family whose head, spouse, co-head, or sole member is at least 62 years old, or is a person with disabilities. Once a family is considered an elderly or disabled family, the medical expenses of all of the family members may be considered.

- A. The amount deducted for medical expenses is the portion of the family's "out-of-pocket" expenses that exceed three percent (3%) of the family's gross income.
- B. Only expenses that are *anticipated* to occur in the next year may be deducted.
- C. All expenses must be verified in writing by a doctor, hospital, pharmacist, health insurer, or other health care provider. The written verification must include:
  - The estimated medical costs to be incurred by the family in the coming year.
  - The extent to which those expenses will be reimbursed by insurance or a government agency, such as Medicare or Medicaid (See Medicare Drug Expense Benefit information below).
- D. Internal Revenue Service Publication 502, *Medical and Dental Expenses* will be used as a guide to determine medical expense deductions. Following is a list of some of the more common medical deductions:
  - Medicare premiums for health insurance – These amounts may be confirmed by the Social Security Administration.
  - Other health insurance premiums – These amounts may be verified by the insurer or the individual's employer.
  - Regular payments on outstanding medical bills that will continue during the upcoming year – Invoices or payment agreements may be obtained from the hospital, provider, or collection agency.
  - Insurance deductibles or co-pays for doctor visits – These may be verified by reviewing bills from the providers.
  - Receipts or other medical expense records incurred during the past 12 months that can be used to anticipate future medical expenses. The Contractor may use this approach for "general medical expenses" such as prescription drugs (the costs of non-prescription drugs are not deductible) and regular visits to doctors or dentists. Surgical procedures or medical emergencies that occurred in a previous year cannot be anticipated to occur again in the future, and the costs of these should not be deducted from the family's income. However, if a family can document an anticipated extraordinary medical cost, such as surgery, in the coming year, the medical expense may be included in the deduction.
  - The cost of necessary medical equipment, such as eyeglasses, hearing aids, wheelchairs, artificial teeth, etc.
  - The cost and care of a necessary service animal.
  - The cost of alterations made to a home to accommodate a disability, such as a wheelchair ramp or handrails.
  - Transportations costs for medical appointments. This can include bus fare, cab fare, or mileage reimbursement. **Note:** The current standard mileage rate for medical transportation is 22 cents per mile (see IRS Publication 502). The mileage or fare must be documented by indicating the starting address and destination on the verification.

## **F. EXCLUSIONS.**

Contractors will follow instructions for the Family Report, HUD Form 50058, to determine which forms of income are excluded. Exclusions must first be counted as income and then excluded before totaling annual income. Exclusions may include:

- (a) Food Stamps
- (b) WIC
- (c) Certain Lump Sum payments

## **G. EARNED INCOME DISREGARD FOR PERSONS WITH DISABILITIES**

Earned Income Disregard (EID) for persons with disabilities was created to provide an incentive for self-sufficiency and remove any disincentive to seek employment by temporarily exempting portions of new earned income from their rent calculations. Without an EID, tenants' rents would rise as they become employed. Per the *Quality Housing and Work Responsibility Act of 1998* (QHWRA) amended provisions of 42 U.S.C. § 143, the Earned Income Disallowance or Disregard (EID) is mandatory for those families that qualify. This became effective March 1, 2002; therefore the PHA and Contractors should make every effort to retroactively apply the EID to eligible families to that date.

### **1. Who Qualifies?**

- Any disabled adult in the family qualifies the family if:
  - The disabled adult was previously unemployed for at least one year and is now employed, or
  - Was employed but earned less than \$2,575 (determined by multiplying 10 hours of work per week for 50 weeks at the minimum wage) in the past 12 months and has now increased his/her earnings, or
  - Is now employed and has been receiving or received within the past 6 months Temporary Assistance for Needy Families (TANF) or Welfare to Work benefits (including one-time benefits such as wage subsidies and transportation assistance that totals at least \$500), or
  - Was previously unemployed (or earned less than \$2,575) and his/her annual income has increased due to participation in an economic self-sufficiency or other job training program.

### **2. The full disallowance of the increase in annual income:**

- Begins in the first month of the new or increased employment.
- Continues for 12 cumulative months.

### **3. After 12 months of full disallowance:**

- Fifty percent of the increased income is excluded.
- This 50% exclusion continues for another 12 months.

### **4. After 24 consecutive months the disallowance ends**

#### **Points to remember:**

- The family member may repeatedly start and stop employment and the exclusion may start and stop and start again during the 48-month period beginning on the date of the initial exclusion.
- No exclusion may be given after the consecutive 48-month period regardless of whether the family has received the 24 months of disregarded income.

CDOH has developed a spreadsheet that allows housing authorities to track the Earned Income Disregard. It is available upon request.

#### **1. Medicare Prescription Drug Benefits**

Any low-income subsidy received by an individual enrolled in the Medicare prescription drug plan program shall be excluded from annual income. Whereas all Medicare recipients are eligible to

participate in a Medicare prescription drug plan, only Medicare beneficiaries with low incomes and limited assets are eligible for the low-income subsidy. The subsidy helps to pay for the costs of participating in the program.

Some persons who receive the low-income subsidy provided under the Medicare Part D prescription drug plan program do not pay a monthly premium for prescription drug coverage, but many other participants in the Part D program do. Participants who must pay may have their premiums deducted from their social security checks or may pay the premiums directly to their plan providers. In either case the premiums are deductible to the extent that they are not reimbursed by an outside source.

2. Attendant Care

- A. Doctor's certification that the assistance of an attendant is medically necessary.
- B. Attendant's written confirmation of hours of care provided and amount and frequency of payments received from the family or agency (or copies of canceled checks the family used to make those payments).
- C. Applicant's certification as to whether any of those payments have been or will be reimbursed by outside sources.

3. Disability Expense

All cases require the written certification from a doctor or a rehabilitation agency that the disabled person requires the services of an attendant or the use of auxiliary apparatus to permit the disabled person to be employed or to function sufficiently independently to enable another family member to be employed.

A. Auxiliary Apparatus

- 1. Receipts for purchases of, or evidence of monthly payments for, auxiliary apparatus.
- 2. In the case where the disabled person is employed, a statement from the employer that the auxiliary apparatus is necessary for employment.

## **8. FAMILY SUBSIDY STANDARD AND CONTRACTOR PAYMENT STANDARD**

### **A. SUBSIDY/PAYMENT STANDARDS**

CDOH has established the Contractor's Payment Standard (PS) at the current Fair Market Rent (FMR) in the Contractor's jurisdiction.

### **B. HOUSING VOUCHER FUNDING SIZE ISSUED**

HUD guidelines require that the PHA establish standards to determine the Housing Voucher funding size to be issued. Such standards should provide a minimum commitment of subsidy, while avoiding overcrowding. The Housing Voucher funding size should meet the minimum requirements of HUD's Housing Quality Standards.

The unit size on the Housing Voucher remains the same as long as the family composition remains the same, regardless of the actual unit size rented. If the family selects a unit size smaller than the funding, the unit size serves as the basis to determine the maximum subsidy for which family is eligible.

The following subsidy standards are recommended when issuing vouchers to individuals and families. If the family qualifies for more than one bedroom size, then the family will be given a choice to determine the size of the Voucher provided. These recommendations are provided on the basis that there should be at least one bedroom or living room/sleeping room for each two persons in the family.

<b>Voucher</b>	<b>Minimum Persons</b>	<b>Maximum Persons</b>
<b>0 Bedroom</b>	<b>1</b>	<b>2</b>
<b>1 Bedroom</b>	<b>1</b>	<b>4</b>
<b>2 Bedroom</b>	<b>2</b>	<b>6</b>
<b>3 Bedroom</b>	<b>3</b>	<b>8</b>
<b>4 Bedroom</b>	<b>5</b>	<b>10</b>
<b>5 Bedroom</b>	<b>7</b>	<b>12</b>

**The following may be taken into consideration:**

- Persons with verifiable medical needs or other extenuating circumstances may be provided a larger unit;
- Foster children will be included in determining unit size;
- Live-in attendants will generally be provided a separate bedroom;
- Space may be provided for a child who is away at school but who lives with the family during school recesses;
- Units will be assigned so that a minimum of one person will occupy each bedroom;

### **C. CHANGE IN HOUSING VOUCHER SIZE**

If there has been a change in family composition and the family requires a larger funding size, the Housing Voucher funding size will be adjusted at the next annual certification. The subsidy will be adjusted when the family is in a unit that has at least as many bedrooms as authorized on the Housing Voucher.

If there has been a change in family composition and the family requires a smaller funding size, the funding will be adjusted at the next annual certification. The bedroom-family size ratios in this section should be used as a guide to determine when the funding size needs to be changed.

#### **D. UNIT SIZE SELECTED**

The family may select a different size dwelling than that listed on the Housing Voucher. The following criteria will be considered when the family selects their home:

1. Subsidy Limitation

The Contractor will subsidize the family with the lowest of the following:

- 1) The Payment Standard for the Housing Voucher size approved for the family; or
- 2) The Payment Standard for the unit size the family selected if the unit is smaller than the funding size issued; or
- 3) The gross rent for the unit.

2. Utility Allowance

The utility allowance used to calculate the gross rent is based on the actual size of the unit, regardless of the funding size on the family's Housing Voucher.

3. Housing Quality Standards

HQS Standards allow two persons per living or sleeping room and permits a minimum subsidy standard as shown in the table on page 8-1, assuming that the living room is used as a living or sleeping area.

#### **E. AFFORDABILITY ADJUSTMENTS- CHANGE IN THE PAYMENT STANDARD**

Affordability adjustments may be made to provide additional rental subsidy to help families keep rents affordable. The Voucher Program is designed to keep rents affordable at the 40<sup>th</sup> percentile of the area rents. If the Contractor needs to increase the Payment Standard (PS) up to 110 percent of the Fair Market Rents (FMR), s/he must justify the request in the following manner:

1. Obtain rental market data

- a. The written request must include rental market data for the Contractor's area that will justify the request. Rental market data can include a survey of apartments, single-family homes, duplexes, four plexes, and mobile homes, listing one, two, three and four bedroom rents. The rent reasonableness information gathered from the classified ad listings is a good place to obtain this information.
- b. If a Contractor's jurisdiction has recently conducted a housing needs survey, the Contractor may be able to use this resource.
- c. CDOH conducts a multi-family housing vacancy and rental survey for the following communities may be obtained from the PHA:
  - Aspen
  - Colorado Springs
  - Durango
  - Fort Collins/Loveland
  - Fort Morgan/Sterling
  - Glenwood Springs
  - Grand Junction
  - Greeley
  - Pueblo
  - Eagle County
  - Lake County
  - Summit County
- d. If the Contractor has a metropolitan jurisdiction, the Contractor may use the local Housing Authority's data.
- e. If the Contractor operates a voucher program funded directly from HUD, CDOH will accept its' Housing Authority Board Resolution adopting 110% of the FMR.



2. Research the current tenants rent burdens. Review how much the families are paying above 30 percent of their adjusted income, compared to the average contract rent for the participants.
3. Obtain vacancy statistics for the jurisdiction, and how many units are available within the jurisdiction.
4. If the Contractor needs to increase the Payment Standard (PS) up to 110% of the (FMR) for an entire geographical area that the vouchers are administered Contractors are to refer to the HUDs proposed FMRs and a written request for the Contractor's area is to be submitted with backup documentation that will justify the request to their assigned Asset Manager by October 1<sup>st</sup> of each year. An official approval letter will be provide with an effective date of October 1<sup>st</sup> or HUDs official release of the new FMRs which ever is later. The requests needs to state the original FMR and the proposed FMR for each area being requested.

**F. Payment Standard for Reasonable Accommodation**

CDOH has established the Contractor's Payment Standard (PS) at the current Fair Market Rent (FMR) in the Contractor's jurisdiction. Affordability adjustments may be made to provide additional rental subsidy to help families keep rents affordable. The Voucher Program is designed to keep rents affordable at the 40<sup>th</sup> percentile of the area rents.

1. 110% of the (FMR) is to be granted on a case by case basis
2. If the Contractor needs to increase the Payment Standard (PS) up to 110 % of the (FMR) for the entire geographical area that the vouchers are administered a written request for the Contractor's area is to be submitted with backup documentation that will justify the request.
3. If yet more funds are needed a request for 120% of the FMR must be submitted to HUD and can only be requested as a reasonable accommodation for a person with a disability. The Contractor should email their Asset Manger on agency letter head if possible that includes: The family name, ID number, property address and reason for the request. The Asset Manager will forward your request to HUD and notify you of the decision. This correspondence should be kept in the family file for documentation.

**Is it Financially Feasible?**

Once the Contractor has submitted the Payment Standard request to the PHA, the PHA will review the budget, the project reserve, and the impact various projected subsidy increases would have on the funding available for the program.

In order to make this determination, the PHA will compare the average gross rent paid by households who pay more than 45 percent of their income for rent to the current Payment Standard and the current FMR, based on the Contractor's figures.

The PHA will also take into consideration legislative changes that have or have not been implemented, which will affect tenant contribution.

Based on these factors, the PHA will authorize an increase if warranted.

If the number of families served will have to be reduced, the Contractor will make a decision as to whether to:

1. Reduce the number of families served as Housing Vouchers turn over;
2. Grant a smaller increase than originally projected;
3. Grant no increase at this time;
4. Grant an increase only for certain unit sizes.

**F. MINIMUM RENT - HARDSHIP WAIVER**

Effective October 1, 2004, CDOH has set its minimum monthly rent at \$50. If after verifying the family's income and assets, the contractor finds that the family does *not* have the ability to pay the minimum rent, the family may request a waiver concerning this requirement. The Contractor must request documentation of the hardship from the family and determine whether the hardship is temporary or long term. If the hardship is deemed temporary, the family must report on the status of their income every 30 days. Please refer to HUD's federal guidelines on "Exceptions from the Minimum Rent requirement." Hardship determinations are subject to the State's Informal Hearing Process.

NOTE: If the Contractor determines that a qualifying financial hardship is temporary, the Contractor must suspend the minimum rent for a 90 day period beginning the first of the month following the date of the family's request. At the end of the 90-day suspension period, the family must resume the payment of the minimum rent and must repay the Contractor the amount suspended.

If the Contractor determines that the qualifying hardship is long-term, the Contractor may exempt the family from the minimum rent requirements so long as the hardship continues. Repayment of the minimum rent for the period of the long-term hardship is not required.

## **9. UTILITY ALLOWANCES**

CDOH and the Supportive Housing Homeless Program (SHHP) have contracted with the NELROD Corporation to provide Statewide utility allowances, which can be found on the CDOH WEB SITE: <http://dola.colorado.gov/cdh/index.html>. Contractors are required to use these updated utility allowances unless they request to conduct their own survey within their jurisdiction. CDOH encourages Contractors to contact HUD for guidance.

## **10. TAX CREDIT UNITS**

HUD has established a new form HUD-50058 code to track the number of low-income housing tax credit (LIHTC) units occupied by participants in the tenant-based and project-based voucher programs. For families occupying such units, the new code, TCU, is to be entered on line 2n of the 50058 form no later than the next annual reexamination.

## **10. PROGRAM BRIEFING AND HOUSING VOUCHER ISSUANCE**

### **A. BRIEFINGS**

At the briefing, the Contractor will meet with the participant, review the contents of the Voucher holder's packet and fully explain the program. Applicants are required to attend a briefing session before a Housing Voucher can be issued.

#### **1. Briefing Format**

Housing Voucher briefings are conducted by Contractor. The Contractor is required to provide the Voucher Holder with a packet containing information, as required by Section 982.301 of the regulations. Applicants are given the opportunity to ask questions. At the close of the briefing session, each household is issued the Housing Voucher, which authorizes the family to begin their search for housing.

#### **2. Assistance to Voucher Holders**

The Contractor may provide the family a list of local landlords or refer families to Colorado Housing Search (<http://coloradohousingsearch.com/>)

#### **3. Household Obligations Under the Housing Choice Voucher Program**

Generally, under Housing Choice Voucher Program, the relationship between tenant and Landlord is the same as in the private housing market. However, once a household receives a Housing Voucher, s/he has additional obligations, as described in the Housing Voucher and in CFR 982.551 and 982.552.

### **B. HOUSING VOUCHER ISSUANCE**

The number of Housing Vouchers issued must ensure that the Contractor maintain a 100 percent utilization rate. The Contractor must submit a Monthly Lease Status report to CDOH in order to determine whether the agency should continue to accept applications.

The Contractor, with instruction from the PHA may over-issue Housing Vouchers only if necessary to meet PHA leasing goals. All Housing Vouchers, which are over-issued will be honored as contracts if the applicant meets program requirements. When the PHA instructs a Contractor to over-lease, the Contractor is responsible for the amount of Housing Voucher slots now authorized. As families leave the program, the Contractor will discontinue issuing Housing Vouchers until the Contractor is back down to 100 percent leased.

#### **1. Expiration and Extension**

The Housing Voucher is valid for a period of 60 calendar days from the date of issuance. The family must submit a *Request for Lease Approval* and Lease within the 60-day period unless the Contractor has granted an extension. Extension requests must be received prior to the expiration date of the Housing Voucher. Unless approved by the PHA, the Contractor may only approve two extensions for less than 30 days, and never for a total of more than 120 days.

Extensions are permissible at the discretion of the Contractor primarily for these reasons:

- a. Extenuating circumstances such as hospitalization or other verification of a family emergency, which has affected the family's ability to find a unit within the initial 60-day period.
- b. The Contractor is satisfied that the family has made a reasonable effort to locate a unit, including seeking the assistance of a housing counselor, throughout the initial 60-day period.

- c. The family submitted a *Request for Lease Approval* prior to the expiration of the 60-day period, but the unit did not pass Housing Quality Standards, and the family needs more time to locate housing.
- d. The family provides proof that there were barriers in locating an accessible unit or other reasonable accommodation issues.
- e. The family holds a Housing Voucher for a bedroom size, which the Contractor determines is difficult to locate.
- f. Reasonable accommodation issues.

## C. PORTABILITY

### A. Program Requirements for Families New to the Housing Voucher Program

A family that has not yet leased a unit under the housing choice voucher program is eligible for portability if the head of household or spouse was a resident of the Housing Agency's jurisdiction at the time the application for assistance was submitted. A "resident", for the purpose of determining eligibility for portability, is a person who has a legal domicile in the jurisdiction. The Contractor will need documentation that the household was a resident at the time of application. A lease, school records, a voter registration or similar records are acceptable forms of documentation.

A family exercising portability when it uses its voucher for the first time must be within the application income limits for the jurisdiction in which the family initially leases a unit. The income limits dictating eligibility for the voucher are applicable for the jurisdiction in which the family initially leases a unit.

### B. Program Requirements for Participant Families

A participant family electing to move to another jurisdiction with its voucher is eligible to do so but only when the family is able to move out of its current program unit under the terms of the lease. The family is not eligible for portability if the family has moved out of its assisted unit in violation of the lease. The Contractor will need documentation that the household was a resident at the time of application. A lease, school records, a voter registration or similar records are acceptable forms of documentation.

#### 1. Outgoing Housing Vouchers

HUD form 52665- *Family Portability Information*, will be sent to the receiving housing agency for all outgoing families. A cover letter stating should be included stating that CDOH need to be contacted for billing. Receiving agencies are eligible for eighty percent (80%) of the Colorado consolidated HUD fee schedule. CDOH retains the remaining twenty percent (20%) of the fees. CDOH contractors cannot reissue the voucher without permission from CDOH.

If there is more than one housing agency in the jurisdiction that the family wishes to move into the Contractor, the CDOH will select the appropriate receiving PHA or Contractor. The Contractor shall allow families to move to another locality and continue their rental assistance as long as:

- a. The family takes responsibility to contact the receiving housing agency; and
- c. The family currently lives in the Contractor's jurisdiction and holds a valid Housing Voucher; or
- d. The family was a resident of, or working in the Contractor's jurisdiction when they applied for the Voucher program; or
- e. If the family did not reside or work in the Contractor's jurisdiction when they applied, the family must lease using their Housing Voucher in the Contractor's jurisdiction for 12 months before they may move outside of the Contractor's jurisdiction; and

- f. If the family is moving outside of the State of Colorado, there must be a receiving housing agency to administer the Voucher program in the new locality. If there is no housing agency in an area inside the State of Colorado, the PHA will arrange for administration of the subsidy; and
- g. The family is income eligible in the area where the family wants to lease a unit, if they have never been under contract before.
- h. The family has not violated any of their Family Obligations.

## 2. Incoming Housing Vouchers

As a statewide PHA, CDOH is required to administer any family porting into the state where a housing agency administering the Voucher Program does not exist. In an area where the PHA does not have a Contractor, the PHA will pay the closest housing agency mileage for HQS inspections when the family porting in selects a unit. The mileage reimbursement is paid in accordance with C.R.S. 24-9-104, using the IRS per mile.

The family must have a valid Voucher Program subsidy from another jurisdiction and the receiving Contractor must have had contact with the initial housing agency. All incoming portable families will be given a briefing along with the required documents. The briefing should be scheduled as close to ten business days after the Contractor receives the portability documents. The Contractor will re-certify the family composition, income and conduct a background check. In order not to delay the family's assistance, the Contractor may use the initial housing agency's *Family Report* for HAP determination.

The Contractor can deny the portable family assistance due to the following:

- If the family's family's income exceeds the income limit available in the receiving Contractor's jurisdiction;
- If the family's income is such that a \$0 subsidy is determined prior to lease up in the Contractor's jurisdiction;
- If the background check indicates that the family is not eligible.

At the time of lease up and HAP contract execution, the Contractor will absorb the family into their program by issuing a Housing Voucher from their allocation.

## 11. LOCATING SUITABLE HOUSING

### A. RESPONSIBILITY FOR LOCATING HOUSING

Once a Housing Voucher has been issued, it is the family's responsibility to locate suitable housing within the jurisdiction of the Contractor. If it is within the State, the Contractor may provide the family a list of local landlords or refer families to Colorado Housing Search (<http://coloradohousingsearch.com/>). If it is out-of-state, the Contractor may provide leads. The unit must be within the family's rent limitations, meet HQS, and minimum bedroom size requirements.

### B. ELIGIBLE TYPES OF HOUSING

The following types of housing may be utilized in the Housing Voucher program:

1. All structure types can be utilized, including but not limited to single family houses, duplexes, triplexes, fourplexes, garden apartments, townhouses, high-rises, and mobile homes
2. Single Room Occupancy
3. Shared Housing

Shared Housing allows two or more families to share a single housing unit. One or both of the families sharing the unit may be a Housing Voucher holder. The PHA has chosen to use the individual lease method. In this situation each family leasing from the Landlord will execute and maintain its own lease. Thereby, each family operates independently of the other family's actions.

4. Housing owned by the Contractor. Contact a CDOH Housing Specialist for further guidance in this area
5. HOME financed rental housing

#### 6. **Manufactured Homes**

##### **A. A Housing Agency may provide rental assistance to a family that owns its own manufactured home and leases only the manufactured home space.**

For families leasing the manufactured home space under the housing choice voucher program, the rent to the owner includes payment for maintenance and services that the owner provides under the lease for the space. The rent to the owner does not include the cost of utilities and trash collection, but if these are provided by the owner, the owner may charge the family a separate fee. Otherwise, the tenant receives a utility allowance for any tenant-paid utilities.

##### **B. A Housing Agency may provide assistance to families who own their manufactured home and leases the home space.**

In determining the annual income of families leasing manufactured home spaces, the value of the family's equity in the manufactured home in which the family resides is not counted as

a family asset.

**C. HQS**

The manufactured home and space must meet all HQS performance requirements and acceptability criteria. In addition, the following requirements apply: *Manufactured Home Tie-Downs*: A manufactured home must be placed on the site in a stable manner, and must be free from hazards such as sliding or wind damage. The home must be securely anchored by a tie-down device that distributes and transfers the loads imposed by the unit to appropriate ground anchors to resist overturning and sliding.

**D. Payment Standard and HAP Calculation**

The FMR for a manufactured home space is generally 40 percent of the published FMR for a 2-bedroom unit or, where approved by HUD, the 40th percentile of the rental distribution of manufactured home spaces for the FMR area.

**E. Utility allowances**

The HAP for a manufactured home space under the housing choice voucher program is the lower of the payment standard minus the TTP or the (gross) manufactured home space rent minus the TTP. The space rent is the sum of the rent to the owner for the manufactured home space, any charges for maintenance and management provided by the owner, and the utility allowance for tenant-paid utilities.

**F. Rent Reasonableness**

Initially, and annually thereafter the Contractor must determine that the rent for the manufactured home space is reasonable based on rents for comparable manufactured home spaces. The Contractor must consider the location and size of the space, and any services and maintenance to be provided by the owner. By accepting the monthly HAP check, the owner certifies that the rent does not exceed rents charged by the owner for comparable unassisted spaces in the Manufactured Home Park or elsewhere.

