HCV ADMINISTRATIVE PLAN

EFFECTIVE 06/22/2026	New Hampshire Housing Finance Authority

NEW HAMPSHIRE HOUSING

HCV Administrative Plan

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

Approved by the HA Board of Directors: 2/19/2026

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Administrative plan

for the

Housing Choice Voucher program

September 1, 2025

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Contents

Chapter 1 Overview of The Program and Plan 24

Part I: New Hampshire Housing Finance Authority (NHHFA) 24

1-I.A. Overview 24

1-I.B. Organization and Structure of NHHFA 24

1-I.C. NHHFA Mission 25

1-I.D. NHHFA's Programs 25

1-I.E. NHHFA's Commitment to Ethics and Service 25

PART II: The Housing Choice Voucher (HCV) Program 26

1-II.A. Overview and History of The Program 26

1-II.B. HCV Program Basics 28

1-II.C. The HCV Partnerships 28

1-II.D. Applicable Regulations 32

PART III: The HCV Administrative Plan 33

1-III.A. Overview and Purpose of The Plan 33

1-III.B. Contents of The Plan 33

1-III.C. Organization of The Plan 37

1-III.D. Updating and Revising the Plan 38

Chapter 2 Fair Housing and Equal Opportunity 39

Part I: Nondiscrimination 40

2-I.A. Overview 40

2-I. B Nondiscrimination 40

2.I.C. Discrimination Complaints 42

2.I.D VAWA Complaint Processing 42

Part II: Policies Related to Persons with Disabilities 43

2-II.A. Overview 43

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2-II.B. Definition of Reasonable Accommodation....43
2-II.C. Request for Accommodation....44
2-II.D. Verification of Disability....45
2-II. E Approval/Denial of A Requested Accommodation....46
2-II. F Program Accessibility for Persons with Hearing or Vision Impairments....47
2-II. G Physical Accessibility....47
2-II.H. Denial or Termination of Assistance....48
Part III: Serving Limited English Proficient (LEP) Persons....49
2-III.A. Overview....49
Chapter 3 Eligibility....51
Introduction....51
PART I: Definitions of Family and Household Members....52
3-I.A. Overview....52
3-I.B. Family and Household....52
3-I.C. Family Breakup and Remaining Member of Tenant Family....53
3-I.D. Head of Household....54
3-I.E. Spouse, Cohead, and Other Adult....54
3-I.F. Dependents and Minors....55
3-I.G. Full-Time Student....55
3-I.H. Elderly and Near-Elderly Persons, And Elderly Family....55
3-I.I. Persons with Disabilities and Disabled Family....56
3-I.J. Guests....56
3-I.K. Foster Children and Foster Adults....57
3-I.L. Absent Family Members....57
3-I.M. Live-In Aide....59
PART II: Basic Eligibility Criteria....59

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3-II.A. Income Eligibility and Targeting 59
3-II.B. Citizenship or eligible immigration status 61
3-II.C. Social Security Numbers....63
3-II.D. Family Consent to Release of Information 63
3-II.E. Students Enrolled in Institutions of Higher Education 64
3-II.F. EIV System Searches 67
Part III: Denial Of Assistance....68
3-III.A. Overview....68
3-III.B. Mandatory Denial of Assistance....69
3-III.C. Restriction on Assistance Based on Assets 70
3-III.D. Other Permitted Reasons for Denial of Assistance 71
3-III.E. Screening 74
3-III.F. Criteria for Deciding to Deny Assistance 75
3-III.G. Notice of Eligibility or Denial 76
3-III.H. Prohibition Against Denial of Assistance to Victims of Domestic Violence, Dating Violence, Sexual Assault, Stalking, And Human Trafficking 77
EXHIBIT 3-1: Detailed Definitions Related to Disabilities....79
EXHIBIT 3-2: Definition Of Institution of Higher Education [20 U.S.C. 1001 and 1002]....80
Chapter 4 Applications, Waiting List and Tenant Selection....87
Part I: The Application Process 87
Overview....87
4-I.B. Applying for Assistance....88
4-I.C. Accessibility of The Application Process....88
4-I.D. Placement on The Waiting List 88
PART II: Managing the Waiting List....89
4-II.A. Overview....89
4-II.B. Organization of The Waiting List 89
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Unlimited copies may be made for internal use.

4-II.C. Opening and Closing the Waiting List 90
4-II.D. Family Outreach 91
4-II.E. Reporting Changes in Family Circumstances 92
4-II.F. Updating the Waiting List 92
Part III: Selection For HCV Assistance 93
4-III.A. Overview....93
4-III.B. Selection and HCV Funding Sources....93
4-III.C. Selection Method....94
4-III.D. Notification of Selection 97
4-III.E. The Eligibility Determination Process....98
4-III.F. Completing the Application Process....98
Chapter 5 Briefings and Voucher Issuance....100
Introduction 100
PART I: Briefings and Family Obligations....100
5-I.A. Overview 100
5-I.B. Briefing 100
5-I.C. Family Obligations....103
PART II: Subsidy Standards and Voucher Issuance....107
5-II.A. Overview....107
5-II.B. Determining Family Unit (Voucher) Size 107
5-II.C. Exceptions to Subsidy Standards 108
5-II.D. Voucher Issuance....109
5-II.E. Voucher Term and Extensions....109
Chapter 6A Income and Subsidy Determinations....112
Part I: Annual Income....112
6-I.A. Overview 112

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6-I.B. Household Composition and Income 113
6-I.C. Anticipating Annual Income 116
6-I.D. Earned Income 117
6-I.E. Business and Self-Employment Income....119
6-I.F. Student Financial Assistance 121
6-I.G. Periodic Payments 125
6-I.H. Nonrecurring Income 126
6-I.I. State Payments to Allow Individuals with Disabilities to Live at Home 127
6-I.J. Civil Rights Settlements....128
6-I.K. Additional Exclusions from Annual Income 128
6-I.L. Assets 133
6-I.M. Welfare Assistance 142
6-I.N. Periodic and Determinable Allowances....143
PART II: Adjusted Income 143
6-II.A. Introduction....143
6-II.B. Dependent Deduction 144
6-II.C. Elderly or Disabled Family Deduction 144
6-II.D. Health and Medical Expenses Deduction....144
6-II.E. Disability Assistance Expenses Deduction....147
6-III.F. Child Care Expense Deduction 149
PART III: Calculating Family Share and NHHFA Subsidy....152
6-III.A. Overview of Rent and Subsidy Calculations....152
6-III.B. Financial Hardships Affecting Minimum Rent....153
6-III.C Applying Payment Standards....154
6-III.D. Applying Utility Allowances 158
6-III.E. Prorated Assistance for Mixed Families 159

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Exhibit 6-1: Annual Income Inclusions 159
Exhibit 6-2: Annual Income Exclusions 162
Exhibit 6-3: Treatment of Family Assets 167
Exhibit 6-4: The Effect of Welfare Benefit Reduction 168
Chapter 6B Income and Subsidy Determinations 171
Part I: Annual Income 171
6-I.A. Overview 171
6-I.B. Household Composition and Income 172
6-I.C. Calculating Annual Income 175
6-I.D. Earned Income 176
6-I.E. Business and Self-Employment Income 178
6-I.F. Student Financial Assistance 180
6-I.G. Periodic Payments 185
6-I.H. Nonrecurring Income 187
6-I.I. Welfare Assistance 188
6-I.J. State Payments to Allow Individuals with Disabilities to Live at Home 190
6-I.K. Civil Rights Settlements 190
6-I.L. Additional Exclusions from Annual Income 192
PART II: Assets 196
6-II.A. Overview 196
6-II.B. Assets Disposed of For Less Than Fair Market Value 198
6-II.C. Asset Inclusions and Exclusions 200
6-II.D. Determining Income from Assets 208
PART III: Adjusted Income 210
6-III.A. Introduction 210
6-III.B. Dependent Deduction 211

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6-III.C. Elderly or Disabled Family Deduction 212
6-III.D. Health and Medical Care Expenses Deduction 212
6-III.E. Disability Assistance Expenses Deduction 214
6-III.F. Child Care Expense Deduction 216
6-III.G. Hardship Exemptions 219
6-III.H. Permissive Deductions 225
PART IV: Calculating Family Share and NHHFA Subsidy 226
6-IV.A. Overview of Rent and Subsidy Calculations 226
6-IV.B. Financial Hardships Affecting Minimum Rent 227
6-IV.C. Applying Payment Standards 230
6-IV.D. Applying Utility Allowances 234
6-IV.E. Prorated Assistance for Mixed Families 235
Chapter 7 Verification 248
Part I: General Verification Requirements 248
7-I.A. Family Consent to Release of Information 248
7-I.B. Streamlined Income Determinations 250
7-I.D. Verification Hierarchy 252
7-I.E. Level 4 Verification 256
7-I.F. Level 3 Verification: Written, Third-Party Form 257
7.I.G. Level 2: Oral Third-Party Verification 257
7-I.G. Level 1: Non-Third-Party Verification Technique: Self-Certification 258
Part II: Verifying Family Information 259
7-II.A. Verification of Legal Identity 259
7-II.B. Social Security Numbers 259
7-II.C. Documentation of Age 262
7-II.D. Family Relationships 262

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7-II.E. Verification of Student Status....263
7-II.F. Documentation of Disability....265
7-II.G. Citizenship or Eligible Immigration Status....266
7-II.H. Verification of Preference Status....268
PART III: Verifying Income and Assets....268
7-III.A. Earned Income....268
7-III.B. Business and Self Employment Income....269
7-III.C. Periodic Payments and Payments In Lieu Of Earnings....269
7-III.D. Alimony or Child Support....270
7-III.E. Nonrecurring Income....271
7-III.F. Assets and Income from Assets....271
7-III.G. Assets Disposed of For Less Than Fair Market Value....272
7-III.H. Net Income from Rental Property....273
7-III.I. Federal Tax Refunds or Refundable Tax Credits....273
7-III.J. Retirement Accounts....274
7-III.K. Income from Excluded Sources....274
7-III.L. Zero Income Status Reviews....274
7-III.M. Student Financial Assistance....275
7-III.N. Parental Income of Students Subject to Eligibility Restrictions....276
PART IV: Verifying Mandatory Deductions....276
7-IV.A. Dependent and Elderly/Disabled Household Deductions....276
7-IV.B. Health and Medical Care Expense Deduction....277
7-IV.C. Disability Assistance Expenses....278
7-IV.D. Child Care Expenses....280
Chapter 8 Housing Quality Standards (HQS) and National Standards for the Physical Inspection of Real Estate (NSPIRE) and Rent Reasonableness Determinations....286
Part I: NSPIRE Standards....288
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8-I.A. Inspectable Areas 288
8-I.B. Affirmative Habitability Requirements 288
8-I.C. Modifications to Provide Accessibility 288
8-I.D. Additional Local Requirements 289
8-I.E. Life-Threatening Deficiencies....289
8-I.F. Owner and Family Responsibilities 292
8-I.G. Lead-Based Paint....294
8-I.H. Violation of Space Standards....295
PART II: The Inspection Process 295
8-II.A. Overview....295
8-II.B. Initial Inspection 297
8-II.C. Periodic Inspections 298
8-II.D. Special Inspections....299
8-II.E. Quality Control Inspections 300
8-II.F. Inspection Results and Reinspection for Units Under Hap Contract 300
8-II.G. Enforcing Owner Compliance 302
8-II.H. Enforcing Family Compliance 302
PART III: Rent Reasonableness....303
8-III.A. Overview....303
8-III.B. When Rent Reasonableness Determinations Are Required 303
Chapter 9 General Leasing Policies 307
Introduction 307
9-I.A. Tenant Screening 307
9-I.B. Requesting Tenancy Approval 308
9-I.C. Owner Participation 309
9-I.D. Eligible Units....309

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9-I.E. PHA Leasing Assistance for Families (Notice PIH 2022-18) 311
9-I.F. Lease and Tenancy Addendum 311
9-I.G. Tenancy Approval 314
9-I.H. Hap Contract Execution....315
9-I.I. Changes in Lease or Rent....316
Chapter 10 Moving with Continued Assistance and Portability 318
PART I: Moving With Continued Assistance....318
10-I.A. Allowable Moves....318
10-I.B. Restrictions on Moves....319
10-I.C. Moving Process....320
PART II: Portability....321
10-II.A. Overview....321
10-II.B. Initial PHA Role....322
10-II.C. Receiving PHA Role 327
Chapter 11 Reexaminations 334
Part I: Annual Reexaminations....334
11-I.A. Overview....334
11-I.B. Scheduling Annual Reexaminations....334
11-I.C. Conducting Annual Reexaminations....335
11-I.D. Determining Ongoing Eligibility of Certain Students....336
11-I.E. Calculating Income at Reexamination....337
11-I.F. Effective Dates....338
Part II: Interim Reexaminations 339
11-II.A. Overview....339
11-II.B. Changes in Family and Household Composition....340
11-II.C. Changes Affecting Income or Expenses 341

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Unlimited copies may be made for internal use.

11-II.D. Effective Dates 345
Part III: Non-Interim Reexamination Transactions 346
Part IV: Recalculating Family Share and Subsidy Amount 347
11-IV.A. Overview 347
11-IV.B. Changes in Payment Standards and Utility Allowances 347
11-IV.C. Notification of New Family Share and Hap Amount 348
11-IV.D. Discrepancies 349
Chapter 12 Termination of Assistance and Tenancy 357
Part I: Grounds For Termination of Assistance 357
12-I.A. Overview 357
12-I.B. Family No Longer Requires Assistance 357
12-I.C. Family Chooses to Terminate Assistance 357
12-I.D. Mandatory Termination of Assistance 358
12-I.E. Mandatory Policies and Other Authorized Terminations 360
Part II: Approach To Termination of Assistance 365
12-II.A. Overview 365
12-II.B. Method of Termination 366
12-II.C. Alternatives to Termination of Assistance 366
12-II.D. Criteria for Deciding to Terminate Assistance 366
12-II.E. Terminations Related to Domestic Violence, Dating Violence, Sexual Assault, Stalking, Or Human Trafficking 368
12-II.F. Termination Notice 371
PART III: Termination Of Tenancy by The Owner 372
12-III.A. Overview 372
12-III.B. Grounds for Owner Termination of Tenancy 372
12-III.C. Eviction 374
12-III.D. Deciding Whether to Terminate Tenancy 374

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12-III.E. Effect of Tenancy Termination on The Family's Assistance 375
12-III.F. Permissive Prohibitions: NHHFA 378
Chapter 13 Owners 379
PART I. Owners in The HCV Program 379
13-I.A. Owner Recruitment and Retention 379
13-I.B. Basic HCV Program Requirements 381
13-I.C. Owner Responsibilities 382
13-I.D. Owner Qualifications 383
13-I.E. Non-Discrimination 386
Part II. HAP Contracts 386
13-II.A. Overview 386
13-II.B. HAP Contract Contents 386
13-II.C. HAP Contract Payments 387
13-II.D. Breach of Hap Contract 389
13-II.E. HAP Contract Term and Terminations 390
13-II.F. Change in Ownership / Assignment of The Hap Contract 392
13-II.G. Foreclosure 392
Chapter 14 Program Integrity 393
PART I: Preventing, Detecting, and Investigating Errors and Program Abuse 394
14-I.A. Preventing Errors and Program Abuse 394
14-I.B. Detecting Errors and Program Abuse 394
14-I.C. Investigating Errors and Program Abuse 395
PART II: Corrective Measures and Penalties 397
14-II.A. Subsidy Under- or Overpayments 397
4-II.B. Family-Caused Errors and Program Abuse 397
14-II.C. Owner-Caused Error or Program Abuse 398

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14-II.D. NHHFA-Caused Errors or Program Abuse 400
14-II.E. Criminal Prosecution....401
14-II.F. Fraud and Program Abuse Recoveries 401
Chapter 15 Special Housing Types....403
Introduction 403
PART I: Single Room Occupancy 404
15-I.A. Overview....404
15-I.B. Payment Standard, Utility Allowance, and Hap Calculation....404
15-I.C. SRO: Housing Quality Standards [24 CFR 982.605(a)] 404
PART II: Congregate Housing 405
15-II.A. Overview....405
15-II.B. Payment Standard, Utility Allowance, and Hap Calculation....405
15-II.C. Congregate: Housing Quality Standards....406
PART III: Group Home 406
15-III.A. Overview....406
15-III.B. Payment Standard, Utility Allowance, and Hap Calculation....407
15-III.C. Group Home: Housing Quality Standards 407
PART IV: Shared Housing....408
15-IV.A. Overview 408
15-IV.B. Payment Standard, Utility Allowance and Hap Calculation 409
15-IV.C. Shared Housing: Housing Quality Standards....411
PART V: Cooperative Housing 411
15-V.A. Overview 411
15-V.B. Payment Standard, Utility Allowance and Hap Calculation 412
15-V.C. Cooperative: Housing Quality Standards....412
PART VI: Manufactured Homes 412

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15-VI.A. Overview 412
15-VI.B. Special Requirements for Manufactured Homeowners Who Lease A Space 413
15-VI.C. Payment Standard, Utility Allowance and Hap Calculation 413
15-VI.D. Manufactured Homes: Housing Quality Standards 415
PART VII: Homeownership 416
15-VII.A. Overview 416
15-VII.B. Family Eligibility 416
15-VII.C. Selection of Families 418
15-VII.D. Eligible Units 418
15-VII.F. Homeownership Counseling 420
15-VII.G. Home Inspections, Contract of Sale, And NHHFA Disapproval Of Seller 421
15-VII.H. Financing 422
15-VII.I. Continued Assistance Requirements; Family Obligations 423
15-VII.L. Portability 426
15-VII.M. Moving with Continued Assistance 427
15-VII.N. Denial or Termination of Assistance 428
Chapter 16 Program Administration 430
PART I: Administrative Fee Reserve 430
PART II: Setting Program Standards and Schedules 431
16-II.A. Overview 431
16-II.B. Payment Standards 432
16-II.C. Utility Allowances 436
PART III: Informal Reviews and Hearings 437
16-III.A. Overview 437
16-III.B. Informal Reviews 437
16-III.C. Informal Hearings for Participants 439

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16-III.D. Hearing and Appeal Provisions for Noncitizens 450

PART IV: Owner Or Family Debts to NHHFA 454

16-IV.A. Overview 454

16-IV.B. Repayment Policy 454

PART VI: Record Keeping 458

16-VI.A. Overview 458

16-VI.B. Record Retention 458

16-VI.C. Records Management 459

PART VII: Reporting And Record Keeping for Children with Elevated Blood Lead Level 461

16-VII.A. Overview 461

16-VII.B. Reporting Requirement 461

16-VII.C. Data Collection and Record Keeping 462

PART VIII: Determination of Insufficient Funding 462

16-VIII.A. Overview 462

16-VIII.B. Methodology 462

PART IX: Violence Against Women Act (VAWA): Notification, Documentation, Confidentiality 463

16-IX.A. Overview 463

16-IX.B. Definitions 463

16-IX.C. Notification 465

16-IX.D. Documentation 467

16-IX.E. Confidentiality 469

EXHIBIT 16-1: SAMPLE Notice of Occupancy Rights Under the Violence Against Women Act, Form HUD-5380 469

EXHIBIT 16-2: Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking and Alternate Documentation 476

EXHIBIT 16-3: Emergency Transfer Plan for Victims of Domestic Violence, Dating Violence, Sexual Assault, Or Stalking 478

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Chapter 17 Project-Based Vouchers 499

PART I: General Requirements.....499

17-I.A. Overview.....499

17-I.B. PBV Definitions.....500

17-I.C. Maximum Number of PBV Units (Percentage Limitation).....502

17-I.D. Cap on Number of PBV Units in Each Project 502

17-I.G. Tenant-based vs. Project-based Voucher Assistance.....502

17-I.H. Relocation Requirements 503

17-I.I. Equal Opportunity Requirements 503

PART II: Proposal And Project Selection.....503

17-II.A. Overview.....503

17-II.B. Competitive Selection of Proposals.....504

17-II.D. Project or Proposal Selection.....507

17-II.E. Housing Type 509

17-II.F. Prohibition of Assistance For Certain Units 509

17-II.G. Subsidy Layering Requirements.....511

17-II.H. Site Selection Standards 512

17-II.I. Environmental Review.....514

PART III: Dwelling Units.....515

17-III.A. Overview.....515

17-III.B. Housing Quality Standards 515

17-III.C. Housing Accessibility for Persons with Disabilities.....516

17-III.D. Inspecting Units.....516

PART IV: Rehabilitated and Newly Constructed Units.....519

17-IV.A. Overview 519

17-IV.B. Agreement to Enter into Hap Contract (AHAP).....519

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17-IV.C. Development Requirements 521
17-IV.D. Completion of Work....523
PART V: Housing Assistance Payments (HAP) Contract 524
17-V.A. Overview 524
17-V.B. HAP Contract Requirements 525
17-V.C. Termination of The HAP Contract....527
17-V.D. Amendments to The Hap Contract to Add or Substitute Units 534
17-V.E. HAP Contract Year, Anniversary and Expiration Dates....535
17-V.F. Owner Responsibilities Under the Hap Contract 536
PART VI: Selection of PBV Program Participants....536
17-VI.A. Overview 536
17-VI.B. Eligibility for PBV Assistance 536
17-VI.C. Organization of The Waiting List....538
17-VI.E. Selection from The Waiting List 539
17-VI.F. Offer of PBV Assistance or Owner's Rejection....539
17-VI.G. Leasing of Contract Units 541
17-VI.H. Tenant Screening 542
PART VII: Occupancy 543
17-VII.A. Overview 543
17-VII.B. Lease 543
17-VII.C. Moves 546
PART VIII: Determining Rent to Owner 549
17-VIII.A. Overview 549
17-VIII.B. Amount of Rent to Owner 550
17-VIII.C. Redetermination of Rent to Owner 551
17-VIII.D. Reasonable Rent 553

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17-VIII.E. Effect of Other Subsidy and Rent Control 554
PART IX: Payments To Owner 555
17-IX.A. Housing Assistance Payments 555
17-IX.B. Vacancy Payments 555
17-IX.C. Tenant Rent to Owner 557
17-IX.D. Other Fees and Charges 558
17-IX.E. Project Record Retention 558
Chapter 18 Special Purpose Vouchers 559
PART I: Family Unification Program (FUP) 559
18-I.A. Program Overview 559
18-I.B. Public Child Welfare Agency (PCWA) 561
18-I.C. FUP Family Voucher Eligibility Criteria 562
18-I.D. FUP Youth Voucher Eligibility Criteria 563
18-I.E. Assistance Period 564
18-I.F. Referrals and Waiting List Management 569
18-I.G. NHHFA HCV Eligibility Determination 570
18.I.H. Lease Up 571
18-I.I. Termination of Assistance 573
18-I.J. FUP Portability 574
18-I.K. Project-Basing FUP Vouchers 575
PART II: Foster Youth to Independence Initiative 575
18-II.A. Program Overview 575
18-II.B. Partnering Agencies 576
18-II.C. Youth Eligibility Criteria 576
18-II.D. Supportive Services 577
18-II.E. Referrals and Waiting List Management 577

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18-II.H. Maximum Assistance Period....582
18-II.I. Termination of Assistance....587
18-II.J. Portability....588
18-II.K. Project-Basing FYI Vouchers....588
PART III: Veterans Affairs Supportive Housing (VASH) Program....588
18-III.A. Program Overview....588
18-III.B. Referrals....589
18-III.C. HCV Program Eligibility....590
18-III.D. Changes in Family Composition....592
18-III.E. Leasing....593
18-III.F. Portability....595
18-III.G. Termination of Assistance....596
18-III.H. Project-Basing VASH Vouchers....597
PART IV: Mainstream Voucher Program....601
18-IV.A. Program Overview....601
18-IV.B. Eligible Population....602
18-IV.C. Partnership and Supportive Services....602
18-IV.D. Waiting List Administration....602
18-IV.E. Preferences....603
18-IV.F. Voucher Issuance....604
18-IV.G. Portability....605
18-IV.H. Project-Basing Mainstream Vouchers....605
PART V: Non-Elderly Disabled (NED) Vouchers....605
18-V.A. Program Overview....605
18-V.B. Eligible Population....606
18-V.C. Waiting List....607

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18-V.D. Lease Up....607
18-V.E. PORTABILITY....608
PART VI: Stability Voucher Program....609
18-VI.A. Program Overview....609
18-VI.B. Partnering Organization....609
18-VI.C. Referrals....609
CoC Referrals....610
18-VI.D. Waiting List....611
18-VI.E. Family Eligibility....612
18-VI.F. Housing Search and Leasing....616
18-VI.G. Payment Standards....617
18-VI.H. Project-Based Units....618

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Chapter 1 Overview of The Program and Plan

Introduction

NHHFA receives its funding for the Housing Choice Voucher (HCV) program from the Department of Housing and Urban Development. NHHFA is not a federal department or agency. A public housing agency (PHA) is a governmental or public body, created and authorized by state law to develop and operate housing and housing programs for low-income families. NHHFA enters into an Annual Contributions Contract (ACC) with HUD to administer the program requirements on behalf of HUD. NHHFA must ensure compliance with federal laws, regulations and notices and must establish policy and procedures to clarify federal requirements and to ensure consistency in program operation.

This chapter contains information about NHHFA and its programs with emphasis on the HCV program. It also contains information about the purpose, intent and use of the plan and guide.

There are three parts to this chapter:

Part I: The Public Housing Agency (PHA). This part includes a description of NHHFA, its jurisdiction, its programs, and its mission and intent.

Part II: The HCV Program. This part contains information about the Housing Choice Voucher program operation, roles and responsibilities, and partnerships.

Part III: The HCV Administrative Plan. This part discusses the purpose and organization of the plan and its revision requirements.

