

OWNER INFORMATION GUIDEBOOK



ECONOMIC IMPROVEMENT COUNCIL, INC.

HOUSING CHOICE VOUCHER PROGRAM

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Rev 2020

Thank you for your interest in participating as an owner or rental agent with our HUD Housing Choice Voucher program. This handbook will provide a brief overview of the roles and responsibilities for participating families, owners, and our role as the program administrator, often referred to in housing documents as the "PHA". (Public Housing Agency)

The Economic Improvement Council, Inc. administers the program in the counties of Camden, Chowan, Currituck, Dare, Gates, Hyde, Pasquotank, Perquimans, Tyrrell, and Washington. The program funds are provided through the Department of Housing and Urban Development. Program regulations are contained in the Code of Federal Regulations Section 24 CFR 982.

The purpose of the program is to provide a rental subsidy payment for eligible low income families in modest, decent, and safe housing. The homes must meet HUD housing quality standards and be "rent reasonable". The owner must also agree to abide by the owner responsibilities outlined in the Housing Assistance Payments Contract.

As an owner or rental agent, you are a vital part of our program. Without you and your interest, our services would not be available for families in need.

To become a participating owner, you must list the property with our program when it is available for rent. This may be done by calling or faxing our offices with the pertinent information about your rental unit. Rental units may be single family homes, apartments, or mobile homes. The rental unit information will be placed in a reference book and made available to current voucher holders.

Participants who have been approved for assistance under our program will *always* have verification documents from our office. These documents are:

- A current letter stating they have been approved for the program including *maximum rent limits (subject to rent reasonableness) & subsidy estimates.
- Valid Housing Voucher
- Owner/Tenant Request for Tenancy Approval Packet (usually with a green or blue cover)

HUD does not allow "steering" approved program participants to specific owners by PHA staff. The family is responsible for selecting a home that will meet their needs. The Housing Voucher client will contact you about your unit. Owners should screen the prospective tenant for suitability just as you would any other unassisted family in accordance with Fair Housing Regulations. Conducting your own screening is encouraged and may include rental references, credit checks, and criminal record reviews.

Family affordability is a key element of the program. HUD does not permit a family to pay more than 40% of monthly income for rent + utilities. The amount approved for each family is determined by a combination of several factors:

- Family size
- Income
- HUD published fair market rents
- Utilities furnished by owner, or paid by family
- Program funding

Once you have agreed to lease your rental unit to the voucher holder, complete and sign all forms in the Request for Tenancy Approval packet and return them to our office. Incomplete or unsigned forms will cause a delay in processing.

Request for Tenancy Approval Packet

The RTA packet contains a cover sheet explaining the attached forms. Forms included are HUD RTA form, Lead Paint Certification, Sample Lease, Payment Policy, HAP Contract, W-9 Tax form, Certification of Ownership. If you have questions or need help with the packet, please call us.

There must be a LEASE between the owner and the family. **Include a copy of your lease with the packet.** A HUD Tenancy Addendum will be attached to your Lease and made part of the lease once approved. By attachment of the Tenancy Addendum to the Lease, the lease dates will run concurrent with the HAP contract date. The initial term of the contract and Lease will be for a 12 month (1 year) period. *Note- a sample standard lease is included in the owner packet if you do not have a lease form, you may use this one if you wish.*

Inspection and Housing Quality Standards

The forms will be reviewed, if acceptable, an inspection of the unit will be scheduled usually within 7-14 days. You and the client will receive an appointment letter in the mail for the inspection. If the unit fails inspection, you will be sent a repair letter. The letter will specify a date to have repairs completed and the day the inspector will be back to recheck the unit.

Once the unit passes inspection, a Housing Assistance payments contract will be executed beginning on the first day of the month after the unit passed inspection. (Unit inspected & fails Nov. 7th, reinspected Nov. 27th & passes- Contract will begin Dec. 1st).

The family has received the HUD booklet "A Good Place to Live". This gives a brief overview of what the inspector will be looking for. In general the unit must be decent, safe, and sanitary and should be:

- Free from holes in walls, floors, ceilings
- Working smoke detectors install according to your local county code or minimum of one on every level
- Carbon Monoxide Detectors if home burns fuel for heat/cooking/water heater or has an attached garage.
- No leaking pipes or plumbing problems
- Flooring that is clean and free from hazards (carpet, tile, vinyl, wood)
- Permanent Heat system capable of maintaining the unit at a minimum of 65 degrees throughout the home- portable electric or unvented heaters are not acceptable
- No electrical problems, bare wires, broken/uncovered light fixtures, etc.
- The unit should be clean, rodent and pest free
- Adequate space for food preparation and storage
- No chipping, peeling, cracking, flaking, or dirty paint inside or out
- No debris, fences, or unsafe outbuildings in the yard area
- Appliances furnished under the lease should be clean, complete, and fully functional

Family Move In

As an owner, you may determine when the family can move into the home. Some owners do not allow move in until after the unit has passed inspection. Others allow the family to move in and pay the full rent until the Housing Assistance Payments contract has been executed. Should you chose this option; remember you must collect the full rent from the family until you receive our first check or an executed copy of the Housing Assistance Payments contract. The choice is yours because you own and control the occupancy of the rental unit.