**HUD Forms**

HAP Contract (HUD Form 52642)

Tenancy Addendum (HUD Form 52642a)

**C. INELIGIBLE TYPES OF HOUSING**

1. Owner occupied housing, except for:
  - a. The family is authorized to use their Housing Voucher in an installment land contract situation
  - b. The family is authorized to use their Housing Voucher for a homeownership program
  - c. Families may not lease properties owned by relatives, unless there is a documented need to meet reasonable accommodations
  - d. Public Housing units
  - e. Project-based Voucher assistance under the Voucher New Construction, Substantial Rehabilitation, Moderate Rehabilitation or other project-based assistance program

**D. REQUEST FOR LEASE APPROVAL AND STOP THE CLOCK PROVISION**

The Request for Lease Approval and a copy of the proposed lease must be submitted to the Contractor prior to the expiration of the Housing Voucher. The Request for Lease Approval must be signed by both the owner and the Housing Voucher holder. However, the lease must not be signed until the Contractor has approved it. The Contractor will suspend the time (*stop the clock provision*) on the



Housing Voucher while evaluating the Request for Lease Approval, and during the HQS process. Once the Request for Lease Approval is received, the Contractor has authorization to perform a Housing Quality Standards inspection.

The Contractor will review the documents to determine whether or not the family can be approved by:

1. Reviewing the Landlord's lease to see that it complies with HUD requirements;
2. Determining if the rent is affordable, if the gross rent is over the family's Payment Standard only 40 percent of the family's adjusted gross income may be used for housing expenses;
3. Determining whether the security deposit and rent is reasonable for the market;
4. Assisting the family and Landlord to fix any inconsistencies or omission in the RFLA form;
5. Determining whether there are conflicts of interest in the agreement;
6. Ensuring that the family, the owner and the unit are all eligible to participate in the Program;
7. Owners must submit an original W-9 to the PHA. One W-9 is acceptable for all participating properties. If there is a change of name or address, a new W-9 must be submitted. Documentation must be attached verifying the social security or taxpayer identification number (TIN).

The Contractor will assist the family in rent and security deposit negotiations. If the owner accepts the offer of a revised rent, the Contractor will continue processing the RFLA and Lease. If the revised rent involves a change in the provision of utilities, the owner and family will submit a revised Request for Lease Approval.

If the owner does not agree on the contract rent or security deposit, after the Contractor has tried and failed to negotiate a revised rent, the Contractor will inform the family and owner that the RFLA is disapproved. If the RFLA is disapproved for other problems, the Contractor will explain the situation to the Landlord and the family, and suggest how they may be corrected. The Landlord and the family will be provided an opportunity to correct the problem(s) by a specific date, which is within 10 business days of the Contractor's written notice to the parties. If the problem(s) is not corrected, the Contractor will send written notice to the Landlord and the family that the RFLA has not been disapproved. The family will need to look for other housing, and the time clock will resume for the 60-day search period.

#### **E. HOUSING QUALITY STANDARDS (HQS)**

The Contractor is required by HUD regulations to inspect each unit to ensure that it is "decent, safe, and sanitary" according to Housing Quality Standards. The Housing Quality Standards are used to determine whether or not the unit is in acceptable condition for habitation. Upon receipt of a Request for Lease Approval and Lease, the Contractor will schedule a timely inspection of the unit.

The Housing Quality Standards will take precedence over State and/or local housing codes unless approval to apply the more restrictive code(s) has been given in writing by the PHA, and additional standards identified by the Contractor do not limit the availability of housing in the Contractor's jurisdiction. The Contractor will give the PHA a written statement of any additional local standards. Every effort will be made to encourage Landlords to maintain their properties above the HQS minimum standards. Units must continue to meet HQS as long as the family remains in the unit with Voucher Program assistance.

There are three types of inspections the Contractor will perform:

1. Initial  
  
Initial inspections occur before the family moves into a unit.
2. Annual

All program units must be inspected at least once within a 12-month period. The Contractor should schedule annual inspections 90 days before the effective date of the annual review. This allows time for *failed* items to be corrected. The Contractor must complete the HQS inspection even if the family has given notice of intent to move after immediately after the inspection. This ensures that all annual activities are completed by the re-certification date, even if the family's situation changes.

3. Complaint

If at any time the tenant or owner complains that the unit does not meet HQS, the Contractor will respond promptly to the complaint. A complaint regarding physical condition of the unit may be reported by telephone.

The Contractor is required to inspect only the items about which the tenant or Landlord are complaining, but if the Inspector notices additional deficiencies that would cause the unit to fail the HQS, s/he must also note those items and require the owner or family to repair these deficiencies.

**F. FAMILY HQS RESPONSIBILITIES**

1. Correcting HQS Violations

The Family is responsible to correct HQS violations caused by the following:

- a. The family fails to pay for tenant-supplied utilities;
- b. The family fails to provide and maintain tenant-supplied appliances;
- c. The family fails to repair damages caused by the family or a guest of the family to the unit or the premises;

The family or the Landlord must correct life-threatening violations within 24 hours. For other family caused violations, the family must correct the defect within 30 days. A reasonable extension; on this time may be allowed by the Contractor.

The Landlord may charge the tenant for repairs made due to tenant neglect or abuse. Local codes or laws may guide what recourse the Owner has in recovering costs of repairs. The Owner may choose to initiate legal action against its tenant.

The Contractor may terminate assistance to the family for the above HQS violations. Families must be given the opportunity for an Informal Hearing. Until the assistance is terminated, the Contractor must continue to pay the HAP to the owner.

2. Allowing HQS Inspection

The Contractor must be allowed to inspect the unit at reasonable times with reasonable notice to the family. The family will be sent a letter with a scheduled inspection date and approximate time. If the scheduled time is not convenient, the family must call the Contractor to reschedule. If the Contractor does not have access to the unit at the scheduled time, this is considered a missed appointment, and the Contractor will follow the missed appointment procedures outlined in Chapter 14.

**G. CLEARING HQS DEFICIENCIES**

1. Initial Inspection

If the unit fails the HQS inspection, the family and Landlord will be notified of the results, and advised to notify the Contractor once repairs are completed.

The Landlord will generally be given 15 to 30 days to correct the items noted as failing depending on the extent of the repairs that have to be made. The Landlord will generally be

allowed up to two re-inspections for repair work to be completed, depending on the amount and complexity of the work to be done.

If the repairs have not been completed within the authorized time period, the family should select another unit or, if the family still wants to lease this unit, the family will need to submit another *Request for Lease Approval*, explaining how the Landlord plans to complete the repairs in a timely manner.

## 2. Annual or Special Inspection

The Landlord and/or family will generally be given 15 to 30 days to correct the items noted as failing depending on the extent of the repairs that have to be made. The Contractor will generally allow up to two re-inspections for repair work to be completed, depending on the amount and complexity of the work to be done. If the items are not corrected by the final inspection, the Landlord will be given notice of intent to terminate the HAP Contract and that the HAP will be abated.

If the failed item endangers the family's health or safety, the Landlord must correct the violation within 24 hours even if the family caused the fail. The Contractor may give a short extension (not more than 48 additional hours) whenever the Landlord cannot be notified or it is impossible to repair within the 24-hour period. The following items are considered life threatening:

- Locks broken on doors to unit
- Major plumbing leaks or flooding
- Natural gas leaks or fumes
- Furnace is not working
- Water not running
- Waterlogged ceiling in imminent danger of falling
- Any obstacles that prevent tenant access or exit from unit
- Utilities turned off
- Electrical hazard which could result in fire
- Electrical hazard which could result in fire
- Broken-glass or a cutting hazard
- Non-functioning toilet if there is only one toilet in house.

In those cases where there is leaking gas or potential for a fire within the notice period and the owner cannot be notified or it is impossible to repair, the Contractor will notify the proper authorities (i.e. fire department, utility company)

If the emergency items are not corrected within 24 hours, or up to 72 hours if an extension is granted, the Landlord will be given notice of intent to terminate the HAP Contract and that the Housing Assistance Payment will be abated.

## H. ABATEMENT

When it has been determined that a unit on the program fails to meet HQS and the Landlord has been given the opportunity to correct the problem(s) and has not done so, the rent shall be abated until the repairs are complete. No retroactive payments shall be made to the owner for the period of time the rent was abated, and the family is not responsible to the Landlord for the PHA portion of rent that was abated. The Contractor will re-inspect the abated unit within 2 days of the Landlord's notice that the work is complete. The abatement will end the first business day following the re-inspection of the unit if no deficiencies are remaining.

**I. HAP CONTRACT TERMINATION FOR HQS VIOLATIONS**

The HAP Contract will be terminated if the owner fails to correct all the items cited within the 30-day abatement period. While the termination notice is running, the abatement will remain in effect. After the termination notice has been given only, one additional HQS inspection will be conducted.

If repairs are completed before the termination date, and the unit passes HQS, the termination may be rescinded by the Contractor if the family chooses to remain in the unit.

If the contract has ended and the Landlord and family agree that the family should remain in the unit, a new Request for Lease Approval and lease must be submitted to the Contractor.

**J. RENT REASONABLENESS DETERMINATION**

Rent reasonableness determinations are made before units are placed under HAP contract and when Landlords request annual rent adjustments. In order to determine if a unit's rent is reasonable the Contractor conducts an HQS inspection, and then researches non-subsidized rents with Landlords, property managers, from newspapers, Realtors, professional associations, and Apartment Guide information. The Contractor will continually maintain a market comparability notebook for rent comparison testing. At a minimum, one comparable unit is required.

The Contractor will certify and document on a case-by-case basis that the approved rent does not exceed rents charged by the Landlord for comparable unassisted units in the private market, and is reasonable in relation to rents charged by Landlords for comparable units in the private market. If necessary, the Contractor may need to assist in negotiating the rent amount.

These features are used to determine rent reasonableness:

- Locks broken on doors to unit
- Major plumbing leaks or flooding
- Natural gas leaks or fumes
- Furnace is not working
- Any obstacles that prevent tenant access or exit from unit
- Utilities turned off
- Electrical hazard which could result in fire
- Electrical hazard which could result in fire

Once the unit has been selected, the Request for Lease Approval has been submitted and approved, the unit has passed HQS, and the unit's rent has been determined to be reasonable, the Contractor is ready to execute the HAP Contract and the Landlord's lease.

## **12. LEASE AND CONTRACT EXECUTION**

### **A. HAP CONTRACT EXECUTION**

If the RFLA is approved, the Contractor will prepare the HAP Contract and Lease Addendum. Prior to HAP Contract execution, the Contractor will review the Family Report (50058) and confirm the family's eligibility. If significant changes have occurred, the information will be verified before the TTP is calculated.

To prepare the documents, the Contractor will compute the TTP, Tenant Rent, utility allowance, and the HAP. Once the documents are prepared, the Contractor will have the documents executed by the family, Landlord, and the Contractor. The appropriate staff person, designated in writing by the Contractor's CEO, will execute the contract on behalf of the PHA.

If the Contractor is the owner or property manager of the property, then the HAP Contract must be signed by the Contractor's representative at the PHA to avoid a conflict of interest.

After final execution of the lease and contract, both the Landlord and the tenant will be provided copies of the lease. The Contractor will maintain the original lease in the family's file.

The Contractor may offer the Landlord a signature briefing, especially when a new Landlord is joining the program, to be attended by the owner and tenant. Responsibilities of both parties will be discussed prior to signing the lease and contract. The documents may be mailed out for signature, as requested, if the owner has previously been briefed on program requirements.

### **B. SECURITY DEPOSIT REQUIREMENTS**

The PHA requests that a maximum of one month's rent be collected as the security deposit, but the Landlord may follow local practice in the amount required for deposit. The PHA also requires that the first and last month's rent; are not requested by the Landlord when the family enters into the lease. The Voucher program is providing assistance for both the first and last month, and collecting this rent from the family is an overcharge.

The security deposit amount collected must be stated on the lease. If the tenant is leasing-in-place, the amount of the security deposit may remain at whatever deposit was originally collected. If the Landlord wishes to increase the security deposit, a new HAP contract and lease must be executed, using the current subsidy calculations.

When the family moves out of the unit, the Landlord is subject to state and local law concerning the return of the security deposit. If the security deposit does not cover unpaid rent, damages or other amounts the family owes under the lease, the owner must collect any amounts due from the family. The owner may not claim reimbursement from the PHA for unpaid rent, damages or other amounts owed by the family under lease.

### **C. SEPARATE AGREEMENTS**

Landlords and families may execute agreements for services, pets, furniture, appliances (other than for range and refrigerator) and other items outside those that are provided under the lease if the agreement is in writing and approved by the Contractor. If the family and Landlord have come to an agreement on the amount charged for a specific item, and the charges are reasonable and not a substitute for higher rent, they will be allowed. Copies of all agreements for special items or services must be provided to the Contractor.

Any appliance, service or other items, which is routinely provided to non-subsidized tenants as part of the lease (i.e. air conditioning, dishwasher or garage), or is permanently installed in the unit, may not have an extra charge and must be included in the lease. For there to be a separate agreement, the tenant must have the option of not utilizing the service, furniture, appliance or other item. The PHA is not liable for unpaid items covered in a separate agreement, and nonpayment of these agreements cannot be cause for eviction.

### **13. LANDLORD PAYMENT PROCESS**

#### **A. REQUIREMENT FOR VALID W-9 FORM**

Once the HAP Contract is executed, and the PHA has a valid W-9 from the owner, the payment can be processed to the owner. A valid W-9 is supplied by the PHA, and must be submitted by the property owner. If the checks should be mailed to a property manager, their name and address is typed in the Remit To section on the W-9. (See Addendum C-1)

#### **B. PAYMENT PROCESS**

The PHA will make every attempt to remit the HAP to the owner on or about the first of each month, but normal processing may delay the HAP until the 5<sup>th</sup> of the month. The PHA fiscal year close, June 30, always delays delivery of the HAP to the 10<sup>th</sup> through the 15<sup>th</sup> of July. Checks are always mailed or deposited to the owners and may not be picked up at the PHA office. For inquiries about setting up an Electronic Funds Transfer (EFT) process, please contact a Financial Administrative Assistant.

The Contractor is required to submit a Payment Register and Family Report for all initial, interim and annual certifications. The Contractor will submit a monthly HAP Request showing the payment request status effective the first of the month. The monthly HAP Request must be mailed to the PHA on or before the 15<sup>th</sup> of the month prior to the payment request. The PHA will reconcile the Contractor's HAP Request on a quarterly basis.

If a mid-month lease is executed, the partial payment for the first month, and the full payment for the second month will be paid with the second month's regular HAP. The Contractor may make a request, if an emergency payment is required for the partial month's rent. If the family has an income reduction, which increases the monthly HAP, and the HAP has already been processed, the additional amount due to the owner will be paid with the next month's HAP.

When a full-month's late payment request is received; the PHA will issue a manual warrant if the request is received before the end of the month when it's due. If the request is received after the end of the month, the payment will be made with the next month's regularly scheduled HAP, unless the Contractor has made special arrangements with the PHA for an earlier payment.

#### **C. LOST CHECKS**

Checks lost in the mail will not be replaced by a duplicate check until a stop payment and reissue affidavit is filed with the State Accounts and Control office.

#### **D. LATE CHARGES**

PHA policy does not allow for payment for late payment fees.

#### **E. CHANGE IN OWNERSHIP**

The Contractor will process a change of ownership upon the written request of either the old or new Landlord with a copy of the recorded deed transferring the property. A copy of the Taxpayer Identification Number or the Social Security number of the new Landlord and a W-9 form must be submitted before payment can be made to the new Landlord. The Contractor may hold the HAP until the new W-9 is received if the Contractor knows that an ownership transfer has occurred. All payments that are due will be paid in as timely a manner as possible upon receipt of the required documentation.

The PHA will not be responsible for changing any amounts shown on the IRS 1099 reporting document unless the ex-Landlord returns the original PHA payment(s) for the period that they did not own the property. In this case, a check will be issued to the new Landlord, and the reportable income will show on the new Landlord's 1099 form.

## 14. INTERIM AND ANNUAL RECERTIFICATIONS

### A. INTERIM REQUIREMENTS

CDOH wants to go in a direction of minimizing the number of interims when there is a change income positive or negative, unless the family formally requests it (24 CFR 982.526(b)(2)). Interim recertifications should be conducted only if there is an increase in the families' household income or if the family is participating in the Family Self Sufficiency Program. With the reasoning that at the time of recertification the best indicator of families's anticipated future income should be determined using tenant provided documents or most current information to calculate anticipated annual income. Hence, moving away from doing interims even when there is an increase in a family's income as long as the family reports income changes to their Contractor within the month the change occurs.

Families will need to plan for increases or decreases in income. However, if there is a drastic change in a family's income, an interim may be requested. A change will not occur automatically, a family will have to submit a written request to re-evaluate their income. FSS families will want to exercise this practice to get the maximum benefit form their escrow accounts.

Families are responsible for reporting all changes in income. Failure to report an increase in income, even if rental amount will not change, is a violation of the family obligations. If a rent change would have resulted the family must be put on a repayment agreement, paying back any amount that would not have been paid, had the increase been reported.

Housing Agencies should track the families that have a pattern of abusing the system, the number of families their was an increase in income and the amounts.

The family is required to report to the Contractor when changes occur in their family composition or income within the month it occurs. A change that causes a decrease in the family's portion of the rent will be effective the first day of the month following the change, if the change is reported in a timely manner. Changes, which cause the family's portion of the rent to be increased, will be effective the first of the month after a 30-day notice of rent increase is given to the family. When a reported change does not cause any change in the family's portion of the rent, the Contractor will document the family's file according with the following and provide his/her initials:

1. The date notified;
2. What nature of the change;
3. Person who notified the Contractor;

#### 1. The family must report:

- a. All changes in family composition must be reported within the month of its occurrence. When the situation requires the issuance of another size Housing Voucher, the Contractor will follow the instructions in Chapter 8. C.
- b. Any increase in gross household income must be reported within the month it occurs.
- c. Receipt of lump sum payments.
- d. Increase in allowances or deductions

#### 2. Other Interim Reporting Requirements:

- a. For families with reporting zero income, this claim must be verified through a monthly Survival Statement.
- b. For families whose annual income cannot be projected with any reasonable degree of accuracy, reexamination will be required every 90 days unless the Contractor used the averaging method of annual income calculation.
- c. If the Contractor made a calculation error, the Contractor will perform an interim recalculation. The family will be given a 30-day notice, and will not be charged rent retroactively for the Contractor's error.

- d. For families whose rent has been based on false or incomplete information, there will be an interim reexamination performed to determine if termination and/or repayment procedures should be initiated.

## **B. FORMS USED AT INTERIM RECERTIFICATION**

The Contractor will need the following forms to perform an Interim Recertification:

1. Release of Information Authorization
2. Verification Forms
3. Family Report and Family Certification
4. Notice of Rent Change, Informal Hearing Opportunity letter
5. Contract and Lease Amendment

The amendment and the Notice of Rent Change letter will be sent to the Landlord and tenant. Signatures are not required for the contract and lease amendment.

## **C. TIMELY REPORTING**

1. Standard for Timely Reporting of Changes

The standard for reporting changes, other than changes in family composition described below, is for the family to report the change no later than at the month in which the change occurred. The family must report the change either in writing or personally to the Contractor. The Contractor should give the family a receipt for personalized visits. The Contractor will verify the changes through the normal verification process.

2. Procedures when the Change is Reported in a Timely Manner

The family will request a meeting with the Contractor to discuss the change, and bring any supporting documentation. If the family is unable to bring documentation to the meeting, they will be requested to provide the documents to the Contractor within the next 10 business days. The Contractor will follow normal verification procedures.

The Contractor will notify the family and the Landlord of any change in the Housing Assistance Payment. The family is always given a 30-day notice prior to the first of the month, when the change becomes effective for increases in Tenant Rent. Decreases in the Tenant Rent are effective the first of the month following the month in which the change was reported. No rent adjustments will be processed until the verification process is complete. When necessary, the Contractor will make a retroactive adjustment.

3. Procedures when the Change is Not Reported in a Timely Manner

If the family does not report the change by the end of the month in which the change occurred, the family will be determined to have caused an unreasonable delay in the interim reexamination process.

- a. Increased Tenant Rent: The change will be effective retroactive to the date it would have been effective, had it been reported on a timely basis
- b. Decreased Tenant Rent: The change will be effective on the first of the month following completion of the change by the Contractor

The family will be required to sign a Repayment Agreement for any overpaid housing assistance. Deviation from normal effective dates is considered justified because of the participant's failure to supply the required report.



4. Procedures when the Change is Not Processed by the Contractor in a Timely Manner:

If the change is not processed in a timely manner through the fault of the contractor, an increase in Tenant Rent will be effective after the required 30-day notice by the Contractor, with no retroactive increase charged to the family.

If the change resulted in a decrease in the Tenant Rent, a retroactive overpayment of Tenant Rent will be calculated to the date it should have been effective and a check will be sent to the family.

5. Timing of Next Annual Re-certification

Interim re-certification will have no effect on the annual re-certification effective date.

#### D. ANNUAL RECERTIFICATION

The Contractor must conduct the following on an annual basis:

- Annual re-certification of family composition and income
- Annual HQS inspection
- Documentation of tenant rent increase or decrease

The Contractor will maintain a reexamination tracking system to begin the re-certification process at least 90, and up to 120 days in advance of the scheduled annual reexamination effective date.

Families must provide documentation on income, assets, allowances and deductions, and family composition, and allow the unit to be inspected at least annually in order to remain compliant with the Program. Annual recertification for mid-month move-ins will be effective the first of that month, the following year.

At the annual re-certification if the family reports a change that would have caused an interim re-certification increasing their rent, that increase will be effective retroactively to the scheduled effective date if proper notice had been given. A repayment agreement may need to be signed.

1. Reexamination Notice to the Family

The head of household will be notified by letter that s/he is required to attend a reexamination interview. The letter will state the date and time for the appointment. The family may contact the Contractor and re-schedule for a more convenient time. See *Missed Appointment* policies in Section F. below. A *Personal Declaration form* and *Items to bring list* are enclosed with the interview letter. The family will be instructed to fill out the form along with the supporting documents.

2. Verification of Information Provided

The Contractor will follow Verification Procedures in Chapter 5. Verifications are valid for 120 days from the date of the verification.

A. Evaluating EIV data

Annualize income using last 4 quarters available on EIV

1. Average weekly X 52 weeks
2. Average bi-weekly x 26 weeks
3. Average semi-monthly x 24
4. May consider using year to date

B. Evaluating EIV Data

Compare annualized EIV to annualized family income reported. Review EIV reports for any New Hire information, Unemployment benefits, and all sources of

SS and SSI Income. If the EIV income is higher than the household income, the agency must investigate and verify as follows: Compare EIV, paystubs and third party employer verification all, and use the higher of the three as anticipated income to household. Use the most current verified income information.

3. Change in Tenant Rent

After documents are submitted by the tenant, the Contractor will recalculate the family's portion of rent. The Contractor will notify both the family and the Landlord which portions of the rent are to be paid by the family and the PHA.

If there is an increase in the family's portion of the rent, the new portion will become effective following a full 30-day notice prior to the first of the month in which the new rent will apply. If the family has provided inaccurate information or otherwise caused a delay in the reexamination process, increased portions may be retroactively applied.

If there is a rent decrease, it will become effective on the scheduled reexamination effective date.

**E. ANNUAL HQS INSPECTION**

The Contractor will conduct an HQS inspection at least annually following the guidelines described in Chapter 14.

**F. MISSED APPOINTMENTS**

All families are required to attend their scheduled appointments when requested by the Contractor. The appointments are scheduled as the Contractor, the PHA, or HUD, determine to be necessary to enable the family to supply information including certifications, releases of information, documentation submission, and allowing the Contractor or the PHA to complete HQS inspections. If the scheduled meeting is inconvenient for the family, it is the family's responsibility to reschedule with the Contractor. If the family fails to appear for their appointment, the Contractor will automatically notify the family in writing of a scheduled second meeting. Two unexcused failures to appear at a scheduled appointment will result in the Contractor mailing either the Notice of Denial or Notice of Termination of Assistance letters.

1. Application Denial

The applicant's *Notice of Denial* letter will state that the application has been withdrawn due to a determination of ineligibility. The applicant has a right to appeal this letter in an informal review. The applicant may reapply for assistance unless the informal review determines that a third briefing should be scheduled. The informal review process is explained in Chapter 16.

2. Program Termination

The family's *Notice of Termination of Assistance* letter will state the reason for the family's termination of assistance. The notice also affords the family has the right to an Informal Hearing. The informal hearing process is explained in Chapter 16.

**G. LANDLORD RENT INCREASES**

1. Written Request

Landlords must request a rent increase in writing. After the expiration of the first term of the lease, rent increases may be effective with a 30-day notice to the family, and a copy provided to the Contractor.

2. Rent Reasonableness

The Contractor will conduct the rent reasonableness test for the new rent following guidelines described in Chapter 11. The Contractor will advise the family whether the rent is reasonable and will assist in negotiation with the Landlord if requested by the family.

3. HQS Requirement

Contract rent increases will not be given until the unit passes the Housing Quality Standards inspection.

4. No Settlement on Rent Increase

If the Contractor rejects the Landlord's request for rent increase as exceeding rent reasonableness, and the Landlord rejects the Contractor's disapproval of rent:

- a. The Landlord must institute court action and use this refusal to accept the rent as a cause to terminate tenancy, in accordance with the lease. The Contractor would issue a new Housing Voucher to the family; or
- b. The family may choose to terminate their Voucher Rental Assistance and pay the full amount of Contract Rent to Landlord;
- c. If after the family has begun searching for a new housing unit and/or after court action has been initiated, the Landlord may decide to drop legal action and accept the approved rent. If both the Landlord and family agree to the existing rent the lease can continue as is, or the Landlord may offer a new lease to the tenant for the approved rent amount.