Part I: New Hampshire Housing Finance Authority (NHHFA)

1-I.A. Overview

This part explains the origin of NHHFA's creation and authorization, the general structure of the organization, and the relationship between NHHFA Board and staff.

1-I.B. Organization and Structure of NHHFA

The tenant-based Housing Choice Voucher (HCV) assistance program is funded by the federal government and administered by the New Hampshire Housing Finance Authority for the jurisdiction of the State of New Hampshire.

The officials of NHHFA are known as the Directors or, collectively, as the Board of Directors. Directors are appointed in accordance with state housing law and generally serve in the same capacity as the directors of a corporation, establishing policies under which NHHFA conducts business, ensuring that policies are followed by NHHFA staff and ensuring that NHHFA is

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successful in its mission. The board is responsible for preserving and expanding the agency's resources and assuring the agency's continued viability.

Formal actions of NHHFA are taken through written resolutions, adopted by the board of directors and entered into the official records of NHHFA.

The principal staff member of the PHA is the executive director (ED), hired and appointed by the Board of Directors. The executive director is directly responsible for carrying out the policies established by the board and is delegated the responsibility for hiring, training and supervising the PHA staff in order to manage the day-to-day operations of the PHA. The executive director is responsible for ensuring compliance with federal and state laws and directives for the programs managed. In addition, the executive director's duties include budgeting and financial planning for the agency.

1-I.C. NHHFA Mission

The purpose of a mission statement is to communicate the purpose of the agency to people inside and outside of the agency. It provides guiding direction for developing strategy, defining critical success factors, searching out key opportunities, making resource allocation choices, satisfying clients and stakeholders, and making decisions.

NHHFA Policy

NHHFA's mission is to promote, finance and support affordable housing and related services for the people of New Hampshire.

1-I.D. NHHFA's Programs

The following programs are included under this administrative plan:

- Housing Choice Vouchers (HCV)
- Mainstream Vouchers
- Veterans Affairs Supportive Housing (VASH)
- Moderate Rehab

NHHFA Policy

NHHFA's administrative plan is applicable to the operation of the Housing Choice Voucher program and the Family Self Sufficiency Program (FSS).

1-I.E. NHHFA's Commitment to Ethics and Service

As a public service agency, NHHFA is committed to providing excellent service to HCV program participants, owners, and to the community. NHHFA's standards include:

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- Administer applicable federal and state laws and regulations to achieve high ratings in performance measurement indicators while maintaining efficiency in program operation to ensure fair and consistent treatment of clients served.
- Provide safe, and habitable housing – in compliance with program housing quality standards – for very low-income families while ensuring that family rents are fair, reasonable, and affordable.
- Encourage self-sufficiency of participant families and assist in the expansion of family opportunities which address educational, socio-economic, recreational, and other human service's needs.
- Promote fair housing and equal opportunity for very low-income families of all ethnic backgrounds to experience freedom of housing choice.
- Promote a housing program which maintains quality service and integrity while providing an incentive to private property owners to rent to very low-income families.
- Promote a market-driven housing program that will help qualified low-income families be successful in obtaining affordable housing and increase the supply of housing choices for such families.
- Create positive public awareness and expand the level of family, owner, and community support in accomplishing NHHFA's mission.
- Attain and maintain a high level of standards and professionalism in day-to-day management of all program components.
- Administer an efficient, high-performing agency through continuous improvement of NHHFA's support systems and a high level of commitment to our employees and their development.
- NHHFA will make every effort to keep program participants informed of HCV program rules and regulations, and to advise participants of how the program rules affect them.

PART II: The Housing Choice Voucher (HCV) Program

1-II.A. Overview and History of The Program

The intent of this section is to provide the public and staff with information related to the overall operation of the program. There have been many changes to the program since its inception in 1974, and a brief history of the program will assist the reader to better understand the program.

The United States Housing Act of 1937 (the "Act") is responsible for the birth of federal housing program initiatives. The Act was intended to provide financial assistance to states and cities for public works projects, slum clearance and the development of affordable housing developments for low-income residents.

The Housing and Community Development (HCD) Act of 1974 created a new federally assisted housing program – the Section 8 Existing program (also known as the Section 8 Certificate program). The HCD Act represented a significant shift in federal housing strategy from locally owned public housing to privately owned rental housing.

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Under the Certificate program, federal housing assistance payments were made directly to private owners of rental housing, where this housing was made available to lower-income families. Eligible families were able to select housing in the private rental market. Assuming that the housing met certain basic physical standards of quality ("housing quality standards") and was within certain HUD-established rent limitations ("fair market rents"), the family would be able to receive rental assistance in the housing unit. Family contribution to rent was generally set at 30 percent of the family's adjusted income, with the remainder of the rent paid by the program.

Another unique feature of the Certificate program was that the rental assistance remained with the eligible family, if the family chose to move to another privately-owned rental unit that met program requirements (in contrast to the public housing program where the rental assistance remains with the unit, should the family decide to move). Consequently, the Certificate program was characterized as tenant-based assistance, rather than unit-based assistance.

The Housing and Community Development (HCD) Act of 1987 authorized a new version of tenant-based assistance – the Section 8 Voucher program. The Voucher program was very similar to the Certificate program in that eligible families were able to select housing in the private rental market and receive assistance in that housing unit.

However, the Voucher program permitted families more options in housing selection. Rental housing still had to meet the basic housing quality standards, but there was no fair market rent limitation on rent. In addition, family contribution to rent was not set at a limit of 30 percent of adjusted income. Consequently, depending on the actual rental cost of the unit selected, a family might pay more or less than 30 percent of their adjusted income for rent.

From 1987 through 1999, public housing agencies managed both the Certificate and Voucher tenant-based assistance programs, with separate rules and requirements for each. From 1994 through 1998, HUD published a series of new rules, known as "conforming" rules, to more closely combine and align the two similar housing programs, to the extent permitted by the law.

In 1998, the Quality Housing and Work Responsibility Act (QHWRA) – also known as the Public Housing Reform Act – was signed into law. QHWRA eliminated all statutory differences between the Certificate and Voucher tenant-based programs and required that the two programs be merged into a single tenant-based assistance program, now known as the Housing Choice Voucher (HCV) program.

The HCV program was modeled closely on the pre-merger Voucher program. However, unlike the pre-merger Voucher program, the HCV program requires an assisted family to pay at least 30 percent of adjusted income for rent.

The transition of assistance from the Certificate and Voucher programs to the new HCV program began in October 1999. By October 2001, all families receiving tenant-based assistance were converted to the HCV program.

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On July 29, 2016, the Housing Opportunity Through Modernization Act of 2016 (HOTMA) was signed into law. HOTMA made numerous changes to statutes governing HUD programs, including sections of the United States Housing Act of 1937. Title I of HOTMA contains 14 different sections that impact the public housing and Section 8 programs.

- The Final Rule implementing broad changes to income and assets in Sections 102 and 104 of HOTMA, and for PHAs that administer the public housing program over-income provisions in Section 103, was officially published in the *Federal Register* on February 14, 2023. On September 29, 2023, HUD issued notice PIH 2023-27, which provided guidance to PHAs on the implementation of the program changes described in the Final Rule. HUD issued a revised version of the notice on February 2, 2024.
- The Final Rule implementing streamlining changes to the HCV and PBV programs was published on May 7, 2024, and codified certain provisions in Sections 101, 105, 106, and 112 of HOTMA as well as incorporating changes from the NSPIRE final rule. Technical amendments to the rule were published December 8, 2025.

1-II.B. HCV Program Basics

The purpose of the HCV program is to provide rental assistance to eligible families. The rules and regulations of the HCV program are determined by the U.S. Department of Housing and Urban Development. NHHFA is afforded choices in the operation of the program which are included in NHHFA's administrative plan, a document approved by the board of directors of NHHFA.

The HCV program offers mobility to eligible families because they may search for suitable housing anywhere in NHHFA's jurisdiction and may also be eligible to move under portability to other PHAs' jurisdictions.

When a family is determined to be eligible for the program and funding is available, NHHFA issues the family a housing voucher. When the family finds a suitable housing unit and funding is available, NHHFA will enter into a contract with the owner and the family will enter into a lease with the owner. Each party makes their respective payment to the owner so that the owner receives full rent.

Even though the family is determined to be eligible for the program, the owner has the responsibility of approving the family as a suitable renter. NHHFA continues to make payments to the owner as long as the family is eligible, and the housing unit continues to qualify under the program.

1-II.C. The HCV Partnerships

To administer the HCV program, NHHFA enters into a contractual relationship with HUD (Consolidated Annual Contributions Contract). NHHFA also enters into contractual relationships with the assisted family and the owner or landlord of the housing unit.

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For the HCV program to work and be successful, all parties involved – HUD, NHHFA, the owner, and the family – have important roles to play. The roles and responsibilities of all parties are defined in federal regulations and in legal documents that parties execute to participate in the program.

The chart on the following page illustrates key aspects of these relationships.

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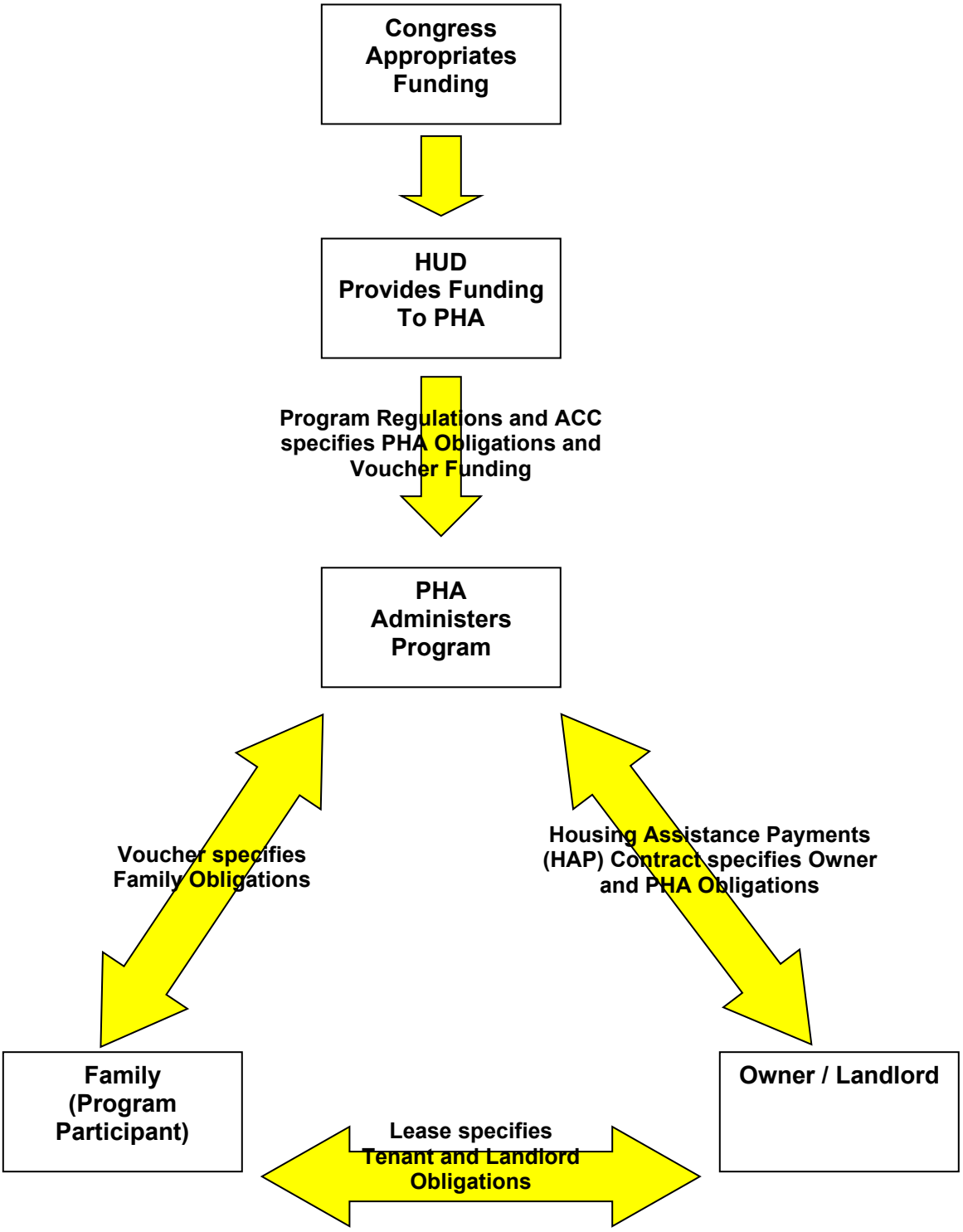
The HCV Relationships:



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What Does HUD Do?

HUD has the following major responsibilities:

Develop regulations, requirements, handbooks, notices and other guidance to implement HCV housing program legislation passed by Congress.

Allocate HCV program funds to PHAs.

- Provide technical assistance to PHAs on interpreting and applying HCV program requirements.
- Monitor PHA compliance with HCV program requirements and PHA performance in program administration.

What Does NHHFA Do?

NHHFA administers the HCV program under contract with HUD and has the following major responsibilities:

- Establish local policies to administer the program.
- Review applications from interested applicants to determine whether they are eligible for the program.
- Maintain a waiting list and select families for admission.
- Issue vouchers to eligible families and provide information on how to lease a unit.
- Conduct outreach to owners, with special attention to owners outside areas of poverty or minority concentration.
- Approve the rental unit (including assuring compliance with housing quality standards and rent reasonableness), the owner, and the tenancy.
- Make housing assistance payments to the owner in a timely manner.
- Recertify families for continued eligibility under the program.
- Ensure that owners and families comply with their contractual obligations.
- Provide families and owners with prompt, professional service.
- Comply with all fair housing and equal opportunity requirements, HUD regulations and requirements, the ACC, HUD-approved applications for funding, NHHFA's administrative plan, and other applicable federal, state and local laws.

What Does the Owner Do?

The owner has the following major responsibilities:

- Screen families who apply for tenancy, to determine suitability as renters.
- NHHFA can provide some information to the owner, but the primary responsibility for tenant screening rests with the owner.

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- The owner should consider family background factors such as rent and bill-paying history, history of caring for property, respecting the rights of others to peaceful enjoyment of the property, compliance with essential conditions of tenancy, whether the family is engaging in drug-related criminal activity or other criminal activity that might threaten others.

Comply with the terms of the Housing Assistance Payments contract executed with NHHFA.

- Comply with all applicable fair housing laws and do not discriminate against anyone.
- Maintain the housing unit in accordance with National Standards for the Physical Inspection of Real Estate (NSPIRE) and make necessary repairs in a timely manner.
- Collect rent due from the assisted family and otherwise comply with and enforce provisions of the dwelling lease.

What Does the Family Do?

The family has the following responsibilities:

- Provide NHHFA with complete and accurate information as determined by NHHFA to be necessary for administration of the program.
- Make their best and most timely efforts to locate qualified and suitable housing.
- Attend all appointments scheduled by NHHFA.
- Allow NHHFA to inspect the unit at reasonable times and after reasonable notice.
- Take responsibility for care of the housing unit, including any violations of housing quality standards caused by the family.
- Comply with the terms of the lease with the owner.
- Comply with the family obligations of the voucher.
- Not commit serious or repeated violations of the lease.
- Not engage in drug-related or violent criminal activity.
- Notify NHHFA and the owner before moving or terminating the lease.
- Use the assisted unit only for residence and as the sole residence of the family. Not sublet the unit, assign the lease, or have any interest in the unit.
- Promptly notify NHHFA of any changes in family composition.
- Not commit fraud, bribery, or any other corrupt or criminal act in connection with any housing programs.

1-II.D. Applicable Regulations

Applicable regulations include:

- 24 CFR Part 5: General Program Requirements
- 24 CFR Part 8: Nondiscrimination
- 24 CFR Part 35: Lead-Based Paint
- 24 CFR Part 100: The Fair Housing Act

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- 24 CFR Part 982: Section 8 Tenant-Based Assistance: Housing Choice Voucher Program
- 24 CFR Part 983: Project-Based Vouchers
- 24 CFR Part 985: The Section 8 Management Assessment Program (SEMAP)

PART III: The HCV Administrative Plan

1-III.A. Overview and Purpose of The Plan

The administrative plan is required by HUD. The purpose of the administrative plan is to establish policies for carrying out the programs in a manner consistent with HUD requirements and local goals and objectives contained in NHHFA's agency plan. This administrative plan is a supporting document to the NHHFA agency plan and is available for public review as required by CFR 24 Part 903.

This administrative plan is set forth to define NHHFA's local policies for operation of the housing programs in accordance with federal laws and regulations. All issues related to the HCV program not addressed in this document are governed by such federal regulations, HUD handbooks and guidebooks, notices, and other applicable law. The policies in this administrative plan have been designed to ensure compliance with the consolidated ACC and all HUD-approved applications for program funding.

NHHFA is responsible for complying with all changes in HUD regulations pertaining to the HCV program. If such changes conflict with this plan, HUD regulations will have precedence.

Administration of the HCV program and the functions and responsibilities of NHHFA staff shall be in compliance with NHHFA's personnel policy and HUD regulations as well as all federal, state and local fair housing laws and regulations.

1-III.B. Contents of The Plan

[24 CFR 982.54 and 24 CFR 983.10]

The HUD regulations at 24 CFR 982.54 define the policies that must be included in the administrative plan for the HCV program. They are as follows:

- Selection and admission of applicants from NHHFA waiting list, including any NHHFA admission preferences, procedures for removing applicant names from the waiting list, and procedures for closing and reopening the NHHFA waiting list (Chapter 4);
- Issuing or denying vouchers, including NHHFA policy governing the voucher term and any extensions of the voucher term. If the NHHFA decides to allow extensions of the voucher term, the NHHFA administrative plan must describe how the NHHFA determines whether to grant extensions, and how the NHHFA determines the length of any extension (Chapter 5);

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- Any special rules for use of available funds when HUD provides funding to the NHHFA for a special purpose (e.g., desegregation), including funding for specified families or a specified category of families (Chapter 4);

- Occupancy policies, including definition of what group of persons may qualify as a 'family', definition of when a family is considered to be 'continuously assisted'; standards for denying admission or terminating assistance based on criminal activity or alcohol abuse in accordance with 982.553 or other factors in accordance with 982.552, 982.554, and 982.555; and policies concerning residency by a foster child, foster adult, or live-in aide, including defining when PHA consent for occupancy by a foster child, foster adult, or live-in aide must be given or may be denied (Chapters 3 and 12);
  - Encouraging participation by owners of suitable units located outside areas of low income or minority concentration (Chapter 13).
  - Assisting a family that claims that illegal discrimination has prevented the family from leasing a suitable unit (Chapter 2).
  - Providing information about a family to prospective owners (Chapters 3 and 9);
  - Disapproval of owners (Chapter 13).
  - Subsidy standards (Chapter 5).
  - Family absence from the dwelling unit (Chapter 12).
  - How to determine who remains in the program if a family breaks up (Chapter 3).
  - Informal review procedures for applicants (Chapter 16).
  - Informal hearing procedures for participants (Chapter 16).
  - The process for establishing and revising voucher payment standards, including policies on administering decreases in the payment standard during the HAP contract term including whether the PHA has voluntarily adopted the use of Small Area Fair Market Rents (SAFMRs) (Chapter 16).
  - The method of determining that rent to owner is a reasonable rent (initially and during the term of a HAP contract) (Chapter 8).
  - Special policies concerning special housing types in the program (e.g., use of shared housing) (Chapter 15).
  - If the PHA establishes different payment standard amounts for designated areas within its jurisdiction, including exception areas, the criteria used to determine the designated areas and the payment standard amounts for those designated areas (Chapter 16);
  - Policies concerning payment by a family to the NHHFA of amounts the family owes the NHHFA (Chapter 16).
  - Interim redeterminations of family income and composition the frequency of determinations of family income, and income-determination practices, including whether the PHA will accept a family declaration of assets (Chapter 11).

  - For PHAs that adopt the initial inspection non-life-threatening deficiency option, the PHA’s policy on whether the provision will apply to all initial inspections or a portion of initial inspections, the PHA’s policy on whether the provision will be applied to only some inspections and how the units will be selected, and the PHA’s policy on using withheld HAP funds to repay an owner once the unit is in compliance with housing qualify standards (Chapter 8);

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- For PHAs that adopt the alternative inspection provision, the PHA's policy on how it will apply the provision to initial and periodic inspections; the specific alternative inspection method used by the PHA; the specific properties or types of properties where the alternative inspection method will be employed; and, for initial inspections, the maximum amount of time the PHA will withhold HAP if the owner does not correct the HQS deficiencies within the cure period, and the period of time after which the PHA will terminate the HAP contract for the owner's failure to correct the deficiencies, which may not exceed 180 days from the effective date of the HAP contract (Chapter 8);
- The PHA's policy for charging a reinspection fee to owners (Chapter 8);
- The PHA's policy for withholding HAP for units that do not meet housing quality standards (Chapter 8);
- The PHA's policy on assisting families with relocating and finding a new unit (Chapter 10);
- Restrictions, if any, on the number of moves by a participant family (Chapter 10).
- Approval by the board of commissioners or other authorized officials to charge the administrative fee reserve (Chapter 16).
- Procedural guidelines and performance standards for conducting required housing quality standards inspections including any deficiency that the PHA has adopted as a life-threatening deficiency that is not a HUD-required life-threatening deficiency (Chapter 8).
- Whether the PHA will allow the family to submit more than one Request for Tenancy Approval at a time (Chapter 9);
- In the event of insufficient funding, taking into account any cost-savings measures taken by the PHA, a description of the factors the PHA will consider when determining which HAP contracts to terminate first (e.g., prioritization of PBV HAP contracts over tenant-based HAP contracts or prioritization of contracts that serve vulnerable families or individuals) (Chapter 12); and
- NHHFA screening of applicants for family behavior or suitability for tenancy (Chapter 3).
- Special policies governing any special purpose vouchers issued by the NHHFA (Chapter 19).

If a PHA exercises its discretion to operate a PBV program, the PHA's administrative must also include the PHA's local policies on PBV-related matters over which the PHA is exercising its policymaking discretion. At a minimum, the administrative plan must include the following PHA policies related to PBV, as applicable. All policies listed below may be found in Chapter 17.

- The definition of *project*;
- The program cap, including a description of the types and availability of services that will qualify units under the supportive services exception and the PHA's policy limiting Family Unification Program (FUP) assistance normally available for eligible families and youth;
- A description of the circumstances under which the PHA will use the competitive and noncompetitive selection methods and the procedures for submission and selection of PBV proposals;

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- The project cap, including the PHA's policy limiting FUP assistance normally available for eligible families and youth, and a description of the types and availability of services that will qualify units under the supportive services exception from the project cap;
- Site selection standards, including the PHA's standards for deconcentrating poverty and expanding housing and economic opportunities, and the PHA's site selection policy;
- PHA PBV inspection policies, including the timing of an initial inspection of existing housing; whether the PHA adopts for initial inspection of PBV existing housing the non-life-threatening deficiencies option, the alternative inspection option, or both, and whether the PHA adopts for periodic inspection of PBV housing the alternative inspection option; the frequency of periodic inspections; and any verification methods other than on-site inspection for different inspection types or for different deficiencies;
- A description of the circumstances (if any) under which the PHA will establish additional requirements for quality, architecture, or design of PBV housing at the time of initial rehabilitation or new construction;
- A description of the circumstances (if any) under which the PHA will enter into a PBV HAP contract for newly constructed and rehabilitated housing without first entering into an Agreement or execute an Agreement after construction or rehabilitation that complied with applicable requirements;
- The PHA's policy on the form and manner in which the owner must submit evidence and certify that work has been completed;
- For rehabilitated housing developed after HAP contract execution, a description of the circumstances (if any) under which the PHA will enter a PBV HAP contract for rehabilitated housing that allows for development activity to occur after HAP contract execution; the timing of the initial inspection; the form and manner of owner notifications of changes in the status of contract units; and the period for compliance (if any) for development activity that has not been completed by the deadline;
- The PHA's policy on amending PBV HAP contracts to substitute or add contract units;
- The PHA's housing quality policies, including a description of the circumstances (if any) under which the PHA will establish additional requirements for continued compliance with quality, architecture, or design of PBV housing during the term of the HAP contract; the PHA's policy on the conditions under which it will withhold HAP and the conditions under which it will abate HAP or terminate the contract for units other than the unit with housing quality standards deficiencies; and the PHA's policy on assisting families with relocating and finding a new unit;
- A description of the PHA's waiting list policies for admission to PBV units, including any information on the owner waiting list policy;
- A description of the PHA's policy on whether to conduct tenant screening and offer information to an owner;
- The PHA's policy on continued housing assistance for a family that occupies a wrong-sized unit or a unit with accessibility features that the family does not require;
- The PHA's policy on a family's right to move, including the form of tenant-based rental assistance that the PHA will offer families, and the procedures for tenants to request tenant-based rental assistance to move;

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- The PHA’s policy regarding which options it will take if a unit is no longer qualified for excepted status or the increased program cap;
- The PHA’s policy regarding continued occupancy of a unit under the increased program cap for supportive housing for persons with disabilities or elderly persons and units excepted based on elderly or disabled family status after a change in family composition removing the elderly family member or family member with a disability;
- The PHA’s policy regarding the PHA-determined amount it will use to calculate rent to owner;
- The PHA’s policy on the required timing and form of owner requests for a rent increase;
- The PHA’s policy on providing vacancy payments, including the required form and manner of requests for vacancy payments;
- The PHA’s policy on utility reimbursements; and
- The PHA’s policy on applying SAFMRs to its PBVs.

