

Certificate Administration

Through the Quality Housing and Work Responsibility Act of 1998, Congress effectively eliminated the Section 8 Certificate program and required that all Housing Authorities merge their Certificate and Voucher programs to conform to the Housing Choice Voucher Program mandates through QHWRA.

Although the merger is mandatory, Certificates will continue to be administered according to previous Certificate regulations until the conversion is complete. Certificates must be maintained until a tenant's second annual recertification after October 1, 1999.

The following information is applicable to Certificates, and only details areas where differences exist between Certificates and Vouchers. Unless alternate guidance is provided through this chapter, Certificate recipients are otherwise subject to the policies applicable to Voucher recipients as detailed in this Administrative Plan.

Occupancy Standards

The Certificate unit size assigned to a participant in the Certificate Program serves as the basis for determining maximum rent that can be paid to an owner for the unit selected by the family under the Fair Market Rents established by HUD.

Fair Market Rent Limitation--The HA must always apply the FMR for the Certificate size approved for the family or the unit size actually selected by the family, whichever is less.

Briefing Packet

All Certificate recipients must attend a family briefing, during which information contained in the briefing packet is reviewed. Other than the items detailed below, the information contained in the briefing packet is the same as that for Vouchers.

- Description of Fair Market Rents and Housing Assistance Payments.
- Payment Standard Information is eliminated.

Fair Market Rent Limitations

The gross rent for a Certificate Program unit shall not exceed the Fair Market Rent applicable for such unit on the date of lease approval unless an exception rent is justifiable.

Tenancy Approval/Disapproval

In the Certificate Program, if the gross rent proposed exceeds the FMR, the HA shall discuss with the owner the possibility of either reducing the contract rent or including some or all utilities in contract rent. If the owner is not willing to reduce or adjust the rent the Certificate holder will be required to seek another unit if his/her certificate is still valid.

Owner Payment

The payment to the landlord is based upon the contract rent approved by the HA less the Tenant Rent determined by the HA.

The payment to the landlord is called the Housing Assistance Payment (HAP).

Damage Claims

As part of any HAP Contract effective prior to October 2, 1995, owners can make "special claims" for damages, unpaid rent, and vacancy loss (vacancy loss cannot be claimed in the Voucher Program) after the tenant has vacated the unit.

The HA checks tenant files to ascertain if the family gave proper notice of its intent to move, especially if vacancy loss is claimed.

Other than the provision of vacancy loss, damage claim policies and procedures are the same as in the Voucher program and are detailed in the appendix to Chapter 15.

Rent Increases by Owner

Annual adjustment factors are published each year by HUD to establish the maximum amount of annual rent increase allowable for a unit leased to a Section 8 Program participant. The Housing Assistance Payments Contract permits landlords to request an increase in the contract rent for the unit at the annual anniversary date of the contract. The contract rent is adjusted by applying the applicable annual adjustment factor to the contract rent. To receive an adjustment of the contract rent, the landlord must request the annual adjustment be applied by completing the form "Request for Annual Adjustment."

Rent increases to owners under the Certificate Program are to be effective on or after the anniversary date of the HAP Contract.

The HA will notify the owner of the upcoming contract anniversary date 60 days prior to the anniversary date.

Should the owner not respond within 14 days of the date of the letter, the owner may not be eligible for a rental increase.

Rent increases for mid-month move-ins (e.g., September 15) will be granted no earlier than a year from the first of the month following move-in (e.g., October 1).

Although HUD publishes an annual adjustment factor, the adjusted contract rent must still be determined a reasonable rent for the unit. If application of the annual adjustment factor would result in the contract rent exceeding comparable rents, no rent increase will be authorized.

Additionally, contract rent increases will not be given until the unit passes the Housing Quality Standards inspection.

If the HA rejects the owner's request for rent increase as exceeding the annual adjustment factor, and the owner insists on an increase in rent, the owner has the following options:

- The owner may offer the tenant a new lease with 60-day notice to the tenant after following the procedures under Section 10.C.
- The owner may use the tenant's refusal-to-accept the new lease as a cause for termination of tenancy, in accordance with the lease.