## **15. FAMILY MOVES AND CONTRACT TERMINATION**

### **A. FAMILY MOVES**

A Housing Voucher will be issued every time the family wishes to move. The annual re-certification date will not change unless the Contractor completes a full re-certification. The family must provide the Contractor with written notice prior to moving from the unit in order to keep their assistance. If the family vacates the unit without written notice to the Contractor, it is a violation of a family obligation and the Termination of Assistance procedures will begin. If the family vacates the unit without proper notice to the Landlord, the family may be responsible for any rent due until the end of the lease term.

If the family moves to a dwelling unit owned by the same Landlord, or within the same building or project, the move still requires a new Housing Voucher, lease and contract.

If the family does not locate a new dwelling unit, and the Landlord is willing to rescind the mutual recession of lease, the family may continue living in their current unit. No additional documents are necessary and the Landlord continues to be paid.

Families will be authorized to move with continued assistance under the following conditions unless one or both of the below situations are present:

1. The family has violated a family obligation in accordance with 24 CFR 982.551 and 982.552;
2. The family owes the PHA money and refuses to enter into a repayment agreement;

### **B. MUTUAL RESCISSION OF LEASE**

The family may enter into a mutual rescission of the lease with the Landlord. The family must provide a copy of the written, executed mutual rescission to the Contractor no less than 30 days prior to the vacate day.

### **C. TERMINATION OF THE LEASE AND CONTRACT BY THE LANDLORD**

The Landlord may terminate the lease in accordance with the lease provisions, which also terminates the HAP contract. If this is a mid month termination, the Contractor must prorate the HAP. The Landlord must reimburse the PHA for any rent subsidies paid by the PHA for any period after the contract termination date.

If the family continues to occupy the unit after the lease and contract are terminated, the family is responsible for the full amount of the Contract Rent and any other amounts owed as a result of continued occupancy.

### **D. TERMINATION OF CONTRACT BY CONTRACTOR**

The HAP contract terminates automatically when the family moves from the unit, and when 180 calendar days have elapsed since the last HAP to the Landlord. If the Contractor terminates the HAP Contract, contractor must give the Landlord and family at least a 30-day written notice.

The Contractor may terminate the Contract for the following reasons:

1. The Annual Contributions Contract is ending between the PHA and HUD.
2. The Landlord is not in compliance with the terms of the Contract. Before terminating for this reason, the Contractor must give the Landlord the opportunity to take corrective actions.
3. The Landlord has committed fraud.

If the Landlord has committed fraud or misrepresentation, the Contractor will terminate the HAP Contract. The Contractor will review the circumstances and family's involvement to determine if the family is eligible to relocate to another unit with continuation of assistance.

The Contractor will make every effort to recover any overpayment made as a result of Landlord fraud or abuse.

If the Landlord has committed fraud, the Contractor may restrict the Landlord from future participation in the program for a reasonable period of time, commensurate with the seriousness of the offense.

4. The Contractor terminates assistance to the family.
5. The family is required to move from a unit that is overcrowded.
6. The family has been at \$0 HAP assistance for 180 days. When 180 days have elapsed, and the family is still at \$0 assistance, the Landlord will be notified of the termination of the HAP Contract.

During the 180-day period the Contractor must perform all duties and responsibilities as necessary such as reexaminations and HQS inspections. If the Landlord wants a rent increase during this 180-day period and the rent increase would cause the Contractor to resume HAP payments, or if at a reexamination time, the family had a loss of income and there would be a HAP payment, the payments will be resumed. If the family moves to another unit, which requires the Contractor to pay HAP, the \$0 assistance provision will no longer remain in effect. The Contractor cannot execute a HAP contract at \$0 subsidy.

#### **E. FORCLOSURES**

In the event that the rental property goes into foreclosure, the terms of the HAP contract are still in effect between the PHA, the Landlord and the Tenant. If a Landlord is not amenable to a mutual rescission of Lease, the tenant shall continue to dwell in the unit under the terms of the lease. The lease is still valid for the specified time and amount of rent, even if/ when ownership of the property transfers. If tenant would like to move, s/he may ask new owner to agree to a mutual rescission of Lease, otherwise the lease shall continue, and the tenant shall continue to dwell in the unit under the terms of the lease.

#### **F. EVICTIONS**

Landlords are required to follow eviction procedures consistent with Federal, State or local law. Landlords must provide a copy of the eviction notice to the tenant and Contractor and, if the action is finalized in court, the Landlord must provide the Contractor with the documentation.

The PHA must continue making housing assistance payments to the Landlord during the eviction until the court determination is settled. The family must continue to occupy the unit for assistance payments to continue.

A Landlord may terminate tenancy for criminal activity by a family member or a guest under the tenant's control. This criminal activity must threaten the health, safety or right to peaceful enjoyment of premises by other tenants or persons residing in immediate vicinity of the premises. The Landlord may also terminate tenancy for any drug-related crime on or near the premises by a family member or a guest under the tenant's control.

#### **G. CONTINUOUSLY ASSISTED**

There may be times when a participating family needs to move from their unit and is not in a position to immediately start a housing search. The family may request, in writing, a deferral of subsidy issuance for a period up to 180 days for medical, educational or employment reasons.

1. Reasons for Break in Assistance
  - a. Care of a child, parent, or other relative with a serious health condition, including psychological support.
  - b. The head of household's own serious health condition.

- c. A participant family member that has the opportunity to be employed or to receive educational benefits in an area that has no eligible housing opportunities at this time. There must be the possibility of eligible housing available by the end of the 180-day subsidy deferral.
  - d. A participating family is residing in a shelter temporarily.
2. Family Member Defined for Medical Continued Assistance

For purposes of continued assistance, a family member is defined as daily care as follows and no other family relationship is allowed under continuously assisted. The Contractor may require documentation of the following family relationships.

- a. Child, including biological, adopted, foster, step or adult child over 18 incapable of self care, legal ward, or child for whom the participant is acting *in loco parentis*. *In loco parentis* is defined as providing daily care and financial support.
  - b. Spouse, either by marriage or common law as recognized by Colorado state law.
  - c. Parent, including a person who acted *in loco parentis* for the participant.
3. Serious Health Condition Defined

A serious health condition is an illness, injury, and impairment, physical or mental condition that meets one of the following tests.

- a. Inpatient care (overnight stay) in a hospital, hospice, or residential care facility, including any subsequent period of incapacity and treatment to recover.
- b. Continuing treatment by, or under the supervision of, a health care provider for the following:
  - 1. A period of incapacity of thirty or more consecutive calendar days along with treatment, including any continuing treatment. Treatment is defined as care by prescriptive medications or special equipment. Routine exams and treatment not requiring initiation by a health care provider are excluded (i.e. over-the-counter medications, bed rest, exercise, fluids, etc).
  - 2. A chronic serious health condition that requires periodic visits to a health care provider for treatment, continues over an extended period of time, and may cause episodes of incapacity. Examples include, but are not limited to, migraines, asthma, diabetes, and epilepsy.
  - 3. A permanent, long-term condition for which treatment may not be effective. The patient is under the supervision of a health care provider, but not necessarily receiving active treatment. Examples include, but are not limited to, Alzheimer's disease, severe stroke, and terminal illnesses.
  - 4. Multiple treatments, including the period of recovery, for restorative surgery after an accident or illness or for a condition that would likely result in an incapacity if not treated. Examples include, but are not limited to, radiation, physical therapy, dialysis, and chemotherapy.

Excluded are short-term, minor illnesses, common or routine problems, voluntary or cosmetic treatments that are not medically necessary. Examples include cosmetic surgery, colds, flu, common ear aches/infections, upset stomach, minor ulcers, common headaches, routine dental or orthodontia, periodontal disease, etc. An incapacity of 4 or more consecutive calendar days and/or a regimen of treatment do not convert a minor illness or injury into a serious health condition.

The use of an illegal substance is not protected under *continuously assisted*. If the participant or eligible family member is under substance abuse treatment that meets the definition of a serious health condition, the treatment is covered under *continuously assisted*. However, the Contractor may still take termination action against the participant in accordance with this administrative plan's substance abuse policy and HUD's implementing guidelines. On the other hand, no action can be taken against the participant if the participant is using the subsidy abatement for the substance abuse treatment of someone other than themselves, or a participant family member.

4. Health Care Provider Defined

A health care provider includes a medical doctor, osteopathic doctor, dentist, podiatrist, clinical psychologist, optometrist, chiropractor (under certain conditions), nurse practitioner, nurse mid-wife, Christian Science practitioner (listed with the First Church of Christ, Scientist in Boston), and clinical social worker.

5. Participant Requirements

The participant has primary responsibility for requesting a break of assistance and providing the required information or documentation to support the request before they move from the current assisted unit. The participant is expected to request leave in advance and in writing, except in emergencies or other unforeseeable circumstances. Advance notice is typically one month, in accordance with rescission of the lease, or as soon as practical.

Again, the participant is obligated to provide enough information so that the Contractor can designate whether continuance of assistance is applicable or necessary.

6. Contractor Requirements

Normal verification procedures and time frames will be followed in confirming the break in assistance request. For educational and employment requests, verification will include written verification from the educational facility or employer and rental market documentation that eligible housing is not available.

For medical verification a statement from the affected family member's doctor will be required. If the medical certificate is incomplete or deficient, return it to the participant with a reasonable period of time to correct the deficiencies. Do not try to second-guess the health care provider.

If Contractor has reason to doubt the validity of the medical opinion, the Contractor has the right to require a second opinion. The Contractor may select the health care provider. If the second opinion and the original opinion conflict, the Contractor has the right to request a third opinion by a health care provider that the Contractor and the participant select together. The Contractor must pay for second and third opinions.

If the information the participant supplied is still insufficient, the Contractor will start termination of assistance procedures with the right of appeal. Once the Contractor has determined that the requested break in assistance is qualified, written notice will be given within five business days from when the designation was made. If the break has already begun, the notice should be sent to the participant at the last known address by certified mail, return receipt requested.

7. Periodic Check-In

The Contractor and the participant will establish a periodic check-in schedule generally every 30 days. The check-in schedule can include updates on the housing market, or the status of the affected family member.

Additional medical certifications may be required. Typically, such certifications cannot be required more often than every 30 days. Second and third opinions are not allowed for additional medical certifications. A verbal request from the Contractor is acceptable



## **16. TERMINATIONS, APPEALS, AND REPAYMENT AGREEMENTS**

### **A. DENIAL OR TERMINATION OF ASSISTANCE GENERAL POLICIES**

If the family has committed fraud in connection with the Housing Voucher Program, the Contractor may terminate assistance and cancel the Contract.

If the family has misrepresented income, assets, or allowances and deductions, which would have caused them to pay more, the Contractor will make effort to recover any overpayment made as a result of tenant fraud or abuse.

The Contractor may choose not to terminate assistance under the outstanding HAP Contract, or the Contractor may offer to continue assistance on the condition that the family agrees to reimburse the Contractor for the overpayment.

In deciding whether to deny or terminate assistance because of action or failure to act by members of the family, the Contractor has discretion to consider all of the circumstances in each case, including the seriousness of the case, the extent of participation or culpability of individual family members, and the effects of denial or termination of assistance on other family members who were not involved in the action or failure.

The Violence Against Women Reauthorization Act of 2005 limits owners and Housing Agencies the right to terminate tenancy or program assistance. A owner or Housing Agency may not consider incident(s) of actual violence, or stalking as (1) a serious or repeat violation of the lease by the victim (2) other good cause for terminating the tenancy or assistance (3) criminal activity justifying the termination of the tenancy or assistance.

The Housing Agencies may not require or demand that and individual produce official documents or physical proof that they are a victim. However, a Housing Agency may request that an individual to certify that the incidents in question are bona fide incidents of such actual or threatened:

A family member must complete and submit the HUD Form 50066 Certificate of Domestic Violence, or information that may be provided in lieu of the certification, within 14 business days of receiving the written request for this certification by the Housing Agency.

Note that a family member may provide, in lieu of this certification (or in addition to it):

- (1) A Federal, State, tribal, territorial, or local police or court record; or
- (2) Documentation signed by an employee, agent or volunteer of a victim service provider, an attorney or a medical professional, from whom the victim has sought assistance in addressing domestic violence, dating violence or stalking, or the effects of abuse, in which the professional attest under penalty of perjury (28 U.S.C. 1746) to the professional's belief that the incident or incidents in question are bona fide incidents of abuse, and the victim of domestic violence, dating violence, or stalking has signed or attested to the documentation.

#### **HUD Forms**

- Revised Voucher Housing Assistance Payment Contract (HUD Form 52641)
- Revised Tenancy Addendum (HUD Form 52641 A)

### **B. GROUNDS FOR TERMINATION FROM THE PROGRAM**

The applicant or program participant may be denied program assistance, or be terminated from the program at any time on of the following grounds:

1. If the family violates any family obligations under the program;
2. If any member of the family has ever been evicted from public housing;
3. If the PHA or one of its Contractors has ever terminated assistance for any member of the family;
4. If any member of the family engages in drug-related or violent criminal activity;

5. If any member of the family commits fraud, bribery or any other corrupt or criminal act in connection with any federal housing program;
6. If the applicant currently owes rent or other monies to any PHA or housing agency in connection with Voucher Program or public housing assistance under the 1937 Act.
7. If the family has not reimbursed any housing agency for amounts paid to a Landlord under a HAP contract for rent, damages to the unit, or other amounts owed by the family under the lease.
8. If the family breaches a re-payment agreement with any housing agency;
9. If a family participating in the FSS program fails to comply with the family's Contract Of Participation without good cause;
10. If the family engages in or threatening abusive or violent behavior toward housing agency or Contractor staff or property;
11. If any member of the family fails to sign and submit consent forms needed to obtain documentation;
12. If the family fails to submit required evidence of citizenship or eligible immigration status for each family member;
13. If any participant family has been evicted from any unit, for any reason two times;
14. If a family has reached zero assistance and has paid the full rent for 180 days;
15. If a family member is convicted of manufacturing methamphetamines (using a meth lab) on federally assisted housing premises;

### **C. OBLIGATIONS OF THE PARTICIPANT**

Participants are required to comply with the following:

1. Supply required information to Contractor and Landlord;
2. Repair any HQS breaches caused by the family;
3. Allow for an annual HQS inspection;
4. Satisfy the terms of the lease without violations;
5. Provide 30-day written notice to Contractor and Landlord of intention to move or terminate lease;
6. Provide notice to Contractor of eviction by Landlord;
7. Reside solely at the unit receiving assistance;

If the family is absent from the unit for less than 180 consecutive days the Contractor will consider the assisted unit the family's principal place of residence unless one or more of the following conditions is present:

- a. The family has not declared that the assisted unit is their principal place of residence;
- b. Rent is not current;
- c. Utilities are turned off;

d. Household furnishings are not present;

e. The family has been out of the unit for 180 consecutive days;

8. Notify the Contractor of change of family composition within 10 days. This includes birth, adoption or court-awarded custody of a child, and marriage. The family must request Contractor's approval to add any other family members as an occupant of the unit.
9. Family must notify Contractor if any family member no longer resides in the unit;
10. Obtain the Contractor's approval for a foster child or a live-in aide to reside in the unit;
11. Members of the household may engage in legal profit making activities in the unit, but only if such activities are incidental to primary use of the unit for residence.
12. The family must not sublease the unit.
13. The family must not assign the lease or transfer the unit.
14. The family must promptly notify the Contractor of absence from the unit. Participant(s) must supply any information or certification requested by the Contractor to verify that the family is living in the unit or relating to family absence from the unit, including any requested information regarding the purposes of family absences.

The Contractor may request the above information from the participant family by telephone, home visit or by questions to the Landlord or neighbors. If the Contractor is unable to contact the head of household or spouse the Contractor will follow-up with a letter to the participant family's last known address stating the results of the inquiry and either request a conference at the Contractor's office or start termination procedures.

The family may be absent from the unit up to 45 continuous days for vacation and/ or 180 continuous days for medical leave reasons and still keep their assistance. In no case may the family be absent from the unit for reason of incarceration. During the period of absence, the family and the Contractor will continue to pay their portion of the rent respectively, which may include changes due to annual or interim certifications.

15. The family must not have any interest in the unit except for:
  - a. Mobile home owner leasing pad site;
  - b. Families using their Housing Voucher with an installment land contract;
  - c. Families using their Housing Voucher with a homeownership program;
16. The family may not receive Voucher Program tenant-based assistance while receiving any other housing subsidy for the same unit or for a different unit under any duplicative federal, State or local housing assistance program.

#### **D. OTHER CONDITIONS AND PROCEDURES FOR TERMINATION OF ASSISTANCE**

1. The Contractor reserves the right to perform a calculation to determine how much the family owed in past amounts if family did not report any required changes for an interim recertification.
2. If the Contractor determines that the family provided inaccurate information with the willful intent to commit fraud, then the family shall enter into a Repayment Agreement with the Contractor.

3. If a family or Landlord does not meet with the Contractor to sign the new lease and other documents, the family will be responsible for the full rent until the documents are executed.
4. In the case of any denial of an applicant's request for a Housing Voucher, the Contractor must notify the family in writing and offer the family an opportunity to appeal the decision through an Informal Review.
5. In any case where the Contractor decides to terminate assistance to the family, the Contractor must give both the family and the Landlord a 30-day written termination notice which states:
  - a. The reason for termination;
  - b. The effective date of the termination;
  - c. The family's right to request an Informal Hearing to be held before termination of assistance;
  - d. The family's responsibility to pay the full rent to the Landlord if they remain in occupancy.
6. Families who have been at \$0 HAP for 180 (6 months) days shall be released from the program.

#### **E. APPEAL PROCEDURES**

The Informal Review/Hearing shall concern only issues included in the notice the family received. Evidence presented at the Hearing may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

1. Families Have the Right To:
  - Examine and copy relevant documents before the Review/Hearing (at the family's expense);
  - Present any or all information pertinent to the issue of the Review/Hearing;
  - Request that Voucher Program staff be available or present at the Review/Hearing to answer questions pertinent to the case;
  - Be represented by legal counsel or other designated representative, with five days notice to the Contractor (at the family's expense);
2. Contractors Have the Right To:
  - Present evidence of any or all information relevant to the Review/Hearing;
  - Examine relevant family documents before the Review/Hearing;
  - Be notified if the family intends to be represented by legal counsel or another party;
  - Have its attorney present; and
  - Have the staff person familiar with the case present;

#### **F. INFORMAL REVIEW**

The Contractor will provide the applicant an opportunity for an Informal Review if the applicant is denied participation. Informal Reviews are for families that have been issued a Housing Voucher for the first time, and have not gone under contract.

1. Informal Review Procedures

- a. The applicant will be given written notification of the denial of placement on the waiting list or denial to issue a Housing Voucher, which will state the reason(s) for the denial.
- b. The notice will state that the applicant has a right to request, in writing, within 10 business days of the date of the notification an informal review of the decision.
- c. The informal review will be scheduled within 10 business days of the Family's request.
- d. The Executive Director will select a person who was not involved in the decision to conduct the review.
- e. The applicant may present written or oral arguments relative to the decision.
- f. The agency will notify the applicant of the results of the informal review within 10 business days of the date review.

**G. INFORMAL HEARING**

The Contractor will give a participant the right to an Informal Hearing prior to termination or change in the participant's portion of the rent or Voucher subsidy size, under the following:

- A determination of the family's gross and adjusted income, TTP, or utility allowance;
- A determination to reduce, terminate, or deny assistance;
- A determination of the subsidy size allocated on the Housing Voucher;
- A determination of citizenship or eligible immigration status cannot be verified;

3. Informal Hearing Procedures

- a. For any decision related to the situations described above, the agency will notify the family of the Contractor's decision, the family's right to an explanation, and their right to request a hearing, in writing, within 10 business days of the notice.
- b. In the case of a family whose assistance is being terminated, and the family is currently living in a unit with a HAP Contract, the agency will provide an opportunity for an Informal Hearing before the actual termination of the HAP contract. A copy of the letter will be mailed to the Landlord to notify them of the situation, and the possible termination of the HAP contract.
- c. The Contractor will schedule the hearing within 10 business days from the receipt of the family's written request for a hearing.
- d. The Executive Director will select the Hearing Officer. The Hearing Officer must be someone other than the person who made the original decision or a subordinate of that person. The PHA staff can be available by telephone conference call to be the Hearing Officer.
- e. The procedure for requesting and conducting a hearing will be provided to each family during the Housing Voucher briefing.
- f. If a program violation occurs, the Contractor will make a reasonable attempt to contact the family to inform them of their right to an Informal Hearing or the time of the scheduled

hearing. Sending a certified letter is the standard means of notification. A receipt of delivery should be requested from the US Post Office. The contractor is only responsible to document that s/he sent a notice, but not that the family receives this notice. By failing to schedule or appear at the informal hearing, the family waives their right to subsequent hearings unless the contractor chooses to re-schedule.

## **H. HEARING OFFICER PROCEDURES**

The Hearing Officer will be responsible to conduct the hearing in accordance with the following guidelines:

1. The participant or the participant's representative will first be given an opportunity to present his/her objections to the decision in question, and only the specific decision pertinent to this hearing. The participant may present evidence or question witnesses at this time.
2. The Contractor or the Contractor's representative will then have an opportunity to explain the decision. The Contractor may present evidence and question witnesses. The participant will have the opportunity to question any agency witnesses at this time.
3. The Informal Hearing is not intended to duplicate the judicial review procedure. The rules of admissibility under such proceedings shall not be applied in the course of the hearing.
4. The Hearing Officer shall issue a written decision within 10 business days of the Informal Hearing. Factual decisions related to the individual circumstances of the participant will be based on the evidence presented at the hearing. A copy of the hearing decision will be sent to the participant via certified mail. The written decision shall contain the following:
  - a. A summary of the decision and reasons for the decision;
  - b. If the decision is based on money owed, the amount owed shall be stated;
  - c. The date the decision becomes effective;
5. The Contractor is Not Bound to Hearing Decisions based on the following:
  - a. Concerning a decision that is not identified in the Plan as eligible for an Informal Review, Informal Hearing or beyond the authority of the Hearing Officer or procedures;
  - b. Contrary to HUD regulations or requirements, or Federal, State and local law;

## **I. REPAYMENT AGREEMENT GENERAL CONDITIONS**

Repayment Agreements are executed with families who owe the PHA money. As an agent of the PHA, the Contractor, will enter into one repayment agreement with the family for each debt owed. If a repayment agreement has a balance due, the Contractor will not amend the repayment agreement. Any additional money owed shall be paid in full until the repayment agreement no longer has a balance due.

If a new HAP Contract has not yet been executed on the family's behalf, a repayment agreement shall be negotiated with the family before a new contract may be executed. If the family refuses to negotiate a repayment agreement, a HAP contract cannot be executed and assistance shall be terminated in accordance with Program regulations and this Plan.

If a new HAP contract has been executed in the family's behalf, every effort will be made to negotiate a payback agreement. Should the participant refuse to negotiate a payback agreement, they will be refused a new Housing Voucher until the indebtedness is paid. No action will be taken to terminate assistance under the current contract.

Should the family fail to make two consecutive payments as agreed, termination action will be taken following this plan's guidelines.

In addition to the action prescribed in this section, the agency will pursue collection of all debt through the judicial system in order to secure judgment and enhance the potential for collection. This action will be taken on a case-by-case basis when it is deemed most prudent.

## **J. REPAYMENT AGREEMENTS FOR FRAUD/NON-REPORTING OF INFORMATION**

If the Contractor determined that the family committed fraud or did not report information which caused an over payment of subsidy, the Contractor may require the family to repay the entire amount in full or enter into a Repayment Agreement using CDOH's *Administrative Remedies Repayment Agreement*. If the family chooses to enter into a Repayment Agreement, the following shall apply:

### **1. Monthly Payments**

If the family is willing to execute a Repayment Agreement, payments shall be established under the following guidelines, depending upon the family's ability to pay:

- a. The entire debt in full; or
- b. The entire debt is paid in full by the next annual re-certification; or
- c. Within the next 12 months; or
- d. By an agreed-upon date that allows the family the ability to repay the debt;

The minimum monthly payment shall be 5 percent of the monthly-adjusted income, or \$10, whichever is greater. The family has the option to pay more than 5 percent of their adjusted income if they choose to repay the claim at a faster rate.

If the family breaches the repayment agreement, which violates the condition for continuation of assistance, assistance payments under the HAP Contract will be terminated after providing opportunity for an Informal Hearing and proper notice to the Landlord.

If the family refuses to sign a Repayment Agreement for changes the family failed to report, it will be considered fraud. In this case, the Contractor shall terminate assistance for fraud. If the family's assistance is terminated and repayment has not been made, the money will be considered to be owed, and the Contractor may take action to collect the amounts owed. The Contractor shall also forward the case to the Regional Inspector General Office for review.

The family will be given an opportunity for Informal Hearing prior to the termination of assistance.

**K. REPAYMENT AGREEMENTS**

The Contractor will receive the monthly payments directly from the family and forward the payment to CDOH until the debt and conditions of the repayment agreement have been met. A copy of the signed repayment agreement that includes: the family's name, tenant ID number, total amount due, monthly payment, and payment due dates must be submitted to CDOH.

**L. LANDLORD FRAUD AND PROGRAM ABUSE**

If the Contractor determines that the Landlord has retained HAPs to which the Landlord was not entitled, the Contractor may reclaim the HAP amounts from future payments owed the Landlord. If the future payments owed are insufficient to reclaim the past balance amounts owed, the additional amount(s) will be referred to the PHA and the State Accounts and Controls Department for collection.