Mandatory vs. Discretionary Policy

HUD makes a distinction between:

Mandatory policies: those driven by legislation, regulations, current handbooks, notices, and legal opinions, and

Optional, non-binding guidance, including guidebooks, notices that have expired and recommendations from individual HUD staff.

HUD expects NHHFAs to adopt local policies and procedures that are consistent with mandatory policies in areas where HUD gives the NHHFA discretion. NHHFA's administrative plan is the foundation of those policies and procedures. HUD’s directions require NHHFAs to make policy choices that provide sufficient guidance to staff and ensure consistency to program applicants and participants.

Creating policies based upon HUD guidance is not mandatory but provides a PHA with a “safe harbor.” HUD has already determined that the recommendations and suggestions it makes are consistent with mandatory policies. If a PHA adopts an alternative strategy, it must make its own determination that the alternative approach is consistent with legislation, regulations, and other mandatory requirements. There may be very good reasons for adopting a policy or procedure that is different than HUD’s safe harbor, but PHAs should carefully think through those decisions.

1-III.C. Organization of The Plan

The plan is organized to provide information to users in particular areas of operation.

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1-III.D. Updating and Revising the Plan

NHHFA will revise this administrative plan as needed to comply with changes in HUD regulations. The original plan and any changes must be approved by the board of directors of the agency, the pertinent sections included in the Agency Plan, and a copy provided to HUD.

NHHFA Policy

NHHFA will review and update the plan as needed, to reflect changes in regulations, NHHFA operations, or when needed to ensure staff consistency in operation.

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Chapter 2 Fair Housing and Equal Opportunity

Introduction

This chapter explains the laws and HUD regulations requiring NHHFA to affirmatively further civil rights and fair housing in all federally assisted housing programs. The letter and spirit of these laws are implemented through consistent policy and processes. The responsibility to further nondiscrimination pertains to all areas of NHHFA's housing choice voucher (HCV) operations.

This chapter describes HUD regulations and NHHFA policies related to these topics in three parts:

Part I: Nondiscrimination. This part presents the body of laws and regulations governing the responsibilities of NHHFA regarding nondiscrimination.

Part II: Policies Related to Persons with Disabilities. This part discusses the rules and policies of the housing choice voucher program related to reasonable accommodation for persons with disabilities. These rules and policies are based on the Fair Housing Act (42.U.S.C.) and Section 504 of the Rehabilitation Act of 1973 and incorporate guidance from the Joint Statement of The Department of Housing and Urban Development and the Department of Justice (DOJ), issued May 17, 2004.

Part III: Serving Limited English Proficient (LEP) Persons. This part details current requirements related to LEP persons.

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Part I: Nondiscrimination

2-I.A. Overview

Federal laws require NHHFA to treat all applicants and participants equally, providing the same opportunity to access services, regardless of family characteristics and background. Federal law prohibits discrimination in housing on the basis of race, color, religion, sex, national origin, age, familial status, and disability. In addition, HUD regulations provide for additional protections regarding sexual orientation, gender identity, and marital status. NHHFA will comply fully with all federal, state, and local nondiscrimination laws, and with rules and regulations governing fair housing and equal opportunity in housing and employment, including:

- Title VI of the Civil Rights Act of 1964
- Title VIII of the Civil Rights Act of 1968 (as amended by the Community Development Act of 1974 and the Fair Housing Amendments Act of 1988)
- Executive Orders 11063
- Section 504 of the Rehabilitation Act of 1973
- The Age Discrimination Act of 1975
- Title II of the Americans with Disabilities Act (to the extent that it applies, otherwise Section 504 and the Fair Housing Amendments govern)
- Violence Against Women Act (VAWA)

When more than one civil rights law applies to a situation, the laws will be read and applied together.

Any applicable state laws or local ordinances and any legislation protecting individual rights of tenants, applicants, or staff that may subsequently be enacted will also apply.

NHHFA Policy

No state or local nondiscrimination laws or ordinances apply.

2-I. B Nondiscrimination

Federal regulations prohibit discrimination against certain protected classes and other groups of people. State and local requirements, as well as NHHFA policies, can prohibit discrimination based on other factors.

NHHFA shall not discriminate because of race, color, sex, religion, familial status, age, disability or national origin (called “protected classes”)

Familial status includes children under the age of 18 living with parents or legal custodians, pregnant women, and people securing custody of children under the age of 18.

NHHFA will not discriminate on the basis of marital status, gender identity, or sexual orientation [24 CFR 5.105(a)(2)]. Enforcement of the *Equal Access to Housing in HUD Program Regardless of Sexual Orientation or Gender Identity Final Rule* has been halted. HUD has

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proposed the elimination of the Equal Access Rule regulation at 24 CFR 5.105(a)(2) to harmonize HUD regulations with Executive Order 14168. HUD has already rescinded Notice PIH 2014-20 regarding Equal Access Rule enforcement and has removed references to the rule from the *HCV Guidebook*. As of Spring 2026, elimination of the regulation is currently under review by OMB.

NHHFA Policy

NHHFA does not identify any additional protected classes.

NHHFA will not use any of these factors to:

- Deny to any family the opportunity to apply for housing, nor deny to any qualified applicant the opportunity to participate in the housing choice voucher program
- Provide housing that is different from that provided to others
- Subject anyone to segregation or disparate treatment
- Subject anyone to sexual harassment
- Restrict anyone's access to any benefit enjoyed by others in connection with the housing program
- Treat a person differently in determining eligibility or other requirements for admission
- Steer an applicant or participant toward or away from a particular area based any of these factors
- Deny anyone access to the same level of services
- Deny anyone the opportunity to participate in a planning or advisory group that is an integral part of the housing program
- Discriminate in the provision of residential real estate transactions
- Discriminate against someone because they are related to or associated with a member of a protected class
- Publish or cause to be published an advertisement or notice indicating the availability of housing that prefers or excludes persons who are members of a protected class

Providing Information to Families and Owners

NHHFA must take steps to ensure that families and owners are fully aware of all applicable civil rights laws. As part of the briefing process, NHHFA must provide information to HCV applicant families about civil rights requirements and the opportunity to rent in a broad range of neighborhoods [24 CFR 982.301]. The Housing Assistance Payments (HAP) contract informs owners of the requirement not to discriminate against any person because of race, color, religion, sex, national origin, age, familial status, or disability in connection with the contract.

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2.I.C. Discrimination Complaints

General Housing Discrimination Complaints

If an applicant or participant believes that any family member has been discriminated against by NHHFA or an owner, the family should advise NHHFA. NHHFA should make every reasonable attempt to determine whether the applicant's or participant's assertions have merit and take any warranted corrective action.

In all cases, NHHFA will advise the family that they may file a fair housing complaint if the family feels they have been discriminated against under the Fair Housing Act.

NHHFA Policy

Applicants or participants who believe that they have been subject to unlawful discrimination may notify NHHFA either orally or in writing.

Within 10 business days of receiving the complaint, NHHFA will investigate and attempt to remedy discrimination complaints made against NHHFA. NHHFA will also advise the family of their right to file a fair housing complaint with HUD's Office of Fair Housing and Equal Opportunity (FHEO). The fair housing poster, posted in conspicuous and accessible locations will reference how to file a complaint with FHEO.

NHHFA will keep a record of all complaints, investigations, notices, and corrective actions.

2.I.D VAWA Complaint Processing

[Notice FHEO 2023-01]

A complainant may, not later than one year after an alleged VAWA violation has occurred or terminated, file a complaint with FHEO alleging such violation. If there is a violation that began prior to a year before the complaint is filed, but it continues into the one-year time period, HUD will accept the complaint. FHEO will investigate the complaint if it is timely and FHEO otherwise has jurisdiction. If a complaint is filed more than one year after the alleged violation occurred or terminated, FHEO may, but is not required to, investigate the allegations under the additional authority and procedures described in FHEO 2023-01.

Complaints do not need to allege a violation of the Fair Housing Act for FHEO to accept and investigate the complaint.

NHHFA Policy

Applicants or participants who wish to file a VAWA complaint against NHHFA may notify NHHFA either orally or in writing.

NHHFA will advise the family of their right to file a VAWA complaint with HUD's Office of Fair Housing and Equal Opportunity (FHEO). NHHFA will inform the family that not later than one

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year after an alleged VAWA violation has occurred or terminated, applicants and tenants who believe they have been injured by a VAWA violation or will be injured by such a violation that is about to occur may file a VAWA complaint using FHEO's online complaint form via mail, email, or telephone.

NHHFA will attempt to remedy complaints made against them and will conduct an investigation into all allegations of discrimination.

NHHFA will keep a record of all complaints, investigations, notices, and corrective actions.

Part II: Policies Related to Persons with Disabilities

2-II.A. Overview

One type of disability discrimination prohibited by the Fair Housing Act is the refusal to make reasonable accommodation in rules, policies, practices, or services when such accommodation may be necessary to afford a person with a disability the equal opportunity to use and enjoy a program or dwelling under the program.

NHHFA must ensure that persons with disabilities have full access to NHHFA's programs and services. This responsibility begins with the first contact by an interested family and continues through every aspect of the program.

NHHFA Policy

NHHFA will ask all applicants and participants if they require any type of accommodations, in writing, on the intake application, reexamination documents, and notices of adverse action by NHHFA, by including the following language:

> "If you or anyone in your family is a person with disabilities, and you require a specific accommodation in order to fully utilize our programs and services, please contact NHHFA."

A specific name and phone number of designated staff will be provided to process requests for accommodation.

NHHFA will display posters and other housing information and signage in locations throughout NHHFA's office in such a manner as to be easily readable from a wheelchair.

2-II.B. Definition of Reasonable Accommodation

A reasonable accommodation is an adjustment made to a rule, policy, practice, or service that allows a person with a disability to have equal access to the HCV program. For example, reasonable accommodations may include making home visits, extending the voucher term, or approving an exception payment standard for a participant to lease an accessible dwelling unit.

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Federal regulations stipulate that requests for accommodations will be considered reasonable if they do not create an “undue financial and administrative burden” for NHHFA or result in a “fundamental alteration” in the nature of the program or service offered. A fundamental alteration is a modification that alters the essential nature of a provider’s operations.

Types of Reasonable Accommodations

When needed, NHHFA will modify normal procedures to accommodate the needs of a person with disabilities. Examples include:

- Permitting applications and reexaminations to be completed by mail
- Conducting home visits
- Using higher payment standards (either within the acceptable range or with HUD approval of a payment standard outside NHHFA range) if NHHFA determines this is necessary to enable a person with disabilities to obtain a suitable housing unit
- Providing time extensions for locating a unit, when necessary, because of lack of availability of accessible units or special challenges of the family in seeking a unit
- Permitting an authorized designee or advocate to participate in the application or certification process and any other meetings with NHHFA staff

2-II.C. Request for Accommodation

If an applicant or participant indicates that an exception, change, or adjustment to a rule, policy, practice, or service is needed because of a disability, HUD requires that NHHFA treat the information as a request for a reasonable accommodation, even if no formal request is made [Joint Statement of the Departments of HUD and Justice: Reasonable Accommodations under the Fair Housing Act].

The family must explain what type of accommodation is needed to provide the person with the disability full access to NHHFA’s programs and services.

If the need for the accommodation is not readily apparent or known to NHHFA, the family must explain the relationship between the requested accommodation and the disability. There must be an identifiable connection, or nexus, between the requested accommodation and the individual’s disability.

NHHFA Policy

NHHFA will encourage the family to make its request in writing using a reasonable accommodation request form. However, NHHFA will consider the accommodation any time the family indicates that an accommodation is needed whether or not a formal written request is submitted.

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2-II.D. Verification of Disability

The regulatory civil rights definition for persons with disabilities is provided in Exhibit 2-1 at the end of this chapter. The definition of a person with a disability for the purpose of obtaining a reasonable accommodation is much broader than the HUD definition of disability which is used for waiting list preferences and income allowances.

Before providing an accommodation, NHHFA must determine that the person meets the definition of a person with a disability, and that the accommodation will enhance the family's access to NHHFA's programs and services.

If a person's disability is obvious or otherwise known to NHHFA, and if the need for the requested accommodation is also readily apparent or known, no further verification will be required [Joint Statement of the Departments of HUD and Justice: Reasonable Accommodations under the Fair Housing Act].

If a family indicates that an accommodation is required for a disability that is not obvious or otherwise known to NHHFA, NHHFA must verify that the person meets the definition of a person with a disability, and that the limitations imposed by the disability require the requested accommodation.

All information related to a person's disability will be treated in accordance with the confidentiality policies. In addition to the general requirements that govern all verification efforts, the following requirements apply when verifying a disability:

- Third-party verification must be obtained from an individual identified by the family who is competent to make the determination. A doctor or other medical professional, a peer support group, a non-medical service agency, or a reliable third party who is in a position to know about the individual's disability may provide verification of a disability [Joint Statement of the Departments of HUD and Justice: Reasonable Accommodations under the Fair Housing Act]
- NHHFA must request only information that is necessary to evaluate the disability-related need for the accommodation. NHHFA will not inquire about the nature or extent of any disability.
- Medical records will not be accepted or retained in the participant file.
- In the event that NHHFA does receive confidential information about a person's specific diagnosis, treatment, or the nature or severity of the disability, NHHFA will dispose of it. In place of the information, NHHFA will note in the file that the disability and other requested information have been verified, the date the verification was received, and the

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name and address of the knowledgeable professional who sent the information [Notice PIH 2010-26].

2-II. E Approval/Denial of A Requested Accommodation

[Joint Statement of the Departments of HUD and Justice: Reasonable Accommodations under the Fair Housing Act, Notice PIH 2010-26].

NHHFA must approve a request for an accommodation if the following three conditions are met:

- The request was made by or on behalf of a person with a disability.
- There is a disability-related need for the accommodation.
- The requested accommodation is reasonable, meaning it would not impose an undue financial and administrative burden on NHHFA, or fundamentally alter the nature of NHHFA's HCV operations (including the obligation to comply with HUD requirements and regulations).

Requests for accommodations must be assessed on a case-by-case basis, taking into account factors such as the overall size of NHHFA's program with respect to the number of employees, type of facilities and size of budget, type of operation including composition and structure of workforce, the nature and cost of the requested accommodation, and the availability of alternative accommodations that would effectively meet the family's disability-related needs.

Before making a determination whether to approve the request, NHHFA may enter into discussion and negotiation with the family, request more information from the family, or may require the family to sign a consent form so that NHHFA may verify the need for the requested accommodation.

NHHFA Policy

- The obligation starts as soon as staff become aware of the reasonable accommodation request.
- All obligations in the Department of Justice guidance must be followed.
- Requests from applicants are given directly to the Managing Director, Assisted Housing.
- Requests from individuals in the intake process are given directly to the Supervisor, Program Operations.
- Requests from participants are given to the Supervisor of Rental Assistance.
- After a request for an accommodation is presented, NHHFA will respond in writing within 7 days if there is no verification required, or within 15 days of receiving sufficient verification.
- The managing Director must sign off on all denials.
- If NHHFA denies a request for an accommodation because there is no relationship, or nexus, found between the disability and the requested accommodation, the notice will inform the family of the right to appeal NHHFA's decision through an informal review (if applicable) or informal hearing

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- If NHHFA denies a request for an accommodation because it is not reasonable (it would impose an undue financial and administrative burden or fundamentally alter the nature of NHHFA's operations), NHHFA will discuss with the family whether an alternative accommodation could effectively address the family's disability-related needs without a fundamental alteration to the HCV program and without imposing an undue financial and/or administrative burden
- If NHHFA believes that the family has failed to identify a reasonable alternative accommodation after interactive discussion and negotiation, NHHFA will notify the family in writing of its determination within 10 business days from the date of the most recent discussion or communication with the family.

2-II. F Program Accessibility for Persons with Hearing or Vision Impairments

HUD regulations require NHHFA to ensure that persons with disabilities related to hearing and vision have reasonable access to NHHFA's programs and services [24 CFR 8.6].

At the initial point of contact with each applicant, NHHFA shall inform all applicants of alternative forms of communication that can be used other than plain language paperwork.

NHHFA Policy

To meet the needs of persons with hearing impairments, TTD/TTY (text telephone display / teletype) communication will be available.

To meet the needs of persons with vision impairments, large-print and audio versions of key program documents will be made available upon request. When visual aids are used in public meetings or presentations, or in meetings with NHHFA staff, one-on-one assistance will be provided upon request.

Additional examples of alternative forms of communication are sign language interpretation; having material explained orally by staff; or having a third-party representative (a friend, relative or advocate, named by the applicant) to receive, interpret and explain housing materials and be present at all meetings.

2-II. G Physical Accessibility

NHHFA must comply with a variety of regulations pertaining to physical accessibility, including the following:

- Notice PIH 2010-26
- Section 504 of the Rehabilitation Act of 1973
- The Americans with Disabilities Act of 1990
- The Architectural Barriers Act of 1968
- The Fair Housing Act of 1988

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NHHFA's policies concerning physical accessibility must be readily available to applicants and participants. They can be found in three key documents:

- This plan describes the key policies that govern NHHFA's responsibilities with regard to physical accessibility.
- Notice PIH 2010-26 summarizes information about pertinent laws and implementing regulations related to nondiscrimination and accessibility in federally funded housing programs.
- NHHFA Plan provides information about self-evaluation, needs assessment, and transition plans.

The design, construction, or alteration of NHHFA facilities must conform to the Uniform Federal Accessibility Standards (UFAS). Newly constructed facilities must be designed to be readily accessible to and usable by persons with disabilities. Alterations to existing facilities must be accessible to the maximum extent feasible, defined as not imposing an undue financial and administrative burden on the operations of the HCV program.

As part of the briefing packet, the PHA will include notice to families that if the family includes a person with disabilities, the PHA will provide a current list of available accessible units known to the PHA and will assist the family in locating an available accessible unit, and if necessary, other assistance in locating an available accessible dwelling unit [24 CFR 982.301(b)(12)].

In general, owners must permit the family to make reasonable modifications to the unit. However, the owner is not required to pay for the modification and may require that the unit be restored to its original state at the family's expense when the family moves.

2-II.H. Denial or Termination of Assistance

NHHFA's decision to deny or terminate the assistance of a family that includes a person with disabilities is subject to consideration of reasonable accommodation [24 CFR 982.552 (2)(iv)].

When applicants with disabilities are denied assistance, the notice of denial must inform them of NHHFA's informal review process and their right to request an informal review. In addition, the notice must inform applicants with disabilities of their right to request reasonable accommodations to participate in the informal review process.

When a participant family's assistance is terminated, the notice of termination must inform them of NHHFA's informal hearing process and their right to request a hearing and reasonable accommodation.

When reviewing reasonable accommodation requests, NHHFA must consider whether any mitigating circumstances can be verified to explain and overcome the problem that led to NHHFA's decision to deny or terminate assistance. If a reasonable accommodation will allow the family to meet the requirements, NHHFA must make the accommodation.

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Part III: Serving Limited English Proficient (LEP) Persons

2-III.A. Overview

[OIG Memo 7/14/25 and Executive Order 14224]

In March 2025, Executive Order 14224 revoked Executive Order 13166, which had directed agencies to enhance access to federal programs for persons with limited English proficiency (LEP) and required tailored guidance for recipients of federal funding under Title VI of the Civil Rights Act of 1964. Executive Order 14224 also declared English as the official language of the United States.

In response, on July 14, 2025, the Office of the Attorney General (OAG) issued a memo on the implementation of EO 14224, which rescinded all prior guidance to federal agencies regarding Title VI of the Civil Right Act's prohibition against national origin discrimination affecting LEP persons. The memo presents a legal analysis that finds language is not an immutable characteristic entitled to Title VI protection and decoupling LEP persons from national origin discrimination. The memo states that, where allowed by law, agencies should determine which of their programs and policies might serve the public at large better if operated exclusively in English. The OAG memo also states that agencies are not required to amend, remove, or otherwise stop production of all multilingual documents, products, or other services prepared or offered. Further, many states and localities have laws regarding language services to be provided to non-English-speaking persons that may apply to the PHA.

Language for Limited English Proficiency Persons (LEP) can be a barrier to accessing important benefits or services, understanding and exercising important rights, complying with applicable responsibilities, or understanding other information provided by the HCV program.

NHHFA Policy

NHHFA's oral and written communications with families will generally be conducted in English. For applicants and participants who may require language assistance, the PHA will encourage families to bring an advocate, family member, friend, or other adult representative to assist in communications. The PHA will also utilize available resources such as bilingual staff, community volunteer resources, responsible use of artificial intelligence technology, and/or machine translation to assist families with communication.

Exhibit 2-1: Definition of a Person with A Disability Under Federal Civil Rights Laws [24 CFR Parts 8.3 and 100.201]

A person with a disability, as defined under federal civil rights laws, is any person who:

- Has a physical or mental impairment that substantially limits one or more of the major life activities of an individual, or
- Has a record of such impairment, or
- Is regarded as having such impairment

The phrase "physical or mental impairment" includes:

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- Any physiological disorder or condition, cosmetic or disfigurement, or anatomical loss affecting one or more of the following body systems: neurological; musculoskeletal; special sense organs; respiratory, including speech organs; cardiovascular; reproductive; digestive; Genito-urinary; hemic and Lymphatic; skin; and endocrine; or
- Any mental or psychological disorder, such as mental retardation, organic brain syndrome, emotional or mental illness, and specific learning disabilities. The term “physical or mental impairment” includes but is not limited to such diseases and conditions as orthopedic, visual, speech and hearing impairments, cerebral palsy, autism, epilepsy, muscular dystrophy, multiple sclerosis, cancer, heart disease, diabetes, mental retardation, emotional illness, drug addiction and alcoholism.

“Major life activities” includes, but is not limited to, caring for oneself, performing manual tasks, walking, seeing, hearing, breathing, learning, and/or working.

“Has a record of such impairment” means has a history of, or has been misclassified as having, a mental or physical impairment that substantially limits one or more major life activities.

“Is regarded as having an impairment” is defined as having a physical or mental impairment that does not substantially limit one or more major life activities but is treated by a public entity (such as NHHFA) as constituting such a limitation; has none of the impairments defined in this section but is treated by a public entity as having such an impairment; or has a physical or mental impairment that substantially limits one or more major life activities, only as a result of the attitudes of others toward that impairment.

The definition of a person with disabilities does not include:

- Current illegal drug users
- People whose alcohol use interferes with the rights of others
- Persons who objectively pose a direct threat or substantial risk of harm to others that cannot be controlled with a reasonable accommodation under the HCV program

The above definition of disability determines whether an applicant or participant is entitled to any of the protections of federal disability civil rights laws. Thus, a person who does not meet this disability is not entitled to a reasonable accommodation under federal civil rights and fair housing laws and regulations.

The HUD definition of a person with a disability is much narrower than the civil rights definition of disability. The HUD definition of a person with a disability is used for purposes of receiving the disabled family preference, the $400 elderly/disabled household deduction, the $480 dependent deduction, the allowance for medical expenses, or the allowance for disability assistance expenses.

The definition of a person with a disability for purposes of granting a reasonable accommodation request is much broader than the HUD definition of disability. Many people will not qualify as a

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disabled person under the HCV program, yet an accommodation is needed to provide equal opportunity.

Chapter 3 Eligibility

Introduction

NHHFA is responsible for ensuring that every individual and family admitted to the HCV program meets all program eligibility requirements. This includes any individual approved to join

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the family after the family has been admitted to the program. The family must provide any information needed by NHHFA to confirm eligibility and determine the level of the family's assistance.

To be eligible for the HCV program:

The applicant family must:

- Qualify as a family as defined by HUD and NHHFA.
- Have income at or below HUD-specified income limits.
- Qualify on the basis of citizenship or the eligible immigrant status of family members.
- Provide social security number information for household members as required.
- Consent to NHHFA's collection and use of family information as provided for in NHHFA-provided consent forms.
- Not currently receive a duplicative subsidy.
- Upon the full implantation of HOTMA, meet net asset and property ownership restriction requirements.
- NHHFA must determine that the current or past behavior of household members does not include activities that are prohibited by HUD or NHHFA.

This chapter contains three parts:

Part I: Definitions of Family and Household Members. This part contains HUD and NHHFA definitions of family and household members and explains initial and ongoing eligibility issues related to these members.

Part II: Basic Eligibility Criteria. This part discusses income eligibility, and rules regarding citizenship, social security numbers, and family consent.

Part III: Denial of Assistance. This part covers factors related to an applicant's past or current conduct (e.g., criminal activity) that can cause NHHFA to deny assistance as well as the asset limitation for HCV.

PART I: Definitions of Family and Household Members

3-I.A. Overview

Some eligibility criteria and program rules vary depending upon the composition of the family requesting assistance. In addition, some requirements apply to the family as a whole and others apply to individual persons who will live in the assisted unit. This part provides information that is needed to correctly identify family and household members, and to apply HUD's eligibility rules.

3-I.B. Family and Household

[24 CFR 5.403; 24 CFR 5.100; and FR Notice 2/14/23]

The terms family and household have different meanings in the HCV program.

Family

To be eligible for assistance, an applicant must qualify as a family. Family as defined by HUD includes, but is not limited to the following, regardless actual or perceived sexual orientation, gender identity, or marital status, a single person, who may be an elderly person, displaced person, disabled person, near-elderly person, or any other single person; an otherwise eligible youth who has attained at least 18 years of age and not more than 24 years of age and who has

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left foster care, or will leave foster care within 90 days, in accordance with a transition plan described in section 475(5)(H) of the Social Security Act (42 U.S.C. 675(5)(H)), and is homeless or is at risk of becoming homeless at age 16 or older; or a group of persons residing together.

Such group includes but is not limited to a family with or without children (a child who is temporarily away from the home because of placement in foster care is considered a member of the family), an elderly family, a near-elderly family, a disabled family, a displaced family, and the remaining member of a tenant family. NHHFA has the discretion to determine if any other group of persons qualifies as a family.