Security Deposits, Late Fees, & Evictions

Security deposits, late fees, & evictions must be handled in accordance with current NCGS Statutes. A copy is included in this packet. Owners are encouraged to collect a security deposit from the family. Families with money invested in the unit by way of deposit/lease are often less likely to cause damage because they want to receive their deposit back should occupancy of the unit end.

Damage Fees

No damage fees are paid by this program on behalf of any assisted client. Tenants should be billed for any damages that exceed *normal*/wear and tear as they occur. You may also send us a copy for our records. Damage fees would need to be collected from the family through the same legal process used for unassisted tenants.

Rent Receipts

All owners should maintain a rent receipt register and give each tenant a written receipt for all rents, security deposits, late charges, or damage fees paid. The receipt should be specific as to what is being paid and include any balances due.

Evictions

Owners are required to notify the PHA in writing when a family is asked to vacate the rental unit for any reason. If eviction by court action is taken, a copy of the eviction notice must be given to the PHA.

Lease Enforcement by Owner

Owners should enforce the terms and conditions of the lease just as you would for an unassisted family. Only persons approved by the PHA as listed on the HAP contract and lease should be occupying the rental unit. Generally unauthorized persons staying at a rental unit are the number 1 source of problems such as damage, disturbances, and criminal activity.

The tenant portion of the rent should be collected monthly. Allowing families to fall several months in arrears generally results in an eviction with a large uncollectible outstanding balance.

If the family is violating the lease, as an owner you should contact the family and this agency about the violation. Assistance and tenancy for the family may be terminated for serious lease violations. For first time violations or minor violations, the family may be warned. If requested we will also counsel the family about remedies and consequences if they fail to cure the violation.

Criminal Drug Activity or Violent Activity

Participation by any assisted family or owner in criminal drug activity, felony activity, or violent activity will result in an automatic termination of program benefits. This includes activity by assisted family household members and guests.

Owner Inspections

Assisted rental units are inspected annually by our housing inspector. The home must pass inspection for continued participation and subsidy payments. Owners are encouraged to conduct their own inspections on a regular basis. Many owners perform monthly or quarterly inspections. This action can prevent damages and prevent small problems from becoming high costs major repairs. Abide by state law and lease terms to giving the tenant notice you will be inspecting.

Rent Increases

Notification of a rent increase must be sent 60 days prior to the rent increase to this office for approval. Approval is dependent upon rents charged for similar units, family affordability and our program budget.

Payments

Housing Assistance payments are paid directly to the owner or financial institution as indicated on the Owner / Assisted Family Payment Policy Notification form and the Owner Verification and Payee Information form. Payments are generally issued on the first business day of each month. The first payment for new clients may take up to 45 days for processing. Direct deposit is encouraged to increase efficiency and payment time.

Mailing Address Lost Checks, Etc.

All owner/agent address changes must be sent into our office in writing at PO Box 549, Edenton, N.C. 27932, to the attention of Section 8 Accounts Payable. You may also e-mail Willie.Cofield@eicca.org . If you have given us an e-mail address, you can expect your notices, appointments, and other correspondence to be e-mailed to you.

Should you fail to receive a rental check or a direct deposit, notify our office in writing or by e-mail. Willie.Cofield@eicca.org or Teresa.Forward@eicca.org. Replacement generally takes 10-14 days.

Sale or Transfer of Property

Notify this office immediately if you sale or transfer the rental property. Remember the Housing Assistance Payments contract for units in the *first 12 months* of the contract must be honored. The new owner would be assuming the contract when the unit is sold. If the home has been under contract for more than 1 year, and you decide to negotiate a new lease and contract contact our office right away.

Renting to Relatives

Renting to relatives, mother, father, sister, brother, parent, grandparent, grandchild, or "steps" as outlined on the RTA is prohibited unless it is requested to as a reasonable accommodation for a disability. If this is requested by the family, proper documentation is required before approval can be given.

Rental laws are applicable to all tenants in both assisted and unassisted homes. Refer to the most recent NC General Statutes in chapter 42 for updates or consult a legal professional.