**17. FAMILY SELF SUFFICIENCY PROGRAMS**

**A. MISSION STATEMENT AND PURPOSE**

The mission of the Colorado Division of Housing (CDOH) Family Self-Sufficiency (FSS) program is to bring low-income families into increased economic self-sufficiency, to foster independence from public assistance, and to promote a better quality of life. The FSS program coordinates with community supportive service agencies and the private sector to provide an innovative program, which enables low-income families to:

1. Achieve economic independence
2. Break the cycle of dependence on government programs
3. Participate in counseling workshops and support groups
4. Work with a case manager to develop and achieve FSS goals
5. Become skilled and reliable employees
6. Retain the emotional and financial support needed to transition into self-sufficiency
7. Overcome the barriers to self-sufficiency by increasing:
  - a. Affordable, suitable childcare
  - b. Adequate job training
  - c. Increased education
  - d. Improved housing
  - e. Satisfactory transportation
  - f. Enhanced life skills
  - g. Increased self-esteem



## B. RESPONSIBILITY OF THE CONTRACTOR

1. Submit an Action Plan to the PHA, for approval by HUD. Each Contractor's Action Plan must contain the following:

- FSS mission Statement
- Demographic information about participants
- Estimate of potential participants
- Minimum program size
- Participant selection criteria
- Incentives for participants
- Outreach and communication to applicants and participants
- Activities and supportive services offered
- Policy for informal hearings, review process and termination
- Assurance of non-interference
- Time table for implementation of the program
- CEO certification of support
- Certification letter of support and coordination from local participating agencies
- Certification of nondiscrimination
- Coordinating committee members

### 2. Filling FSS Slots

FSS spaces may be filled from any of the units allocated by the Contractor. When the Contractor commences its FSS Program, the Contractor shall conduct a survey of all existing Voucher Program rental assistance participants to determine interest in the FSS program. The Contractor will also ask new families when they are admitted to the Voucher Program, and again at their annual recertification, whether they are interested in participating in the FSS Program. FSS-related programs must provide one or more of the supportive services listed in the regulatory definition of *supportive services*.

After the initial FSS Program launch, FSS participants shall be selected from interested families currently enrolled in the Voucher Program. These slots will be filled from the FSS waiting list, in order, using the date and time the family expressed an interest in participating in the FSS Program. If the PHA determines that demand for the FSS Program is greater than the available FSS slots, the Contractor may use screening factors to indicate which families are most motivated to participate. Screening tasks may not discriminate based upon any family members' current educational levels and/or disabilities. However, some screening factors to be considered may be:

- Attendance at FSS orientation sessions or pre-selection interviews;
- Completion of other job training or educational programs;

If, after consulting with the family, the Contractor determines that a service that is essential to the family's needs is missing, the Contractor will postpone enrollment to this family and other families with similar needs. The Contractor will offer the FSS slot to the next qualified family. The Contractor will also keep a log of unavailable services in order to assess which resources need to be developed in order to serve the families whose request has been postponed. When the missing service(s) becomes available, the Contractor may offer the next available slot to the families on the waiting list.

At the Contractor's discretion, if a family who was previously enrolled in the FSS program and was later terminated because they did not meet the Program obligations and would like to re-apply, may allow a second chance at participation. However, Contractor must conduct a feasibility review with the family. If the Contractor determines that the family demonstrates a high likelihood of completing the terms of the Program, the Contractor may add the family's name to the FSS wait list. If the same family is terminated for a second time wants to re-enroll, a formal review of the circumstances, and the changes that have been made in order to correct the problem(s) will be conducted between the family, the Contractor, and the CDOH contact person. This decision will then be brought to the Program Coordinating Committee (PCC) for final determination.

A family will be denied enrollment in an FSS Program if the family owes money to the PHA or another Housing Authority/Agency in connection with Voucher Program or public housing

assistance. The family may be placed on the waiting list after they make full payment or enter into a repayment agreement.

## **C. RESPONSIBILITY OF THE FAMILY**

### **1. Contract of Participation (COP)**

In order to participate in the program, the Head of Household must enter into a Contract of Participation (COP). The COP is an instrument to document participants' goals. Additionally, the Contractor may, after consulting with other FSS family members over 18 years of age, may provide individual training and service plans, depending on whether supportive services are available.

The COP may be extended up to two additional years because of circumstances beyond the family's control such as serious family illness, or involuntary loss of employment. The Contractor may also extend the COP to allow families to meet the interim goal of remaining off Public Assistance for at least one year prior to the expiration of the COP, as per the family's training and service plan.

COP goals may include, but are not limited to the following:

- *Seeking employment* is defined as activities such as looking for a job, applying for work, going on job interviews, and otherwise following up on employment opportunities. Verbal progress reports to the FSS coordinator or its designee of the family's activities in this area will be sufficient verification.
- *Maintaining employment* will be defined between the FSS family and coordinator and documented in the family's COP. This would not preclude an FSS participant attending school for four years and obtaining a job in the fifth year. Although there will be exceptions, in most cases FSS families going to school part-time will be required to work part-time, or obtain concurrent job training.
- *Suitable employment* is generally defined as employment in a position that pays more than the minimum wage, unless there is potential for advancement. The definition of suitable employment will be defined in conjunction with the FSS family and the coordinator and documented in the family's COP. This definition must be based on the family's skills, education, and the available job opportunities within the Contractor's jurisdiction.

## **D. FSS ESCROW ACCOUNT**

An escrow account is established for the family whenever there is an increase in earned income. All family members earned income is considered in this calculation, not just the member who signed the

COP. The escrow account is held by the PHA, and is disbursed upon completion of the COP, or when the Contractor has authorized a partial payment to the family.

The PHA will notify the Contractor on or about July 10th of each year of the account balance for each FSS family that is receiving an escrow account. This amount will include monthly deposits through the July deposit of that year, and the most recent interest income as received by CDOH from the State Treasury Department. By the end of July, the Contractor will then notify in writing each family enrolled in the of the escrow account balance.

The Annual Escrow Statement to the FSS family will include the following:

- Beginning account balance;
- Amount of the family's rent credited to the FSS account during the reporting period;
- Amount of interest earned during the reporting period;
- Any deductions for amounts due the PHA; and
- Account balance at the end of the reporting period.

Interim disbursements, which may be allowed for up to a maximum of 50 percent of the escrow account, are allowed only if the Contractor's Action Plan authorizes early disbursement. Disbursement is allowed in the following situations:

- Education expenses
- Childcare expenses to enable the adult family member to work or further their education
- Transportation expenses
- Business ventures

In order to approve an interim disbursement, all other means of financing the said situations must have been exhausted. Before submitting the request to the PCC, the Contractor must include written documentation in the family's FSS file.

**E. PORTABILITY**

FSS families are required to live in the Contractor's jurisdiction at least 12 months from the effective date of the COP.

Any Voucher Program/FSS family that uses a portable voucher to move into another CDOH service area will be absorbed into both the Voucher Program and the FSS program, if the Contractor supports an FSS program, and the family has found suitable housing. If the receiving agency does not have an FSS Program, participants will forfeit their escrow account.

The escrow account always follows the Initial agency that is paying the HAP. Outgoing portability could result in any of the following situations depending upon the receiving Contractor's administrative plan:

VOUCHER PROGRAM ASSISTANCE	FSS PARTICIPATION	ESCROW ACCOUNT
Family absorbed by receiving agency	Family absorbed in receiving agency's FSS program.	PHA transfers escrow account to receiving agency
Family absorbed by receiving agency. Receiving agency has no FSS program	COP not complete	PHA returns escrow to HAP account. Family forfeits escrow account
Family not absorbed by receiving agency	Family stays in agency's FSS program, if feasible.	PHA continues administering escrow account
Family not absorbed by receiving agency	Family absorbed in receiving agency's FSS program.	PHA continues administering escrow account

## **F. COP TERMINATIONS**

FSS participation may be terminated after the family has failed to comply with the COP three times. For the first two instances of non-compliance, a warning letter will be sent to the family stating the nature of the non-compliance and that the family may be terminated from the FSS program. After the third instance of non-compliance, the Contractor may terminate the COP. Since each COP is different, the Contractor will be responsible for deciding whether the nature of the non-compliance is serious enough to warrant a warning or termination.

If Voucher Program rental assistance is terminated, the COP will terminate. The Contractor will follow the Voucher Program guidelines for termination of rental assistance in regards to non-compliance by the family of their COP.

If a portability move is used as a method for not meeting a COP obligation, the Contractor will exercise its authority to terminate the family's Voucher Program rental assistance, due to misrepresentation.

## **G. VOUCHER PROGRAM ASSISTANCE TERMINATION FOR FAILURE TO COMPLY WITH COP**

If the FSS family does not complete their COP, the family may continue to receive Voucher Program assistance even after termination of participation in the FSS program, unless the reason for non-completion of the COP is due to misrepresentation or fraud by the family. Examples of misrepresentation or fraud would be non payment of rent or other amounts due to the owner under the lease, failure to seek and maintain employment, or never finding employment during the contract's five year term.

## **H. WITHHOLDING SUPPORT SERVICES**

It is the policy of the PHA that no support services be withheld until the COP contract is terminated. Withholding of support services shall not be used as an incentive for the family to comply with the COP.

## **I. HEARING PROCEDURES**

The PHA hearing procedures are listed in Chapter 16. Hearings and reviews for the FSS program will follow the same guidelines.

## **J. FSS HOME OWNERSHIP OPPORTUNITIES**

The PHA will work with Contractors to offer FSS participants the opportunity to participate in a First- Time Homeownership Program. Chapter 18 discusses how the Voucher Program Home Ownership Program works. As part of the FSS program, families who meet home ownership selection criteria will be encouraged to consider buying their own home. Voucher Program participants who want to take part in the home ownership option will be encouraged to participate in an FSS program. The Coordinator can explain how a participant's escrow account can be used for a down payment in order to purchase a home within the Voucher Home ownership Program.

## **K. FSS Disbursement**

The FSS agency will send a letter to the DOH Asset Manager (AM) certifying that the family has completed their FSS contract and requesting payment for the escrow account along with the FSS Distribution checklist and all of the required back up documentation. The AM will ensure that all of the back up documentation on the checklist has been submitted:

- Family has successfully completed terms of the FSS contract (only if final distribution and completing contract)
- Family has fulfilled all obligations under the contract before the expiration of the contract term or extension  
OR
- 30% of the family's monthly adjusted income equals or exceeds the FMR for the size unit

for which the family qualifies in the Section 8 Program  
AND

- The head of household certifies that ALL household members have been free of Federal and state welfare assistance for 12 consecutive months before the contract expiration date (only if final distribution and completing contract)
- Disbursement Request letter to CDOH (indicate partial or final distribution) stating the amount of the request and the reasons for the request
- 50058 Form with Section 17: FSS Addendum indicating “exit” status (only if final distribution and completing contract) or interim otherwise.
- Copies of monthly escrow ledgers for term of contract (5-7 years)
- Copy of COP (Contract of Participation)
- Individual Training and Services Plan
- W-9 for recipient
- Copy of recipient’s Social Security Card
- Back up to support completion of contract/request
  - \* Verification of GED or education/training completed
  - \* Verification of Employment
  - \* Other
- All escrow monthly ledgers on the family so that accounting can reconcile with their spreadsheet.
- Data on families pursuing homeownership and the amount of the escrow

When the check is returned to the Asset Manger, the Asset Manger will prepare a congratulatory letter and send the check to the Section 8 Contractor, so they may hand deliver it to the family.

## **18. HOMEOWNERSHIP PLAN**

CDOH developed a Homeownership Plan in January of 2001. The plan can be viewed on CDOH web site at <http://dola.colorado.gov/cdh/section8/documents/HomeownershipGuidebook.pdf> . The Colorado State Housing Board approved CDOH Homeownership Plan on April 10, 2001.

Contractors shall inform their Asset Manager inform as soon you know a family is interested in homeownership and use the Section 8 homeownership time line the reference of what order events and documentation needs to occur. Unless the Colorado Division of Housing provides an official approval letter stating the Housing Assistance Payment the mortgage will not be paid on the family's behalf.

## 19. MONITORING PROGRAM PERFORMANCE

The Colorado Division of Housing retains responsibility for compliance with Voucher Program rules and regulations through risk based monitoring of Contractor agencies and activities. 5 percent of the family files are reviewed (initial and last certification) and 5 percent of the units have a housing quality standards (HQS) inspection conducted on an annual basis along with an administrative review. If an agencies has no findings, the following year only the administrative review and the HQS will be conducted. The CDOH **Section 8 Tenant File Organization** checklist is mandatory to use. Monitoring includes *but are not limited to, the review of tenant files, verification procedures waiting list management, the taking and processing of applications, determining and verifying eligibility, reexaminations, terminations, Enterprise Income Verification (EIV) implementation and documented practices, HQS inspections controls and safeguards, and other general program management activities:*

1. **Selection from Waiting List:**  
In accordance with the administrative plan.
2. **Rent Reasonable:**  
The rent reasonableness determination should consider unit attributes such as location, quality, size, unit type, age of the unit, any amenities, housing services, maintenance and utilities provided by the owner.
3. **Determination of Adjusted Income:**  
Obtains third party verification of adjusted income and/or documents why third party verification was not available in accordance with 24 CFR part 5, subpart F and 24 CFR 982.516.
4. **HQS Quality Control Inspections:**  
Conduct HQS Quality Control Inspections and tenant file reviews as required by 24 CFR 982.2(b) and 982.405(b).
5. **HQS Enforcement:**  
HQS enforcement in accordance with 24 CFR 982.158(d) and 24 CFR 982.404. Requires the owners to correct HQS deficiencies within 30 days and life threatening HQS deficiencies within 24 hours.
6. **Submission of Data:**  
Accuracy and timeliness of HAP reports is monitored on a regular basis

Monitoring review letters shall be addressed to the agency representative with signatory authority. In most cases, this is the executive director or chairman of the board. If the signatory of the contract is not the chairman of the board then a board signatory authority certification must be placed in the Contract file. The PHA shall make an on-site monitoring visit to each Contracting agency once per year and follow up with a written evaluation within 30-60 days.

If there are any findings or concerns, approximately 30 days shall be given to the Contractor to respond to the monitoring review letter. The Contractor must provide written documentation that the findings or concerns have been corrected. If the Contractor is unable to respond within the 30-day period, the Contractor must request in writing an extension from the PHA. No more than two extensions shall be given per annual monitoring review.

In the event that the findings and concerns continue to persist, the PHA staff will arrange a conference between the Contractor's executive officer and the PHA. During the meeting, administrative problem areas will be discussed and necessary corrective actions may be taken. The Contractor may be put on probationary status during which the PHA Voucher Program staff will closely monitor program functions. If the Contractor corrects the problem(s) within an established time period, the probation will be lifted.

If the Contractor is unwilling to correct the problem(s), CDOH reserves the right to terminate a full or partial administrative fee payment to a Contractor until program compliance is achieved.

Under no circumstances will CDOH assume the administration of a local Program. If CDOH cannot identify a suitable agency willing to assume responsibility for the Program within the same county, the units allocated to that county may be assigned to another jurisdiction.

## **20. ADMINISTRATIVE FEE RESERVE AND REDUCTION IN ADMINISTRATIVE FEES**

### ADMINISTRATIVE FEE RESERVE

The maximum expenditure which may be made from the Administrative Operating Fee Reserve for other housing purposes without prior approval of the Director of Local Affairs is \$10,000.

### REDUCTION IN ADMINISTRATIVE FEES

The State reserves the right to withhold any and all administrative fees if the Contractor is not in compliance with the program rules, regulations and requirements.

In order to ensure CDOH has adequate staff time to process HAPs, CDOH requires contractors to submit monthly HAP reports according to the annual Section 8 Contractors Calendar. Contractor's submitting late paperwork may have their administrative fees reduced by 10% for the month the paperwork was late. CDOH reserves the right to implement corrective measures if a Contractor continues to submit late paperwork.

### ADMINISTRATIVE FEE REIMBURSEMENT

CDOH will reimburse each agency for the required annual single audit. Contractors should submit a written request with the original auditor's invoice with the cost of the CDOH voucher program isolated for reimbursement by April 30<sup>th</sup> of each year.

### MILEGE FEE REIMBURSEMENT

The CDOH Section 8 Program has statewide jurisdiction, therefore the Federal regulations concerning "portable vouchers" mandate us to administer these vouchers throughout the state. When one of our contractors administers vouchers that is not in their contracted jurisdiction, we will pay them a mileage reimbursement concerning their travel to do a Housing Quality Standard Inspection. The IRS mileage rate will be applied. An invoice can be submitted annually.



## **21. CONFLICT OF INTEREST AND CODE OF ETHICS**

CDOH contractors and their employees shall abide by the Conflict of Interest statement listed in all HAP Contracts. The HAP contract is executed between CDOH contractors and owners of the rental housing supplied to the Voucher Program participants. This HAP contract reads as follows:

- A. Prohibited Interest. The following persons may not have any direct or indirect interest in the HAP contract:
- Any present or former member or officer of the PHA (except tenant commissioners);
  - Any employee of the PHA, or any contractor, subcontractor or agent of the PHA who formulates policy or influences decisions with respect to the Voucher Program;
  - Any public official, member of a governing body, or State or local legislator who exercises functions or responsibilities with respect to the Voucher Program; or
  - Any member of Congress of the United States.
- B. When prohibition applies. The prohibition of such interest shall apply during tenure as a member of such classes, and for one year thereafter.
- C. Owner certification. Owner certifies that no person has or will have a prohibited interest, at execution of the HAP contract, or during the HAP contract term.
- D. Disclosure. The owner shall be responsible for assuring that any member of such classes promptly discloses their interest or prospective interest to the PHA and HUD.
- E. Waiver. This conflict of interest prohibition may be waived by the HUD Field Office for good cause.

A similar conflict of interest statement is contained in the contract between the CDOH and its Contractor Agencies. Note that the following situations listed below often pose as a conflict of interest for CDOH contractors:

- An employee of the housing agency would like to receive Voucher Program assistance;
- An employee of the housing agency's has a family member who would like to receive Voucher Program assistance;
- An employee of the housing agency owns rental units and would like to allow Voucher families to live in those units;
- A public official or member of the governing body or State who exercises functions or responsibilities with respect to the Voucher Program and would like to lease their own rental units to families participating in the Voucher Program;

If a Contractor encounters any of the above scenarios, the following steps MUST be followed:

- Contractor must send written notification to CDOH;
- Contractor must disclose relevant information to the agency's housing board and provide written documentation;
- Once informed, CDOH and HUD may grant a written waiver to the situation;
- Employees of the housing agency whom this affects, are not permitted to perform certification, re-certification, HQS inspections or any other function concerning the family member's file or their own;
- An outside agency must perform the above listed functions for the family or the employee. If there is not a housing agency willing to accept this responsibility, then the CDOH staff will (re)certify the family or employee of the PHA;

### **DIVISION OF HOUSING CODE OF ETHICS**

The following Code of Ethics was adopted in 1999 when Governor Bill Owens took office, CDOH has chosen adopt this same code for its rental subsidy program. CDOH has included "State Contractors" to the list of those required to follow this code.

#### 1. Purpose

Public confidence in the integrity of state government demands that public officials demonstrate the highest ethical standards at all times. Those who serve the people of the State of Colorado as public

officials should do so with integrity and honesty, and should discharge their duties in an independent and impartial manner. At the same time, qualified individuals should be encouraged to serve in state government and have reasonable opportunities with all citizens to develop private economic and social interests. This Executive Order strives to accomplish these ends by providing standards by which the conduct of all who serve in the Executive Department of the State of Colorado can be measured.

Code of Ethics All elected officers, appointees, state contractors and employees of the Executive Department:

- (a) Shall serve the public with respect, concern, courtesy and responsiveness;
- (b) Shall demonstrate the highest standards of personal integrity, truthfulness and honesty and shall through personal conduct inspire public confidence and trust in government;
- (c) Shall not use public office to bestow any preferential benefit to anyone related to the officer, appointee or employee by family, business or social relationship;
- (d) Shall not disclose or use or allow others to use confidential information acquired by virtue of state employment for private gain;
- (e) Shall not accept any compensation, gift, payment of expenses or any other thing of value which would influence him or her to depart from the faithful and impartial discharge of his/her duties;
- (f) Shall not accept any compensation, gift, payment of expenses or any other thing of value as a reward for official action taken;
- (g) Shall not engage in outside employment unless: (1) the outside employment is disclosed to the Governor or, in the case of an employee, the employee's immediate supervisor; and (2) the outside employment does not interfere with the performance of state duties;
- (h) Shall not use state time, property, equipment or supplies for private gain;
- (i) Shall not knowingly engage in any activity or business which creates a conflict of interest or has an adverse effect on the confidence of the public in the integrity of government;
- (j) Shall carry out all duties as a public servant by exposing corruption or impropriety in government whenever discovered;
- (k) Shall support equal access and employment opportunities in state government for all citizens of the State of Colorado;
- (l) Shall comply at all times with the standards of conduct set forth in title 24, article 18 of the Colorado Revised Statutes.

## **22. EQUAL HOUSING OPPORTUNITY AND EXPANDING HOUSING OPPORTUNITIES**

As a PHA, CDOH has implemented the following objectives to ensure that the Program serves all eligible participants in a non-discriminatory and affirmative manner concerning the selection of participants, employees and the provision of services.

### **OBJECTIVE I - OUTREACH TO ELIGIBLE FAMILIES**

CDOH provides technical assistance to train Contractors to engage in outreach to eligible families. CDOH recommends the Contractor use the following methods:

- Publish public interest articles and public notices in local and minority newspapers.
- Utilize radio stations and community information networks to make public service announcements.
- Engage in outreach to groups whose need for assistance is consistent with current census data based on factors such as homeless status, disability status, race, ethnicity, age and gender of household heads.
- Provide rental assistance information to community organizations, churches, employers and other establishments where the groups identified may access other services.

### **OBJECTIVE II - EXPAND AREA WIDE HOUSING OPPORTUNITIES**

#### **Policy**

CDOH has developed a policy in order to encourage owners of rental units to rent to Voucher holders outside of high-poverty or minority- concentrated areas. CDOH provides vouchers in mostly rural areas of the state, but administers some vouchers in the Denver metropolitan area. The following is a list of actions that CDOH Contractors are required to perform:

- Contact Landlords in person or by telephone in order to explain the benefits of the rental assistance programs. Formal meetings are encouraged to provide information to rental owners, realtors and property managers.
- Using Coloradousingsearch.com, provide a list of owners who are willing to work with voucher holders or a list of organizations that are willing to help families find units can also be provided. Also provide a map showing the amenities of the area (schools, day cares, stores, transportation, etc.) and encourage tenants to seek housing outside of high-poverty areas.
- Provide participants with Portability provisions are included in the CDOH briefing package so families are informed about the ability to move throughout the US. Each CDOH contractor is also provided a list of Colorado PHA's that can be provided to the family if they choose to port within the state. This briefing package includes the Fair Housing brochure and the Housing Discrimination Complaint (HUD-903 or HUD 903A form.
- CDOH sends out a newsletter semiannually to owners with their rental subsidy checks. This newsletter keeps owners informed about changes in the Voucher Program and encourages and thanks them for their continued support and participation.
- CDOH is located within the Department of Local Affairs, which also contains the state Demography Division. CDOH has obtained several demographic maps for metropolitan statistical areas (MSAs) which highlight high-poverty areas. CDOH requires its metropolitan Contractors to include this map in the family briefing session to show families where there is a high concentration of impoverished areas and to encourage them to seek rental units outside of these areas.

#### **Area Wide Exchange Program**

CDOH currently operates the Voucher Program Rental Assistance in 47 counties of the state. CDOH administers **all** incoming portables in areas where a housing authority does not exist. CDOH requires all of its housing agency contractors to absorb portable families who relocate within the state. In addition, CDOH has

worked with the Inspector General's Office to relocate families under the Witness Protection Plan.

### **Administrative Plan Does Not Include a Residency Preference**

CDOH hereby certifies that its Voucher Program Administrative Plan and Annual Plan do not include a Residency Preference.

### **Initiatives expanding housing opportunities**

A key factor in helping families achieve self-sufficiency is a thoughtful coordination of supportive services. Federal agencies such as the Departments of Agriculture, Education, Health and Human Services and HUD are requesting that state departments plan and coordinate supportive service programs in order to create a unified plan for future requests for federal block grant funding.

Beyond the efforts to improve coordination, CDOH has taken the lead to fund programs that can become models for communities throughout Colorado. Because CDOH's funding is primarily discretionary, it is used as the catalyst for other supportive housing efforts. The Division of Housing can finance hard costs such as housing construction or rehabilitation, or soft costs such as rental subsidies.

### **Housing Initiatives Coordinator**

CDOH employs a Housing Initiatives Coordinator to develop affordable housing strategies at a statewide level. Job duties for this I include: (1) Coordination of the non-entitlement continuum of care and preparation of the Super NOFA, (2) Preparation of a report for local governments on regulatory barriers in developing affordable housing, (3) State Consolidated Plan preparation, and (4) Coordination of non profit service providers and non profit housing developers to provide housing and supportive service for special populations.