Gender Identity means actual or perceived gender characteristics.

Sexual orientation means homosexuality, heterosexuality, or bisexuality.

NHHFA Policy

A family also includes two or more individuals who are not related by blood, marriage, adoption, or other operation of law but who either can demonstrate that they have lived together previously or certify that each individual's income and other resources will be available to meet the needs of the family.

Each family must identify the individuals to be included in the family at the time of application and must notify NHHFA if the family's composition changes.

Household

Household is a broader term that includes additional people who, with NHHFA's permission, live in an assisted unit, such as live-in aides, foster children, and foster adults.

3-I.C. Family Breakup and Remaining Member of Tenant Family

Family Breakup [24 CFR 982.315; Notice PIH 2017-08]

Except under the following conditions, NHHFA has discretion to determine which members of an assisted family continue to receive assistance if the family breaks up:

If the family breakup results from an occurrence of domestic violence, dating violence, sexual assault, stalking, or human trafficking, NHHFA must ensure that the victim retains assistance. (For documentation requirements and policies related to domestic violence, dating violence, sexual assault, stalking, and human trafficking, see section 16-IX. D of this plan.)

In accordance with Notice PIH 2017-08, for HUD–Veterans Affairs Supportive Housing (HUD–VASH) vouchers, when the veteran is the perpetrator of domestic violence, dating violence, sexual assault, stalking, or human trafficking, the victim must continue to be assisted. Upon termination of the perpetrator's HUD–VASH voucher, the victim should be given a regular HCV if one is available, and the perpetrator's HUD–VASH voucher should be used to serve another eligible family. If a regular HCV is not available, the victim will continue to use the HUD–VASH voucher, which must be issued to another eligible family upon the voucher's turnover.

If a court determines the disposition of property between members of the assisted family, NHHFA is bound by the court's determination of which family members continue to receive assistance.

NHHFA Policy

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When a family on the waiting list breaks up into two otherwise eligible families, only one of the new families may retain the original application date. Other former family members may make a new application with a new application date if the waiting list is open.

If a family breaks up into two otherwise eligible families while receiving assistance, only one of the new families will continue to be assisted.

In the absence of a judicial decision or an agreement among the original family members, NHHFA will determine which family will retain their placement on the waiting list or continue to receive assistance. In making its determination, NHHFA will take into consideration the following factors:

(1) the interest of any minor children, including custody arrangements.
(2) the interest of any ill, elderly, or disabled family members.
(3) the interest of any family member who is the victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking, including a family member who was forced to leave an assisted unit as a result of such actual or threatened abuse.
any possible risks to family members as a result of criminal activity; and
(4) the recommendations of social service professionals

Remaining Member of a Tenant Family [24 CFR 5.403]

The HUD definition of family includes the remaining member of a tenant family, which is a member of an assisted family who remains in the unit when other members of the family have left the unit. Household members such as live-in aides, foster children, and foster adults do not qualify as remaining members of a family.

If dependents are the only “remaining members of a tenant family” and there is no family member able to assume the responsibilities of the head of household, see Chapter 6, Section 6-I. B, for the policy on “Caretakers for a Child.”

3-I.D. Head of Household

[24 CFR 5.504(b)]

Head of household means the adult member of the family who is considered the head for purposes of determining income eligibility and rent. The head of household is responsible for ensuring that the family fulfills all of its responsibilities under the program, alone or in conjunction with a cohead or spouse.

NHHFA Policy

The family may designate any qualified family member as the head of household.

The head of household must have the legal capacity to enter into a lease under state and local law. A minor who is emancipated under state law may be designated as head of household.

3-I.E. Spouse, Cohead, and Other Adult

A family may have a spouse or cohead, but not both [HUD-50058 IB, p. 13].

Spouse means the marriage partner of the head of household.

NHHFA Policy

A marriage partner includes the partner in a "common law" marriage as defined in state law. The term “spouse” does not apply to friends, roommates, or significant others who are not

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marriage partners. A minor who is emancipated under state law may be designated as a spouse.

A cohead is an individual in the household who is equally responsible with the head of household for ensuring that the family fulfills all of its responsibilities under the program, but who is not a spouse. A family can have only one cohead.

NHHFA Policy

Minors who are emancipated under state law may be designated as a cohead.

Other adult means a family member, other than the head, spouse, or cohead, who is 18 years of age or older. Foster adults and live-in aides are not considered other adults.

3-I.F. Dependents and Minors

[24 CFR 5.603]

A minor is a member of the family, other than the head of family or spouse, who is under 18 years of age.

A dependent is a family member who is under 18 years of age or a person of any age who is a person with a disability or a full-time student, except that the following persons can never be dependents: the head of household, spouse, cohead, foster children/adults and live-in aides. Identifying each dependent in the family is important because each dependent qualifies the family for a dependent allowance as described in Chapter 6.

Joint Custody of Dependents

NHHFA Policy

Dependents that are subject to a joint custody arrangement will be considered a member of the family, if they live with the applicant or participant family 50 percent or more of the time.

When more than one applicant or participant family is claiming the same dependents as family members, the family with primary custody at the time of the initial examination or reexamination will be able to claim the dependents. If there is a dispute about which family should claim them, NHHFA will make the determination based on available documents such as court orders, school enrollment or an IRS return showing which family has claimed the child for income tax purposes.

3-I.G. Full-Time Student

[24 CFR 5.603; HCV GB, p. 5-29]

A full-time student (FTS) is a person who is attending school or vocational training on a full-time basis. The time commitment or subject load that is needed to be full-time is defined by the educational institution.

Identifying each FTS is important because:

(1) each family member that is an FTS, other than the head, spouse, or cohead, qualifies the family for a dependent allowance, and
(2) the earned income of such an FTS is treated differently from the income of other family members.

3-I.H. Elderly and Near-Elderly Persons, And Elderly Family

[24 CFR 5.100 and 5.403, FR Notice 02/03/12]

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Elderly Persons

An elderly person is a person who is at least 62 years of age.

Near-Elderly Persons

A near-elderly person is a person who is 50-61 years of age.

Elderly Family

An elderly family is one in which the head, spouse, cohead, or sole member is an elderly person. Identifying elderly families is important because elderly families qualify for the elderly family allowance as described in Chapter 6.

3-I.I. Persons with Disabilities and Disabled Family

[24 CFR 5.403, FR Notice 02/03/12]

Persons with Disabilities

Under the HCV program, special rules apply to persons with disabilities and to any family whose head, spouse, or cohead is a person with disabilities. The technical definitions of individual with handicaps and persons with disabilities are provided in Exhibit 3-1 at the end of this chapter. These definitions are used for a number of purposes including ensuring that persons with disabilities are not discriminated against based upon disability.

As discussed in Chapter 2, NHHFA must make all aspects of the HCV program accessible to persons with disabilities and consider reasonable accommodations requested based upon a person's disability.

Disabled Family

A disabled family is one in which the head, spouse, or cohead is a person with disabilities. Identifying disabled families is important because these families qualify for the disabled family allowance as described in Chapter 6.

Even though persons with drug or alcohol dependencies are considered persons with disabilities, this does not prevent NHHFA from denying assistance for reasons related to alcohol and drug abuse in accordance with the policies found in Part III of this chapter, or from terminating assistance in accordance with the policies in Chapter 12.

3-I.J. Guests

[24 CFR 5.100]

A guest is a person temporarily staying in the unit with the consent of a member of the household who has expressed or implied authority to so consent.

NHHFA Policy

A guest can remain in the assisted unit no longer than 14 consecutive days or a total of 30 cumulative calendar days during any 12-month period.

Children who are subject to a joint custody arrangement or for whom a family has visitation privileges, that are not included as a family member because they live outside of the assisted household more than 50 percent of the time, are not subject to the time limitations of guests as described above.

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A family may request an exception to this policy for valid reasons (e.g., care of a relative recovering from a medical procedure is expected to last 40 consecutive days). An exception will not be made unless the family can identify and provide documentation of the residence to which the guest will return.

3-I.K. Foster Children and Foster Adults

[24 CFR 5.603]

Foster children or adults are permitted to live in an assisted unit with the PHA's permission. A PHA refusal to allow a family to have a foster child or foster children may constitute a violation of the familial status provisions of the Fair Housing Act.

A foster adult is a member of the household who is 18 years of age or older and meets the definition of a foster adult under state law. In general, a foster adult is a person who is 18 years of age or older, is unable to live independently due to a debilitating physical or mental condition and is placed with the family by an authorized placement agency or by judgment, decree, or other order of any court of competent jurisdiction.

A foster child is a member of the household who meets the definition of a foster child under state law. In general, a foster child is placed with the family by an authorized placement agency (e.g., public child welfare agency) or by judgment, decree, or other order of any court of competent jurisdiction.

Foster children and foster adults who are living with an applicant or who have been approved by NHHFA to live with a participant family are considered household members but not family members. The income of foster children/adults is not counted in family annual income, and foster children/adults do not qualify for a dependent deduction [24 CFR 5.603; HUD-50058 IB, p. 13].

The administrative plan must include policies concerning residency by a foster child or foster adult, including defining when PHA consent for occupancy by a foster child or foster adult must be given or may be denied [24 CFR 982.54].

NHHFA Policy

A foster child or foster adult may be allowed to reside in the unit if their presence would not result in a violation of space standards as described in Section 8-I.F. of this policy.

Children that are temporarily absent from the home as a result of placement in foster care are discussed in Section 3-I.L.

3-I.L. Absent Family Members

Individuals may be absent from the family, either temporarily or permanently, for a variety of reasons including educational activities, placement in foster care, employment, illness, incarceration, and court order.

Definitions of Temporarily and Permanently Absent

NHHFA Policy

Generally, an individual who is or is expected to be absent from the assisted unit for 180 consecutive days or less is considered temporarily absent and continues to be considered a family member. Generally, an individual who is or is expected to be absent from the assisted unit for more than 180 consecutive days is considered permanently absent and no longer a

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family member. Exceptions to this general policy are discussed below.

Absent Students

NHHFA Policy

When someone who has been considered a family member attends school away from home, the person will continue to be considered a family member unless information becomes available to NHHFA indicating that the student has established a separate household, or the family declares that the student has established a separate household.

Absences Due to Placement in Foster Care

[24 CFR 5.403]
Children temporarily absent from the home as a result of placement in foster care are considered members of the family.

NHHFA Policy

If a child has been placed in foster care, NHHFA will verify with the appropriate agency whether and when the child is expected to be returned to the home. Unless the agency confirms that the child has been permanently removed from the home, the child will be counted as a family member.

Absent Head, Spouse, or Cohead

NHHFA Policy

An employed head, spouse, or cohead absent from the unit more than 180 consecutive days due to employment will continue to be considered a family member.

Family Members Permanently Confined for Medical Reasons [HCV GB, p. 5-22]

If a family member is confined to a nursing home or hospital on a permanent basis, that person is no longer considered a family member and the income of that person is not counted [HCV GB, p. 5-22].

NHHFA Policy

An individual confined to a nursing home or hospital on a permanent basis is not considered a family member.

NHHFA will request verification of the family member's permanent absence from a responsible medical professional. If the responsible medical professional cannot provide a determination, the person will be considered temporarily absent. If the family certifies that the family member is confined on a permanent basis, they may present, and NHHFA will consider, any additional documentation or evidence.

Return of Permanently Absent Family Members

NHHFA Policy

The family must request NHHFA approval for the return of any adult family members that NHHFA previously determined to be permanently absent. The individual is subject to the eligibility and screening requirements discussed elsewhere in this chapter.

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3-I.M. Live-In Aide

A live-in aide is a person who resides with one or more elderly persons, or near-elderly persons, or persons with disabilities, and who: (1) is determined to be essential to the care and well-being of the persons, (2) is not obligated for the support of the persons, and (3) would not be living in the unit except to provide the necessary supportive services [24 CFR 5.403].

NHHFA must approve a live-in aide if needed as a reasonable accommodation in accordance with 24 CFR 8, to make the program accessible to and usable by the family member with disabilities.

The income of a live-in aide is not counted in the calculation of annual income for the family [24 CFR 5.609(b)]. Relatives may be approved as live-in aides if they meet all of the criteria defining a live-in aide. Because live-in aides are not family members, a relative who serves as a live-in aide would not be considered a remaining member of a tenant family.

NHHFA Policy

A family's request for a live-in aide must be made in writing. Written verification will be required from a reliable, knowledgeable professional, such as a doctor, social worker, or case worker, that the live-in aide is essential for the care and well-being of the elderly, near elderly, or disabled family member.

In addition, the family and live-in aide will be required to submit a certification stating that the live-in aide is (1) not obligated for the support of the person(s) needing the care, and (2) would not be living in the unit except to provide the necessary supportive services.

NHHFA will not approve a particular person as a live-in aide, and may withdraw such approval if [24 CFR 982.316(b)]:

- The person commits fraud, bribery or any other corrupt or criminal act in connection with any federal housing program.
- The person commits drug-related criminal activity or violent criminal activity; or
- The person currently owes rent or other amounts to NHHFA or to another NHHFA in connection with Section 8 or public housing assistance under the 1937 Act.

NHHFA will notify the family of its decision in writing within 10 business days of receiving a request for a live-in aide, including all required documentation related to the request.

PART II: Basic Eligibility Criteria

3-II.A. Income Eligibility and Targeting

Income Limits

HUD establishes income limits for all areas of the country and publishes them annually in the Federal Register. They are based upon estimates of median family income with adjustments for family size. The income limits are used to determine eligibility for the program and for income targeting purposes as discussed in this section.

Definitions of the Income Limits [24 CFR 5.603(b)]

Low-income family. A family whose annual income does not exceed 80 percent of the median income for the area, adjusted for family size.

Very low-income family. A family whose annual income does not exceed 50 percent of the median income for the area, adjusted for family size.

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Extremely low-income family. A family whose annual income does not exceed the federal poverty level or 30 percent of the median income for the area, whichever number is higher.

Area median income is determined by HUD, with adjustments for smaller and larger families. HUD may establish income ceilings higher or lower than 30, 50, or 80 percent of the median income for an area if HUD finds that such variations are necessary because of unusually high or low family incomes.

Using Income Limits for Eligibility [24 CFR 982.201 and Notice PIH 2023-27]
Income limits are used for eligibility only at admission. Income eligibility is determined by comparing the annual income of an applicant to the applicable income limit for their family size. Income and net family assets of household members are excluded when determining income eligibility; however, household members are considered for purposes of unit size and subsidy standards. In order to be income eligible, an applicant family must be one of the following:

A very low-income family

A low-income family that has been “continuously assisted” under the 1937 Housing Act. A family is considered to be continuously assisted if the family is already receiving assistance under any 1937 Housing Act program at the time the family is admitted to the HCV program [24 CFR 982.4; 24 CFR 982.201(b)]

NHHFA Policy

NHHFA will consider a family to be continuously assisted if the family was leasing a unit under any 1937 Housing Act program at the time they were selected from NHHFA’s waiting list.

A low-income family that qualifies for voucher assistance as a non-purchasing household living in HOPE 1 (public housing homeownership), HOPE 2 (multifamily housing homeownership) developments, or other HUD-assisted multifamily homeownership programs covered by 24 CFR 248.173

A low-income or moderate-income family that is displaced as a result of the prepayment of a mortgage or voluntary termination of a mortgage insurance contract on eligible low-income housing as defined in 24 CFR 248.101.

HUD permits NHHFA to establish additional categories of low-income families that may be determined eligible. The additional categories must be consistent with NHHFA plan and the consolidated plans for local governments within NHHFA’s jurisdiction.

NHHFA Policy

NHHFA has not established any additional categories of eligible low-income families.

Using Income Limits for Targeting [24 CFR 982.201]

At least 75 percent of the families admitted to NHHFA's program during a PHA fiscal year must be extremely low-income families. HUD may approve exceptions to this requirement if NHHFA demonstrates that it has made all required efforts but has been unable to attract an adequate number of qualified extremely low-income families.

Families continuously assisted under the 1937 Housing Act and families living in eligible low-income housing that are displaced as a result of prepayment of a mortgage or voluntary termination of a mortgage insurance contract are not counted for income targeting purposes.

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3-II.B. Citizenship or eligible immigration status

[24 CFR 5, Subpart E]

Housing assistance is available only to individuals who are U.S. citizens, U.S. nationals (herein referred to as citizens and nationals), or noncitizens that have eligible immigration status. At least one family member must be a citizen, national, or noncitizen with eligible immigration status in order for the family to qualify for any level of assistance.

All applicant families must be notified of the requirement to submit evidence of their citizenship status when they apply.

Declaration [24 CFR 5.508]

HUD requires each family member to declare whether the individual is a citizen, a national, or an eligible noncitizen, except those members who elect not to contend that they have eligible immigration status. Those who elect not to contend their status are considered to be ineligible noncitizens. For citizens, nationals and eligible noncitizens the declaration must be signed personally by the head, spouse, cohead, and any other family member 18 or older, and by a parent or guardian for minors. The family must identify in writing any family members who elect not to contend their immigration status (see Ineligible Noncitizens below). No declaration is required for live-in aides, foster children, or foster adults.

U.S. Citizens and Nationals

U.S. citizens or U.S. nationals (or the parent/guardian for family members under age 18) must sign a declaration of their status, under penalty of perjury. In general, citizens and nationals are required to submit only a signed declaration as verification of their status. However, HUD regulations permit the PHA to request additional documentation of their status, such as a passport. HUD strongly encourages PHAs to require that families provide proof of citizenship by such means as birth certificates, naturalization certificates, passports, or other documentation [HUD Secretary Letter 12/16/25].

NHHFA Policy

Family members who declare citizenship or national status will not be required to provide additional documentation unless NHHFA receives information indicating that an individual's declaration may not be accurate.

Eligible Noncitizens

Eligible noncitizens (or the parent/guardian for family members under age 18) must sign a declaration of their status, under penalty of perjury. In addition to providing a signed declaration, those declaring eligible noncitizen status must sign a verification consent form and cooperate with NHHFA efforts to verify their immigration status as described in Chapter 7. The documentation required for establishing eligible noncitizen status varies depending upon factors such as the date the person entered the U.S., the conditions under which eligible immigration status has been granted, the person's age, and the date on which the family began receiving HUD-funded assistance.

Lawful residents of the Marshall Islands, the Federated States of Micronesia, and Palau, together known as the Freely Associated States, or FAS, are eligible for housing assistance under section 141 of the Compacts of Free Association between the U.S. Government and the Governments of the FAS [Public Law 106-504].

Ineligible Noncitizens

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Those noncitizens who do not wish to contend their immigration status are required to have their names listed on a noncontending family members listing, signed by the head, spouse, or cohead (regardless of citizenship status), indicating their ineligible immigration status. Family members who do not sign a declaration of their status or provide the required supporting documentation will be considered ineligible for housing assistance.

Providing housing assistance to noncitizen students is prohibited [24 CFR 5.522]. This prohibition extends to the noncitizen spouse of a noncitizen student as well as to minor children who accompany or follow to join the noncitizen student. Such prohibition does not extend to the citizen spouse of a noncitizen student or to the children of the citizen spouse and noncitizen student. Such a family is eligible for prorated assistance as a mixed family.

When reviewing applicants for assistance, if a PHA formally makes a finding of fact or conclusion of law, supported by a determination from the Department of Homeland Security (DHS) or the Executive Office of Immigration Review (e.g., a Final Order of Deportation), that an individual is not lawfully present in the United States, then the PHA must provide to DHS a report of the person's name, address, and other identifying information that the PHA has. Note that a SAVE response of no service record or verification of an immigration status that makes the individual ineligible for housing assistance is not a finding of fact or conclusion of law that the individual is not lawfully present. At least four times annually, PHAs must provide such information to DHS. If a PHA has knowledge of an individual who is not lawfully present in the United States, they must provide a report to DHS within 45 days after the close of the appropriate calendar year quarter [HUD Secretary Letter 12/16/25].

Mixed Families

A family is eligible for assistance as long as at least one member is a citizen, national, or eligible noncitizen. Families that include eligible and ineligible individuals are considered mixed families. Such families will be given notice that their assistance will be prorated, and that they may request a hearing if they contest this determination. See Chapter 6 for a discussion of how rents are prorated, and Chapter 16 for a discussion of informal hearing procedures.

Ineligible Families [24 CFR 5.514(d), (e), and (f)]

A PHA may elect to provide assistance to a family before the verification of the eligibility of the individual or one family member [24 CFR 5.512(b)]. Otherwise, no individual or family may be assisted prior to the affirmative establishment by NHHFA that the individual or at least one family member is eligible. Verification of eligibility for this purpose occurs when the individual or family members have submitted documentation to NHHFA in accordance with program requirements [24 CFR 5.512(a)].

NHHFA Policy

NHHFA will not provide assistance to a family before the verification of at least one family member.

When a PHA determines that an applicant family does not include any citizens, nationals, or eligible noncitizens, following the verification process, the family will be sent a written notice within 10 business days of the determination.

The notice will explain the reasons for the denial of assistance, that the family may be eligible for proration of assistance and will advise the family of its right to request an appeal to the United States Citizenship and Immigration Services (USCIS), or to request an informal hearing with NHHFA. The informal hearing with NHHFA may be requested in lieu of the USCIS appeal, or at the conclusion of the USCIS appeal process. The notice must also inform the applicant

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family that assistance may not be delayed until the conclusion of the USCIS appeal process, but that it may be delayed pending the completion of the informal hearing process.

Informal hearing procedures are contained in Chapter 16.

Timeframe for Determination of Citizenship Status [24 CFR 5.508(g)]

For new occupants joining the assisted family, NHHFA must verify status at the first interim or regular reexamination following the person's occupancy, whichever comes first.

If an individual qualifies for a time extension for the submission of required documents, NHHFA must grant such an extension for no more than 30 days [24 CFR 5.508(h)].

Each family member is required to submit evidence of eligible status only one time during continuous occupancy.

NHHFA Policy

NHHFA will verify the citizenship status of applicants at the time other eligibility factors are determined.

3-II.C. Social Security Numbers

[24 CFR 5.216 and 5.218, Notice PIH 2018-24]

The applicant and all members of the applicant's household must disclose the complete and accurate social security number (SSN) assigned to each household member, and the documentation necessary to verify each SSN. If a child under age 6 has been added to an applicant family within 6 months prior to voucher issuance, an otherwise eligible family may be admitted to the program and must disclose and document the child's SSN within 90 days of the effective date of the initial HAP contract. A detailed discussion of acceptable documentation is provided in Chapter 7.

Note: These requirements do not apply to noncitizens who do not contend eligible immigration status.

In addition, each participant who has not previously disclosed an SSN, has previously disclosed an SSN that HUD or the SSA determined was invalid, or has been issued a new SSN must submit their complete and accurate SSN and the documentation required to verify the SSN at the time of the next interim or annual reexamination or recertification. Participants age 62 or older as of January 31, 2010, whose determination of eligibility was begun before January 31, 2010, are exempt from this requirement and remain exempt even if they move to a new assisted unit.

NHHFA must deny assistance to an applicant family if they do not meet the SSN disclosure and documentation requirements contained in 24 CFR 5.216.

3-II.D. Family Consent to Release of Information

[24 CFR 5.232; HCV GB, p. 5-13]

HUD requires that each adult family member, and the head of household, spouse, or cohead, regardless of age, sign form HUD-9886, Authorization for the Release of Information/Privacy Act Notice, the form HUD-52675 Debts Owed to Public Housing Agencies and Terminations, and other consent forms as needed to collect information relevant to the family's eligibility and level of assistance. Chapter 7 provides detailed information concerning the consent forms and verification requirements. The consent form remains effective until the family is denied

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assistance, assistance is terminated, or the family provides written notification to revoke consent.

NHHFA must deny admission to the program if any member of the applicant family fails to sign and submit the consent forms for obtaining information in accordance with 24 CFR 5, Subparts B and F [24 CFR 982.552(b)(3) and 24 CFR 5.232(a)].

However, this does not apply if the applicant or participant, or any member of their family, revokes their consent with respect to the ability of NHHFA to access financial records from financial institutions, unless NHHFA establishes a policy that revocation of consent to access financial records will result in denial or termination of assistance or admission [24 CFR 5.232(c)]

NHHFA Policy

NHHFA has established a policy that revocation of consent to access financial records will result in denial of admission.

3-II.E. Students Enrolled in Institutions of Higher Education

[24 CFR 5.612, FR Notice 4/10/06, FR Notice 9/21/16]

Section 327 of Public Law 109-115 and the implementing regulation at 24 CFR 5.612 established restrictions on the eligibility of certain students (both part- and full-time) who are enrolled in institutions of higher education.

If a student enrolled at an institution of higher education is under the age of 24, is not a veteran, is not married, does not have a dependent child, and is not a person with disabilities receiving HCV assistance as of November 30, 2005, the student's eligibility must be examined along with the income eligibility of the student's parents. In these cases, both the student and the student's parents must be income eligible for the student to receive HCV assistance. If, however, a student in these circumstances is determined independent from their parents in accordance with NHHFA policy, the income of the student's parents will not be considered in determining the student's eligibility.

The law does not apply to students who reside with parents who are applying to receive HCV assistance. It is limited to students who are seeking assistance on their own, separately from their parents.

Definitions

In determining whether and how the eligibility restrictions apply to a student, NHHFA will rely on the following definitions [FR Notice 4/10/06, FR Notice 9/21/16].

Dependent Child

In the context of the student eligibility restrictions, dependent child means a dependent child of a student enrolled in an institution of higher education. The dependent child must also meet the definition of dependent in 24 CFR 5.603, which states that the dependent must be a member of the assisted family, other than the head of household or spouse, who is under 18 years of age, or is a person with a disability, or is a full-time student. Foster children and foster adults are not considered dependents.