***NC STATUTES REGARDING LATE FEES, EVICTIONS, & SECURITY DEPOSITS (NCGS 42-46)**

LATE FEES: If any rental payment is five days or more late, a landlord can assess a residential tenant a late fee which does not exceed fifteen dollars (\$15.00) or five per cent (5%) **of the** tenant portion of rent, whichever is greater. Read your lease carefully to determine the due date of your rent. (NCGS 42-46)

EVICTION: A residential landlord in North Carolina may not legally evict a tenant from the rented premises unless he/she first obtains an order or "writ of possession" from a court. A residential landlord **may not use "self-help"** such as locking tenants out or turning off utilities in lieu of a Summary Ejection proceeding. If a landlord threatens you with eviction or if you receive court papers, you should seek legal assistance.

- Grounds for Eviction:
 - Non-payment of Rent
 - Breach of the Lease (i.e. illegal pets, noise, excessive damage or alteration to the premises, illegal activity etc.)
 - Holding over after the lease term has ended
 - Desertion of the premises
 - eviction for criminal activity
- A tenant cannot be evicted for pursuing their rights under the lease or for complaining to the Landlord, the city or other government entities about needed repairs or hazards. This is **retaliatory eviction**. If this occurs, you should seek legal assistance.
- If the Landlord commits a material breach of duty as defined by the lease or North Carolina Law so that the breach renders the leased premises **uninhabitable** (i.e. no heat, water, etc.) this is known as **constructive eviction** and the tenant should seek legal advice for their remedies.

DEPOSITS: A residential landlord may collect a **security deposit** from a tenant to secure the payment of rent and bills and to pay for damages. How much of a security deposit a landlord can assess depends on the length of the tenancy. The deposit cannot exceed 2 weeks rent if a tenancy is week-to-week, one and one half month's rent if a tenancy is month to month and two months rent for terms greater than month to month (i.e. a year's lease). (N.C.G.S. 42-51)

- A Landlord can request a **security deposit to hold an apartment** for a tenant at the time the tenant fills in the rental application. Read the application carefully concerning the refund ability of the deposit. If the tenant changes their mind about leasing the premises, (before the lease is signed) the deposit may not, in certain instances, be returned if the Landlord has not found a replacement tenant before your move-in date.
- Most **application fees**, which are not deposits, are nonrefundable.
- A nonrefundable **"redecorating fee"** or **"cleaning fee"**, in addition to a security deposit, is appearing more and more in leases. It is questionable as to the validity of these fees as they appear to be an attempt to circumvent Landlord Tenant Law.
- A landlord who receives a security deposit from a residential tenant must deposit the money in a **trust account at a bank** or savings and loan located in North Carolina, or obtain a bond from a leasing insurance company to secure its repayment. (NCGS 42-50). The Landlord must notify the tenant in writing of the location of the deposit within 30 days of leasing the premises.

- A landlord has **thirty (30) days** after the end of the lease term to either refund the full amount of the security deposit to the tenant or to give the tenant a written justification for the deductions. If the landlord does not have an address where a tenant's security deposit refund can be sent, he/she must hold the balance of the security deposit for at least six (6) months. (NCGS 42-52)
- Landlords in North Carolina are not required to place security deposits in an **interest bearing** account.
- A landlord may only apply security deposits to actual damages such as:
 1. Past due rent and late fees.
 2. Damages to the rental property.
 3. Nonfulfillment of Rental Period, i.e. the tenant leaves before the end of the rental term or without proper notice. A Landlord cannot keep the deposit as a penalty but only to offset actual damages.
 4. Costs which the landlord incurs in evicting a tenant or re-renting the property, i.e. costs of removal and storage of tenant's property after a summary ejectment proceeding, court costs and advertising expenses.
 5. Unpaid bills (N.C.G.S.42-51)
- A landlord should not make deductions from the security deposit for **ordinary wear and tear**.
- If your landlord fails to **timely refund** your security deposit or if you feel that the deductions from the deposit were unwarranted or excessive, you should seek legal advice. Landlords can charge more for damages, cleaning and unpaid rent/bills than is covered by the security deposit you paid. In other words, you could still end up owing the landlord money even though the Landlord retained your full deposit.
- Landlords may also collect deposits for such things as **pets and keys**. Unless designated as non-refundable, all deposits should be refunded to the tenant at the conclusion of the lease less deductions made for actual damages. (Pet deposits are usually designated as nonrefundable).