### **OBJECTIVE III - ENSURE EQUAL OPPORTUNITY TO APPLICANTS FOR PARTICIPATION IN THE PHA'S EXISTING HOUSING OR MODERATE REHABILITATION PROGRAM AND IN THE SELECTION OF HOUSING VOUCHER HOLDERS OR APPLICANTS TO BE REFERRED TO LANDLORDS OF VACANT MODERATELY REHABILITATED UNITS.**

The following is the method in which the CDOH contractors ensure that all applicants are treated fairly when submitting a Voucher Program Existing or Moderate Rehabilitation application:

- Applications are placed on the waiting list in chronological order by date and time.
- Applicants are placed on the waiting list according to preference.
- If an applicant is ineligible, written notice is given with information regarding the right to an informal review.
- Applicants with verified preferences are served first.
- CDOH contractors are not allowed to have local preferences.
- Section for placement is based on the CDOH order of selection

### **OBJECTIVE IV – PROVIDE OF SERVICES AND ASSISTANCE TO FAMILIES THAT HAVE ENCOUNTERED DISCRIMINATION DURING THEIR HOUSING SEARCH**

The CDOH contractors provide a briefing package to program participants. This briefing package includes the *It's A CDOH Right* Fair Housing brochure and the Housing Discrimination Complaint (HUD-903 or HUD 903A) form. Participants are informed of their rights under Federal, State and local law including the right to file a formal complaint under one or more of these laws. If a participant decides to file a complaint, they are given aid in filling out the HUD-903 or HUD 903A form if needed.

### **OBJECTIVE V -UTILIZE FAIR HOUSING ORGANIZATIONS AND INDEPENDENT LIVING CENTERS**

If a family with disabilities requests assistance in searching for a housing unit, extra effort is made with regard to the following:

- Reading newspaper adds

- Driving neighborhoods to identify available apartments
- Transporting client to apartment interviews
- Advocating for clients with Landlords
- Assisting with completing housing applications and leases
- Negotiating security deposits with Landlords
- Utilizing non-profits for funds and services needed for initial move-in.

All CDOH contractors are required to supply to the following services to the disabled:

- The Colorado Relay Service telephone number - a TDD service for those individuals with hearing and speech disabilities.
- Rental Assistance applications that are enlarged to aid applicants who have visual impairments.
- Providing program information to agencies assisting the disabled (i.e. social service agencies).
- Providing a list of accessible units and securing the participation of Landlords of units needing moderate rehabilitation.
- Disabled participants are briefed on the opportunity to lease anywhere they wish to live.
- Disabled participants are given a briefing package, which includes the Fair Housing (*It's A CDOH Right*) brochure and the Housing Discrimination Complaint (HUD-903 and HUD- 903A) form.
- Disabled participants are informed of their rights under Federal, State and local law including the right to file a formal complaint under one or more of these laws. If a participant decides to file a complaint, they are given aid in filling out the HUD-903 form if needed.
- Providing other advice and assistance to the disabled such as going to their residence in order to fill out needed forms for the rental assistance program.

### **23. HOUSING CONVERSION ACTIONS**

The Department of Housing and Urban Development (HUD) provides funds through the Section 8 Housing Choice Voucher Program (Vouchers) to assist certain residents affected by an owner or HUD housing conversion action. HUD will make Section 8 Vouchers available through an administering Public Housing Authority (PHA) when the following occurs:

- Owner opts out of Section 8 project-based contracts;
- Owner prepays the mortgage or voluntarily terminates the mortgage insurance of a preservation eligible property;
- HUD enforces actions against the owner (including termination or non-renewal of a Section 8 project-based housing assistance contract) and/or HUD property disposition activities.

HUD will offer Public Housing Authorities Vouchers based on the following order of precedence:

Project-based assistance contract currently administered by the PHA

- First Offer – To the PHA currently administering the Section 8 project based assistance contracts covering the property and where the PHA has the legal authority to administer the Voucher Program in the jurisdiction where the property is located. In the case of a PHA – owned project, which is covered by an annual contributions contract (ACC) with another PHA, the PHA-owner would receive the first offer. If that PHA were not interested, then the PHA administering the ACC would receive the offer.
- Second Offer – To the county or multi-county PHA, which has the authority to operate in the area where the property is located and which has the legal authority to administer the Section 8 Voucher Program?
- Third Offer – To a State PHA, which has the authority to operate in the area where the property is located and which has the legal authority to administer the Section 8 Voucher Program?

Project-based assistance contracts not currently administered by a PHA

- First Offer – To the PHA established by the municipality where the property and which has the legal authority to administer the Section 8 Voucher Program.
- Second Offer – To the county or multi-county PHA which has the authority to operate in the area where the property is located and which has the legal authority to administer the Section 8 Voucher Program.
- Third Offer – To a State PHA, which has the authority to operate in the area where the property is located and which has the legal authority to administer the Section 8 Voucher Program?

Projects where there is no interested PHA with jurisdictional authority

In the event that there is no PHA available to receive and administer Section 8 voucher funds, HUD will take appropriate action under applicable program regulations and procedures.

CDOH Administration Policy on Vouchers under Housing Conversion Actions

Per federal regulations and CDOH Administrative Plan Policies, the following will be applied during a housing conversion

- CDOH will assist its contractors to administer Vouchers received through a HUD housing conversion action as needed.
- CDOH will apply for the HUD vouchers and enter into an ACC with HUD.
- CDOH will retain 25% - 50% of the special fee provided to cover extraordinary costs associated with the conversion action and the fee will be determined on a case-by-case basis.
- CDOH will amend or enter into a contract with a local housing provider to administer the vouchers in the future.

**ADDENDUM A**  
COLORADO DIVISION OF HOUSING  
VOUCHER PROGRAM RENTAL ASSISTANCE FUNDING  
CONTRACTED TO ARAPAHOE HOUSE FOR  
HOMELESS PERSONS WITH SUBSTANCE ABUSE DISABILITIES

This addendum was created for the purpose of determining policy for funding specific to Homeless Persons with Disabilities. Currently, the PHA has 63 units of Housing Voucher funding to serve this population. This funding was applied for and received under a special HUD "NOFA" (Notice of Funds Available). This addendum applies to this contract as administered by Arapahoe House, a Colorado non-profit organization.

TENANT SELECTION

The nature of the set-aside funding requires changes to our family selection policy. All clients served must be both homeless and substance abusers.

In place of the above stricken policy, the following should be used:

HOMELESS DEFINITION

Any individual or family that lacks a fixed, regular, and adequate nighttime residence and has a primary nighttime residence that is a supervised publicly or privately operated shelter designed to provide temporary living accommodations, or an institution that provides temporary residence for individuals intended to be institutionalized, or a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.

VERIFICATION OF HOMELESSNESS

For purposes of verification, the applicant must be homeless at the time of application, or sleeping in a shelter for 14 of the past 60 days. The person is considered homeless if living in the conditions described above or living on the streets, in a car, in abandoned buildings.

Self-certifications will not be accepted. Verification of homeless status can be made by:

- Public or private facility or agency providing shelter.
- Living in transitional housing for the mentally ill.
- Verification by observation and statement by social worker, case manager or local police.

VERIFICATION OF SUBSTANCE ABUSE

Self-certification will not be accepted. Verification of substance abuse can be made by:

- Public or private organization, which provides or provided direct help, assessment, diagnosis, or treatment such as hospitals, detoxification centers, clinics, or other treatment centers to applicant documenting substance dependency or abuse.
- Clinical verification per DSM-IV (Diagnostic and Statistical Manual) of a Psychoactive Substance Dependence or Abuse diagnosis.

CRIMINAL BACKGROUND CHECK

The Voucher Program participants on Arapahoe House's program are required to demonstrate eligibility per the Voucher Program policy on the Criminal Background Check (Sec. 6).

**ADDENDUM B**  
**Colorado Division of Housing**  
**Enterprise Income Verification System (EIV) & UPFRONT VERIFICATION**  
**Security Procedures**

**1. INTRODUCTION**

The Enterprise Income Verification System (EIV) is a system intended to provide a single source of income-related data to Public Housing Authorities and HUD for use in verifying the income reported by participants in various assisted housing programs.

Upfront Income Verification (UIV) tenant income data shall only be used to verify a participant's eligibility for participation in the Housing Choice Voucher Program and to determine the level of assistance the participant is entitled to receive. Any other use, unless approved by HUD Headquarters EIV Coordinator or EIV Security Officer, is specifically prohibited and may result in the imposition of civil or criminal penalties of the responsible person or persons.

**2. PURPOSE**

The purpose of this document serves two purposes. 1.) to provide guidance to assure that the practices, controls and safeguards used by the Colorado Division of Housing (CDOH) adequately protect the confidentiality of the participant wage data and are in compliance with the Federal laws regarding the protection of this information; and 2.) to outline procedures that apply to all CDOH staff which have access to EIV/UIV data for the purpose of administering the Housing Choice Voucher Program.

**3. APPLICABILITY**

The procedures outlined in this document apply to all UIV/EIV data, third party income verifications, medical documents and other Privacy Act related materials regardless of the media on which they are recorded. Computerized media containing UIV/EIV and other Privacy Act related materials must be afforded the same levels of protection given to paper documents or any other media with UIV data.

**4. SAFEGUARDING UIV/EIV DATA**

The information processed by the EIV system includes but may not be limited to income data about private individuals; and it may identify such information as social security number, address and employment information. Once information from the EIV system becomes a part of a system maintained by the CDOH, that system and the information it contains becomes the responsibility of the CDOH.

CDOH will have the responsibility of ensuring its compliance with security policies and procedures outlined in this document. These responsibilities include:

- Maintaining and enforcing the security procedures;
- Keeping records and monitoring security issues;
- Communicating security information and requirements to appropriate staff, including coordinating and conducting security awareness training sessions;
- Conducting a quarterly review of all User IDs issued to determine if the users still have a valid need to access the EIV data and taking the necessary steps to ensure that access rights are revoked or modified as appropriate; and
- Reporting any evidence of unauthorized access or known security breaches to HUD Headquarters EIV Coordinator or EIV Security Officer and taking immediate action to address the impact of the breach including but not limited to prompt notification to appropriate authorities.



## **5. LIMITING ACCESS TO UIV/EIV DATA**

CDOH files containing UIV/EIV information should be color-coded or labeled clearly with the following statement “Confidential” or “For Official Use Only”. To avoid inadvertent disclosures, CDOH shall keep the UIV information separate from other information and files.

The Division of Housing shall:

- Restrict access to UIV/EIV data only to persons whose duties or responsibilities require access; and
- Maintain a record of users who have approved access to UIV/EIV data; and
- Revoke the access rights of those users who no longer require such access or modify the access rights if a change in user’s duties or responsibilities indicates a change in the current level of privilege; and
- Ensure that users sign the EIV Rules of Behavior and User Agreement form which provides general instructions on the appropriate use of the EIV resources and apply to all EIV users; and
- Ensure that UIV/EIV data shall be handled in such a manner that it does not become misplaced or available to unauthorized personnel; and
- Ensure records from the different programs will not to be co-mingled with other program file records and/or data.

## **6. PHYSICAL SECURITY REQUIREMENTS**

The CDOH shall use a combination of methods to provide physical security for UIV/EIV data. These include, but are not limited to, locked containers of various types, locked rooms that have reinforced perimeters and a locked building with guards. The UIV/EIV data may also be maintained in locked metal file cabinets within a locked room.

## **7. COMPUTER SYSTEM SECURITY REQUIREMENTS**

The CDOH shall avoid saving UIV/EIV data to a computer hard drive or any other automated information system. If UIV/EIV data is saved to a local machine at the CDOH office, the UIV/EIV shall be stored in a separate directory from other data maintained by the CDOH. Access to this directory shall be restricted to authorized users of the UIV/EIV data. Diskettes or CDs may be used to record and store remarks or comments for the sole purpose of income verification. If used, the disk or CD must be handled and secured in the same manner as the hard copy of the UIV/EIV data and must have a label which indicates “Confidential” or “For Official Use Only”.

Users should retrieve computer printouts as soon as they are generated so the UIV/EIV data is not left lying unattended in printers where unauthorized persons may view it. If possible, the CDOH shall assign a dedicated printer for UIV/EIV data use only in order to minimize the unauthorized interceptions of printed outputs from the EIV system. A computer should never be left unattended with UIV data displayed on the screen.

All CDOH employees who access the EIV system shall have a current signed Rules of Behavior and User Agreement on file. Users shall maintain the security of their user accounts by not disclosing their passwords to other staff members and not sharing user accounts with other employees, other than the designated EIV Security Coordinator. Users shall not deliberately or inadvertently, override the authorized access levels by providing UIV/EIV data to others who have limited or no access to the data.

## **8. RECORD KEEPING AND REPORTING REQUIREMENTS**

The records that are maintained in implementing the EIV system are to be consistent with HUD records schedules that have been created to meet legal requirement for records management as administered by the national Archives and Records Service pursuant to 42 U.S.C. 21. The records are to be maintained for at least five years from close out. In addition, UIV/EIV records (both electronic and paper) and the information contained in them must be used only for their intended purpose (the administration

of Federal rental assistance programs and determining participant income eligibility), to avoid unintentional disclosures of personal private information, which would be a violation of the Privacy Act of 1974.

#### 9. **DESTRUCTION OF RECORDS AND AUTOMATED MEDIA**

UIV/EIV data shall be destroyed as soon as it has served its purpose. All UIV/EIV originals and any documents created in association with their use shall be shredded to prevent the reconstruction of the contents.

#### 10. **PRIVACY ACT REQUIREMENTS**

The data provided via the EIV system must be protected to ensure that it is only used for official purposes and not disclosed in any way that would violate the privacy of the individuals represented in the system data. Privacy of data and data security for computer systems are covered by a variety of Federal laws and regulations, government bulletins, and other guiding documents. The Privacy Act of 1974, as amended, is one such regulation and UIV/EIV data requires careful handling in order to assure compliance with the Privacy Act.

The CDOH shall use appropriate consent forms to obtain specific information. The CDOH must assure that a copy of HUD Form 9886-Authorization for the Release of Information/Privacy Act Notice, or an equivalent consent form that meets the requirements under 24 CFR 5.230, names and authorizes the Colorado Division of Housing, and has been signed by each member of the household, who is at least 18 years of age. By signing the form, the participant authorizes HUD, the CDOH and/or the Contractor to obtain and verify income and unemployment compensation information from various sources.

HUD Form 9886 authorizes HUD and the identified Housing Agency/Authority to obtain third party verification of **only** the following:

- Any income information or materials from State Wage Information Collection Agencies; and
- Income information obtained from previous and current employers

HUD Form 9886 authorizes HUD **only**, to obtain third party verification of the following:

- Income information from the SSA; and
- Income return information from the IRS

HUD Form 9886 may not be used to obtain any other information. The CDOH shall generate other types of consent forms to verify items not covered under the HUD Form 9886.

#### 11. **DATA DISCREPINCIES**

Under the Privacy Act, participants have the right to challenge the accuracy of information maintained by the Federal government that concerns them. If a participant disputes the employment and/or income information, the participant must contact the employer since the employer is the originator of the data. If the information is incorrect, the employer must correct the information and resubmit it to the State, IRS and HHS.

No adverse action can be taken against an applicant or participant until the Contractor and/or the CDOH has independently verified the UIV/EIV information, and the participant has been granted an opportunity to contest any adverse finding through the established grievance hearing, or other legal procedures.



ADDENDUM C-1

Department of Local Affairs / Colorado Division of  
Housing  
W9 Processing  
Policy and Procedures

Approved By:

Rose Marie Auten \_\_\_\_\_  
Controller

Kathi Williams \_\_\_\_\_  
Director

Last Updated On September 12, 2008

**Definitions**

**B-Notice** - Notice sent to vendors for whom an incorrect taxpayer identification number (TIN) / Name combination was filed on an information return. The notice advises them that unless a certified Form W-9 is received, they are subject to having 28% of any future reportable payments withheld as income taxes.

**Backup Withholding** - Income tax withholding of 28% of a payment at the time the payment is made.

**Certified TIN** - A vendor is required to certify that the information provided on a Form W-9 is correct and/or that he/she is exempt from backup

withholding by signing the perjury statement on the Form.

**COFRS** - Colorado Financial Reporting System - The official state-wide accounting and reporting system for the State of Colorado and The Department.

**Corporation** - A legal entity; a group of people granted certain legal powers, rights, privileges and liabilities distinct from those of its members. The correct TIN is the corporate EIN.

**Corporate Division** - A division of a corporation is like an "arm" of the parent corporation - it is not a separate entity. The parent corporation consolidates the division's tax information with its return. The correct TIN is the EIN of the parent corporation.

**DBA** - Abbreviation for Doing Business As - Commonly seen preceding a trade name.

**The Department** - The Department of Local Affairs (DoLA), including the individual divisions within DoLA, such as Colorado Division of Housing, Division of Local Government, Division of Emergency Management, Board of Assessment Appeals, Division of Property Taxation and the Executive Director's Office.

**EIN** - Employer Identification Number - Used interchangeably with FEIN (Federal Employer Identification Number).

**Entity types** - Identifies the way a business is organized under the law. Describes the organizational structure of a vendor.

**Estate** - An estate is a legal entity that is created as a result of a person's death. The correct TIN is the estate's EIN.

**FEIN** - Federal Employer Identification Number - Used interchangeably with EIN.

**IRS** - Internal Revenue Service

**LLC** - Limited Liability Company - A legal form of business offering limited liability to its owners. Often incorrectly called a "limited liability corporation" (instead of company), it is a hybrid business entity having characteristics of both a corporation and a partnership. It is often more flexible; the owners have limited liability for the actions and debts of the company and it is suitable for smaller companies with a single owner. All LLCs must have at least one member. Members may be natural persons, corporations, partnerships, or other LLCs.

**Matching process** - IRS' process of verifying the nine digits of the TIN to the first four letters of the 1099 recipient's surname, or the first four letters of a business name.

**Name control** - The first four letters of the taxpayer's last name (in the case of individuals and sole proprietorships) and the first four letters of the business name (in the case of partnerships, corporations, associations, etc.) The name control is used by the IRS to verify that the TIN corresponds with the proper taxpayer.

**Partnership** - An association of two or more partners in a business enterprise; individuals, corporations, trusts, estates, and partnerships may be partners within a partnership. A partnership name may consist of the names of the partners or a trade name. The correct TIN is the partnership EIN.

**OSC**- (Colorado) Office of The State Controller

**Sole proprietorship/individual/husband and wife co-owner** - Individual owner of a business; may or may not have employees. Reports income on Schedule C of their individual return. Correct TIN is the SSN or EIN. Correct name for reporting purposes is the name of the owner. Using the name of the business instead of the owner's name will result in a B-Notice.

**SSA** - Social Security Administration

**SSN** - Social Security Number - Permanently assigned 9-digit number used as the TIN for individuals, sole proprietorships.

**Subsidiary** - A subsidiary of a corporation must have its own EIN. A subsidiary files a separate charter with the Secretary of State and issues its own stock.

**TIN** - Tax Identification Number - Can be either a Social Security Number issued by the SSA or Employer Identification Number issued by the IRS.

**TIN Type** - Employer Identification Number, formatted as 99-9999999

**Trust** - A legal entity that is created under State law and is taxed under Federal law. The correct TIN is the trust's EIN.

**Vendor** - Any person or entity receiving payments from The Department. This includes Section 8 landlords and participants. The vendor data is set up in COFRS and becomes one of the essential components in issuing payments and 1099s.

**Form W-9** - Request for Taxpayer Identification Number and Certification - Form used to request the correct TIN and legal name of the vendor. The vendor also certifies on the form that he/she is exempt from backup withholding.

**147C Letter** - An IRS form letter that verifies a taxpayer's correct TIN and legal name combination.

## Policy

A Form W-9 is a legal document issued by the IRS. The purpose of a Form W-9 is to request a vendor's correct tax identification number (TIN) and legal name in the manner required by the IRS. Accordingly, the Department of Local Affairs (The Department) requires that a valid, complete and correct Form W-9 shall be obtained for each vendor. This policy outlines the process to be used to obtain a Form W-9. A valid, complete and correct Form W-9 shall be obtained before any payments are issued to a vendor.

The State of Colorado (Substitute) Form W-9, included as Attachment (1), is the only version of the Form W-9 that shall be used or accepted for processing. It is the policy of The Department, that all Forms W-9 will be signed by the vendor. A fillable version of the form can be found on the Department's website at: <http://dola.colorado.gov/cdh/section8/index.htm>

## General Information

A Form W-9 is a form that requests the vendor's correct name and TIN. By signing the form a vendor certifies under penalties of perjury that the information provided is correct, and that the vendor is exempt from backup withholding.

A Form W-9 is required for each vendor to ensure that the vendor record is set up in COFRS correctly to protect the Department from penalties in the event an incorrect TIN/Name combination is reported on the Form 1099. The

IRS matches the name/TIN with information in their database.

The State of Colorado (Substitute) Form W9 Form meets IRS specifications. The substitute form provides the additional information necessary to add vendor data to the Colorado Financial Reporting System (COFRS) - the State's accounting system. Features unique to the form are as follows:

- Expanded address fields
- Expanded check boxes for entity types
- Title of authorized signer
- Vendor telephone number
- Section "For Agency Use Only" at the bottom of the form

**Process flow** - Forms W-9 are added, in COFRS, by the Accounting and the Financial Services Section (AFS) within The Department. For Section 8 vendors, the Forms W-9 are first received and reviewed by housing authorities, in their capacity as sub-contractors of The Department. Housing authority staff send the forms to Section 8 administrative staff within The Department. Section 8 staff completes their review and sends the forms to AFS staff for processing. Additional steps are involved for changes or for the deletion of a vendor record because processing of those are completed by OSC.

Given the number of staff handling the paperwork, incorrect or incomplete forms result in extra work and multiple/duplicate handling of paperwork by those involved in the processing cycle. It also results in upset vendors because of delayed or held payments. In addition to the potential for IRS penalties for The Department and the vendor, incorrect Forms W-9 may result in other negative tax consequences for the vendor. Ultimately, fines paid by CDOH may be passed on the housing authority (contractor).

The OSC issues all 1099s for the entire State. NO 1099s are issued by the Department. This means the OSC ultimately controls the process and sets the rules. Be aware that the OSC will not issue a corrected 1099 unless there is a legal requirement to do so. The responsibility to fix the problem will fall to the person or entity that receives the 1099.

The name and taxpayer identification number on the Form W-9 will designate who gets the 1099. The income will be reported to the IRS accordingly. The OSC will not issue a corrected Form 1099 to anyone other than the recipient that received the payments (payee). It is the responsibility of the payee to issue 1099s to any parties the income (payments) were transferred to. For example, this may include a property manager that receives rental payments on behalf of the property owner.

## **Procedures**

The W-9 Check List, included as Attachments (2), is to be used by each person involved in the processing cycle. This includes but is not limited to sub-contractors (housing authority personnel for Section 8) and employees of The Department.

The following tasks are to be completed:

- Individuals working directly with the vendor shall have a conversation with the vendor to gain an understanding of their entity type (individual, sole proprietor, LLC, corporation, etc.) and to enable them to provide assistance in completing the form. The information received will be used in reviewing the form to ensure it has been completed correctly and that it contains an authorized signature.
- Direct the vendor to the website to access the fillable Form W-9, or send them the form by email, or provide them with a copy of the form if they are unable to access the form on-line or by email.
- Instruct the vendor to type the information into the form. If it is not possible for them to do so, instruct them to be very careful when completing the form, to ensure the form is legible.

- Instruct the vendor to sign and date the form.
- The person working directly with the vendor (housing authority staff for Section 8) shall review the completed W-9 and confirm the following:
  1. The form is legible (typed or neatly written) and is complete.
  2. The form is signed by an authorized signer.
  3. The date on the form is less than six (6) months. A form that is no older than one (1) year will be accepted with a memo, signed and dated by housing authority staff, certifying that the W9 has been reviewed with the vendor and is valid and correct.
  4. Verify that the legal name is presented on line one (1) and that it is consistent with the entity type of the vendor.
  5. The box for the correct entity type is checked.
  6. Verify that the TIN or SSN has nine (9) digits.
  7. Verify that the TIN or SSN is legible.
  8. Verify that the address is correct.
  9. If applicable, verify that the DBA is correct and is presented on the second line.
  10. Compare the TIN and legal name, as presented on the Form W-9, to an official source document. Acceptable documents and sources of information include:
    - Social Security cards for individuals
    - For businesses, a copy of the Letter 147C they received from the IRS. The vendor may call the IRS at 1-800-829-1040 for assistance if needed. This is the best source to verify the accuracy of the TIN and legal name for most entities.
    - Except for individuals and partnerships, the Secretary of State's website provides a search engine to check legal names for accuracy at:  
[http://www.sos.state.co.us/biz/BusinessEntityCriteria.do;jsessionid=00002mBF8X0LC4Xome\\_D0-M15AS:vseum64n](http://www.sos.state.co.us/biz/BusinessEntityCriteria.do;jsessionid=00002mBF8X0LC4Xome_D0-M15AS:vseum64n)
    - The Colorado Dept. of Revenue confirms the accuracy of the legal name for sole proprietors and partnerships at:  
[http://www.revenue.state.co.us/TPS\\_Dir/wrap.asp?incl=TradeNameInTerim](http://www.revenue.state.co.us/TPS_Dir/wrap.asp?incl=TradeNameInTerim)
    - For tax exempt entities, use Guidestar.org to verify tax exempt status at:  
<http://www.guidestar.org/>
    - For tax exempt entities use IRS.GOV to verify tax exempt status at:  
<http://www.irs.gov/charities/index.html>

Section 8 staff, for The Department, will complete steps 1-10 above in addition to the following steps:

- Complete a search for the vendor in COFRS, by name, using the VNAM Table and, by TIN/SSN, using the VEND Table. If the vendor is found, compare the vendor setup in COFRS (VEND Table) to the Form W-9 to see if the information is the same. Determine if the Form W-9 is a duplicate or if a correction or change to the vendor setup is necessary
  - If a correction or change is necessary, print the COFRS VEND Table screen, indicate on the screen-print what needs to be changed and attach the screen-print to the Form W-9.
  - Initial and date the bottom of the form in the "Agency Use Only" section indicating that you have completed the review of the Form W-9.
- Attach the completed W-9 Check List to the forms. Promptly submit the form(s) to the appropriate staff for processing. In order to expedite processing and ensure payments are issued timely, do not hold or otherwise accumulate the forms prior to submitting to the appropriate personnel for processing.
  - Refer to the Section entitled "General Tips" for additional guidance and handouts to assist you in reviewing and processing Forms W-9.