Independent Student

NHHFA Policy

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NHHFA will consider a student "independent" from their parents and the parents' income will not be considered when determining the student's eligibility if the following four criteria are all met:

- The individual is of legal contract age under state law.
- The individual has established a household separate from their parents for at least one year prior to application for occupancy or the individual meets the U.S. Department of Education's definition of independent student.

To be considered an independent student according to the Department of Education, a student must meet one or more of the following criteria:

- The individual is at least 24 years old by December 31 of the award year for which aid is sought
- The individual is an orphan, in foster care, or a ward of the court, or was an orphan, in foster care, or ward of the court at any time when the individual was 13 years of age or older
- The individual is, or was immediately prior to attaining the age of majority, an emancipated minor or in legal guardianship as determined by a court of competent jurisdiction in the individual's state of legal residence
- The individual is a veteran of the U.S. Armed Forces or is currently serving on active duty in the Armed Forces for other than training purposes
- The individual is a graduate or professional student
- The individual is married
- The individual has one or more legal dependents other than a spouse (for example, dependent children or an elderly dependent parent
- The individual has been verified during the school year in which the application is submitted as either an unaccompanied youth who is a homeless child or youth, or as unaccompanied, at risk of homelessness, and self-supporting by:
- A local educational agency homeless liaison
- The director of a program funded under subtitle B of title IV of the McKinney-Vento Homeless Assistance Act or a designee of the director
- A financial aid administrator
- The individual is a student for whom a financial aid administrator makes a documented determination of independence by reason of other unusual circumstances
- The individual was not claimed as a dependent by their parents pursuant to IRS regulations, as demonstrated on the parents' most recent tax forms.
- The individual provides a certification of the amount of financial assistance that will be provided by their parents. This certification must be signed by the individual providing the support and must be submitted even if no assistance is being provided.

If NHHFA determines that an individual meets the definition of a vulnerable youth such a determination is all that is necessary to determine that the person is an independent student for the purposes of using only the student's income for determining eligibility for assistance.

NHHFA will verify that a student meets the above criteria in accordance with the policies in Section 7-II.E.

Institution of Higher Education

NHHFA will use the statutory definition under section 102 of the Higher Education Act of 1965 to determine whether a student is attending an institution of higher education (see Exhibit 3-2).

Parents

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NHHFA Policy

For purposes of student eligibility restrictions, the definition of parents includes biological or adoptive parents, stepparents (as long as they are currently married to the biological or adoptive parent), and guardians (e.g., grandparents, aunt/uncle, godparents, etc).

Person with Disabilities

NHHFA will use the statutory definition under section 3(b)(3)(E) of the 1937 Act to determine whether a student is a person with disabilities (see Exhibit 3-1).

Veteran

NHHFA Policy

A veteran is a person who served in the active military, naval, or air service and who was discharged or released from such service under conditions other than dishonorable.

Vulnerable Youth

NHHFA Policy

A vulnerable youth is an individual who meets the U.S. Department of Education's definition of independent student in paragraphs (b), (c), or (h), as adopted in Section II of FR Notice 9/21/16:

- The individual is an orphan, in foster care, or a ward of the court, or was an orphan, in foster care, or ward of the court at any time when the individual was 13 years of age or older
- The individual is, or was immediately prior to attaining the age of majority, an emancipated minor or in legal guardianship as determined by a court of competent jurisdiction in the individual's state of legal residence
- The individual has been verified during the school year in which the application is submitted as either an unaccompanied youth who is a homeless child or youth, or as unaccompanied, at risk of homelessness, and self-supporting by:
- A local educational agency homeless liaison
- The director of a program funded under subtitle B of title IV of the McKinney-Vento Homeless Assistance Act or a designee of the director
- A financial aid administrator

Determining Student Eligibility

If a student is applying for assistance on their own, apart from their parents, NHHFA must determine whether the student is subject to the eligibility restrictions contained in 24 CFR 5.612. If the student is subject to those restrictions, NHHFA must ensure that: (1) the student is individually eligible for the program, (2) either the student is independent from their parents or the student's parents are income eligible for the program, and (3) the "family" with which the student is applying is collectively eligible for the program.

NHHFA Policy

For any student who is subject to the 5.612 restrictions, NHHFA will:

- Follow its usual policies in determining whether the student individually and the student's "family" collectively are eligible for the program

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- Determine whether the student is independent from their parents in accordance with the definition of independent student in this section
- Follow the policies below, if applicable, in determining whether the student's parents are income eligible for the program

If NHHFA determines that the student, the student's parents (if applicable), or the student's "family" is not eligible, NHHFA will send a notice of denial in accordance with the policies in Section 3-III.F, and the applicant family will have the right to request an informal review in accordance with the policies in Section 16-III.B.

Determining Parental Income Eligibility

NHHFA Policy

For any student who is subject to the 5.612 restrictions and who does not satisfy the definition of independent student in this section, NHHFA will determine the income eligibility of the student's parents as follows:

- If the student's parents are married and living together, NHHFA will obtain a joint income declaration and certification of joint income from the parents.
- If the student's parent is widowed or single, NHHFA will obtain an income declaration and certification of income from that parent.
- If the student's parents are divorced or separated, NHHFA will obtain an income declaration and certification of income from each parent.
- If the student has been living with one of their parents and has not had contact with or does not know where to contact their other parent, NHHFA will require the student to submit a certification under penalty of perjury describing the circumstances and stating that the student does not receive financial assistance from the other parent. NHHFA will then obtain an income declaration and certification of income from the parent with whom the student has been living or had contact.

In determining the income eligibility of the student's parents, NHHFA will use the income limits for the jurisdiction in which the parents live.

3-II.F. EIV System Searches

[EIV FAQs; EIV System Training 9/30/20; and Notice PIH 2023-27]

Existing Tenant Search

Prior to admission to the program, NHHFA must search for all household members using the EIV Existing Tenant Search module. NHHFA must review the reports for any SSA matches involving another NHHFA or a multifamily entity and follow up on any issues identified. NHHFA must provide the family with a copy of the Existing Tenant Search results if requested. At no time may any family member receive duplicative assistance.

If the tenant is a new admission to NHHFA, and a match is identified at a multifamily property, NHHFA must report the program admission date to the multifamily property and document the notification in the tenant file. The family must provide documentation of move-out from the assisted unit, as applicable.

NHHFA Policy

NHHFA will contact the other NHHFA, or owner identified in the report to confirm that the family has moved out of the unit and obtain documentation of current tenancy status, including a form

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HUD-50058 or 50059, as applicable, showing an end of participation. NHHFA will only approve assistance contingent upon the move-out from the currently occupied assisted unit.

Debts Owed to NHHFA and Terminations

All adult household members must sign the form HUD-52675 Debts Owed to Public Housing and Terminations. Prior to admission to the program, NHHFA must search for each adult family member in the Debts Owed to NHHFA and Terminations module.

If a current or former tenant disputes the information in the module, the tenant should contact NHHFA directly in writing to dispute the information and provide any documentation that supports the dispute. If NHHFA determines that the disputed information is incorrect, NHHFA will update or delete the record from EIV. Former tenants may dispute debt and termination information for a period of up to three years from the end of participation date in the program.

NHHFA Policy

NHHFA will require each adult household member to sign the form HUD-52675 once at the eligibility determination. Any new members added to the household after admission will be required to sign the form HUD-52675 prior to being added to the household.

NHHFA will search the Debts Owed to NHHFA and Terminations module as part of the eligibility determination for new households and as part of the screening process for any household members added after the household is admitted to the program. If any information on debts or terminations is returned by the search, NHHFA will determine if this information warrants a denial in accordance with the policies in Part III of this chapter.

Income and Income Validation Tool (IVT) Reports

For each new admission, NHHFA is required to review the EIV Income and IVT Reports to confirm and validate family reported income within 120 days of the IMS/PIC submission date of the new admission. NHHFA must print and maintain copies of the EIV Income and IVT reports in the tenant file and resolve any discrepancies with the family within 60 days of the EIV Income or IVT report dates.

Part III: Denial Of Assistance

3-III.A. Overview

A family that does not meet the eligibility criteria discussed in Parts I and II, must be denied assistance. A PHA may deny assistance for an applicant because of the family's action or failure to act as described in 24 CFR 982.552 or 982.553. In this section we will discuss other situations and circumstances in which denial of assistance is mandatory for NHHFA, and those in which denial of assistance is optional for NHHFA.

The regulations state that NHHFA must prohibit admission for certain types of criminal activity and give NHHFA the option to deny other types of previous criminal history. HUD does not require the adoption of "One Strike" policies PHA's should safeguard the due process rights of applicants and tenants [Notice PIH 2015-19].

Forms of Denial [24 CFR 982.552(a)(2); HCV GB, p. 5-35]

Denial of assistance includes any of the following:

- Not placing the family's name on the waiting list
- Denying or withdrawing a voucher

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- Not approving a request for tenancy or refusing to enter into a HAP contract
- Refusing to process a request for or to provide assistance under portability procedures

Prohibited Reasons for Denial of Program Assistance

[24 CFR 982.202(b), 24 CFR 5.2005(b)]

HUD rules prohibit denial of program assistance to the program based on any of the following criteria:

- Age, disability, race, color, religion, sex, or national origin (See Chapter 2 for additional information about fair housing and equal opportunity requirements.)
- Where a family lives prior to admission to the program
- Where the family will live with assistance under the program. Although eligibility is not affected by where the family will live, there may be restrictions on the family's ability to move outside NHHFA's jurisdiction under portability. (See Chapter 10.)
- Whether members of the family are unwed parents, recipients of public assistance, or children born out of wedlock
- Whether the family includes children
- Whether a family decides to participate in a family self-sufficiency program
- Whether or not a qualified applicant is or has been a victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking if the applicant is otherwise qualified for assistance (See section 3-III.G.)

3-III.B. Mandatory Denial of Assistance

[24 CFR 982.553(a) and 24 CFR 982.552(b)(6)]

HUD requires NHHFA to deny assistance in the following cases:

- Any member of the household has been evicted from federally assisted housing in the last three years for drug-related criminal activity. HUD permits, but does not require, NHHFA to admit an otherwise-eligible family if the household member has completed an approved drug rehabilitation program or the circumstances which led to eviction no longer exist (e.g., the person involved in the criminal activity no longer lives in the household).
- Any household member has ever been convicted of drug-related criminal activity for the production or manufacture of methamphetamine on the premises of federally assisted housing.
- Any household member is subject to a lifetime registration requirement under a state sex offender registration program.
- Any member of the family fails to sign and submit consent forms for obtaining information.
- The family does not meet the restrictions on net assets and real property ownership as required by 24 CFR 5.618.

NHHFA Policy

NHHFA will not admit an otherwise-eligible family who was evicted from federally assisted housing within the past three years for drug-related criminal activity if NHHFA is able to verify that the household member who engaged in the criminal activity has completed a supervised drug rehabilitation program approved by NHHFA, or the person who committed the crime, is no

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longer living in the household.

If NHHFA has reasonable cause to believe that any household member's current use or pattern of use of illegal drugs, or current abuse or pattern of abuse of alcohol, may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents.

In determining reasonable cause, NHHFA will consider any record of convictions of household members related to the use of illegal drugs or the abuse of alcohol. NHHFA will also consider evidence from treatment providers or community-based organizations providing services to household members.

3-III.C. Restriction on Assistance Based on Assets

[24 CFR 5.618]

There are two circumstances under which a family is ineligible to receive assistance based on asset ownership.

First, assistance may not be provided to any family if the family's net assets exceed $100,000 (adjusted annually by HUD).

- This amount is listed in HUD's current year Inflation-Adjusted Values tables

Second, the family has real property that is suitable for occupancy by the family as a residence and the family has:

- A present ownership interest in the real property; and
- A legal right to reside in the real property; and
- The effective legal authority to sell (based on state or local laws of the jurisdiction where the property is located) the real property.

However, the real property restriction does not apply in the following circumstances:

- Any property for which the family is receiving assistance for a manufactured home under 24 CFR 982.620 or under the HCV Homeownership program;
- Any property that is jointly owned by a member of the family and at least one non-household member who does not live with the family, if the non-household member resides at the jointly owned property.
- Any family that is offering the property for sale; or
- Any person who is a victim of domestic violence, dating violence, sexual assault, or stalking.
- When a family asks for an exception because a family member is a victim of domestic violence, dating violence, sexual assault, or stalking, NHHFA must comply with all the confidentiality requirements under VAWA. NHHFA must accept a self-certification from the family member, and the restrictions on requesting documentation under VAWA apply.

A property is considered suitable for occupancy unless the family demonstrates that it:

- Does not meet the disability-related needs for all members of the family (e.g., physical accessibility requirements, disability-related need for additional bedrooms, proximity to accessible transportation, etc.).
- Is not sufficient for the size of the family.

NHHFA Policy

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- NHHFA defines not sufficient for the size of the family as being overcrowded based on space standards in Chapter 8 of this policy.
- Is geographically located so as to be a hardship for the family (e.g., the distance or commuting time between the property and the family's place of work or school would be a hardship to the family, as determined by NHHFA or owner);
- Is not safe to reside in because of the physical condition of the property (e.g., property's physical condition poses a risk to the family's health and safety and the condition of the property cannot be easily remedied); or
- Is not a property that a family may reside in under the state or local laws of the jurisdiction where the property is located.

3-III.D. Other Permitted Reasons for Denial of Assistance

HUD permits, but does not require, NHHFA to deny assistance for the reasons discussed in this section.

Criminal Activity

[24 CFR 982.553]
HUD permits, but does not require, NHHFA to deny assistance if NHHFA determines that any household member is currently engaged in or has engaged in during a reasonable time before the family would receive assistance, certain types of criminal activity.

NHHFA Policy

NHHFA may deny admission or terminate assistance to anyone if it is determined, based on information provided in a criminal record report, court record or other credible information, that a household member has been convicted of any of the following violent criminal acts occurring within 15 years of the request for admission or continued assistance. NHHFA will use the arrest date when determining eligibility for any of the following offenses:

- Homicide, including, but not limited to Capital murder, first degree murder, second degree murder, or Manslaughter as defined in NH RSA 630.
- Offenders who commit sexual offenses against children, where the victim is under the age of 18, including, but not limited to aggravated sexual assault, felonious sexual assault or sexual assault as defined in NH RSA 651-B:1, VII.

Drug Related Criminal Activity

Use or Possession of a Controlled Substance

Applicants may be denied assistance for the use or possession of a controlled substance, if such use or possession, as evidenced by conviction, occurred within one year from the date that NHHFA provides notice to deny participation. NHHFA will use the arrest date when determining eligibility but will only deny assistance based on a conviction. This prohibition includes the use of medical marijuana which is permitted in some states but is prohibited by Federal law.

Manufacture or Sale of a Controlled Substance

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- An applicant or participant may be denied or terminated if the drug related criminal activity included the intent to manufacture, sell or distribute a controlled substance within the past five years of the notice to deny or terminate. NHHFA will use the arrest date to determine eligibility but will only deny or terminate assistance based on a conviction.
- For applicants, NHHFA may, at its sole discretion, waive the prohibition on participation by a person who has been convicted of a drug related criminal act which included the intent to manufacture, sell or distribute a controlled substance, if there has not been any drug related criminal activity which included the intent to manufacture, sell or distribute a controlled substance in the three years prior to application for assistance and either of the following conditions are met:
    - The applicant can demonstrate by a preponderance of the evidence that the drug related criminal act was an isolated incident and there is no pattern of drug related behavior; or
    - The applicant is under parole or probation supervision and the relevant parole or probation authority requests that the applicant be provided assistance as a part of that rehabilitation/supervision program.

NHHFA will review whether the household's record of drug related criminal behavior poses a direct threat to other participants and in considering requests for reasonable accommodation, will consider whether there is a link between the disability and the criminal behavior. If NHHFA determines that there is a link between the disability and the criminal behavior, it will look at whether or not the behavior is now under control, by medication or some other method.

Violent Criminal Activity

Violent criminal activity, defined by HUD as any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage [24 CFR 5.100];

- Criminal activity that may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents or persons residing in the immediate vicinity.
- Immediate vicinity means within a three-block radius of the premises.
- Criminal sexual conduct, including but not limited to sexual assault, incest, open and gross lewdness, or child abuse; or
- Criminal activity that may threaten the health or safety of property owners, management staff, and persons performing contract administration functions or other responsibilities on behalf of NHHFA (including a PHA employee or a PHA contractor, subcontractor, or agent). Which includes rape, robbery, burglary, arson or kidnapping in the last five years.
- Evidence of such criminal activity includes but is not limited to: Any conviction for violent criminal activity within the past three years.

In making its decision to deny assistance, NHHFA will consider the factors discussed in Section 3-III.F and 3-III.G. Upon consideration of such factors, NHHFA may, on a case-by-case basis, decide not to deny assistance.

Previous Behavior in Assisted Housing [24 CFR 982.552(c)]

HUD authorizes NHHFA to deny assistance based on the family's previous behavior in assisted

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housing.

PHAs are not permitted to deny assistance to a family because the family previously failed to meet its obligations under the Family Self-Sufficiency (FSS) program [24 CFR 984.101(d)].

NHHFA Policy

NHHFA will deny assistance to an applicant family if:

- The family does not provide information that NHHFA or HUD determines is necessary in the administration of the program.
- The family does not provide complete and true information to NHHFA.
- Any family member has been evicted from federally assisted housing in the last three years.
- Any family member has committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program.
- The family owes rent or other amounts to any NHHFA in connection with Section 8 or other public housing assistance under the 1937 Act, unless the family repays the full amount of the debt prior to being selected from the waiting list.
- If the family has not reimbursed any NHHFA for amounts NHHFA paid to an owner under a HAP contract for rent, damages to the unit, or other amounts owed by the family under the lease, unless the family repays the full amount of the debt prior to being selected from the waiting list.
- The family has breached the terms of a repayment agreement entered into with NHHFA, unless the family repays the full amount of the debt covered in the repayment agreement prior to being selected from the waiting list.
- When denying admission due to family debts as shown in HUD's EIV system, NHHFA will provide the family with a copy of the EIV Debt Owed to NHHFA and Termination report.
- If the family wishes to dispute the information in the report, the family must contact the PHA that entered the information in EIV in writing, explaining why EIV information is disputed. The family must also provide a copy of the letter and all applicable verification to NHHFA to support the family's claim. NHHFA will consider the information provided by the family prior to issuing a notice of denial.
- A family member has engaged in or threatened violent or abusive behavior toward NHHFA personnel.
- Abusive or violent behavior towards NHHFA personnel includes verbal as well as physical abuse or violence. Use of racial epithets, or other language, written or oral, that is customarily used to intimidate may be considered abusive or violent behavior.
- Threatening refers to oral or written threats or physical gestures that communicate intent to abuse or commit violence.

In making its decision to deny assistance, NHHFA will consider the factors discussed in Section 3-III.F and 3-III.G. Upon consideration of such factors, NHHFA may, on a case-by-case basis, decide not to deny assistance.

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3-III.E. Screening

Screening for Eligibility

PHAs are authorized to obtain criminal conviction records from law enforcement agencies to screen applicants for admission to the HCV program. This authority assists NHHFA in complying with HUD requirements and NHHFA policies to deny assistance to applicants who are engaging in or have engaged in certain criminal activities. In order to obtain access to the records NHHFA must require every applicant family to submit a consent form signed by each adult household member [24 CFR 5.903].

NHHFA Policy

NHHFA will perform a criminal background check through the state of NH for participants who have only lived in NH, for every adult household member. For participants or adult household members that have lived out of state in the last 7 years NHHFA will use an online service to obtain that information.

While a PHA has regulatory authority to use criminal conviction records for the purpose of applicant screening for admission, there is no corresponding authority to use these records to check for criminal and illegal drug activity by participants, and therefore, NHHFA may not use records for this purpose.

PHAs are required to perform criminal background checks necessary to determine whether any household member is subject to a lifetime registration requirement under a state sex offender program in the state where the housing is located, as well as in any other state where a household member is known to have resided [24 CFR 982.553(a)(2)(i)].

NHHFA Policy

NHHFA will use the Dru Sjodin National Sex Offender database to screen applicants for admission.

Additionally, NHHFA must ask whether the applicant, or any member of the applicant's household, is subject to a lifetime registered sex offender registration requirement in any state [Notice PIH 2012-28].

If NHHFA proposes to deny assistance based on a criminal record or on lifetime sex offender registration information, NHHFA must notify the household of the proposed action and must provide the subject of the record and the applicant a copy of the record and an opportunity to dispute the accuracy and relevance of the information prior to a denial of admission. [24 CFR 5.903(f) and 5.905(d)].

Screening for Suitability as a Tenant [24 CFR 982.307]

NHHFA has no liability or responsibility to the owner for the family's behavior or suitability for tenancy.

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NHHFA Policy

NHHFA will not conduct additional screening to determine an applicant family's suitability for tenancy.

The owner is responsible for screening and selection of the family to occupy the owner's unit. NHHFA must inform the owner that screening and selection for tenancy is the responsibility of the owner. An owner may consider a family's history with respect to factors such as: payment of rent and utilities, caring for a unit and premises, respecting the rights of other residents to the peaceful enjoyment of their housing, criminal activity that is a threat to the health, safety or property of others, and compliance with other essential conditions of tenancy.

HUD requires NHHFA to provide prospective owners with the family's current and prior address (as shown in NHHFA records) and the name and address (if known) of the owner at the family's current and prior addresses. HUD permits NHHFA to provide owners with additional information, as long as families are notified that the information will be provided, and the same type of information is provided to all owners.

NHHFA may not disclose to the owner any confidential information provided to NHHFA by the family in response to a PHA request for documentation of domestic violence, dating violence, sexual assault, stalking, or human trafficking, except at the written request or with the written consent of the individual providing the documentation [see 24 CFR 5.2007(a)(4)].

NHHFA Policy

NHHFA will inform owners of their responsibility to screen prospective tenants and will provide owners with the required known name and address information, at the time of the initial inspection or before. NHHFA will not provide any additional information to the owner, such as tenancy history or criminal history, etc.

3-III.F. Criteria for Deciding to Deny Assistance

Evidence [24 CFR 982.553(c)]

NHHFA Policy

NHHFA will convictions as the standard for making all admission decisions.

Consideration of Circumstances [24 CFR 982.552(c)(2)]

HUD authorizes NHHFA to consider all relevant circumstances when deciding whether to deny assistance based on a family's past history except in the situations for which denial of assistance is mandatory (see Section 3-III.B).

NHHFA Policy

NHHFA will consider the following facts and circumstances prior to making its decision:

- The seriousness of the case, especially with respect to how it would affect other residents' safety or property
- The effects that denial of assistance may have on other members of the family who were not involved in the action or failure to act

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- The extent of participation or culpability of individual family members, including whether the culpable family member is a person with disabilities, or (as discussed further in section 3-III.H.) a victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking

Removal of a Family Member's Name from the Application

Should NHHFA's screening process reveal that an applicant's household includes an individual subject to state lifetime registered sex offender registration, NHHFA must offer the family the opportunity to remove the ineligible family member from the household. If the family is unwilling to remove that individual from the household, NHHFA must deny admission to the family [Notice PIH 2012-28].

For other criminal activity, NHHFA may permit the family to exclude the culpable family members as a condition of eligibility. [24 CFR 982.552(c)(2)(ii)].

NHHFA Policy

As a condition of receiving assistance, a family may agree to remove the culpable family member from the application. In such instances, the head of household must certify that the family member will not be permitted to visit, stay as a guest, or reside in the assisted unit. After admission to the program, the family must present evidence of the former family member's current address upon NHHFA request.

Reasonable Accommodation [24 CFR 982.552(c)(2)(iv)]

If the family includes a person with disabilities, NHHFA's decision concerning denial of admission is subject to consideration of reasonable accommodation in accordance with 24 CFR Part 8.

NHHFA Policy

If the family indicates that the behavior of a family member with a disability is the reason for the proposed denial of assistance, NHHFA will determine whether the behavior is related to the stated disability. If so, upon the family's request, NHHFA will determine whether admitting the family as a reasonable accommodation is appropriate. NHHFA will only consider accommodations that can reasonably be expected to address the behavior that is the basis of the proposed denial of assistance. See Chapter 2 for a discussion of reasonable accommodation.

3-III.G. Notice of Eligibility or Denial

If the family is eligible for assistance, NHHFA will notify the family in writing and schedule a tenant briefing, as discussed in Chapter 5.

If NHHFA determines that a family is not eligible for the program for any reason, the family must be notified promptly. The notice must describe: (1) the reasons for which assistance has been denied, (2) the family's right to an informal review, and (3) the process for obtaining the informal review [24 CFR 982.554 (a)]. See Chapter 16, for informal review policies and procedures.

NHHFA Policy

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The family will be notified of a decision to deny assistance in writing within 10 business days of the determination.

If a PHA uses a criminal record or sex offender registration information obtained under 24 CFR 5, Subpart J, as the basis of a denial, a copy of the record must precede the notice to deny, with an opportunity for the applicant to dispute the accuracy and relevance of the information before NHHFA can move to deny the application. In addition, a copy of the record must be provided to the subject of the record [24 CFR 5.903(f) and 5.905(d)]. NHHFA must give the family an opportunity to dispute the accuracy and relevance of that record, in the informal review process in accordance with program requirements [24 CFR 982.553(d)].

NHHFA Policy

If based on a criminal record or sex offender registration information, an applicant family appears to be ineligible NHHFA will notify the family in writing of the proposed denial and provide a copy of the record to the applicant and to the subject of the record. The family will be given 10 business days to dispute the accuracy and relevance of the information. If the family does not contact NHHFA to dispute the information within that 10-day period, NHHFA will proceed with issuing the notice of denial of admission. A family that does not exercise their right to dispute the accuracy of the information prior to issuance of the official denial letter will still be given the opportunity to do so as part of the informal review process.