PROHIBITION AGAINST DENIAL OF ASSISTANCE TO VICTIMS OF DOMESTIC VIOLENCE, DATING VIOLENCE, AND STALKING

[Public Law 109-162]

The Violence against Women Reauthorization Act of 2005 (VAWA) prohibits denial of admission to an otherwise qualified applicant on the basis that the applicant is or has been a victim of domestic violence, dating violence, or stalking. Specifically, Section 606(4)(A) of VAWA adds the following provision to Section 8 of the U.S. Housing Act of 1937, which lists contract provisions and requirements for the housing choice voucher program:

- That an applicant or participant is or has been a victim of domestic violence, dating violence, or stalking is not an appropriate reason for denial of program assistance or for denial of admission, if the applicant otherwise qualifies for assistance or admission.

Definitions

As used in VAWA:

- The term *domestic violence* includes felony or misdemeanor crimes of violence committed by a current or former spouse of the victim, by a person with whom the victim shares a child in common, by a person who is cohabitating with or has cohabitated with the victim as a spouse, by a person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving grant monies, or by any other person against an adult or youth victim who is protected from that person's acts under the domestic or family violence laws of the jurisdiction.
- The term *dating violence* means violence committed by a person who is or has been in a social relationship of a romantic or intimate nature with the victim; and where the existence of such a relationship shall be determined based on a consideration of the following factors:
 - The length of the relationship
 - The type of relationship
 - The frequency of interaction between the persons involved in the relationship
- The term *stalking* means:
 - To follow, pursue, or repeatedly commit acts with the intent to kill, injure, harass, or intimidate; or
 - To place under surveillance with the intent to kill, injure, harass, or intimidate another person; and
 - In the course of, or as a result of, such following, pursuit, surveillance, or repeatedly committed acts, to place a person in reasonable fear of the death of, or serious bodily injury to, or to cause substantial emotional harm to (1) that person, (2) a member of the immediate family of that person, or (3) the spouse or intimate partner of that person.
- The term *immediate family member* means, with respect to a person:
 - A spouse, parent, brother or sister, or child of that person, or an individual to whom that person stands in the position or place of a parent; or
 - Any other person living in the household of that person and related to that person by blood and marriage.

PROTECTIONS FOR VICTIMS OF DOMESTIC VIOLENCE AND ABUSE

(1) An incident or incidents of actual or threatened domestic violence, dating violence, or stalking will not be construed as serious or repeated violations of the lease or other "good cause" for termination of the assistance, tenancy, or occupancy rights of such a victim.

(2) Criminal activity directly relating to abuse, engaged in by a member of a tenant's household or any guest or other person under the tenant's control, shall not be cause for termination of assistance, tenancy, or occupancy rights if the tenant or an immediate member of the tenant's family is the victim or threatened victim of domestic violence, dating violence, or stalking.

(3) Notwithstanding any restrictions on admission, occupancy, or terminations of occupancy or assistance, or any Federal, State or local law to the contrary, a PHA, owner or manager may "bifurcate" a lease, or otherwise remove a household member from a lease, without regard to whether a household member is a signatory to the lease, in order to evict, remove, terminate occupancy rights, or terminate assistance to any individual who is a tenant or lawful occupant and who engages in criminal acts of physical violence against family members or others. This action may be taken without evicting, removing, terminating assistance to, or otherwise penalizing the victim of the violence

who is also a tenant or lawful occupant. Such eviction, removal, termination of occupancy rights, or termination of assistance shall be effected in accordance with the procedures prescribed by Federal, State, and local law for the termination of leases or assistance under the housing choice voucher program.

(4) Nothing in this section may be construed to limit the authority of a public housing agency, owner, or manager, when notified, to honor court orders addressing rights of access or control of the property, including civil protection orders issued to protect the victim and issued to address the distribution or possession of property among the household members in cases where a family breaks up.

(5) Nothing in this section limits any otherwise available authority of an owner or manager to evict or the public housing agency to terminate assistance to a tenant for any violation of a lease not premised on the act or acts of violence in question against the tenant or a member of the tenant's household, provided that the owner, manager, or public housing agency does not subject an individual who is or has been a victim of domestic violence, dating violence, or stalking to a more demanding standard than other tenants in determining whether to evict or terminate.

(6) Nothing in this section may be construed to limit the authority of an owner or manager to evict, or the public housing agency to terminate assistance, to any tenant if the owner, manager, or public housing agency can demonstrate an actual and imminent threat to other tenants or those employed at or providing service to the property if the tenant is not evicted or terminated from assistance.

(7) Nothing in this section shall be construed to supersede any provision of any Federal, State, or local law that provides greater protection than this section for victims of domestic violence, dating violence, or stalking.

*This handbook is not intended for use as a "legal reference". Consult a professional legal counsel when questions arise on the rights and actions of you as an owner and the occupying family as a tenant.

CONTACT US!

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