## General Tips

Make sure the completed form is legible. This is especially important if the form is to be faxed. The form on the website is fillable. Use this form and type in the information.

The form must be signed. Ask the vendor to review the form for completeness and accuracy and then ask them to sign the form.

Verify the TIN and legal name to some type of official source document. Acceptable documentation includes, but is not limited to social security cards, for individuals, or a Letter 147C from the IRS for other entities types. Make a copy of the document.

The first line of the Form W-9 is for the legal name. There is only one (1) legal name per TIN.

The legal name must appear exactly as it appears on the social security card, IRS Letter or other documentation used to support the legal name. Examples - Do not use the middle name in place of the first name. Do not swap the legal name and DBA name.

For sole proprietorships, the DBA goes on the second line of the form.

For single member LLCs, the business name goes on the second line of the form.

All TINs have nine (9) digits.

To eliminate confusion and ensure accuracy of data input, don't abbreviate names, addresses, etc.

For rental payments, have the owner sign the Form W-9. This will help to ensure that the form has the correct TIN and legal name.

For property owners and property managers, double check to ensure that the SSN belongs to the person named on the form. Obtain a copy of the agreement between the property manager and owner to verify signature authority.

For rental payments, it is recommended that the property manager ask the owner to complete the W-9. Some property managers do not fully understand the tax implications of using their own name and TIN. At year end, they are surprised and upset when they receive the 1099. (In most instances, the property manager transferred the income to the owner or deposited the payments into the owner's account.) The property manager will expect a corrected 1099. The State will not issue a corrected 1099 in these instances. Instead, the property manager must issue a 1099 to the owner. This problem can be avoided by having the owner complete the W-9 with their name and TIN.

Provide the vendor with written documentation covering important details such as the requirement for a new W-9 for any change in name, address or ownership of an entity or property. This is especially important for ownership changes where the name stays the same but the TIN changes. If a new W-9 with the new TIN is not provided, the old owner inadvertently receives the 1099.

Ask questions to better understand the situation and enable you to provide assistance.

If possible, obtain a new W-9 on a regular basis.

Characteristics of a Sole Proprietorship (property owner):

- Will provide the owner's name as the legal name (Line one of the form)
- Will provide the owner's SSN or an EIN
- Will provide a D/B/A name (for line two of the form)
- Note - Do not accept the name of a business as the legal name for line one; the legal name must be the sole proprietor's name.

Characteristics of a Partnership:

- Files partnership tax returns (ask if they do this)
- Will provide an EIN and not a SSN
- Will provide a legal partnership name and not the name of an individual
- Note - Partnership names can be the names of the partners followed by ET AL or a "business" name. Do not accept the name of only one individual

Characteristics of a LLC / LLP - Limited Liability Company or Partnership:

- Will provide a business name with LLC or LLP in the name (legal name, line one of the W-9)
- Will provide an EIN and not a SSN
- Note - Single-member LLCs are an exception. The IRS treats these entities as if they were a sole proprietorship. They file their taxes as individuals (Schedule C). They may have an EIN or SSN.

Characteristics of a Corporation, P.C., S-Corp, C-Corp:

- Will provide a legal corporate name and EIN.
- Note - Sometimes a Professional Corporation (P.C. or PC) will have the name of a person followed by the letters P.C. or PC. In these instances verify that it is their legal name.

Common Errors/Problems that result in processing delays and delayed payments:

- An individual provides an incorrect name and/or TIN
- Name given is not the legal name of the person or entity. The legal name is the name registered with the IRS for that TIN.
- The property owner gives the name of the apartment complex.
- A woman gives a last name different from the name on her Social Security card.
- The professional or personal services corporation name is not given; instead a corporate officer gives his/her name.
- A property manager gives their name and the correct name should be the owner's name or property name.
- The name is not consistent with the entity type.
- The SSN or EIN provided does not belong to the name entered as the legal name.
- A property manager provides their name for payment, but provides the owner's SSN or EIN.
- The address provided is not complete or correct. The physical address is provided rather than the remit address.
- Hand-written or faxed copies that are difficult or impossible to read.
- The warrant is returned to The Department because the address is incorrect or the vendor has moved.
- The ownership of a property changes without notification
- The entity type changes without notification
- The IRS provides formal notification of a name/TIN mismatch and expects immediate action to remedy the problem

Ramifications:

- Upset owners will call because of delayed or held rental payments. State elects to hold payments until a corrected W9 is received.
- It results in extra work for everyone involved in the processing cycle.
- The 1099 is incorrect resulting in IRS penalties.

- Colorado's Vendor Offset law is applied to the wrong taxpayer. (Vendor offset is the withholding of a payment when a taxpayer owes the State of Colorado money.)

Acceptable Documentation for Name Changes:

- A new Form W-9
- A copy of the individual's Social Security Card
- Court documentation of a name change
- IRS Letter 147C

Acceptable Documentation for Address Changes:

- A vendor invoice that shows a remit address
- Notifications from vendors indicating they have moved
- Postal change of address notification
- A new Form W-9

For Section 8 Administrative Staff - If after checking the COFRS VEND and VNAM Table you find the vendor is already on COFRS with a different name or TIN, call or correspond with the vendor (housing authority) to verify that the correct name/TIN combination was given.

For Section 8 Administrative Staff Submitting Change Requests to AFS:

- Screen print the vendor record;
- Draw a line through the information that needs to be changed;
- Write the correct information near the field(s) to be changed;
- Attach a copy of the documentation to verify the change;
- Forward the above information to AFS;
- AFS will forward the documentation to OSC for processing.



URGENT - process immediately

**W-9 CHECK LIST**

Please complete this check-list and attach to W-9 form.

**FOR ALL W-9 FORMS COMPLETE THE FOLLOWING (HA STAFF & CDOH STAFF):**

- \_\_\_ State W-9 Form
- \_\_\_ Form typed, (if form can not be typed it must be legible)
- \_\_\_ Form Signed by owner (if property manager must include signatory authority documentation)
- \_\_\_ Form dated (date must be within 6 months)
- \_\_\_ Is entity Type correctly indicated on form
- \_\_\_ Verify Source Documents & Obtain a Copy of Business Search results obtained from the following link:  
http://www.sos.state.co.us/biz/BusinessEntityCriteria.do;jsessionid=00002mBF8X0LC4Xome D  
M15AS:vseum64n
- \_\_\_ Verify that the name is consistent with the entity type of the vendor.
- \_\_\_ Verify that the TIN or Social Security number is 9 digits and correctly typed on W-9
- \_\_\_ Verify that the TIN or Social Security number is legible
- \_\_\_ Review all information on W-9 form for Accuracy i.e. (Name, Address, Entity Type, TIN number)
- \_\_\_ Attach copy of Social Security Card for all new landlords and tenants (excluding Businesses)

**FOR NEW VENDORS COMPLETE THE FOLLOWING (CDOH STAFF):**

- \_\_\_ Look up vendor information in COFRS (VEND & VNAM screens) to avoid duplication in COFRS.
- \_\_\_ Initial bottom of form confirming that you reviewed the form for accuracy
- \_\_\_ Submit to Toni for review Date: \_\_\_\_\_
- \_\_\_ Sent to Accounting for COFRS entry Date: \_\_\_\_\_ Initials: \_\_\_\_\_
- \_\_\_ Date entered into COFRS Date: \_\_\_\_\_ Initials: \_\_\_\_\_

**FOR CHANGES TO EXISTING VENDORS COMPLETE THE FOLLOWING (CDOH STAFF):**

- \_\_\_ Look up vendor information in COFRS (VEND & VNAM screens) to verify information
- \_\_\_ Print COFRS VEND screen and highlight to clearly indicate what the changes need to be
- \_\_\_ Initial bottom of form confirming that you reviewed the form for accuracy
- \_\_\_ Submit to Toni for review Date: \_\_\_\_\_
- \_\_\_ Sent to DOLA Accounting for COFRS entry Date: \_\_\_\_\_ Initials: \_\_\_\_\_
- \_\_\_ Sent to State Controller for COFRS entry Date: \_\_\_\_\_ Initials: \_\_\_\_\_
- \_\_\_ Date entered into COFRS Date: \_\_\_\_\_ Initials: \_\_\_\_\_

**EFT FORMS:**



New EFT



Changes to existing EFT

**HA STAFF & CDOH STAFF:**

- \_\_\_ Form typed, (if form can not be typed it must be legible)
- \_\_\_ Form Signed by Account Holder
- \_\_\_ Form dated (date must be within 6 months)
- \_\_\_ Review EFT form for Accuracy i.e. (Name, Address, TIN #, Financial Institution, Routing & Account #, Checking or Savings)
- \_\_\_ Verify that the routing & account number is correctly typed on EFT form
- \_\_\_ Copy of a voided check (checking accounts) or account certification letter from your bank (savings accounts)

**CDOH STAFF:**

- \_\_\_ Look up vendor information in COFRS (VEND & VNAM screens) to avoid duplication in COFRS.
- \_\_\_ Print COFRS VEND screen and attach to EFT form
- \_\_\_ Initial bottom of form confirming that you reviewed the form for accuracy
- \_\_\_ Submit to Toni for review Date: \_\_\_\_\_
- \_\_\_ Sent to DOLA Accounting for COFRS entry Date: \_\_\_\_\_ Initials: \_\_\_\_\_
- \_\_\_ Sent to State Controller for COFRS entry Date: \_\_\_\_\_ Initials: \_\_\_\_\_
- \_\_\_ Date entered into COFRS Date: \_\_\_\_\_ Initials: \_\_\_\_\_

---

Housing Authority  
Signature

---

Date

**Penalties for Intentional Disregard:** If any failure to provide a correct payee statement is due to intentional disregard of the requirements to furnish a correct payee statement, the penalty is at least \$100 per payee statement with no maximum penalty.

PRINT OR TYPE	RETURN TO ADDRESS BELOW
<p style="font-size: small; text-align: center;">(OWNER OF THE EIN OR SSN AS NAME APPEARS ON IRS OR SOCIAL SECURITY ADMINISTRATION RECORDS) DO NOT ENTER THE BUSINESS NAME OF A SOLE PROPRIETORSHIP ON THIS LINE - See Reverse for Important Information</p> Legal Name _____	PART II See Part II Instructions on Back of Form
Trade Name -- complete only if doing business as (D/B/A) _____	
Remit Address _____	
Purchase Order Address -- Optional _____	

Check legal entity type and enter 9 digit Taxpayer Identification Number (TIN) below:

(SSN = Social Security Number      EIN = Employer Identification Number)

Do Not enter an SSN or EIN that was not assigned to the legal name entered above

<input type="checkbox"/> Individual	(Individual's SSN)	-- -- -- -- -- -- -- --
<small>NOTE: If no name is circled on a Joint Account when there is more than one name, the number will be considered to be that of the first name listed.</small>		
<input type="checkbox"/> Sole Proprietorship (Owner's SSN or Business EIN)	SSN	-- -- -- -- -- -- -- --
<small>Note: Enter both the owner's SSN and the business EIN (if you are required to have one)</small>		
<input type="checkbox"/> Partnership <input type="checkbox"/> General <input type="checkbox"/> Limited	(Partnership's EIN)	-- -- -- -- -- -- -- --
<input type="checkbox"/> Estate/Trust	(Legal Entity's EIN)	-- -- -- -- -- -- -- --
<small>NOTE: Do not furnish the identification number of the personal representative or trustee unless the legal entity itself is not designated in the account title. List and circle the name of the legal trust, estate, or pension trust.</small>		
<input type="checkbox"/> Other > _____	(Entity's EIN)	-- -- -- -- -- -- -- --
<small>Limited Liability Company, Joint Venture, Club, etc.</small>		
<input type="checkbox"/> Corporation	(Corp's EIN)	-- -- -- -- -- -- -- --
<small>Do you provide medical services?      <input type="checkbox"/> Yes      <input type="checkbox"/> No</small>		
<small>Includes corporations providing medical billing services</small>		
<input type="checkbox"/> Government (or Government Operated) Entity	(Entity's EIN)	-- -- -- -- -- -- -- --
<input type="checkbox"/> Organization Exempt from Tax under Section 501(a)	(Org's EIN)	-- -- -- -- -- -- -- --
<small>Do you provide medical services?      Yes <input type="checkbox"/> No <input type="checkbox"/></small>		
<input type="checkbox"/> Check Here if you do not have a SSN or EIN, but have applied for one. See reverse for information on <i>How to Obtain A TIN</i>		
<small>Licensed Real Estate Broker?      Yes <input type="checkbox"/> No <input type="checkbox"/></small>		

Under Penalties of Perjury, I certify that:

(1) The number listed on this form is my correct Taxpayer Identification Number (or I am waiting for a number to be issued to me) AND I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding (does not apply to real estate transactions, mortgage interest paid, the acquisition or abandonment of secure property, contribution to an individual retirement arrangement (IRA), and payment other than interest and dividends).

(2) Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding (does not apply to real estate transactions, mortgage interest paid, the acquisition or abandonment of secure property, contribution to an individual retirement arrangement (IRA), and payment other than interest and dividends).

CERTIFICATION INSTRUCTIONS -- You must cross out item (2) above if you have been notified by the IRS that you are currently subject to backup withholding because of under reporting interest or dividends on your tax return. (See Signing the Certification on the reverse of this form.)

THE INTERNAL REVENUE SERVICE DOES NOT REQUIRE YOUR CONSENT TO ANY PROVISION OF THIS DOCUMENT OTHER THAN THE CERTIFICATIONS REQUIRED TO AVOID BACKUP WITHHOLDING.

NAME (Print or Type) _____	TITLE (Print or Type) _____
AUTHORIZED SIGNATURE _____	DATE _____ PHONE _____
( _____ ) _____	
<b>DO NOT WRITE BELOW THIS LINE</b>	<b>RETURN BOTH COPIES TO ADDRESS ABOVE</b>

Agency \_\_\_\_\_ AGENCY USE ONLY Approved by \_\_\_\_\_ Date \_\_\_\_\_

1099: Yes \_\_\_\_ No \_\_\_\_

VENDOR: Addition \_\_\_\_ Change \_\_\_\_

Action Completed by \_\_\_\_\_

\_\_\_\_\_  
Date  
\_\_\_\_\_

615-82-50-7093 (R 4/97)

STATE OF COLORADO  
**AUTHORIZATION AGREEMENT  
FOR AUTOMATIC DEPOSITS (ACH CREDITS)**

I (we) hereby authorize the Department of Local Affairs, State of Colorado, hereinafter called STATE, to initiate credit entries, and if necessary, reverse any incorrect EFT credit entries made in error to our bank account indicated below.

APPLICATION (Payment Type)

\_\_\_\_\_

NAME

\_\_\_\_\_

SOCIAL SECURITY NUMBER

\_\_\_\_ - \_\_\_\_ - \_\_\_\_ - \_\_\_\_ - \_\_\_\_ - \_\_\_\_

FINANCIAL INSTITUTION NAME

\_\_\_\_\_

ADDRESS

\_\_\_\_\_

CITY, STATE, ZIP CODE

\_\_\_\_\_

PHONE NUMBER

\_\_\_\_\_

FINANCIAL INSTITUTION TRANSIT NUMBER

\_\_\_\_\_

ACCOUNT NUMBER

\_\_\_\_\_

CHECKING \_\_\_\_\_

SAVINGS

(Please attach a copy of a voided check)  
certification letter from your bank)

(Please attach account

This agreement is to remain in full force and effect until the STATE has received written notification from the PAYEE of its termination in such time and manner to afford STATE and FINANCIAL INSTITUTION a reasonable opportunity to act on it. It is the responsibility of the PAYEE to fill out a new agreement if the PAYEE changes banks or accounts.

Date \_\_\_\_\_

Phone No. \_\_\_\_\_

Authorized Signature

\_\_\_\_\_



(To complete form, refer to the EFT Authorization Procedures)

## **EFT Authorization Procedures**

- 1) Fill out the form as follows:
  - 2) **APPLICATION(PAYMENT TYPE)** - for example, "Expense Reimbursement", or "Rent Payment"
  - 3) **NAME** - Your Name as it appears on your bank account
  - 4) **SOCIAL SECURITY NUMBER** - Your social security number
  - 5) **FINANCIAL INSTITUTION NAME** - Your bank's name
  - 6) **ADDRESS** - The address of your bank
  - 7) **CITY, STATE, AND ZIP CODE** - The city, state, and zip code where your bank is located.
  - 8) **PHONE NUMBER** - The phone number of your bank.
  - 9) **FINANCIAL INSTITUTION TRANSIT NUMBER** - The bank transit number located at the bottom of your check or deposit slip, usually located in the bottom left-hand corner.
  - 10) **ACCOUNT NUMBER** - Your bank account number located at the bottom of the check or deposit slip, usually located in the bottom center.
- 3) Check the appropriate box for a Checking or a Savings account.
- 4) Sign and date the form. The signature must be the account holder's.
- 5) For checking accounts, attach a copy of a voided check. For savings accounts, attach account certification letter from your bank.
- 6) Return the completed form and attachment(s) in to:  
Department of Local Affairs  
Accounting & Financial Services  
Attn: Robert Clarke  
1313 Sherman Street, Room 323  
Denver, CO 80203
7. Once these forms are turned in for processing, it takes 21 to 28 days for the State Controller's Office and the bank to complete the process.
- 8) For employees of the Department, once you've applied for EFT, please be sure that you check the EFT payment box on your future travel expense reimbursement forms. If this box is not checked, then your reimbursement will be via warrant versus EFT. Note: submitting this form **DOES NOT** update the payroll system.

STATE OF COLORADO  
**CORPORATION AUTHORIZATION AGREEMENT  
FOR AUTOMATIC DEPOSITS (ACH CREDITS)**

I (we) hereby authorize the Department of Local Affairs, State of Colorado, hereinafter called STATE, to initiate credit entries, and if necessary, reverse any incorrect EFT credit entries made in error to our bank account indicated below.

APPLICATION (Payment Type)

\_\_\_\_\_

ENTITY NAME

\_\_\_\_\_

FEDERAL E.I.N. NUMBER

\_\_\_\_ - \_\_\_\_ - \_\_\_\_

ADDRESS:

\_\_\_\_\_

STREET

\_\_\_\_\_

CITY, STATE, ZIP CODE

\_\_\_\_\_

DEPOSITORY NAME

\_\_\_\_\_

ADDRESS:

\_\_\_\_\_

STREET

\_\_\_\_\_

CITY, STATE, ZIP CODE

\_\_\_\_\_

DEPOSITORY TRANSIT NUMBER

\_\_\_\_\_

DEPOSITORY ACCOUNT NUMBER

\_\_\_\_\_

CHECKING \_\_\_\_\_  
(Please attach a copy of a voided check)  
certification letter from your bank)

SAVINGS \_\_\_\_\_  
(Please attach account

This agreement is to remain in full force and effect until the STATE has received written notification from the ENTITY of its termination in such time and manner to afford STATE and DEPOSITORY a reasonable opportunity to act on it. It is the responsibility of the ENTITY to fill out a new agreement if the ENTITY changes banks or accounts.

Date \_\_\_\_\_ Phone No. \_\_\_\_\_

Authorized Signature \_\_\_\_\_

Title \_\_\_\_\_

Authorized Signature \_\_\_\_\_

Title \_\_\_\_\_

Procedures)  
615-82-50-7028 ( R 8/96 )

(To complete form, refer to the EFT Authorization

## EFT Authorization Procedures

- 11) Fill out the form as follows:
  - 12) APPLICATION(PAYMENT TYPE) - For example, "Grant (Name) Distribution"
  - 13) ENTITY NAME - Your Organization's Name
  - 14) FEDERAL E.I.N. NUMBER - Your tax identification number (EIN)
  - 15) ADDRESS - Your organization's address
  - 16) CITY, STATE, AND ZIP CODE - The city, state, and zip code where your organization is located.
  - 17) DEPOSITORY NAME - Your bank's name
  - 18) ADDRESS - The address of your bank
  - 19) CITY, STATE, AND ZIP CODE - The city, state, and zip code where your bank is located.
  - 20) DEPOSITORY TRANSIT NUMBER - The bank transit number located at the bottom of your check or deposit slip. It is usually located in the lower left hand corner.
  - 21) DEPOSITORY ACCOUNT NUMBER - Your bank account number located at the bottom of the check or deposit slip. It is usually located at the bottom center.
- 3) Check the appropriate box for a Checking or a Savings account.
- 4) Sign and date the form. The person signing must be an authorized signer on the account.
- 5) For checking accounts, attach a copy of a voided check. For savings accounts, attach account certification letter from your bank.
- 6) Return the completed form and attachment(s) to:  
Department of Local Affairs  
Accounting & Financial Services  
Attn: Robert Clarke  
1313 Sherman Street, Room 323  
Denver, CO 80203
8. Once these forms are turned in for processing, it takes 21 to 28 days for the State and the bank to complete the process.

## **USEFUL LINKS FOR VERIFYING EIN & ENTITY TYPE INFORMATION**

### **Colorado Secretary of State's Office**

- To verify Legal names, Name Changes, Registered Agents & Entity Types

### **Guidestar.org**

- To verify Tax Exempt Entity - Not EIN

### **IRS.GOV**

- To Search for Tax Exempt Charities Online

**ADDENDUM D-1**  
**WEB-SITE Resources**

CDOH WEB SITE: <http://dola.colorado.gov/cdh/index.html>

CDOH FORMS for Section 8 PHAs <http://dola.colorado.gov/cdh/section8/index.htm>

RENTAL RESEARCH: [www.coloradohousingsearch.com](http://www.coloradohousingsearch.com)

THE WORK NUMBER (verify employment) [www.theworknumber.com](http://www.theworknumber.com)

HUD EIV SYSTEM LOGIN PAGE: [www.hud.gov/offices/reac/online/reasyst.cfm](http://www.hud.gov/offices/reac/online/reasyst.cfm)

USCIS main web page (was INS): [www.uscis.gov/portal/site/uscis](http://www.uscis.gov/portal/site/uscis)

CBI (background check-Colorado, costs aprox \$6.95 per report: [www.cbirecordscheck.com/Index.asp](http://www.cbirecordscheck.com/Index.asp)

UNEMPLOYMENT VERIFICATION [www.coworkforce.com/uiic](http://www.coworkforce.com/uiic)

CO STATE CONVICTED SEX OFFENDER : <http://sor.state.co.us/>

NATIONAL SEX OFFENDER REGISRY: [www.familywatchdog.us](http://www.familywatchdog.us)

SOCIAL SECURITY ONLINE - REQUEST FOR PROOF OF SS INCOME:

<https://ss044a90.ssa.gov/apps6z/BEVE/bv001.jsp>

IRS ALLOWABLE MEDICAL EXPENSES: [www.irs.gov/publications/p502/ar02.html](http://www.irs.gov/publications/p502/ar02.html)

**ADDENDUM E-1**  
**GLOSSARY OF ACRONYMS**  
**GLOSSARY OF TERMS IN SUBSIDIZED HOUSING**

AAF	Annual Adjustment Factor
ACC	Annual Contributions Contract
AM	Asset Manager
BR	Bedroom
CDBG	Community Development Block Grant
CFR	Code of Federal Regulations
CPA	Certified Public Accountant
CPI	Consumer Price Index
CR	Contract Rent
EOHP	Equal Opportunity Housing Plan
FDIC	Federal Deposit Insurance Corporation
FHA	Federal Housing Administration
FICA	Federal Insurance Contributions Act - Social Security taxes
FMR	Fair Market Rent
FY	Fiscal Year
GAO	Government Accounting Office
GR	Gross Rent
HAP	Housing Assistance Payment
HCDA	Housing and Community Development Amendments of 1981
HMS	Housing Management Specialist (HUD field office)
HQS	Housing Quality Standards
HUD	Department of Housing and Urban Development
HURRA	Housing and Urban/Rural Recovery Act of 1983
IG	Inspector General
IGR	Independent Group Residence
IRA	Individual Retirement Account
MSA	Metropolitan Statistical Area established by the U.S. Census Bureau
PMSA	Primary Metropolitan Statistical Area established by the U.S. Census Bureau



PS	Payment Standard
RAD	Regional Accounting Division (HUD)
RFLA	Request for Lease Approval
RFP	Request for Proposals
RIGI	Regional Inspector General for Investigation
SRO	Single Room Occupancy
TR	Tenant Rent
TTP	Total Tenant Payment
UA	Utility Allowance
URP	Utility Reimbursement Payment

**ASSISTANCE FOR PERSON WITH A DISABILITY.** Anticipated costs for care attendants and auxiliary apparatus for disabled family members, which enable a family member (including the disabled family member) to work.