Notice requirements related to denying assistance to noncitizens are contained in Section 3-II.B. Notice policies related to denying admission to applicants who may be victims of domestic violence, dating violence, sexual assault, stalking, or human trafficking are contained in Section 3-III.H.

3-III.H. Prohibition Against Denial of Assistance to Victims of Domestic Violence, Dating Violence, Sexual Assault, Stalking, And Human Trafficking

The Violence against Women Act (VAWA) and the HUD regulation at 24 CFR 5.2005(b) prohibit NHHFA from denying an applicant admission to the HCV program on the basis or as a direct result of the fact that the applicant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking, if the applicant otherwise qualifies for assistance or admission.

Although the VAWA 2022 statute does not specifically include human trafficking in the list of victims protected under VAWA, in 2022 HUD began including human trafficking as part of the list of victims protected under VAWA (as seen in Notices PIH 2022-06, PIH 2022-22, and PIH 2022-24). In the absence of a final rule implementing VAWA 2022 and to mirror HUD's recent usage, this policy includes human trafficking in addition to domestic violence, dating violence, sexual assault, and stalking anywhere such a list appears.

Definitions of key terms used in VAWA are provided in section 16-IX of this plan, where general VAWA requirements and policies pertaining to notification, documentation, and confidentiality are also located.

Notification

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VAWA requires NHHFA to provide applicants who are denied assistance with a VAWA Notice of Occupancy Rights (form HUD–5380) and a domestic violence certification form (HUD-5382) at the time the applicant is denied.

NHHFA Policy

NHHFA acknowledges that a victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking may have an unfavorable history (e.g., a poor credit history, poor rental history, a record of previous damage to an apartment, a prior arrest record) due to adverse factors that would warrant denial under NHHFA's policies.

While NHHFA is not required to identify whether adverse factors that resulted in the applicant's denial are a result of domestic violence, dating violence, sexual assault, stalking, or human trafficking, the applicant may inform NHHFA that their status as a victim is directly related to the grounds for the denial. NHHFA will request that the applicant provide enough information to NHHFA to allow NHHFA to make an objectively reasonable determination, based on all circumstances, whether the adverse factor is a direct result of their status as a victim.

NHHFA will include in its notice of denial the VAWA information described in section 16-IX.C of this plan as well as including a copy of the form HUD-5382. NHHFA will request in writing that an applicant wishing to claim protection under VAWA notify NHHFA within 14 business days.

Documentation

Victim Documentation [24 CFR 5.2007]

NHHFA Policy

If an applicant claims the protection against denial of assistance that VAWA provides to victims of domestic violence, dating violence, sexual assault, stalking, or human trafficking, NHHFA will request in writing that the applicant provide documentation supporting the claim in accordance with section 16-IX. D of this plan.

Perpetrator Documentation

NHHFA Policy

If the perpetrator of the abuse is a member of the applicant family, the applicant must provide additional documentation consisting of one of the following:

- A signed statement (1) requesting that the perpetrator be removed from the application and (2) certifying that the perpetrator will not be permitted to visit or to stay as a guest in the assisted unit
- Documentation that the perpetrator has successfully completed, or is successfully undergoing, rehabilitation or treatment. The documentation must be signed by an employee or agent of a domestic violence service provider or by a medical or other knowledgeable professional from whom the perpetrator has sought or is receiving assistance in addressing the abuse. The signer must attest under penalty of perjury to their belief that the rehabilitation was successfully completed or is progressing

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successfully. The victim and perpetrator must also sign or attest to the documentation.

EXHIBIT 3-1: Detailed Definitions Related to Disabilities

Person with Disabilities [24 CFR 5.403]

The term person with disabilities means a person who has any of the following types of conditions:

- Has a disability, as defined in 42 U.S.C. Section 423(d)(1)(A), which reads:
- Inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death, or which has lasted or can be expected to last for a continuous period of not less than 12 months; or
- In the case of an individual who has attained the age of 55 and is blind (within the meaning of "blindness" as defined in section 416(i)(1) of this title), inability by reason of such blindness to engage in substantial gainful activity, requiring skills or ability comparable to those of any gainful activity in which he has previously engaged with some regularity and over a substantial period of time.
- Has a developmental disability as defined in the Developmental Disabilities Assistance and Bill of Rights Act of 2000 [42 U.S.C.15002(8)], which defines developmental disability in functional terms as follows:

  (A) In General

  The term "developmental disability" means a severe, chronic disability of an individual that:

  (i) is attributable to a mental or physical impairment or combination of mental and physical impairments.

  (ii) is manifested before the individual attains age 22.

  (iii) is likely to continue indefinitely.

  (iv) results in substantial functional limitations in 3 or more of the following areas of major life activity: (I) Self-care, (II) Receptive and expressive language, (III) Learning, (IV) Mobility, (V) Self-direction, (VI) Capacity for independent living, (VII) Economic self-sufficiency; and

  (v) reflects the individual's need for a combination and sequence of special, interdisciplinary, or generic services, individualized supports, or other forms of assistance that are of lifelong or extended duration and are individually planned and coordinated.

  (B) Infants and Young Children

  An individual from birth to age 9, inclusive, who has a substantial developmental delay or specific congenital or acquired condition, may be considered to have a developmental disability without meeting 3 or more of the criteria described in clauses (i) through (v) of subparagraph (A) if the individual, without services and supports, has a high probability of meeting those criteria later in life.
- Has a physical, mental, or emotional impairment that is expected to be of long continued and indefinite duration; substantially impedes their ability to live independently and is of

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such a nature that the ability to live independently could be improved by more suitable housing conditions.

- People with the acquired immunodeficiency syndrome (AIDS) or any conditions arising from the etiologic agent for AIDS are not excluded from this definition.
- A person whose disability is based solely on any drug or alcohol dependence does not qualify as a person with disabilities for the purposes of this program.
- For purposes of reasonable accommodation and program accessibility for persons with disabilities, the term person with disabilities refers to an individual with handicaps.

Individual with Handicaps [24 CFR 8.3]

Individual with handicaps means any person who has a physical or mental impairment that substantially limits one or more major life activities; has a record of such an impairment; or is regarded as having such an impairment. The term does not include any individual who is an alcoholic or drug abuser whose current use of alcohol or drugs prevents the individual from participating in the program or activity in question, or whose participation, by reason of such current alcohol or drug abuse, would constitute a direct threat to property or the safety of others.

As used in this definition, the phrase:

(1) Physical or mental impairment includes:

(a) Any physiological disorder or condition, cosmetic disfigurement, or anatomical loss affecting one or more of the following body systems: neurological; musculoskeletal; special sense organs; respiratory, including speech organs; cardiovascular; reproductive; digestive; genito-urinary; hemic and lymphatic; skin; and endocrine; or

(b) Any mental or psychological disorder, such as mental retardation, organic brain syndrome, emotional or mental illness, and specific learning disabilities. The term physical or mental impairment includes, but is not limited to, such diseases and conditions as orthopedic, visual, speech and hearing impairments, cerebral palsy, autism, epilepsy, muscular dystrophy, multiple sclerosis, cancer, heart disease, diabetes, mental retardation, emotional illness, drug addiction and alcoholism.

(2) Major life activities means functions such as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning and working.

(3) Has a record of such an impairment means has a history of, or has been misclassified as having, a mental or physical impairment that substantially limits one or more major life activities.

(4) Is regarded as having an impairment means:

(a) Has a physical or mental impairment that does not substantially limit one or more major life activities but that is treated by a recipient as constituting such a limitation.

(b) Has a physical or mental impairment that substantially limits one or more major life activities only as a result of the attitudes of others toward such impairment; or

(c) Has none of the impairments defined in paragraph (1) of this section but is treated by a recipient as having such an impairment.

EXHIBIT 3-2: Definition Of Institution of Higher Education [20 U.S.C. 1001 and 1002]

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Eligibility of Students for Assisted Housing Under Section 8 of the U.S. Housing Act of 1937; Supplementary Guidance; Notice [Federal Register, April 10, 2006]

Institution of Higher Education shall have the meaning given this term in the Higher Education Act of 1965 in 20 U.S.C. 1001 and 1002.

Definition of ‘‘Institution of Higher Education’’ From 20 U.S.C. 1001

(a) Institution of higher education. For purposes of this chapter, other than subchapter IV and part C of subchapter I of chapter 34 of Title 42, the term ‘‘institution of higher education’’ means an educational institution in any State that

(1) Admits as regular students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such a certificate.
(2) Is legally authorized within such State to provide a program of education beyond secondary education.
(3) Provides an educational program for which the institution awards a bachelor’s degree or provides not less than a 2-year program that is acceptable for full credit toward such a degree.
(4) Is a public or other nonprofit institution; and
(5) Is accredited by a nationally recognized accrediting agency or association, or if not so accredited, is an institution that has been granted pre accreditation status by such an agency or association that has been recognized by the Secretary for the granting of pre accreditation status, and the Secretary has determined that there is satisfactory assurance that the institution will meet the accreditation standards of such an agency or association within a reasonable time.

(b) Additional institutions included. For purposes of this chapter, other than subchapter IV and part C of subchapter I of chapter 34 of Title 42, the term ‘‘institution of higher education’’ also includes—

(1) Any school that provides not less than a 1-year program of training to prepare students for gainful employment in a recognized occupation and that meets the provision of paragraphs (1), (2), (4), and (5) of subsection (a) of this section; and
(2) A public or nonprofit private educational institution in any State that, in lieu of the requirement in subsection (a)(1) of this section, admits as regular students’ persons who are beyond the age of compulsory school attendance in the State in which the institution is located.

(c) List of accrediting agencies. For purposes of this section and section 1002 of this title, the Secretary shall publish a list of nationally recognized accrediting agencies or associations that the Secretary determines, pursuant to subpart 2 of part G of subchapter IV of this chapter, to be reliable authority as to the quality of the education or training offered.

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Definition of ‘‘Institution of Higher Education’’ From 20 U.S.C. 1002

(a) Definition of institution of higher education for purposes of student assistance programs

(1) Inclusion of additional institutions. Subject to paragraphs (2) through (4) of this subsection, the term ‘‘institution of higher education’’ for purposes of subchapter IV of this chapter and part C of subchapter I of chapter 34 of title 42 includes, in addition to the institutions covered by the definition in section 1001 of this title—

(A) A proprietary institution of higher education (as defined in subsection (b) of this section);

(B) A postsecondary vocational institution (as defined in subsection (c) of this section); and

(C) Only for the purposes of part B of subchapter IV of this chapter, an institution outside the United States that is comparable to an institution of higher education as defined in section 1001 of this title and that has been approved by the Secretary for the purpose of part B of subchapter IV of this chapter.

(2) Institutions outside the United States

(A) In general. For the purpose of qualifying as an institution under paragraph (1)(C), the Secretary shall establish criteria by regulation for the approval of institutions outside the United States and for the determination that such institutions are comparable to an institution of higher education as defined in section 1001 of this title (except that a graduate medical school, or a veterinary school, located outside the United States shall not be required to meet the requirements of section 1001 (a)(4) of this title). Such criteria shall include a requirement that a student attending such school outside the United States is ineligible for loans made, insured, or guaranteed under part B of subchapter IV of this chapter unless—

i. In the case of a graduate medical school located outside the United States—

(ii) (I)(aa) At least 60 percent of those enrolled in, and at least 60 percent of the graduates of, the graduate medical school outside the United States were not persons described in section 1091(a)(5) of this title in the year preceding the year for which a student is seeking a loan under part B of subchapter IV of this chapter; and

(iii) (bb) At least 60 percent of the individuals who were students or graduates of the graduate medical school outside the United States or Canada (both nationals of the United States and others) taking the examinations administered by the Educational Commission for Foreign Medical Graduates received a passing score in the year

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preceding the year for which a student is seeking a loan under part B of subchapter IV of this chapter; or

(II) The institution has a clinical training program that was approved by a State as of January 1, 1992; or

(ii) In the case of a veterinary school located outside the United States that does not meet the requirements of section 1001(a)(4) of this title, the institution's students complete their clinical training at an approved veterinary school located in the United States.

(B) Advisory panel

(i) In general. For the purpose of qualifying as an institution under paragraph (1)(C) of this subsection, the Secretary shall establish an advisory panel of medical experts that shall—

(I) Evaluate the standards of accreditation applied to applicant foreign medical schools; and

(II) Determine the comparability of those standards to standards for accreditation applied to United States medical schools.

(ii) Special rule if the accreditation standards described in clause (i) are determined not to be comparable, the foreign medical school shall be required to meet the requirements of section 1001 of this title.

(C) Failure to release information. The failure of an institution outside the United States to provide, release, or authorize release to the Secretary of such information as may be required by subparagraph (A) shall render such institution ineligible for the purpose of part B of subchapter IV of this chapter.

(D) Special rule. If, pursuant to this paragraph, an institution loses eligibility to participate in the programs under subchapter IV of this chapter and part C of subchapter I of chapter 34 of title 42, then a student enrolled at such institution may, notwithstanding such loss of eligibility, continue to be eligible to receive a loan under part B while attending such institution for the academic year succeeding the academic year in which such loss of eligibility occurred.

(3) Limitations based on course of study or enrollment. An institution shall not be considered to meet the definition of an institution of higher education in paragraph (1) if such institution—

(A) Offers more than 50 percent of such institution's courses by correspondence, unless the institution is an institution that meets the definition in section 2471 (4)(C) of this title.

(B) Enrolls 50 percent or more of the institution's students in correspondence courses, unless the institution is an institution that meets the definition in such section, except that the Secretary, at the request of such institution, may waive the applicability of this subparagraph to such institution for good cause, as determined by the Secretary in the case of an institution

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of higher education that provides a 2-or 4-year program of instruction (or both) for which the institution awards an associate or baccalaureate degree, respectively;

(C) Has a student enrollment in which more than 25 percent of the students are incarcerated, except that the Secretary may waive the limitation contained in this subparagraph for a nonprofit institution that provides a 2- or 4-year program of instruction (or both) for which the institution awards a bachelor's degree, or an associate's degree or a postsecondary diploma, respectively; or

(D) Has a student enrollment in which more than 50 percent of the students do not have a secondary school diploma or its recognized equivalent, and does not provide a 2-or 4-year program of instruction (or both) for which the institution awards a bachelor's degree or an associate's degree, respectively, except that the Secretary may waive the limitation contained in this subparagraph if a nonprofit institution demonstrates to the satisfaction of the Secretary that the institution exceeds such limitation because the institution serves, through contracts with Federal, State, or local government agencies, significant numbers of students who do not have a secondary school diploma or its recognized equivalent.

(4) Limitations based on management. An institution shall not be considered to meet the definition of an institution of higher education in paragraph (1) if—

(A) The institution, or an affiliate of the institution that has the power, by contract or ownership interest, to direct or cause the direction of the management or policies of the institution, has filed for bankruptcy, except that this paragraph shall not apply to a nonprofit institution, the primary function of which is to provide health care educational services (or an affiliate of such an institution that has the power, by contract or ownership interest, to direct or cause the direction of the institution's management or policies) that files for bankruptcy under chapter 11 of title 11 between July 1, 1998, and December 1, 1998; or

(B) The institution, the institution's owner, or the institution's chief executive officer has been convicted of, or has pled nolo contendere or guilty to, a crime involving the acquisition, use, or expenditure of funds under subchapter IV of this chapter and part C of subchapter I of chapter 34 of title 42, or has been judicially determined to have committed fraud involving funds under subchapter IV of this chapter and part C of subchapter I of chapter 34 of title 42.

(5) Certification. The Secretary shall certify an institution's qualification as an institution of higher education in accordance with the requirements of subpart 3 of part G of subchapter IV of this chapter.

(6) Loss of eligibility. An institution of higher education shall not be considered to meet the definition of an institution of higher education in paragraph (1) if such institution is removed from eligibility for funds under subchapter IV of this chapter and part C of subchapter I of chapter 34 of title 42 as a result of an action

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pursuant to part G of subchapter IV of this chapter.

(b) Proprietary institution of higher education

(1) Principal criteria. For the purpose of this section, the term ‘‘proprietary institution of higher education’’ means a school that—

(A) Provides an eligible program of training to prepare students for gainful employment in a recognized occupation.

(B) Meets the requirements of paragraphs (1) and (2) of section 1001 (a) of this title.

(C) Does not meet the requirement of paragraph (4) of section 1001 (a) of this title.

(D) Is accredited by a nationally recognized accrediting agency or association recognized by the Secretary pursuant to part G of subchapter IV of this chapter.

(E) Has been in existence for at least 2 years; and

(F) Has at least 10 percent of the school’s revenues from sources that are not derived from funds provided under subchapter IV of this chapter and part C of subchapter I of chapter 34 of title 42, as determined in accordance with regulations prescribed by the Secretary.

(2) Additional institutions. The term ‘‘proprietary institution of higher education’’ also includes a proprietary educational institution in any State that, in lieu of the requirement in paragraph (1) of section 1001 (a) of this title, admits as regular students’ persons who are beyond the age of compulsory school attendance in the State in which the institution is located.

(c) Postsecondary vocational institution.

(1) Principal criteria. For the purpose of this section, the term ‘‘postsecondary vocational institution’’ means a school that—

(A) Provides an eligible program of training to prepare students for gainful employment in a recognized occupation.

(B) Meets the requirements of paragraphs (1), (2), (4), and (5) of section 1001 (a) of this title; and

(C) Has been in existence for at least 2 years.

(2) Additional institutions. The term ‘‘postsecondary vocational institution’’ also includes an educational institution in any State that, in lieu of the requirement in paragraph (1) of section 1001 (a) of this title, admits as regular students’ persons who are beyond the age of compulsory school attendance in the State in which the institution is located.

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Chapter 4 Applications, Waiting List and Tenant Selection

Introduction

When a family wishes to receive assistance under the HCV program, the family must submit an application that provides NHHFA with the information needed to determine the family's eligibility. HUD requires NHHFA to place all families that apply for assistance on a waiting list.

When HCV assistance becomes available, NHHFA must select families from the waiting list in accordance with HUD requirements and NHHFA policies as stated in the administrative plan and the annual plan.

NHHFA is required to adopt clear policies and procedures for accepting applications, placing families on the waiting list, and selecting families from the waiting list, and must follow these policies and procedures consistently. The actual order in which families are selected from the waiting list can be affected if a family has certain characteristics designated by HUD or NHHFA that justify their selection. Examples of this are the selection of families for income targeting and the selection of families that qualify for targeted funding.

HUD regulations require that all families have an equal opportunity to apply for and receive housing assistance, and that NHHFA affirmatively further fair housing goals in the administration of the program [24 CFR 982.53, HCV GB p. 4-1]. Adherence to the selection policies described in this chapter ensures that NHHFA will be in compliance with all relevant fair housing requirements, as described in Chapter 2.

This chapter describes HUD and NHHFA policies for taking applications, managing the waiting list and selecting families for HCV assistance. The policies outlined in this chapter are organized into three sections, as follows:

Part I: The Application Process. This part provides an overview of the application process and discusses how applicants can obtain and submit applications. It also specifies how NHHFA will handle the applications it receives.

Part II: Managing the Waiting List. This part presents the policies that govern how NHHFA's waiting list is structured, when it is opened and closed, and how the public is notified of the opportunity to apply for assistance. It also discusses the process NHHFA will use to keep the waiting list current.

Part III: Selection for HCV Assistance. This part describes the policies that guide NHHFA in selecting families for HCV assistance as such assistance becomes available. It also specifies how in-person interviews will be used to ensure that NHHFA has the information needed to make a final eligibility determination.

Part I: The Application Process

Overview

This part describes NHHFA policies for making applications available, accepting applications making preliminary determinations of eligibility, and the placement of applicants on the waiting

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list. This part also describes NHHFA's obligation to ensure the accessibility of the application process to elderly persons and, people with disabilities.

4-I.B. Applying for Assistance

[HCV GB, pp. 4-11 – 4-16, Notice PIH 2009-36]

Any family that wishes to receive HCV assistance must apply for admission to the program. HUD permits NHHFA to determine the format and content of HCV applications, as well as how such applications will be made available to interested families and how applications will be accepted by NHHFA. NHHFA must include Form HUD-92006, Supplement to Application for Federally Assisted Housing, as part of NHHFA's application.

NHHFA Policy

NHHFA initially will require families to provide only the information needed to make an initial assessment of the family's eligibility, and to determine the family's placement on the waiting list. The family will be required to provide all of the information necessary to establish family eligibility and level of assistance when the family is selected from the waiting list.

Families may apply online or obtain application forms from NHHFA's office during normal business hours. Families may also request – by telephone or by mail – that an application be mailed to them via first class mail.

Completed applications must be returned to NHHFA by mail, electronically, by fax, online portal or submitted in person during normal business hours. Applications must be complete in order to be accepted by NHHFA for processing. If an application is incomplete, NHHFA will notify the family of the additional information required.

4-I.C. Accessibility of The Application Process

Elderly and Disabled Populations

[24 CFR 8 and HCV GB, pp. 4-11 – 4-13]

NHHFA must take steps to ensure that the application process is accessible to those people who might have difficulty complying with the normal, standard NHHFA application process. This could include people with disabilities, certain elderly individuals. NHHFA must provide reasonable accommodation for the needs of individuals with disabilities. The application-taking facility and the application process must be fully accessible, or NHHFA must provide an alternate approach that provides full access to the application process. Chapter 2 provides a full discussion of NHHFA's policies related to providing reasonable accommodations for people with disabilities.

4-I.D. Placement on The Waiting List

NHHFA may review each complete application received and make a preliminary assessment of the family's eligibility. NHHFA must accept applications from families for whom the list is open unless there is good cause for not accepting the application (such as denial of assistance) for the grounds stated in the regulations [24 CFR 982.206(b)(2)]. Where the family is determined to be ineligible, NHHFA must notify the family in writing [24 CFR 982.201(f)]. Where the family is not determined to be ineligible, the family will be placed on a waiting list of applicants.

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No applicant has a right or entitlement to be listed on the waiting list, or to any particular position on the waiting list [24 CFR 982.202(c)].

Ineligible for Placement on the Waiting List

NHHFA Policy

If NHHFA determines from the information provided that a family is ineligible, the family will not be placed on the waiting list. Where a family is determined to be ineligible, NHHFA will send written notification of the ineligibility determination. The notice will specify the reasons for ineligibility and will inform the family of its right to request an informal review and explain the process for doing so (see Chapter 16).

Eligible for placement on the waiting list

NHHFA Policy

NHHFA will send written notification of the preliminary eligibility determination.

Placement on the waiting list does not indicate that the family is, in fact, eligible for assistance. A final determination of eligibility will be made when the family is selected from the waiting list.

Applicants will be placed on the waiting list according to any preference(s) for which they qualify, and the date and time their complete application is received by NHHFA.

PART II: Managing the Waiting List

4-II.A. Overview

NHHFA must have policies regarding various aspects of organizing and managing the waiting list of applicant families. This includes opening the list to new applicants, closing the list to new applicants, notifying the public of waiting list openings and closings, updating waiting list information, purging the list of families that are no longer interested in or eligible for assistance, as well as conducting outreach to ensure a sufficient number of applicants.

In addition, HUD imposes requirements on how a NHHFA may structure its waiting list and how families must be treated if they apply for assistance from a PHA that administers more than one assisted housing program.

4-II.B. Organization of The Waiting List

[24 CFR 982.204 and 205]

NHHFA's HCV waiting list must be organized in such a manner to allow NHHFA to accurately identify and select families for assistance in the proper order, according to the admissions policies described in this plan.

The waiting list must contain the following information for each applicant listed:

- Applicant name.
- Family unit size.

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- Date and time of application.
- Qualification for any local preference.
- Racial or ethnic designation of the head of household.

HUD requires NHHFA to maintain a single waiting list for the HCV program unless it serves more than one county or municipality. Such PHAs are permitted, but not required, to maintain a separate waiting list for each county or municipality served.

NHHFA Policy

NHHFA will maintain a single waiting list for the HCV program.

HUD directs that a family that applies for assistance from the HCV program must be offered the opportunity to be placed on the waiting list for any project-based voucher or moderate rehabilitation program NHHFA operates if 1) the other programs' waiting lists are open, and 2) the family is qualified for the other programs.

A family's decision to apply for, receive, or refuse other housing assistance must not affect the family's placement on the HCV waiting list, or any preferences for which the family may qualify.

NHHFA Policy

NHHFA will not merge the HCV waiting list with the waiting list for any other program NHHFA operates.

4-II.C. Opening and Closing the Waiting List

[24 CFR 982.206]

Closing the Waiting List

NHHFA is permitted to close the waiting list if it has an adequate pool of families to use its available HCV assistance. Alternatively, NHHFA may elect to continue to accept applications only from certain categories of families that meet particular preferences or funding criteria.

NHHFA Policy

NHHFA may, at its discretion, suspend the acceptance and processing of new applications should the list appear to require a wait of three or more years. A Legal Notice will be published informing prospective applicants of the waiting list closure. Prospective applicants submitting applications who are otherwise eligible will be notified in writing of the waiting list closure.

Reopening the Waiting List

If the waiting list has been closed, it cannot be reopened until NHHFA publishes a notice in local newspapers of general circulation, minority media, and other suitable media outlets. The notice must comply with HUD fair housing requirements and must specify who may apply, and where and when applications will be received.

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NHHFA Policy

If the waiting list is closed, NHHFA will announce the reopening of the waiting list at least 10 business days prior to the date applications will first be accepted. If the list is only being reopened for certain categories of families, this information will be contained in the notice.

NHHFA will give public notice by publishing the relevant information in suitable media outlets to be determined at the time of waiting list opening. The selected outlets will include local newspapers of general circulation, minority media, and other suitable media outlets. The notice will comply with fair housing requirements.

4-II.D. Family Outreach

[HCV GB, pp. 4-2 to 4-4]

NHHFA must conduct outreach as necessary to ensure that NHHFA has a sufficient number of applicants on the waiting list to use the HCV resources it has been allotted.

Because HUD requires NHHFA to admit a specified percentage of extremely low-income families to the program (see Chapter 4, Part III), NHHFA may need to conduct special outreach to ensure that an adequate number of such families apply for assistance [HCV GB, p. 4-20 to 4-21].

NHHFA outreach efforts must comply with fair housing requirements. This includes:

Analyzing the housing market area and the populations currently being served to identify underserved populations

Ensuring that outreach efforts are targeted to media outlets that reach eligible populations that are underrepresented in the program

Avoiding outreach efforts that prefer or exclude people who are members of a protected class

NHHFA outreach efforts must be designed to inform qualified families about the availability of assistance under the program. These efforts may include, as needed, any of the following activities:

Submitting press releases to local newspapers, including minority newspapers

Developing informational materials and flyers to distribute to other agencies

Providing application forms to other public and private agencies that serve the low-income population

Developing partnerships with other organizations that serve similar populations, including agencies that provide services for persons with disabilities

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NHHFA will monitor the characteristics of the population being served and the characteristics of the population as a whole in NHHFA's jurisdiction. Targeted outreach efforts will be undertaken if a comparison suggests that certain populations are being underserved.

4-II.E. Reporting Changes in Family Circumstances

NHHFA Policy

While the family is on the waiting list, the family must immediately inform NHHFA of changes in contact information, including current residence, and mailing address. The changes may be submitted in writing, by phone or using the online portal.

4-II.F. Updating the Waiting List

[24 CFR 982.204]

HUD requires NHHFA to establish policies to use when removing applicant names from the waiting list.

Purging the Waiting List

The decision to withdraw an applicant family that includes a person with disabilities from the waiting list is subject to reasonable accommodation. If the applicant did not respond to a NHHFA request for information or updates, and NHHFA determines that the family did not respond because of the family member's disability, NHHFA must reinstate the applicant family to their former position on the waiting list [24 CFR 982.204(c)(2)].

NHHFA Policy

The waiting list will be updated as needed to ensure that all applicants and applicant information is current and timely.

To update the waiting list, NHHFA will send an update request via first class mail or via email to each family on the waiting list to determine whether the family continues to be interested in, and to qualify for, the program. This update request will be sent to the last address that NHHFA has on record for the family. The update request will provide a deadline by which the family must respond and will state that failure to respond will result in the applicant's name being removed from the waiting list.

The family's response may be completed using the online portal, in writing by mail, by email, or by fax. Responses should be postmarked or received by NHHFA not later than 15 business days from the date of NHHFA letter.

If the family fails to respond within 15 business days, the family will be removed from the waiting list without further notice.

If the notice is returned by the post office with no forwarding address, the applicant will be removed from the waiting list without further notice.

If the notice is returned by the post office with a forwarding address, the notice will be re-sent to the address indicated. The family will have 15 business days to respond from the date the letter was re-sent.If a family is removed from the waiting list for failure to respond, NHHFA may

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reinstate the family if it is determined that the lack of response was due to NHHFA error. If an applicant responds within 60 days following the deadline stated in the waiting list update letter, the applicant will be placed back on the waiting list as of the original application date. Otherwise, the applicant will need to reapply for assistance. Consideration will be given for individuals as a result of a family member's disability, or as a direct result of status as a victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking, including an adverse factor resulting from such abuse.

Removal from the Waiting List

NHHFA Policy

If at any time an applicant family is on the waiting list, NHHFA determines that the family is not eligible for assistance (see Chapter 3), the family will be removed from the waiting list.

If a family is removed from the waiting list because NHHFA has determined the family is not eligible for assistance, a notice will be sent to the family's address of record as well as to any alternate address provided on the initial application. The notice will state the reasons the family was removed from the waiting list and will inform the family how to request an informal review regarding NHHFA's decision (see Chapter 16) [24 CFR 982.201(f)].

Part III: Selection For HCV Assistance

4-III.A. Overview

As vouchers become available, families on the waiting list must be selected for assistance in accordance with the policies described in this part.

The order in which families are selected from the waiting list depends on the selection method chosen by NHHFA and is impacted in part by any selection preferences for which the family qualifies. The availability of targeted funding also may affect the order in which families are selected from the waiting list.

NHHFA must maintain a clear record of all information required to verify that the family is selected from the waiting list according to NHHFA's selection policies [24 CFR 982.204(b) and 982.207(e)].

4-III.B. Selection and HCV Funding Sources

Special Admissions

[24 CFR 982.203]

HUD may award funding for specifically named families living in specified types of units (e.g., a family that is displaced by demolition of public housing; a non-purchasing family residing in a HOPE 1 or 2 projects). In these cases, NHHFA may admit such families whether or not they are on the waiting list, and, if they are on the waiting list, without considering the family's position on the waiting list. These families are considered non-waiting list selections. NHHFA must maintain records showing that such families were admitted with special program funding.

Targeted Funding

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[24 CFR 982.204(e)]

HUD may award NHHFA funding for a specified category of families on the waiting list. NHHFA must use this funding only to assist the families within the specified category. In order to assist families within a targeted funding category, NHHFA may skip families that do not qualify within the targeted funding category. Within this category of families, the order in which such families are assisted is determined according to the policies provided in Section 4-III.C.

NHHFA Policy

NHHFA administers the following types of targeted funding:

- (VASH) Veterans Affairs Supportive Housing
- (FUP) Family Unification Program
- (FYI) Foster Youth to Independence
- (NED) Non-Elderly Disabled
- Mainstream
- (SV) Stability Vouchers

Regular HCV Funding

Regular HCV funding may be used to assist any eligible family on the waiting list. Families are selected from the waiting list according to the policies provided in Section 4-III.C.

4-III.C. Selection Method

NHHFAs must describe the method for selecting applicant families from the waiting list, including the system of admission preferences that NHHFA will use [24 CFR 982.202(d)].

Local Preferences

[24 CFR 982.207; HCV p. 4-16]

PHAs are permitted to establish local preferences, and to give priority to serving families that meet those criteria. HUD specifically authorizes and places restrictions on certain types of local preferences. HUD also permits NHHFA to establish other local preferences, at its discretion.

Any local preferences established must be consistent with the PHA plan and the consolidated plan and must be based on local housing needs and priorities that can be documented by generally accepted data sources.

NHHFA Policy

NHHFA will use the following local preferences:

(a) **Terminal Illness**: Applicants with a family member who has an illness that can be documented by a medical professional as being terminal will receive a preference. Terminal illness is defined as an illness that will result in death within 24 months.

(b) **Home and Community Based Service** Waivers (formerly known as the Choices for Independence). The HCBS waiver program is authorized in Section 1915(c) of the Social Security Act and includes:

(1) There are only 50 vouchers allocated per year for this preference.

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(2) Developmental disabilities (DD Waiver)
(3) In-home support for children with developmental disabilities (IHS Waiver)
(4) Acquired brain disorder (ABD Waiver)
(5) Adults with nursing home level care (CFI Waiver)
(6) Individuals under 62 years of age who are transitioning out of a nursing home to a more independent setting

Applicants with a family member who is eligible for services through one of the above programs will receive a preference. A signed verification form from the individual's service provider will be required.

This preference will be capped at 50 vouchers per calendar year.

(a) **DHHS Transitional Preference**: Persons with disabilities transitioning from institutional settings into community-based living who have case management services through DHHS will receive a preference. An institutional setting is defined as a psychiatric hospital.

(b) **Transitional Housing**: Transitional Housing programs, which provide individual case management services, including service coordination and implementation of Transitional Housing case plans, will be given a preference. MOU capped at 75 vouchers

(c) **Rent Burdened/At Risk of Becoming Homeless:** A preference is given to applicants who are:

1) Lacking a fixed, regular, and adequate nighttime residence.
2) Residing in Permanent Supportive Housing and qualify for the Moving on Initiative. This program is designed to support the 'moving on' of permanent supportive housing tenants who are capable of living in independent community- based housing.
3) Paying more than 50% of their gross income for rent and utilities.
4) Temporarily living with friends or relatives.
5) Living in a substandard living situation or other temporary placement.
6) Victims of domestic violence, dating violence, sexual assault or stalking who are eligible for protections under VAWA.

(b) **Veteran:** A veteran is any person who currently serves in the United States armed forces or has been discharged or released from duty in the United States armed forces with an honorable discharge or an uncharacterized discharge based on a service- connected injury, illness, or disability.

(c) **Project Based Voucher (PBV) movers who are eligible for protection under VAWA** and who have been living in the PBV unit for one year or more.

(d) **Project Based Voucher movers:** If funding is not available when a Project Based Voucher resident wishes to exercise the move option after one year at the property, the participant will be given a preference.

(e) **VASH turnover vouchers**: If funding is not available when a VASH turnover occurs, the participant will be placed on the waiting list.

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(f) **FUP Youth turnover vouchers:** At the expiration of the 36-month limit the participant will be given a preference on the wait list for a regular HCV voucher. If funding is not available when a turnover occurs, the participant will be placed on the waiting list.

(g) **FYI turnover vouchers**: At the expiration of the 36-month limit the participant will be given a preference on the wait list for a regular HCV voucher. If funding is not available when a FYI turnover occurs, the participant will be placed on the waiting list.

Income Targeting Requirement

[24 CFR 982.201(b)(2)]

HUD requires that extremely low-income (ELI) families make up at least 75 percent of the families admitted to the HCV program during NHHFA's fiscal year. ELI families are those with annual incomes at or below the federal poverty level or 30 percent of the area median income, whichever number is higher. To ensure this requirement is met, NHHFA may skip non-ELI families on the waiting list in order to select an ELI family.

Low-income families admitted to the program that are "continuously assisted" under the 1937 Housing Act [24 CFR 982.4(b)], as well as low-income or moderate-income families admitted to the program that are displaced as a result of the prepayment of the mortgage or voluntary termination of an insurance contract on eligible low-income housing, are not counted for income targeting purposes [24 CFR 982.201(b)(2)(v)].

NHHFA Policy

NHHFA will monitor progress in meeting the income targeting requirement throughout the fiscal year. Extremely low-income families will be selected ahead of other eligible families on an as-needed basis to ensure the income targeting requirement is met.

Order of Selection

NHHFA's system of preferences may select families based on local preferences according to the date and time of application [24 CFR 982.207(c)]. If NHHFA does not have enough funding to assist the family at the top of the waiting list, it is not permitted to skip down the waiting list to a family that it can afford to subsidize when there are not sufficient funds to subsidize the family at the top of the waiting list [24 CFR 982.204(d) and (e)].

NHHFA Policy

Families will be selected from the waiting list based on the targeted funding or selection preference(s) for which they qualify, and in accordance with NHHFA's hierarchy of preferences, if applicable. Within each targeted funding or preference category, families will be selected on a first-come, first-served basis according to the date and time their complete application is received by NHHFA. Documentation will be maintained by NHHFA as to whether families on the list qualify for and are interested in targeted funding. If a higher placed family on the waiting list is not qualified or not interested in targeted funding, there will be a notation maintained so that NHHFA does not have to ask higher placed families each time targeted selections are made.

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Preferences will be weighted in the following order:

1. Special purpose vouchers [Non-Elderly Disabled families (NED), HUD-Veterans Affairs Supportive Housing (VASH), or FUP] if the total number of special purpose vouchers which make up the voucher allocation have not been filled due to a funding shortfall.
2. Project-Based Voucher holders who are victims of domestic violence, dating violence, sexual assault or stalking who are eligible for protections under VAWA.
3. Project-Based Voucher holders.
4. Emergency Housing Voucher (EHV) turnover vouchers
5. Veterans Affairs Supportive Housing (VASH) turnover vouchers.
6. Youth Family Unification Program (FUP) turnover vouchers.
7. Foster Youth to Independence (FYI) turnover vouchers.
8. Clients of NHHFA residing in a Mod Rehab building if fire, flood, or other natural disaster
9. renders the property uninhabitable for more than 60 days.
10. NHHFA will make available up to 50 vouchers for households impacted by major federally declared disasters designated by the Board of Directors who are HCV voucher holders or public housing residents in another jurisdiction. Once this need is met, households who are non-participants will be eligible for this preference.
11. Participants whose rental assistance was terminated due to insufficient funds.
12. The following will have equal weight: Terminally ill; HCBS (Home and Community Based Service) (limit of 50 issues annually) preference; DHHS Transitional Preference; and Transitional Housing,
13. The following will have equal weight: Veterans as defined in 6.3.2 (g) Rent Burdened/At Risk of Becoming Homeless and Homeless.
14. All others without a preference.

4-III.D. Notification of Selection

When a family has been selected from the waiting list, NHHFA must notify the family [24 CFR 982.554(a)].

NHHFA Policy

NHHFA will notify the family by first class mail when it is selected from the waiting list. This correspondence requires the applicant to call NHHFA 's toll-free number within five business days from the date of the letter to confirm their interest in participating in the program.
Failure of an applicant to call within this time period results in follow-up correspondence advising the applicant that their application for assistance has been inactivated.
Should an applicant respond to the inactivation correspondence within 14 calendar days from the date of the letter, the application will be re- activated, and they will be placed back on the waiting list as of their original application date. If there is subsidy available, the individual will be marketed immediately; otherwise, they will be placed back on the waiting list with their original application date.

If the applicant responds after 14 days, they will need to reapply for assistance. If an applicant's failure to respond was caused by the applicant's disability, NHHFA will provide reasonable accommodation to the applicant and will reactivate their application and allow the applicant to

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retain their original application date. Any requests for reasonable accommodation should be directed to the Supervisor, Program Operations. Consideration will be given for individuals that are either VAWA protected or who have Limited English Proficiency (LEP).

4-III.E. The Eligibility Determination Process

Being invited to proceed with intake does not constitute admission to the program.

NHHFA Policy

Verification of information including household income, assets, medical, childcare, and disability expenses projected for the subsequent twelve-month period is performed to ensure that families are eligible and selected according to the Administrative Plan. This is done by requesting the applicant provide copies of each of the items that pertain to them, in accordance with HUD's most recent guidance. Preferences (if applicable) will be formally verified during this process. Each applicant is required to disclose and submit documentation to verify the complete and accurate Social Security number assigned to the applicant and to each member of the applicant's household. The only exception for submitting social security number documentation for applicants is for those who do not have eligible immigration status and, therefore, do not have a social security number. In those cases, at least one member of the household must be verified as having eligible immigration status and the assistance would be prorated. A certification is signed attesting to citizenship status and documentation is requested regarding each household member's citizenship status or eligible immigration status.

The applicant has 10 calendar days to return all paperwork. If NHHFA does not receive the required documentation within 10 calendar days, it will be assumed that the applicant is no longer interested in the program and their application will be inactivated in order for another household to be selected from our waiting list. Should an applicant respond to the inactivation correspondence within 14 calendar days from the date of the letter, the application will be re-activated, and they will be placed back on the waiting list as of their original application date. If an applicant responds after 14 days, they will need to reapply for assistance. Any requests for reasonable accommodation should be directed to the Supervisor, Program Operations. Consideration will be given for individuals that are either VAWA protected or who have Limited English Proficiency (LEP).

4-III.F. Completing the Application Process

NHHFA must verify all information provided by the family (see Chapter 7). Based on verified information, NHHFA must make a final determination of eligibility (see Chapter 3) and must confirm that the family qualified for any special admission, targeted funding admission, or selection preference that affected the order in which the family was selected from the waiting list.

NHHFA Policy

If NHHFA determines that the family is ineligible, NHHFA will send written notification of the ineligibility determination within 10 business days of the determination. The notice will specify

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the reasons for ineligibility and will inform the family of its right to request an informal review (Chapter 16).

If a family fails to qualify for any criteria that affected the order in which it was selected from the waiting list (e.g. targeted funding, extremely low-income), the family will be returned to its original position on the waiting list. NHHFA will notify the family in writing that it has been returned to the waiting list and will specify the reasons for it.

If NHHFA determines that the family is eligible to receive assistance, NHHFA will issue a voucher and send out briefing information in accordance with the policies in Chapter 5.

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Chapter 5 Briefings and Voucher Issuance

Introduction

This chapter explains the briefing and voucher issuance process. When a family is determined to be eligible for the Housing Choice Voucher (HCV) program, NHHFA must ensure that the family fully understands the way the program operates and the family's obligations under the program. This is accomplished through both an oral briefing and provision of a briefing packet containing the HUD-required documents and other information the family needs to know to lease a unit under the program. Once the family is fully informed of the program's requirements, NHHFA issues the family a voucher. The voucher includes the unit size for which the family qualifies based on NHHFA's subsidy standards, as well as the issue and expiration date of the voucher. The voucher is the document that authorizes the family to begin its search for a unit and limits the amount of time the family has to successfully locate an acceptable unit.

This chapter describes HUD regulations and NHHFA policies related to these topics in two parts:

Part I: Briefings and Family Obligations. This part details the program's requirements for briefing families orally, and for providing written materials describing the program and its requirements. It includes a particular focus on the family's obligations under the program.

Part II: Subsidy Standards and Voucher Issuance. This part discusses NHHFA's standards for determining how many bedrooms a family of a given composition qualifies for, which in turn affects the amount of subsidy the family can receive. It also discusses the policies that dictate how vouchers are issued, and how long families have to locate a unit.

PART I: Briefings and Family Obligations

5-I.A. Overview

HUD regulations require NHHFA to conduct mandatory briefings for applicant families who qualify for a voucher. The briefing provides a broad description of owner and family responsibilities, explains NHHFA's procedures, and includes instructions on how to lease a unit. This part describes how oral briefings will be conducted, specifies what written information will be provided to families, and lists the family's obligations under the program.

5-I.B. Briefing

[24 CFR 982.301]

Notification of Briefing

Upon issuance of a voucher, NHHFA must give the family an oral briefing and provide the family with a briefing packet containing written information about the program.

Oral Briefing

[24 CFR 982.301(a)]

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Each briefing must provide information on the following subjects:

- How the Housing Choice Voucher program works.
- Family and owner responsibilities.
- Where the family can lease a unit, including renting a unit inside or outside NHHFA's jurisdiction, and any information on selecting a unit that HUD provides.
- An explanation of how portability works. NHHFA may not discourage the family from choosing to live anywhere in NHHFA jurisdiction or outside NHHFA jurisdiction under portability, unless otherwise expressly authorized by statute, regulation, PIH Notice, or court order.
- NHHFA must inform the family of how portability may affect the family's assistance through screening, subsidy standards, payment standards, and any other elements of the portability process which may affect the family's assistance.
- The advantages of areas that do not have a high concentration of low-income families; and
- In briefing a family that includes a person with disabilities, NHHFA must also take steps to ensure effective communication and must provide information on the reasonable accommodation process.
- Information on the subsidy standards, including when NHHFA will consider granting exceptions to the standards, and when exception is required as a reasonable accommodation for persons with disabilities under Section 504, the Fair Housing Act, or the Americans with Disabilities Act
- Information on Federal, State, and local equal opportunity laws, the contact information for the Section 504 coordinator, a copy of the housing discrimination complaint form, and information on how to request a reasonable accommodation or modification (including information on requesting exception payment standards as a reasonable accommodation) under Section 504, the Fair Housing Act, and the Americans with Disabilities Act.

NHHFA Policy

NHHFA makes available on their website a presentation giving the oral briefing information which briefs participants on their obligations and how the program works. Participants are encouraged to call their Rental Housing Liaison with any questions.

Briefing Packet

[24 CFR 982.301(b); New HCV GB, Housing Search and Leasing, p. 7]

Documents and information provided in the briefing packet must include the following:

- The term of the voucher, voucher suspensions, and NHHFA's policies on any extensions of the term. If NHHFA allows extensions, the packet must explain how the family can request an extension.
- A description of the method used to calculate the housing assistance payment for a family, including how NHHFA determines the payment standard for a family, how

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NHHFA determines total tenant payment for a family, and information on the payment standard and utility allowance schedule.

- An explanation of how NHHFA determines the maximum allowable rent for an assisted unit.
- Where the family may lease a unit and an explanation of how portability works, including information on how portability may affect the family's assistance through screening, subsidy standards, payment standards, and any other elements of the portability process that may affect the family's assistance.
- The HUD-required tenancy addendum, which must be included in the lease.
- The form the family must use to request approval of tenancy, and a description of the procedure for requesting approval for a tenancy.
- A statement of NHHFA policy on providing information about families to prospective owners.
- NHHFA subsidy standards including when and how exceptions are made in accordance with 24 CFR 982.402(b)(8).
- Materials (e.g., brochures) on how to select a unit and any additional information on selecting a unit that HUD provides (e.g., HUD brochure entitled, "A Good Place to Live").
- Information on federal, state and local equal opportunity laws and a copy of the housing discrimination complaint form, including information on how to complete the form and file a fair housing complaint.
- A list of landlords known to NHHFA who may be willing to lease a unit to the family or other resources (e.g., newspapers, organizations, online search tools) known to NHHFA that may assist the family in locating a unit. NHHFAs must ensure that the list of landlords or other resources covers areas outside of poverty or minority concentration.
- Notice that if the family includes a person with disabilities, NHHFA will provide a current listing of accessible units and, if necessary, other assistance in locating an available accessible dwelling.
- The family obligations under the program, and any obligations of other special programs if the family is participating in one of those programs.
- The grounds on which NHHFA may terminate assistance for a participant family because of family action or failure to act.
- NHHFA informal hearing procedures including when NHHFA is required to offer a participant family the opportunity for an informal hearing, and how to request the hearing.
- An explanation of the advantages of moving to an area that does not have a high concentration of low-income families which may include access to accessible and high-quality housing, transit, employment opportunities, educational opportunities, recreational facilities, public safety stations, retail services and health services.
- The HUD pamphlet on lead-based paint entitled, "Protect Your Family from Lead in Your Home."
- Maps showing areas with housing opportunities outside areas of poverty or minority concentration, both within its jurisdiction and its neighboring jurisdiction

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- Information about the characteristics of these areas including job opportunities, schools, transportation, and other services
- An explanation of how portability works, including a list of portability contact persons for neighboring NHHFAs with names, addresses, and telephone numbers
- Additional Items to Be Included in the Briefing Packet
- In addition to items required by the regulations, NHHFA may wish to include supplemental materials to help explain the program to both participants and owners [HCV GB p. 8-7, Notice PIH 2017-12].

NHHFA Policy

NHHFA will provide the following additional materials in the briefing packet:

- Information on how to fill out and file a housing discrimination complaint form
- The form HUD-5380 domestic violence certification form and the form HUD-5382 notice of occupancy rights, which contain information on VAWA protections for victims of domestic violence, dating violence, sexual assault, and stalking
- "Is Fraud Worth It?" (form HUD-1141-OIG), which explains the types of actions a family must avoid and the penalties for program abuse
- "What You Should Know about EIV," a guide to the Enterprise Income Verification (EIV) system published by HUD as an attachment to Notice PIH 2017-12

5-I.C. Family Obligations

Obligations of the family are described in the housing choice voucher (HCV) regulations and on the voucher itself. These obligations include responsibilities the family is required to fulfill, as well as prohibited actions. NHHFA must inform families of these obligations during the oral briefing, and the same information must be included in the briefing packet. When the family's unit is approved and the HAP contract is executed, the family must meet those obligations in order to continue participating in the program. Violation of any family obligation may result in termination of assistance, as described in Chapter 12.

Time Frames for Reporting Changes Required by Family Obligations

NHHFA Policy

Unless otherwise noted below, when family obligations require the family to respond to a request or notify NHHFA of a change, notifying NHHFA of the request or change within 10 business days is considered prompt notice.

When a family is required to provide notice to NHHFA, the notice must be in writing.

Family Obligations [24 CFR 982.551]

The family obligations of the voucher are listed as follows:

- The family must supply any information that NHHFA or HUD determines to be necessary, including submission of required evidence of citizenship or eligible immigration status.

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- The family must supply any information requested by NHHFA or HUD for use in a regularly scheduled reexamination or interim reexamination of family income and composition.
- The family must disclose and verify social security numbers and sign and submit consent forms for obtaining information.
- Any information supplied by the family must be true and complete.
- The family is responsible for any deficiencies under the National Standards for the Physical Inspection of Real Estate (NSPIRE) caused by failure to pay tenant-provided utilities or appliances, or damages to the dwelling unit or premises beyond ordinary wear and tear caused by any member of the household or guest.

NHHFA Policy

- Damages beyond ordinary wear and tear will be considered to be damages which could be assessed against the security deposit under state law or in court practice.
- The family must allow NHHFA to inspect the unit at reasonable times and after reasonable notice, as described in Chapter 8 of this plan.
- The family must not commit any serious or repeated violation of the lease. Any incidents of actual or threatened domestic violence, dating violence, sexual assault, stalking, or human trafficking will not be construed as serious or repeated lease violations by the victim or as good cause to terminate the tenancy, occupancy rights, or assistance of the victim.

NHHFA Policy

NHHFA will determine if a family has committed serious or repeated violations of the lease based on available evidence, including but not limited to, a court-ordered eviction or an owner's notice to evict, police reports, and affidavits from the owner, neighbors, or other credible parties with direct knowledge.