**ADJUSTED INCOME.** Annual income, less allowable HUD deductions.

**ANNUAL CONTRIBUTIONS CONTRACT (ACC).** A written agreement, between HUD and a Contractor, to provide annual contributions to cover Housing Assistance Payments and other expenses pursuant to the Act. If there is a State Agency administering the Voucher Program, for example, there is usually an ACC between the State Agency and HUD.

**ANNUAL INCOME.** The anticipated total Annual Income of an eligible family from all sources for the 12-month period following the date of determination of income, computed in accordance with the regulations.

**ANNUALIZATION OF INCOME.** If it is not feasible to anticipate a level of income over a 12-month period (e.g., seasonal or cyclic income), or the HA believes that past income is the best available indicator of expected future income, the HA may annualize the income anticipated for a shorter period, subject to a re-determination at the end of the shorter period.

**"AS-PAID" STATES.** States where the Public Assistance agency adjusts the shelter and utility component of the Public Assistance grant in accordance with actual housing costs.

**ASSETS.** Value of equity in savings, checking, IRA and Keogh accounts, real property, stocks, bonds, and other forms of capital investment. The value of necessary items of personal property such as furniture and automobiles is excluded from the definition. In cases where a trust fund has been established and the trust is not revocable by, or under the control of any member of the family or household, the value of the trust fund will not be considered an asset so long as the fund continues to be held in trust.

**ASSISTED TENANT.** A tenant who pays less than the market rent as defined in the regulations. Includes tenants receiving rent supplement, Rental Assistance Payments, or Voucher assistance and all other 236 and 221 (d)(3) BMIR tenants, except those paying the 236 market rent or 120% of the BMIR rent, respectively.

**CERTIFICATE OF FAMILY PARTICIPATION.** A formally used Voucher Existing Rental Assistance Program housing subsidy format.

**CHILD CARE EXPENSES.** Amounts paid by the family for the care of minors under 13 years of age where such care is necessary to enable a family member to be employed or for an adult to further his/her education.

**CONTRACT.** (See Housing Assistance Payments Contract.)

**CONTRACT RENT.** The total rent paid to the Landlord, including the tenant payment and the HAP payment from the Contractor.

**COVERED FAMILY.** Families who receive Public Assistance or other public assistance benefits from a State or public agency under a program for which Federal, State, or local law requires that a member of the family must participate in an economic self-sufficiency program as a condition for such assistance.

**DEPENDENT.** A member of the family household (excluding foster children) other than the family head or spouse, who is under 18 years of age or is a disabled person, or is a full-time student 18 years of age or over.

**DISABLED FAMILY.** A family whose head, spouse, or sole member is a person with disabilities. It may include two or more persons with disabilities living together, or one or more persons with disabilities living with one or more live-in aides.

**DISPLACED FAMILY.** Involuntarily displaced applicants are applicants who have or will (within no more than six months from the date of certification or verification) vacate housing as a result of:

1. A natural disaster such as fire or flood.
2. Federal, state or local government action related to code enforcement, or public improvement or development
3. Actual or threatened physical violence directed against the applicant, or one or more members of the applicant's family, by a spouse or other member of the applicant's household, or the applicant lives in a housing unit with such an individual who engages in such violence. The actual or threatened physical violence must be of a recent or recurring nature.

**ECONOMIC SELF-SUFFICIENCY PROGRAM.** Any program designed to encourage, assist, train, or facilitate the economic independence of HUD-assisted families or to provide work for such families. These programs include programs for job training, employment counseling, work placement, apprenticeship, and any program necessary to prepare a participant for the workforce, including a substance abuse or mental health treatment program, or other related activities.

**ELDERLY FAMILY.** A family whose head or spouse or whose sole member is at least 62 years of age. It may include two or more persons who are at least 62 years of age living together, or one or more persons who are at least 62 years of age living with one or more live-in aides.

**ELDERLY PERSON.** One who is at least 62 years old.

**EXTREMELY LOW-INCOME FAMILY.** A family whose annual income does not exceed 30 percent of the median income for the area, as determined by HUD with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than 30 percent of the median income for the area if HUD finds that such variations are necessary because of unusually high or low family incomes.

**FAIR MARKET RENT.** The rent limit for Voucher Rental Assistance, which includes the Landlord's rent and tenant paid utilities and tenant supplied range and refrigerator. Published annually on October 1 in the Federal Register.

**FAMILY.** The applicant must qualify as a family as defined by the Contractor.

**FOSTER CHILD CARE PAYMENT.** Payment to eligible households by state, local, or private agencies appointed by the State, to administer payments for the care of foster children.

**FULL-TIME STUDENT.** A person who is carrying a subject load that is considered full time for day students under the standards and practices of the educational institution attended. Educational institutions include vocational schools with a diploma or certificate program, as well as an institution offering a college degree.

**GROSS RENT.** The total of Contract Rent and the family's utility allowance. If there is no utility allowance, Contract Rent equals Gross Rent.

**HCDA.** The Housing and Community Development Act of 1974, in which the U.S. Housing Act of 1937 (sometimes referred to as the Act) was re-codified, and which added the Voucher Programs.

**HEAD OF HOUSEHOLD.** The head of household is the person who assumes legal and financial responsibility for the household and is listed on the application as head.

**HOUSING AGENCY.** Any state, county, municipality, or other governmental entity or public body (or agency or instrumentality thereof), which is authorized to engage in or assist in the development or operation of housing for low-income families.

**HOUSING ASSISTANCE PAYMENT.** The payment made by the Contractor to the Landlord of a unit under lease by an eligible family, as provided in the HAP Contract.

**HOUSING ASSISTANCE PAYMENTS CONTRACT (Contract).** The contract executed between the Contractor and the Landlord pursuant to which the Contractor makes HAP Payments on behalf of an eligible family.

**HOUSING ASSISTANCE PLAN.** (1) A Housing Assistance Plan submitted by a local government participating in the Community Development Block Program as part of the block grant application, in accordance with the requirements of 570.3038 submitted by a local government not participating in the Community Development Block Grant Program and approved by HUD. (2) A Housing Assistance Plan meeting the requirements of 570.3038 submitted by a local government not participating in the Community Development Block Grant Program and approved by HUD.

**HUD.** The Department of Housing and Urban Development or its designee.

**HURRA.** The Housing and Urban/Rural Recovery Act of 1983 legislation that resulted in most of the 1984 HUD Regulation changes to the definition of income, allowances, and rent calculations.

**IMPUTED ASSET.** Asset disposed of for less than Fair Market Value during two years preceding examination or reexamination.

**IMPUTED INCOME.** HUD passbook rate x total cash value of assets. Calculation used when assets exceed \$5,000.

**IMPUTED Public Assistance INCOME.** A family's annual income includes the amount of imputed Public Assistance income (because of a specified Public Assistance benefits reduction, as specified in notice to the HA by the Public Assistance agency), plus the total amount of other annual income as determined in accordance with '5.609.

**INCOME.** Income from all sources of each member of the household as determined in accordance with criteria established by HUD.

**LANDLORD.** This term means either the owner of the property or his/her representative, or the managing agent or his/her representative, as designated by the owner having the legal right to lease the housing.

**LEASE.** A written agreement between the Landlord and a family to lease a housing unit. The Voucher Housing Voucher program has a Lease Addendum that has mandatory language, which must be incorporated into every lease.

**LOW-INCOME FAMILY.** A family whose income does not exceed 80 percent of the median income for the area as determined by HUD, with adjustments for smaller and larger families, except that HUD may establish

income ceilings higher or lower than 30 percent of the median income for the area if HUD finds that such variations are necessary because of unusually high or low family incomes.

**MARKET RENT.** The rent HUD authorizes the Landlord of FHA insured/subsidized multi-family housing to collect from families ineligible for assistance. For unsubsidized units in an FHA-insured multi-family project in which a portion of the total units receive project-based rental assistance, under the Rental Supplement or Section 202/Voucher Programs, the Market Rate Rent is that rent approved by HUD and is the Contract Rent for a Voucher holder. For BMIR units, Market Rent varies by whether the project is a rental or cooperative.

**MEDICAL EXPENSES.** Those medical expenses, including medical insurance premiums, that are anticipated during the period for which Annual Income is computed, and that are paid out of pocket by the elderly or disabled household. The medical expense allowance is given when calculating adjusted income.

**MINIMUM RENT.** A HUD required charge to the family of up to \$50, except for those families that claim financial hardship, for payment to utilities and rent.

**MINOR.** A member of the family household other than the Head of Household or spouse who is under 18 years of age.

**MONTHLY-ADJUSTED INCOME.** 1/12 of the Annual Income after allowances and deductions.

**MONTHLY INCOME.** 1/12 of the Annual Income.

**PARTICIPANT.** A family becomes a participant in the Voucher Rental Assistance Program when the first HAP Contract between the Contractor and a Landlord is effective.

**PAYMENT STANDARD.** The amount used to calculate the subsidy a family will receive in the Housing Voucher Program.

**PERSON WITH DISABILITIES. This is a person who:**

1. Has a disability, as defined in 42 U.S.C. 423;
2. Is determined, pursuant to HUD regulations, to have a physical, mental, or emotional impairment that:
  1. Is expected to be of long-continued and indefinite duration;
  2. Substantially impedes his/her ability to live independently, and
  3. Is of such a nature that the ability to live independently could be improved by more suitable housing conditions; or
2. Has a developmental disability as defined in 42 U.S.C. 6001;
3. May have the disease of acquired immunodeficiency syndrome or any conditions arising from the etiologic agent for acquired immunodeficiency syndrome;
4. May not have any disability based solely on any drug or alcohol dependence; and
5. May be an individual with handicaps, as defined in 8.3 of this title, for purposes of reasonable accommodation and program accessibility for persons with disabilities.

**PUBLIC ASSISTANCE.** Public Assistance or other payments to families or individuals based on need, which are made under programs funded, separately or jointly, by Federal, state, or local governments.

**PUBLIC HOUSING AGENCY.** Any state, county, municipality, or other governmental entity or public body, which is designated by the Secretary of State as a PHA.

**RECERTIFICATION.** Sometimes called reexamination. The process of securing documentation of family composition and income used to determine the rent the tenant will pay for the next 12 months if there are no additional changes to be reported. There is annual and interim re-certification.

**REMAINING MEMBER OF TENANT FAMILY.** The only person left in assisted housing who may or may not normally qualify for assistance on own circumstances (i.e., an elderly spouse dies, leaving widow age 47 who is not disabled.)

**RENT TO OWNER.** It is the total amount of rent payable to the Landlord by the family and the Contractor for the assisted unit.

**RESIDENT ASSISTANT.** A person who lives in an Independent Group Residence and provides on a daily basis some or all of the necessary services to elderly or disabled individuals receiving Voucher housing assistance and who is essential to these individuals' care or well-being. A Resident Assistant shall not be related by blood, marriage or operation of law to individuals receiving Voucher assistance nor contribute to a portion of his/her income or resources towards the expenses of these individuals.

**SECRETARY.** The Secretary of Housing and Urban Development.

**SECURITY DEPOSIT.** An amount of money from the tenant, which the Landlord holds from the beginning of the lease, which may be used for unpaid rent or damages upon termination of the lease.

**SINGLE PERSON.** A person living alone, or intending to live alone.

**SPECIFIED Public Assistance BENEFIT REDUCTION.** A reduction of Public Assistance benefits by the Public Assistance agency, in whole or in part, for a family member, as determined by the Public Assistance agency, because of fraud by a family member in connection with the Public Assistance program; or because of Public Assistance agency sanction against a family member for noncompliance with a Public Assistance agency requirement to participate in an economic self sufficiency program. A specified Public Assistance benefit reduction is not applicable if the Public Assistance reduction is a result of the expiration of a lifetime limit on receiving benefits, or if the family has complied with requirements but cannot find a job or if the sanction is due to family noncompliance with other Public Assistance agency requirements.

**SPOUSE.** The husband, or wife, of the head of the household

**SUBSIDIZED PROJECT.** A multi-family housing project (with the exception of a project owned by a cooperative housing mortgage corporation or association), which receives the benefit of subsidy in the form of:

1. Below-market interest rates pursuant to Section 221(d)(3) and (5) or interest reduction payments pursuant to Section 236 of the National Housing Act; or
2. Rent supplement payments under Section 101 of the Housing and Urban Development Act of 1965; or
3. Direct loans pursuant to Section 202 of the Housing Act of 1959; or
4. Payments under the Section 23 Housing Assistance Payments Program pursuant to Section 23 of the United States Housing Act of 1937 prior to amendment by the Housing and Community Development Act of 1974;
5. Payments under the Voucher Housing Assistance Payments Program pursuant to Voucher of the United States Housing Act after amendment by the Housing and Community Development Act unless a Public Housing Agency owns the project.
6. A Public Housing Project.

**TENANT RENT.** The amount payable monthly by the family as rent to the unit owner (Voucher owner or PHA in public housing). (This term is not used in the Voucher program.)

**TOTAL TENANT PAYMENT (TTP).** The total amount the HUD rent formula requires the tenant to pay toward rent and utilities.

**UNIT.** Residential space for the private use of a family. The size of a unit is based on the number of bedrooms contained within the unit and generally ranges from zero (0) bedrooms to six (6) bedrooms.

**UTILITIES.** Utilities include water, electricity, gas, other heating, and refrigeration, cooking fuels, trash collection and sewage services. Telephone service is not included as a utility.

**UTILITY ALLOWANCE.** The amount, if any, by which the utility allowances for a unit, if applicable, exceeds the total tenant payment for the family occupying the unit. (This definition is not used in the Voucher program, or for a public housing family that is paying a flat rent.)

**UTILITY REIMBURSEMENT PAYMENT.** The amount, if any, by which the Utility Allowance for the unit, if applicable, exceeds the Total Tenant Payment for the family occupying the unit.

**VACANCY LOSS PAYMENTS.** The amount of HAP from the day the family moved from the unit with no notice to the end of that month.

**VERY LOW-INCOME FAMILY.** A Very Low-Income Family's annual income does not exceed 50 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than 30 percent of the median income for the area if HUD finds that such variations are necessary because of unusually high or low family incomes.

**WORK ACTIVITIES.** See definition at Section 407(d) of the Social Security Act (42 U.S.C. 607(D)).

**ADDENDUM C-1  
Department of Local Affairs / Colorado Division of Housing  
W9 Processing  
Policy and Procedures**

**Approved By:**

**Rose Marie Auten** \_\_\_\_\_  
**Controller**

**Kathi Williams** \_\_\_\_\_  
**Director**

**Last Updated On August 29, 2008**

## Definitions

**B-Notice** - Notice sent to vendors for whom an incorrect taxpayer identification number (TIN) / Name combination was filed on an information return. The notice advises them that unless a certified Form W-9 is received, they are subject to having 28% of any future reportable payments withheld as income taxes.

**Backup Withholding** - Income tax withholding of 28% of a payment at the time the payment is made.

**Certified TIN** - A vendor is required to certify that the information provided on a Form W-9 is correct and/or that he/she is exempt from backup withholding by signing the perjury statement on the Form.

**COFRS** - Colorado Financial Reporting System - The official state-wide accounting and reporting system for the State of Colorado and The Department.

**Corporation** - A legal entity; a group of people granted certain legal powers, rights, privileges and liabilities distinct from those of its members. The correct TIN is the corporate EIN.

**Corporate Division** - A division of a corporation is like an "arm" of the parent corporation - it is not a separate entity. The parent corporation consolidates the division's tax information with its return. The correct TIN is the EIN of the parent corporation.

**DBA** - Abbreviation for Doing Business As - Commonly seen preceding a trade name.

**The Department** - The Department of Local Affairs (DoLA), including the individual divisions within DoLA, such as Colorado Division of Housing, Division of Local Government, Division of Emergency Management, Board of Assessment Appeals, Division of Property Taxation and the Executive Director's Office.

**EIN** - Employer Identification Number - Used interchangeably with FEIN (Federal Employer Identification Number).

**Entity types** – Identifies the way a business is organized under the law. Describes the organizational structure of a vendor.

**Estate** - An estate is a legal entity that is created as a result of a person's death. The correct TIN is the estate's EIN.

**FEIN** - Federal Employer Identification Number - Used interchangeably with EIN.

**IRS** - Internal Revenue Service

**LLC** - Limited Liability Company - A legal form of business offering limited liability to its owners. Often incorrectly called a "limited liability corporation" (instead of company), it is a hybrid business entity having characteristics of both a corporation and a partnership. It is often more flexible; the owners have limited liability for the actions and debts of the company and it is suitable for smaller companies with a single owner. All LLCs must have at least one member. Members may be natural persons, corporations, partnerships, or other LLCs.

**Matching process** - IRS' process of verifying the nine digits of the TIN to the first four letters of the 1099 recipient's surname, or the first four letters of a business name.

**Name control** - The first four letters of the taxpayer's last name (in the case of individuals and sole proprietorships) and the first four letters of the business name (in the case of partnerships, corporations, associations, etc.) The name control is used by the IRS to verify that the TIN corresponds with the proper taxpayer.

**Partnership** - An association of two or more partners in a business enterprise; individuals, corporations, trusts, estates, and partnerships may be partners within a partnership. A partnership name may consist of the names of the partners or a trade name. The correct TIN is the partnership EIN.



**OSC-** (Colorado) Office of The State Controller

**Sole proprietorship/individual/husband and wife co-owner** - Individual owner of a business; may or may not have employees. Reports income on Schedule C of their individual return. Correct TIN is the SSN or EIN. Correct name for reporting purposes is the name of the owner. Using the name of the business instead of the owner's name will result in a B-Notice.

**SSA** - Social Security Administration

**SSN** - Social Security Number - Permanently assigned 9-digit number used as the TIN for individuals, sole proprietorships.

**Subsidiary** - A subsidiary of a corporation must have its own EIN. A subsidiary files a separate charter with the Secretary of State and issues its own stock.

**TIN** - Tax Identification Number - Can be either a Social Security Number issued by the SSA or Employer Identification Number issued by the IRS.

**TIN Type** - Employer Identification Number, formatted as 99-9999999

**Trust** - A legal entity that is created under State law and is taxed under Federal law. The correct TIN is the trust's EIN.

**Vendor** - Any person or entity receiving payments from The Department. This includes Section 8 landlords and participants. The vendor data is set up in COFRS and becomes one of the essential components in issuing payments and 1099s.

**Form W-9** - Request for Taxpayer Identification Number and Certification - Form used to request the correct TIN and legal name of the vendor. The vendor also certifies on the form that he/she is exempt from backup withholding.

**147C Letter** - An IRS form letter that verifies a taxpayer's correct TIN and legal name combination.

### Policy

A Form W-9 is a legal document issued by the IRS. The purpose of a Form W-9 is to request a vendor's correct tax identification number (TIN) and legal name in the manner required by the IRS. Accordingly, the Department of Local Affairs (The Department) requires that a valid, complete and correct Form W-9 shall be obtained for each vendor. This policy outlines the process to be used to obtain a Form W-9. A valid, complete and correct Form W-9 shall be obtained before any payments are issued to a vendor.

The State of Colorado (Substitute) Form W-9, included as Attachment (1), is the only version of the Form W-9 that shall be used or accepted for processing. It is the policy of The Department, that all Forms W-9 will be signed by the vendor. A fillable version of the form can be found on the Department's website at: <http://dola.colorado.gov/cdh/section8/index.htm>

### General Information

A Form W-9 is a form that requests the vendor's correct name and TIN. By signing the form a vendor certifies under penalties of perjury that the information provided is correct, and that the vendor is exempt from backup withholding.

A Form W-9 is required for each vendor to ensure that the vendor record is set up in COFRS correctly to protect the Department from penalties in the event an incorrect TIN/Name combination is reported on the Form 1099. The IRS matches the name/TIN with information in their database.

The State of Colorado (Substitute) Form W9 Form meets IRS specifications. The substitute form

provides the additional information necessary to add vendor data to the Colorado Financial Reporting System (COFRS) - the State's accounting system. Features unique to the form are as follows:

- Expanded address fields
- Expanded check boxes for entity types
- Title of authorized signer
- Vendor telephone number
- Section "For Agency Use Only" at the bottom of the form

**Process flow** - Forms W-9 are added, in COFRS, by the Accounting and the Financial Services Section (AFS) within The Department. For Section 8 vendors, the Forms W-9 are first received and reviewed by housing authorities, in their capacity as sub-contractors of The Department. Housing authority staff send the forms to Section 8 administrative staff within The Department. Section 8 staff completes their review and sends the forms to AFS staff for processing. Additional steps are involved for changes or for the deletion of a vendor record because processing of those are completed by OSC.

Given the number of staff handling the paperwork, incorrect or incomplete forms result in extra work and multiple/duplicate handling of paperwork by those involved in the processing cycle. It also results in upset vendors because of delayed or held payments. In addition to the potential for IRS penalties for The Department and the vendor, incorrect Forms W-9 may result in other negative tax consequences for the vendor. Ultimately, fines paid by CDOH may be passed on the housing authority (contractor).

The OSC issues all 1099s for the entire State. NO 1099s are issued by the Department. This means the OSC ultimately controls the process and sets the rules. Be aware that the OSC will not issue a corrected 1099 unless there is a legal requirement to do so. The responsibility to fix the problem will fall to the person or entity that receives the 1099.

The name and taxpayer identification number on the Form W-9 will designate who gets the 1099. The income will be reported to the IRS accordingly. The OSC will not issue a corrected Form 1099 to anyone other than the recipient that received the payments (payee). It is the responsibility of the payee to issue 1099s to any parties the income (payments) were transferred to. For example, this may include a property manager that receives rental payments on behalf of the property owner.

### Procedures

The W-9 Check List, included as Attachments (2), is to be used by each person involved in the processing cycle. This includes but is not limited to sub-contractors (housing authority personnel for Section 8) and employees of The Department.

The following tasks are to be completed:

- Individuals working directly with the vendor shall have a conversation with the vendor to gain an understanding of their entity type (individual, sole proprietor, LLC, corporation, etc.) and to enable them to provide assistance in completing the form. The information received will be used in reviewing the form to ensure it has been completed correctly and that it contains an authorized signature.
- Direct the vendor to the website to access the fillable Form W-9, or send them the form by email, or provide them with a copy of the form if they are unable to access the form on-line or by email.
- Instruct the vendor to type the information into the form. If it is not possible for them to do so, instruct them to be very careful when completing the form, to ensure the form is legible.
- Instruct the vendor to sign and date the form.
- The person working directly with the vendor (housing authority staff for Section 8) shall review the completed W-9 and confirm the following:
  11. The form is legible (typed or neatly written) and is complete.
  12. The form is signed by an authorized signer.
  13. The form has a current or recent date.

14. Verify that the legal name is presented on line one (1) and that it is consistent with the entity type of the vendor.
15. The box for the correct entity type is checked.
16. Verify that the TIN or SSN has nine (9) digits.
17. Verify that the TIN or SSN is legible.
18. Verify that the address is correct.
19. If applicable, verify that the DBA is correct and is presented on the second line.
20. Compare the TIN and legal name, as presented on the Form W-9, to an official source document. Acceptable documents and sources of information include:
  - Social Security cards for individuals
  - For businesses, a copy of the Letter 147C they received from the IRS. The vendor may call the IRS at 1-800-829-1040 for assistance if needed. This is the best source to verify the accuracy of the TIN and legal name for most entities.
  - Except for individuals and partnerships, the Secretary of State's website provides a search engine to check legal names for accuracy at:  
**[http://www.sos.state.co.us/biz/BusinessEntityCriteria.do;jsessionid=00002mBF8X0LC4Xome\\_D0-M15AS:vseum64n](http://www.sos.state.co.us/biz/BusinessEntityCriteria.do;jsessionid=00002mBF8X0LC4Xome_D0-M15AS:vseum64n)**
  - The Colorado Dept. of Revenue confirms the accuracy of the legal name for sole proprietors and partnerships at:  
**[http://www.revenue.state.co.us/TPS\\_Dir/wrap.asp?incl=TradeNameInterim](http://www.revenue.state.co.us/TPS_Dir/wrap.asp?incl=TradeNameInterim)**
  - For tax exempt entities, use Guidestar.org to verify tax exempt status at:  
**<http://www.guidestar.org/>**
  - For tax exempt entities use IRS.GOV to verify tax exempt status at:  
**<http://www.irs.gov/charities/index.html>**

Section 8 staff, for The Department, will complete steps 1-10 above in addition to the following steps:

- Complete a search for the vendor in COFRS, by name, using the VNAME Table and, by TIN/SSN, using the VEND Table. If the vendor is found, compare the vendor setup in COFRS (VEND Table) to the Form W-9 to see if the information is the same. Determine if the Form W-9 is a duplicate or if a correction or change to the vendor setup is necessary
  - If a correction or change is necessary, print the COFRS VEND Table screen, indicate on the screen-print what needs to be changed and attach the screen-print to the Form W-9.
  - Initial and date the bottom of the form in the "Agency Use Only" section indicating that you have completed the review of the Form W-9.
- Attach the completed W-9 Check List to the forms. Promptly submit the form(s) to the appropriate staff for processing. In order to expedite processing and ensure payments are issued timely, do not hold or otherwise accumulate the forms prior to submitting to the appropriate personnel for processing.
  - Refer to the Section entitled "General Tips" for additional guidance and handouts to assist you in reviewing and processing Forms W-9.

### General Tips

Make sure the completed form is legible. This is especially important if the form is to be faxed. The form on the website is fillable. Use this form and type in the information.

The form must be signed. Ask the vendor review the form for completeness and accuracy and then ask them to sign the form.

Verify the TIN and legal name to some type of official source document. Acceptable documentation includes, but is not limited to social security cards, for individuals, or a Letter 147C from the IRS for other types of entities. Make a copy of the document.

The first line of the Form W-9 is for the legal name. There is only one (1) legal name per TIN.

The legal name must appear exactly as it appears on the social security card, IRS Letter or other documentation used to support the legal name. Examples - Do not use the middle name in place of the first name. Do not swap the legal name and DBA name.

Where applicable, the DBA goes on the second line of the form.

All TINs have nine (9) digits.

To eliminate confusion and ensure accuracy of data input, don't abbreviate names, addresses, etc.

For rental payments, have the owner sign the Form W-9. This will help to ensure that the form has the correct TIN and legal name.

For property owners and property managers, double check to ensure that the SSN belongs to the person named on the form. Obtain a copy of the agreement between the property manager and owner to verify signature authority.

For rental payments, it is recommended that the property manager ask the owner to complete the W-9. Some property managers do not fully understand the tax implications of using their own name and TIN. At year end, they are surprised and upset when they receive the 1099. (In most instances, the property manager transferred the income to the owner or deposited the payments into the owner's account.) The property manager will expect a corrected 1099. The State will not issue a corrected 1099 in these instances. Instead, the property manager must issue a 1099 to the owner. This problem can be avoided by having the owner complete the W-9 with their name and TIN.

Provide the vendor with written documentation covering important details such as the requirement for a new W-9 for any change in name, address or ownership of an entity or property. This is especially important for ownership changes where the name stays the same but the TIN changes. If a new W-9 with the new TIN is not provided, the old owner inadvertently receives the 1099.

Ask questions to better understand the situation and enable you to provide assistance.

If possible, obtain a new W-9 on a regular basis.

Characteristics of a Sole Proprietorship (property owner):

- Will provide the owner's name as the legal name (Line one of the form)
- Will provide the owner's SSN or an EIN
- Will provide a D/B/A name (for line two of the form)
- Note - Do not accept the name of a business as the legal name for line one; the legal name must be the sole proprietor's name.

Characteristics of a Partnership:

- Files partnership tax returns (ask if they do this)
- Will provide an EIN and not a SSN
- Will provide a legal partnership name and not the name of an individual
- Note - Partnership names can be the names of the partners followed by ET AL or a "business" name. Do not accept the name of only one individual

Characteristics of a LLC / LLP – Limited Liability Company or Partnership:

- Will provide a business name with LLC or LLP in the name (legal name, line one of the W-9)
- Will provide an EIN and not a SSN

- Note - Single-member LLCs are an exception. The IRS treats these entities as individuals. They file their taxes as individuals. They may have an EIN or SSN.

#### Characteristics of a Corporation, P.C., S-Corp, C-Corp:

- Will provide a legal corporate name and EIN.
- Note - Sometimes a Professional Corporation (P.C. or PC) will have the name of a person followed by the letters P.C. or PC. In these instances verify that it is their legal name.

#### Common Errors/Problems that result in processing delays and delayed payments:

- An individual provides an incorrect name and/or TIN
- Name given is not the legal name of the person or entity. The legal name is the name registered with the IRS for that TIN.
- The property owner gives the name of the apartment complex.
- A woman gives a last name different from the name on her Social Security card.
- The professional or personal services corporation name is not given; instead a corporate officer gives his/her name.
- A property manager gives their name and the correct name should be the owner's name or property name.
- The name is not consistent with the entity type.
- The SSN or EIN provided does not belong to the name entered as the legal name.
- A property manager provides their name for payment, but provides the owner's SSN or EIN.
- The address provided is not complete or correct. The physical address is provided rather than the remit address.
- Hand-written or faxed copies that are difficult or impossible to read.
- The warrant is returned to The Department because the address is incorrect or the vendor has moved.
- The ownership of a property changes without notification
- The entity type changes without notification
- The IRS provides formal notification of a name/TIN mismatch and expects immediate action to remedy the problem

#### Ramifications:

- Upset owners will call because of delayed or held rental payments. State elects to hold payments until a corrected W9 is received.
- It results in extra work for everyone involved in the processing cycle.
- The 1099 is incorrect resulting in IRS penalties.
- Colorado's Vendor Offset law is applied to the wrong taxpayer. (Vendor offset is the withholding of a payment when a taxpayer owes the State of Colorado money.)

#### Acceptable Documentation for Name Changes:

- A new Form W-9
- A copy of the individual's Social Security Card
- Court documentation of a name change
- IRS Letter 147C

#### Acceptable Documentation for Address Changes:

- A vendor invoice that shows a remit address
- Notifications from vendors indicating they have moved
- Postal change of address notification
- A new Form W-9

For Section 8 Administrative Staff - If after checking the COFRS VEND and VNAM Table you find the vendor is already on COFRS with a different name or TIN, call or correspond with the vendor (housing

authority) to verify that the correct name/TIN combination was given.

For Section 8 Administrative Staff Submitting Change Requests to AFS:

- Screen print the vendor record;
- Draw a line through the information that needs to be changed;
- Write the correct information near the field(s) to be changed;
- Attach a copy of the documentation to verify the change;
- Forward the above information to AFS;
- AFS will forward the documentation to OSC for processing.

**URGENT - process immediately**

**W-9 CHECK LIST**

Please complete this check-list and attach to W-9 form.

**FOR ALL W-9 FORMS COMPLETE THE FOLLOWING (HA STAFF & CDOH STAFF):**

- State W-9 Form
- Form typed, (if form can not be typed it must be legible)
- Form Signed by owner (if property manager must include signatory authority documentation)
- Form dated (date must be within 6 months)
- Is entity Type correctly indicated on form
- Verify Source Documents & Obtain a Copy of Business Search results obtained from the following link:  
[http://www.sos.state.co.us/biz/BusinessEntityCriteria.do;jsessionid=00002mBF8X0LC4Xome\\_D0-M15AS:vseum64n](http://www.sos.state.co.us/biz/BusinessEntityCriteria.do;jsessionid=00002mBF8X0LC4Xome_D0-M15AS:vseum64n)
- Verify that the name is consistent with the entity type of the vendor.
- Verify that the TIN or Social Security number is 9 digits and correctly typed on W-9
- Verify that the TIN or Social Security number is legible
- Review all information on W-9 form for Accuracy i.e. (Name, Address, Entity Type, TIN number)
- Attach copy of Social Security Card for all new landlords and tenants (excluding Businesses)

**FOR NEW VENDORS COMPLETE THE FOLLOWING (CDOH STAFF):**

- Look up vendor information in COFRS (VEND & VNAM screens) to avoid duplication in COFRS.
- Initial bottom of form confirming that you reviewed the form for accuracy
- Submit to Toni for review Date: \_\_\_\_\_
- Sent to Accounting for COFRS entry Date: \_\_\_\_\_ Initials: \_\_\_\_\_
- Date entered into COFRS Date: \_\_\_\_\_ Initials: \_\_\_\_\_

**FOR CHANGES TO EXISTING VENDORS COMPLETE THE FOLLOWING (CDOH STAFF):**

- Look up vendor information in COFRS (VEND & VNAM screens) to verify information
- Print COFRS VEND screen and highlight to clearly indicate what the changes need to be
- Initial bottom of form confirming that you reviewed the form for accuracy
- Submit to Toni for review Date: \_\_\_\_\_
- Sent to DOLA Accounting for COFRS entry Date: \_\_\_\_\_ Initials: \_\_\_\_\_
- Sent to State Controller for COFRS entry Date: \_\_\_\_\_ Initials: \_\_\_\_\_
- Date entered into COFRS Date: \_\_\_\_\_ Initials: \_\_\_\_\_

**EFT FORMS:**  New EFT  Changes to existing EFT

**HA STAFF & CDOH STAFF:**

- Form typed, (if form can not be typed it must be legible)
- Form Signed by Account Holder
- Form dated (date must be within 6 months)
- Review EFT form for Accuracy i.e. (Name, Address, TIN #, Financial Institution, Routing & Account #, Checking or Savings)
- Verify that the routing & account number is correctly typed on EFT form
- Copy of a voided check (checking accounts) or account certification letter from your bank (savings accounts)

**CDOH STAFF:**

- Look up vendor information in COFRS (VEND & VNAM screens) to avoid duplication in COFRS.
- Print COFRS VEND screen and attach to EFT form
- Initial bottom of form confirming that you reviewed the form for accuracy
- Submit to Toni for review Date: \_\_\_\_\_

Sent to DOLA Accounting for COFRS entry	Date:	Initials:
Sent to State Controller for COFRS entry	Date:	Initials:
Date entered into COFRS	Date:	Initials:
Housing Authority Signature		Date

**Penalties for Intentional Disregard:** If any failure to provide a correct payee statement is due to intentional disregard of the requirements to furnish a correct payee statement, the penalty is at least \$100 per payee statement with no maximum penalty.



Substitute Form  
**W-9**

REQUEST FOR TAXPAYER IDENTIFICATION  
NUMBER (TIN) VERIFICATION

State of Colorado  
**Do NOT send to IRS**

PRINT OR TYPE

RETURN TO  
ADDRESS BELOW

(OWNER OF THE EIN OR SSN AS NAME APPEARS ON IRS OR SOCIAL  
SECURITY ADMINISTRATION RECORDS)  
DO NOT ENTER THE BUSINESS NAME OF A SOLE PROPRIETORSHIP ON  
THIS LINE - See Reverse for Important Information

Legal Name

Trade Name -- complete only if doing business as (D/B/A)

Remit Address

Purchase Order Address -- Optional

PART II See Part II  
Instructions on Back of  
Form

Check legal entity type and enter 9 digit Taxpayer Identification Number (TIN) below:

Do Not enter an SSN  
or EIN that was not  
assigned to the legal  
name entered above

(SSN = Social Security Number EIN = Employer Identification Number)

Individual (Individual's SSN)  
NOTE: If no name is circled on a Joint Account when there is more that one name, the number  
will be considered to be that of the first name listed.

--- -- --- --  
-----

Sole Proprietorship (Owner's SSN or Business EIN) SSN  
Note: Enter both the owner's SSN and the business EIN (if you are required to  
have one) EIN

--- -- --- --  
-----  
--- -- --- --  
-----

Partnership  General  Limited (Partnership'S EIN)

--- -- --- --  
-----

Estate/Trust (Legal Entity's EIN)  
NOTE: Do not furnish the identification number of the personal representative or trustee unless  
the legal entity itself is not designated in the account title. List and circle the name of the legal  
trust, estate, or pension trust.

--- -- --- --  
-----

Other > (Entity's EIN)  
Limited Liability Company, Joint Venture, Club, etc.

--- -- --- --  
-----

Corporation Do you provide medical services?  Yes  No (Corp's EIN)  
Includes corporations providing medical billing services

--- -- --- --  
-----

Government (or Government Operated) Entity (Entity's EIN)

--- -- --- --  
-----

Organization Exempt from Tax under Section 501(a) (Org's EIN)  
Do you provide medical services? Yes  No

--- -- --- --  
-----

Check Here if you do not have a SSN or EIN, but have applied for one.  
See reverse for information on *How to Obtain A TIN*

Licensed Real Estate Broker? Yes  No

Under Penalties of Perjury, I certify that:

(1) The number listed on this form is my correct Taxpayer Identification Number (or I am waiting for a number to be issued to

me) AND

(2) I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding (does not apply to real estate transactions, mortgage interest paid, the acquisition or abandonment of secure property, contribution to an individual retirement arrangement (IRA), and payment other than interest and dividends).

CERTIFICATION INSTRUCTIONS -- You must cross out item (2) above if you have been notified by the IRS that you are currently subject to backup withholding because of under reporting interest or dividends on your tax return. (See Signing the Certification on the reverse of this form.)

THE INTERNAL REVENUE SERVICE DOES NOT REQUIRE YOUR CONSENT TO ANY PROVISION OF THIS DOCUMENT OTHER THAN THE CERTIFICATIONS REQUIRED TO AVOID BACKUP WITHHOLDING.

NAME (Print or Type)

TITLE (Print or Type)

AUTHORIZED SIGNATURE

DATE \_\_\_\_\_ PHONE  
(\_\_\_\_) \_\_\_\_\_

**DO NOT WRITE BELOW THIS LINE**

**RETURN BOTH COPIES TO ADDRESS ABOVE**

AGENCY USE ONLY

Agency \_\_\_\_\_

Approved by \_\_\_\_\_

Date \_\_\_\_\_

Action Completed by \_\_\_\_\_

Date \_\_\_\_\_

1099: Yes \_\_\_\_\_ No \_\_\_\_\_

VENDOR: Addition \_\_\_\_\_ Change \_\_\_\_\_

615-82-50-7093 (R 4/97)

STATE OF COLORADO  
**AUTHORIZATION AGREEMENT  
FOR AUTOMATIC DEPOSITS (ACH CREDITS)**

I (we) hereby authorize the Department of Local Affairs, State of Colorado, hereinafter called STATE, to initiate credit entries, and if necessary, reverse any incorrect EFT credit entries made in error to our bank account indicated below.

APPLICATION (Payment Type)

\_\_\_\_\_

NAME

\_\_\_\_\_

SOCIAL SECURITY NUMBER

\_\_\_\_ - \_\_\_\_ - \_\_\_\_\_

FINANCIAL INSTITUTION NAME

\_\_\_\_\_

ADDRESS

\_\_\_\_\_

CITY, STATE, ZIP CODE

\_\_\_\_\_

PHONE NUMBER

\_\_\_\_\_

FINANCIAL INSTITUTION TRANSIT NUMBER

\_\_\_\_\_

ACCOUNT NUMBER

\_\_\_\_\_

CHECKING \_\_\_\_\_

SAVINGS \_\_\_\_\_

(Please attach a copy of a voided check)  
bank)

(Please attach account certification letter from your

This agreement is to remain in full force and effect until the STATE has received written notification from the PAYEE of its termination in such time and manner to afford STATE and FINANCIAL INSTITUTION a reasonable opportunity to act on it. It is the responsibility of the PAYEE to fill out a new agreement if the PAYEE changes banks or accounts.

Date \_\_\_\_\_

Phone No. \_\_\_\_\_

Authorized Signature \_\_\_\_\_

(To complete form, refer to the EFT Authorization Procedures)

### EFT Authorization Procedures

- 22) Fill out the form as follows:
  - 23) **APPLICATION(PAYMENT TYPE)** - for example, "Expense Reimbursement", or "Rent Payment"
  - 24) **NAME** - Your Name as it appears on your bank account
  - 25) **SOCIAL SECURITY NUMBER** - Your social security number
  - 26) **FINANCIAL INSTITUTION NAME** - Your bank's name
  - 27) **ADDRESS** - The address of your bank
  - 28) **CITY, STATE, AND ZIP CODE** - The city, state, and zip code where your bank is located.
  - 29) **PHONE NUMBER** - The phone number of your bank.
  - 30) **FINANCIAL INSTITUTION TRANSIT NUMBER** - The bank transit number located at the bottom of your check or deposit slip, usually located in the bottom left-hand corner.
  - 31) **ACCOUNT NUMBER** - Your bank account number located at the bottom of the check or deposit slip, usually located in the bottom center.
- 3) Check the appropriate box for a Checking or a Savings account.
- 4) Sign and date the form. The signature must be the account holder's.
- 5) For checking accounts, attach a copy of a voided check. For savings accounts, attach account certification letter from your bank.
- 6) Return the completed form and attachment(s) in to:  
Department of Local Affairs  
Accounting & Financial Services  
Attn: Robert Clarke  
1313 Sherman Street, Room 323  
Denver, CO 80203
9. Once these forms are turned in for processing, it takes 21 to 28 days for the State Controller's Office and the bank to complete the process.
- 9) For employees of the Department, once you've applied for EFT, please be sure that you check the EFT payment box on your future travel expense reimbursement forms. If this box is not checked, then your reimbursement will be via warrant versus EFT. Note: submitting this form **DOES NOT** update the payroll system.

STATE OF COLORADO  
**CORPORATION AUTHORIZATION AGREEMENT  
 FOR AUTOMATIC DEPOSITS (ACH CREDITS)**

I (we) hereby authorize the Department of Local Affairs, State of Colorado, hereinafter called STATE, to initiate credit entries, and if necessary, reverse any incorrect EFT credit entries made in error to our bank account indicated below.

APPLICATION (Payment Type) \_\_\_\_\_

ENTITY NAME \_\_\_\_\_

FEDERAL E.I.N. NUMBER    \_ \_ \_ - \_ \_ \_ \_ \_

ADDRESS: \_\_\_\_\_

    STREET \_\_\_\_\_

    CITY, STATE, ZIP CODE \_\_\_\_\_

DEPOSITORY NAME \_\_\_\_\_

ADDRESS: \_\_\_\_\_

    STREET \_\_\_\_\_

    CITY, STATE, ZIP CODE \_\_\_\_\_

DEPOSITORY TRANSIT NUMBER \_\_\_\_\_

DEPOSITORY ACCOUNT NUMBER \_\_\_\_\_

CHECKING \_\_\_\_\_  
 (Please attach a copy of a voided check)

SAVINGS \_\_\_\_\_  
 (Please attach account certification letter from your bank)

This agreement is to remain in full force and effect until the STATE has received written notification from the ENTITY of its termination in such time and manner to afford STATE and DEPOSITORY a reasonable opportunity to act on it. It is the responsibility of the ENTITY to fill out a new agreement if the ENTITY changes banks or accounts.

Date \_\_\_\_\_ Phone No. \_\_\_\_\_

Authorized Signature \_\_\_\_\_

Title \_\_\_\_\_

Authorized Signature \_\_\_\_\_

Title \_\_\_\_\_

(To complete form, refer to the EFT Authorization Procedures)

### **EFT Authorization Procedures**

- 32) Fill out the form as follows:
  - 33) **APPLICATION(PAYMENT TYPE)** - For example, "Grant (Name) Distribution"
  - 34) **ENTITY NAME** - Your Organization's Name
  - 35) **FEDERAL E.I.N. NUMBER** - Your tax identification number (EIN)
  - 36) **ADDRESS** - Your organization's address
  - 37) **CITY, STATE, AND ZIP CODE** - The city, state, and zip code where your organization is located.
  - 38) **DEPOSITORY NAME** - Your bank's name
  - 39) **ADDRESS** - The address of your bank
  - 40) **CITY, STATE, AND ZIP CODE** - The city, state, and zip code where your bank is located.
  - 41) **DEPOSITORY TRANSIT NUMBER** - The bank transit number located at the bottom of your check or deposit slip. It is usually located in the lower left hand corner.
  - 42) **DEPOSITORY ACCOUNT NUMBER** - Your bank account number located at the bottom of the check or deposit slip. It is usually located at the bottom center.
- 3) Check the appropriate box for a Checking or a Savings account.
- 4) Sign and date the form. The person signing must be an authorized signer on the account.
- 5) For checking accounts, attach a copy of a voided check. For savings accounts, attach account certification letter from your bank.
- 6) Return the completed form and attachment(s) to:

Department of Local Affairs  
Accounting & Financial Services  
Attn: Robert Clarke  
1313 Sherman Street, Room 323  
Denver, CO 80203
10. Once these forms are turned in for processing, it takes 21 to 28 days for the State and the bank to complete the process.

## USEFUL LINKS FOR VERIFYING EIN & ENTITY TYPE INFORMATION

### **Colorado Secretary of State's Office**

- To verify Legal names, Name Changes, Registered Agents & Entity Types

### **Guidestar.org**

- To verify Tax Exempt Entity – Not EIN

### **IRS.GOV**

- To Search for Tax Exempt Charities Online



## Addendum F-1 HOMEOWNERSHIP TIMELINE

Family Name: \_\_\_\_\_ Voucher # \_\_\_\_\_

*\*\*Italic and underlines items need to be kept in family file \*\**

**Bolded items need to be submitted to Asset Manager**

GOAL	BENCHMARKS	COMPLETIONDATE
Applicant meets criteria to be eligible for homeownership program.	<ol style="list-style-type: none"> <li>1. Has had a DOH voucher for at least one year.</li> <li>2. Is in good standing with DOH.</li> <li>3. Is a first time homebuyer</li> <li>4. Meets Income Requirements (2 x the voucher "payment standard") Or 2000 hours @ minimum wage</li> <li>5. Has a disability or worked 30 hours a week for the past year</li> <li>6. Will have Minimum Down Payment required (3% of the purchase price or \$3,000 which ever is less) \$1000.00 must come from the families own funds (verify and document)</li> </ol>	
Interested family completes and returns DOH application for Section 8 Homeownership Assistance.	<ol style="list-style-type: none"> <li><b>1. Section 8 Contractor briefs prospective applicant and provides family with the following:</b> <ol style="list-style-type: none"> <li>a. Certificate of Section 8 Homeownership Eligibility</li> <li>b. Statement of Family Obligations and Program Guidelines.</li> <li>c. List of Homebuyer workshops</li> <li>d. List of credit reporting agencies</li> <li>e. Information on down payment assistance</li> <li>f. List of lenders</li> </ol> </li> <li>2. Family submits the following to Sec. 8 Contractor:               <ol style="list-style-type: none"> <li><u>a. Certification of Section 8 Homeownership Eligibility</u></li> <li><u>b. Statement of Homeowner Obligations</u></li> </ol> </li> <li><b>3. Sec. 8 Contractor reviews and determines eligibility</b></li> </ol>	
Family attends 1 <sup>st</sup> Homebuyer Workshop	<ol style="list-style-type: none"> <li>1. Go to class</li> <li><u>2. Family submits a copy of Homeownership Counseling Certificate to Sec. 8 Contractor – good for nine months</u></li> <li><b>3. Sec. 8 Contractor sends a copy of certificate to DOH</b></li> </ol>	
Work on Credit Issues	<ol style="list-style-type: none"> <li>1. Get credit report</li> <li><u>2. Family submits a copy of credit report to Sec. 8 Contractor</u></li> <li>3. Establish Credit</li> <li>4. Make all payments on time</li> <li>6. Write letters of dispute</li> <li>7. Pay off debt and save for down payment!!!</li> </ol>	
Family gets qualified	<ol style="list-style-type: none"> <li>1. Find a lender</li> <li>2. Show lender Section 8 Homeownership Eligibility</li> <li>3. Fill out formal loan application</li> <li>4. Get a lender letter stating that you have been pre-approved for a specific amount</li> <li><u>5. Family submits a copy of lender letter to Sec. 8 Contractor</u></li> </ol>	
Work with a Realtor	<ol style="list-style-type: none"> <li>1. Talk to different realtors</li> <li>2. Choose a Realtor</li> <li>3. Decide type of home the family needs/wants</li> <li>4. Look at different homes - determine what meets your needs</li> </ol>	
Find a House to Buy	<ol style="list-style-type: none"> <li>1. Choose a home</li> <li>2. Make an offer and pay earnest money</li> <li>3. Offer is accepted</li> </ol>	

	<p>4. Notify lender of purchase price</p> <p>5. Order an appraisal (this may be paid for by family)</p> <p>5. Family submits Sec. 8 Contractor a copy of the contract of the sale of the home, updated good faith estimate and appraisal</p> <p>6. <b>Sec. 8 Contractor fills out Homeownership Worksheet Calculations and submits to lender showing the amounts the family and DOH will pay</b></p> <p>7. <b>Sec.8 Contractor sends DOH a copy of Good Faith Estimate &amp; Draft of the 50058</b></p>	
Inspection	<p>1. Have home formal inspected (family should attend)</p> <p>2. <b>Sec. 8 Contractor does an additional HQS inspection –must be prior to closing</b></p> <p>3. <i>Family submits copy of formal inspection report to Contractor.</i></p>	
CDOH Formal Approval Letter	<p>Once the Asset Manager has received and review the good faith estimate and the completed 50058, section 15 and if the housing assistance payment is approved a formal letter will be provided to the lender, contractor and family stating the HAP.</p> <p>The total gross homeownership expense can not exceed 40% of the families total adjusted income. Absolutely no HAP will be provide without the step being accomplished.</p>	
Mortgage Checking Account must be set up	<p>The family must set up a checking account for the family to deposit their portion of the mortgage and CDOH has to deposit the HAP. The account needs to be set up for the lender to then swipe the account. The Contractor will need to provide CDOH a w9 for the family.</p>	
<b>Closing</b>	<p>1. Bring ID, certified funds to closing and proof of insurance</p> <p>2. Read and sign all the documentation</p> <p>3. <i>Family submits HUD 1(Closing Settlement sheet) to Section 8 Contractor</i></p> <p>4. <b>Sec. 8 Contractor sends HUD-1 Settlement Form and Updated 50058 to DOH</b></p>	
Post Purchase	<p>1. Move In and put utilities in your name</p> <p>2. DOH and Homebuyer begin making payments</p> <p>3. HQS Inspections as needed and annual recertification's</p> <p>4. Post- Closing Homebuyer Education</p> <p>5. Keep up with maintenance</p> <p>**Notify Sec.8 Contractor if having a hard time making payments**</p>	
The completed timeline is submitted the Asset Manager with the following information:	<ol style="list-style-type: none"> <li>1. Family name</li> <li>2. Tenant ID #</li> <li>3. Disabled</li> <li>4. Address</li> <li>5. Lender</li> <li>6. Purchase price</li> <li>7. Loan amount</li> <li>8. Family Portion</li> <li>9. CDOH HAP</li> <li>10. Sources and amounts of DPA</li> <li>11. % of families total adjusted income to total gross homeownership expense</li> </ol>	