NHHFA will deny admission or terminate assistance to a family who committed a serious or repeated violation of the lease 24 CFR 982.551 (e) or was evicted from housing assisted under the program for a serious violation of the lease 24 CFR 982.552 (b) (2). VAWA protections will be considered when evaluating whether a participant has committed serious or repeated violations of the lease. A serious or repeated violation of the lease is defined as any of the following:

As evidenced by the owner's report of disposition of security deposit in accordance with New Hampshire State law, a participant who causes total damage, after applying the security deposit, in excess of $1,500 to the unit during their tenancy and does not make arrangements with the owner for payment or who later breaches any such payment arrangement. If there is disagreement regarding disposition of security deposit, the owner and participant would be advised to pursue their claims by filing an action in court.

As evidenced by the owner's report of disposition of security deposit in accordance with New Hampshire State law, a participant who owes three or more months of their portion of the rent to

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the owner and does not make payment arrangements with the owner (arrangements can include applying the security deposit) or who later breaches any such payment arrangement.

A court determines that the participant has committed serious violations of the lease as stated in the court documents. VAWA protections will be considered when evaluating any of these examples.

Examples of situations that allow an owner to evict and are considered serious violations of the lease are:

- Disturbance of neighbors.
- Destruction of property which exceeds the limits stated above.
- Living or housekeeping habits that cause damage to the unit or premises.
- Criminal activity or alcohol abuse that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents or by persons residing in the immediate vicinity of the premises.
- Violent criminal activity on or near the premises.
- Any drug-related criminal activity on or near the premises.
- Violation of federal, state, or local law that imposes obligations on the participant in connection with the occupancy or use of the unit and the premises.
- Non-payment of rent or other amounts owed to the owner.
- Reasons cited in NH State law in relation to bed bugs.
- The family must notify NHHFA and the owner before moving out of the unit or terminating the lease.

NHHFA Policy

The family must comply with lease requirements regarding written notice to the owner. The family must provide written notice to NHHFA at the same time the owner is notified.

The family must promptly give NHHFA a copy of any owner eviction notice.

The family must use the assisted unit for residence by the family. The unit must be the family's only residence.

The composition of the assisted family residing in the unit must be approved by NHHFA. The family must promptly notify NHHFA in writing of the birth, adoption, or court-awarded custody of a child. The family must request NHHFA approval to add any other family member as an occupant of the unit.

NHHFA Policy

The request to add a family member must be submitted in writing and approved prior to the person moving into the unit. NHHFA will determine eligibility of the new member in accordance with the policies in Chapter 3.

The family must promptly notify NHHFA in writing if any family member no longer lives in the unit.

If NHHFA has given approval, a foster child or a live-in aide may reside in the unit. NHHFA has the discretion to adopt reasonable policies concerning residency by a foster child or a live-in

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aide, and to define when NHHFA consent may be given or denied. For policies related to the request and approval/disapproval of foster children, foster adults, and live-in aides, see Chapter 3 (sections I.K and I.M), and Chapter 11 (section II.B).

The family must not sublease the unit, assign the lease, or transfer the unit.

NHHFA Policy

Subleasing includes receiving payment to cover rent and utility costs by a person living in the unit who is not listed as a family member.

The family must supply any information requested by NHHFA to verify that the family is living in the unit or information related to family absence from the unit.

The family must promptly notify NHHFA when the family is absent from the unit.

NHHFA Policy

Notice is required under this provision only when all family members will be absent from the unit for an extended period. An extended period is defined as any period greater than 30 calendar days. Written notice must be provided to NHHFA at the start of the extended absence.

The family must pay utility bills and provide and maintain any appliances that the owner is not required to provide under the lease [Form HUD-52646, Voucher].

The family must not own or have any interest in the unit, (other than in a cooperative and owners of a manufactured home leasing a manufactured home space).

Family members must not commit fraud, bribery, or any other corrupt or criminal act in connection with the program. (See Chapter 14, Program Integrity for additional information).

Family members must not engage in drug-related criminal activity or violent criminal activity or other criminal activity that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises. See Chapter 12 for HUD and NHHFA policies related to drug-related and violent criminal activity.

Members of the household must not engage in abuse of alcohol in a way that threatens the health, safety or right to peaceful enjoyment of the other residents and persons residing in the immediate vicinity of the premises. See Chapter 12 for a discussion of HUD and NHHFA policies related to alcohol abuse.

An assisted family or member of the family must not receive HCV program assistance while receiving another housing subsidy, for the same unit or a different unit under any other federal, state or local housing assistance program.

A family must not receive HCV program assistance while residing in a unit owned by a parent, child, grandparent, grandchild, sister or brother of any member of the family, unless NHHFA has determined (and has notified the owner and the family of such determination) that approving rental of the unit, notwithstanding such relationship, would provide reasonable accommodation for a family member who is a person with disabilities. [Form HUD-52646, Voucher]

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PART II: Subsidy Standards and Voucher Issuance

5-II.A. Overview

NHHFA must establish subsidy standards that determine the number of bedrooms needed for families of different sizes and compositions. This part presents the policies that will be used to determine the family unit size (also known as the voucher size) a particular family should receive, and the policies that govern making exceptions to those standards. NHHFA must also establish policies related to the issuance of the voucher, to the voucher term, and to any extensions of the voucher term.

5-II.B. Determining Family Unit (Voucher) Size

[24 CFR 982.402]

For each family, NHHFA determines the appropriate number of bedrooms under NHHFA subsidy standards and enters the family unit size on the voucher that is issued to the family. The family unit size does not dictate the size of unit the family must actually lease, nor does it determine who within a household will share a bedroom/sleeping room.

The following requirements apply when NHHFA determines family unit size:

- The subsidy standards must provide for the smallest number of bedrooms needed to house a family without overcrowding.
- The subsidy standards must be consistent with space requirements under the housing quality standards.
- The subsidy standards must be applied consistently for all families of like size and composition.
- A child who is temporarily away from the home because of placement in foster care is considered a member of the family in determining the family unit size.
- A family that consists of a pregnant woman (with no other persons) must be treated as a two-person family.
- Any live-in aide (approved by NHHFA to reside in the unit to care for a family member who is disabled or is at least 50 years of age) must be counted in determining the family unit size.
- Unless a live-in-aide resides with a family, the family unit size for any family consisting of a single person must be either a zero- or one-bedroom unit, as determined under NHHFA subsidy standards.

NHHFA Policy

NHHFA will assign one bedroom for each two persons within the household, except in the following circumstances:

- Persons of the opposite sex (other than spouses, partners or significant others) will be allocated separate bedrooms.
- Live-in aides will be allocated a separate bedroom. Single person families will be allocated one bedroom.
- A foster child or foster adult may be allowed to reside in the unit if their presence would not result in overcrowding of the existing unit. If the authorized placement agency (e.g.,

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public child welfare agency) requires that the foster child have a separate bedroom, the PHA will provide the subsidy standard for one additional bedroom.

NHHFA will refer to the following chart in determining the appropriate voucher size for a family:

Standards Used to Issue Voucher			Standards Used to Determine Acceptability of Unit Size (HQS Rules)	
Voucher Size	Minimum # of Persons in Household	Maximum # of Persons in Household	Unit Size	Maximum Occupancy Assuming a Living Room Is Used as a Living/Sleeping Area
0-BR	*Not issued*	*Not issued*	0-BR	2
1-BR	1	2	1-BR	4
2-BR	2	4	2-BR	6
3-BR	3	6	3-BR	8
4-BR	5	8	4-BR	10
5-BR	7	10	5-BR	12

5-II.C. Exceptions to Subsidy Standards

In determining family unit size for a particular family, NHHFA may grant an exception to its established subsidy standards if NHHFA determines that the exception is justified by the age, sex, health, handicap, or relationship of family members or other personal circumstances [24 CFR 982.402(b)(8)]. Reasons may include, but are not limited to:

- A need for an additional bedroom for medical equipment
- A need for a separate bedroom for reasons related to a family member's disability, medical or health condition
- For a single person who is not elderly, disabled, or a remaining family member, an exception cannot override the regulatory limit of a zero or one bedroom [24 CFR 982.402(b)(8)].

NHHFA Policy

NHHFA will consider granting an exception for any of the reasons specified in the regulation: the age, sex, health, handicap, or relationship of family members or other personal circumstances.

The family must request any exception to the subsidy standards in writing. The request must explain the need or justification for a larger family unit size and must include appropriate documentation. Requests based on health-related reasons must be verified by a knowledgeable professional source (e.g., doctor or health professional), unless the disability and the disability–

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related need for accommodation is readily apparent or otherwise known. The family's continued need for an additional bedroom due to special medical equipment must be re-verified at reexamination.

NHHFA will notify the family of its determination within 10 business days of receiving the family's request. If a participant family's request is denied, the notice will inform the family of their right to request an informal hearing.

5-II.D. Voucher Issuance

[24 CFR 982.302]

When a family is selected from the waiting list (or as a special admission as described in Chapter 4), or when a participant family wants to move to another unit, NHHFA issues a Housing Choice Voucher, form HUD-52646. This chapter deals only with voucher issuance for applicants. For voucher issuance associated with moves of program participants, refer to Chapter 10.

The voucher is the family's authorization to search for housing. It specifies the unit size for which the family qualifies and includes both the date of voucher issuance and date of expiration. It contains a brief description of how the program works and explains the family obligations under the program. The voucher is evidence that NHHFA has determined the family to be eligible for the program, and that NHHFA expects to have money available to subsidize the family if the family finds an approvable unit. However, NHHFA does not have any liability to any party by the issuance of the voucher, and the voucher does not give the family any right to participate in NHHFA's housing choice voucher program [Voucher, form HUD-52646]

A voucher can be issued to an applicant family only after NHHFA has determined that the family is eligible for the program based on verification of information received prior to issuance [24 CFR 982.201(e)] and after the family has completed an oral briefing [HCV 8-1].

NHHFA Policy

Vouchers will be issued to eligible applicants at the same time the briefing is completed.

NHHFA should have sufficient funds to house an applicant before issuing a voucher. If funds are insufficient to house the family at the top of the waiting list, NHHFA must wait until it has adequate funds before it calls another family from the list [HCV GB p. 8-10].

NHHFA Policy

Prior to issuing any vouchers, NHHFA will determine whether it has sufficient funding in accordance with the policies in Part VIII of Chapter 16.

If NHHFA determines that there is insufficient funding after a voucher has been issued, NHHFA may rescind the voucher and place the affected family back on the waiting list.

5-II.E. Voucher Term and Extensions

Voucher Term

[24 CFR 982.303]

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The initial term of a voucher must be at least 120 calendar days. The initial term must be stated on the voucher [24 CFR 982.303(a)].

NHHFA Policy

The initial voucher term will be 120 calendar days.

The family must submit a Request for Tenancy Approval and proposed lease within the 120-day period unless NHHFA grants an extension.

Extensions of Voucher Term

[24 CFR 982.303(b)]

NHHFA has the authority to grant extensions of search time, to specify the length of an extension, and to determine the circumstances under which extensions will be granted. There is no limit on the number of extensions that NHHFA can approve. Discretionary policies related to extension and expiration of search time are described in Chapter 7. [24 CFR 982.54].

NHHFAs must approve additional search time if needed as a reasonable accommodation to make the program accessible to and usable by a person with disabilities. The extension period must be reasonable for the purpose.

The family must be notified in writing of NHHFA's decision to approve or deny an extension. NHHFA's decision to deny a request for an extension of the voucher term is not subject to informal review [24 CFR 982.554(c)(4)].

NHHFA Policy

NHHFA will automatically approve one 30-day extension upon written request from the family if vouchers are available.

NHHFA will approve additional extensions only in the following circumstances if vouchers are available:

- It is necessary as reasonable accommodation for a person with disabilities.
- It is necessary due to reasons beyond the family's control, as determined by NHHFA. Following is a list of extenuating circumstances that NHHFA may consider in making its decision. The presence of these circumstances does not guarantee that an extension will be granted:
    - Serious illness or death in the family
    - Other family emergency
    - Obstacles due to employment
    - Whether the family has already submitted requests for tenancy approval that were not approved by NHHFA
    - Whether family size or other special circumstances make it difficult to find a suitable unit
    - Any request for an additional extension must include the reason(s) an additional extension is necessary. NHHFA may require the family to provide documentation to support the request or obtain verification from a qualified third party.

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- All requests for extensions to the voucher term must be made in writing and submitted to NHHFA prior to the expiration date of the voucher (or extended term of the voucher).
- NHHFA will decide whether to approve or deny an extension request within 10 business days of the date the request is received and will immediately provide the family written notice of its decision.

Suspensions of Voucher Term

[24 CFR 982.303(c)]

NHHFA must provide for suspension of the initial or any extended term of the voucher from the date the family submits a request for NHHFA approval of the tenancy until the date NHHFA notifies the family in writing whether the request has been approved or denied.

Expiration of Voucher Term

Once a family's housing choice voucher term (including any extensions) expires, the family is no longer eligible to search for housing under the program. If the family still wishes to receive assistance, NHHFA may require that the family reapply, or may place the family on the waiting list with a new application date but without requiring reapplication. Such a family does not become ineligible for the program on the grounds that it was unable to locate a unit before the voucher expired [HCV GB p. 8-13].

NHHFA Policy

If an applicant family's voucher term or extension expires before NHHFA has approved a tenancy, NHHFA will require the family to reapply for assistance.

Within 10 business days after the expiration of the voucher term or any extension, NHHFA will notify the family in writing that the voucher term has expired and that the family must reapply wh to be placed on the waiting list.

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Chapter 6A Income and Subsidy Determinations

[24 CFR Part 5, Subparts E and F; 24 CFR 982]

Introduction

This chapter is applicable prior to NHHFA's HOTMA 102/104 compliance date. After this date, NHHFA will follow policies as outlined in Chapter 6.B. of the administrative plan.

The program regulations in the current Code of Federal Regulations (CFRs) were updated for HOTMA on January 1, 2024. As a result, pre-HOTMA regulations from 2023 are no longer available on electronic CFRs. However, since full HOTMA implementation is still pending, the pre-HOTMA regulations continue to apply to some elements of the program, and this chapter makes references to both pre-HOTMA and HOTMA regulations where applicable. Where HOTMA regulations apply, citations in this chapter have been provided indicating that current HOTMA CFRs are applicable. For all other citations, the pre-HOTMA CFRs apply. The federal government archives previous versions of the CFRs, and PHAs may access them here: https://www.govinfo.gov/app/collection/cfr/2023/title24.

A family's income determines eligibility for assistance and is also used to calculate the family's payment and NHHFA's subsidy. NHHFA will use the policies and methods described in this chapter to ensure that only eligible families receive assistance and that no family pays more or less than its obligation under the regulations. This chapter describes HUD regulations and NHHFA policies related to these topics in three parts as follows:

Part I: Annual Income. HUD regulations specify the sources of income to include and exclude to arrive at a family's annual income. These requirements and NHHFA policies for calculating annual income are found in Part I.

Part II: Adjusted Income. Once annual income has been established HUD regulations require NHHFA to subtract from annual income any of five mandatory deductions for which a family qualifies. These requirements and NHHFA policies for calculating adjusted income are found in Part II.

Part III: Calculating Family Share and NHHFA Subsidy. This part describes the statutory formula for calculating total tenant payment (TTP), the use of utility allowances, and the methodology for determining NHHFA subsidy and required family payment.

Part I: Annual Income

6-I.A. Overview

5.609 Annual income.

(a) Annual income means all amounts, monetary or not, which:

(1) Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member; or

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(2) Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and

(3) Which are not specifically excluded in paragraph [5.609(c)].

(4) Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.

In addition to this general definition, HUD regulations establish policies for treating specific types of income and assets. The full texts of those portions of the regulations are provided in exhibits at the end of this chapter as follows:

Annual Income Inclusions (Exhibit 6-1)

Annual Income Exclusions (as updated for HOTMA per Notice PIH 2024-38) (Exhibit 6-2)

Treatment of Family Assets (Exhibit 6-3)

The Effect of Welfare Benefit Reduction (Exhibit 6-4)

Sections 6-I. B and 6-I.C discuss general requirements and methods for calculating annual income. The rest of this section describes how each source of income is treated for the purposes of determining annual income. Verification requirements for annual income are discussed in Chapter 7.A.

6-I.B. Household Composition and Income

Income received by all family members must be counted unless specifically excluded by the regulations. It is the responsibility of the head of household to report changes in family composition. The rules on which sources of income are counted vary somewhat by family member. The chart below summarizes how family composition affects income determinations.

Summary of Income Included and Excluded by Person	
Live-in aides	Income from all sources is excluded [24 CFR 5.609(b)(8)].
Foster child or foster adult	Income from all sources is excluded [24 CFR 5.609(b)(8)].
Head, spouse, or cohead Other adult family members	All sources of income not specifically excluded by the regulations are included. 24 CFR 5.609(a)
Minors	Employment income is excluded [24 CFR 5.609(b)(3)]. All sources of income, except those specifically excluded by the regulations, are included.

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Full-time students 18 years of age or older (not head, spouse, or cohead)	Earned income in excess of the dependent deduction is excluded [24 CFR 5.609(b)(14) All sources of income, except those specifically excluded by the regulations, are included.

Temporarily Absent Family Members

The income of family members approved to live in the unit will be counted, even if the family member is temporarily absent from the unit [HCV GB, p. 5-18].

NHHFA Policy

Generally, an individual who is or is expected to be absent from the assisted unit for 180 consecutive days or less is considered temporarily absent and continues to be considered a family member. Generally, an individual who is or is expected to be absent from the assisted unit for more than 180 consecutive days is considered permanently absent and no longer a family member. Exceptions to this general policy are discussed below.

Absent Students

NHHFA Policy

When someone who has been considered a family member attends school away from home, the person will continue to be considered a family member unless information becomes available to NHHFA indicating that the student has established a separate household, or the family declares that the student has established a separate household.

Absences Due to Placement in Foster Care

Children temporarily absent from the home as a result of placement in foster care (as confirmed by the state child welfare agency) are considered members of the family [24 CFR 5.403].

NHHFA Policy

If a child has been placed in foster care, NHHFA will verify with the appropriate agency whether and when the child is expected to be returned to the home. Unless the agency confirms that the child has been permanently removed from the home, the child will continue to be counted as a family member.

Absent Head, Spouse, or Cohead

NHHFA Policy

An employed head, spouse, or cohead absent from the unit more than 180 consecutive days due to employment will continue to be considered a family member.

Family Members Permanently Confined for Medical Reasons

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If a family member is confined to a nursing home or hospital on a permanent basis, that person is no longer considered a family member and the income of that person is not counted [HCV GB, p. 5-22].

NHHFA Policy

If there is a question about the status of a family member, NHHFA will request verification from a responsible medical professional and will use this determination. If the responsible medical professional cannot provide a determination, the person generally will be considered temporarily absent. The family may present evidence that the family member is confined on a permanent basis and request that the person not be considered a family member.

Joint Custody of Dependents

NHHFA Policy

Dependents that are subject to a joint custody arrangement will be considered a member of the family, if they live with the applicant or participant family 50 percent or more of the time.

When more than one applicant or participant family is claiming the same dependents as family members, the family with primary custody at the time of the initial examination or reexamination will be able to claim the dependents. If there is a dispute about which family should claim them, NHHFA will make the determination based on available documents such as court orders, school records, or an IRS tax return showing which family has claimed the child for income tax purposes or other credible documentation.

Caretakers for a Child

NHHFA Policy

The approval of a caretaker is at the owner and NHHFA discretion and subject to the owner and NHHFA's screening criteria. If neither a parent nor a designated guardian remains in a household receiving HCV assistance, NHHFA will take the following actions.

(1) If a responsible agency has determined that another adult is to be brought into the assisted unit to care for a child for an indefinite period, the designated caretaker will not be considered a family member until a determination of custody or legal guardianship is made.

(2) If a caretaker has assumed responsibility for a child without the involvement of a responsible agency or formal assignment of custody or legal guardianship, the caretaker will be treated as a visitor for 90 days. After the 90 days has elapsed, the caretaker will be considered a family member unless information is provided that would confirm that the caretaker's role is temporary. In such cases NHHFA will extend the caretaker's status as an eligible visitor.

(3) At any time that custody or guardianship legally has been awarded to a caretaker, the housing choice voucher will be transferred to the caretaker.

(4) During any period that a caretaker is considered a visitor, the income of the caretaker is not counted in annual income and the caretaker does not qualify the family for any deductions from income.

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6-I.C. Anticipating Annual Income

NHHFA is required to count all income "anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date" [24 CFR 5.609(a)(2)]. Policies related to anticipating annual income are provided below.

Basis of Annual Income Projection

NHHFA generally will use current circumstances to determine anticipated income for the coming 12-month period. HUD authorizes NHHFA to use other than current circumstances to anticipate income when:

An imminent change in circumstances is expected [HCV GB, p. 5-17]

It is not feasible to anticipate a level of income over a 12-month period (e.g., seasonal or cyclic income) [24 CFR 5.609(d)]

NHHFA believes that past income is the best available indicator of expected future income [24 CFR 5.609(d)]

NHHFA is required to use HUD's Enterprise Income Verification (EIV) system in its entirety as a third-party source to verify employment and income information, and to reduce administrative subsidy payment errors in accordance with HUD administrative guidance [24 CFR 5.233(a)(2)].

HUD allows NHHFA to use tenant-provided documents (pay stubs) dated within 120 days of the date received by NHHFA to project income once EIV data has been received in such cases where the family does not dispute the EIV employer data and where NHHFA does not determine it is necessary to obtain additional third-party data. NHHFA may also accept a statement dated within the appropriate benefit year for fixed income sources.

NHHFA Policy

When EIV is obtained and the family does not dispute the EIV employer data, based on information provided in the family reexamination declaration and family provided documents NHHFA will use current family-provided documents to project annual wages. When the family-provided documents are pay stubs, NHHFA will make every effort to obtain current and consecutive pay stubs dated within the last 120 days.

NHHFA will obtain written and/or oral third-party verification in accordance with the verification requirements and policy in Chapter 7 in the following cases:

- If EIV or other UIV data is not available,
- If the family disputes the accuracy of the EIV employer data, and/or
- If NHHFA determines additional information is needed.

In such cases, NHHFA will review and analyze current data to anticipate annual income. In all cases, the family file will be documented with a clear record of the reason for the decision, and a clear audit trail will be left as to how NHHFA annualized projected income.

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When NHHFA cannot readily anticipate income based upon current circumstances (e.g., in the case of seasonal employment, unstable working hours, or suspected fraud), NHHFA will review and analyze historical data for patterns of employment, paid benefits, and receipt of other income and use the results of this analysis to establish annual income.

Any time current circumstances are not used to project annual income, a clear rationale for the decision will be documented in the file. In all such cases the family may present information and documentation to NHHFA to show why the historic pattern does not represent the family's anticipated income.

Known Changes in Income

If NHHFA verifies an upcoming increase or decrease in income, annual income will be calculated by applying each income amount to the appropriate part of the 12-month period.

Example: An employer reports that a full-time employee who has been receiving $8/hour will begin to receive $8.25/hour in the eighth week after the effective date of the reexamination. In such a case NHHFA would calculate annual income as follows: ($8/hour × 40 hours × 7 weeks) + ($8.25 × 40 hours × 45 weeks).

The family may present information that demonstrates that implementing a change before its effective date would create a hardship for the family. In such cases NHHFA will calculate annual income using current circumstances and then require an interim reexamination when the change actually occurs. This requirement will be imposed even if NHHFA's policy on reexaminations does not require interim reexaminations for other types of changes.

When tenant-provided third-party documents are used to anticipate annual income, they will be dated within 120 days of the date received by NHHFA. Statements dated within the appropriate benefit year will be accepted for fixed income sources.

Projecting Income

In HUD's EIV webcast of January 2008, HUD made clear that NHHFA are not to use EIV quarterly wages to project earnings.

6-I.D. Earned Income

Types of Earned Income Included in Annual Income

Wages and Related Compensation [24 CFR 5.609(a); Notice PIH 2023-27; Notice PIH 2024-38]

The earned income of each member of the family who is 18 years of age or older, or who is the head of household or spouse/cohead regardless of age, is included in annual income. Income received as a day laborer or seasonal worker is also included in annual income, even if the source, date, or amount of the income varies [24 CFR 5.609 (b)(24) as updated for HOTMA].

Earned income means income or earnings from wages, tips, salaries, other employee compensation, and net income from self-employment. Earned income does not include any pension or annuity, transfer payments (meaning payments made or income received in which

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no goods or services are being paid for, such as welfare, social security, and governmental subsidies for certain benefits), or any cash or in-kind benefits [24 CFR 5.100 as updated for HOTMA].

A day laborer is defined as an individual hired and paid one day at a time without an agreement that the individual will be hired or work again in the future [24 CFR 5.603(b) as updated for HOTMA]. Income earned as a day laborer is not considered nonrecurring income.

A seasonal worker is defined as an individual who is hired into a short-term position (e.g., for which the customary employment period for the position is six months or fewer) and the employment begins about the same time each year (such as summer or winter). Typically, the individual is hired to address seasonal demands that arise for the particular employer or industry [24 CFR 5.603(b) as updated for HOTMA]. Some examples of seasonal work include employment limited to holidays or agricultural seasons. Seasonal work may include but is not limited to employment as a lifeguard, ballpark vendor, or snowplow driver [Notice PIH 2023-27]. Income earned as a seasonal worker is not considered nonrecurring income.

NHHFA Policy

NHHFA will include in annual income the gross amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation.

For persons who regularly receive bonuses or commissions, NHHFA will verify, and then average amounts received preceding admission or reexamination. The family may provide, and NHHFA will consider, a credible justification for not using this history to anticipate future bonuses or commissions. If a new employee has not yet received any bonuses or commissions, NHHFA will count only the amount estimated by the employer. The file will be documented appropriately.

Some Types of Military Pay

All regular pay, special pay and allowances of a member of the Armed Forces are counted except for the special pay to a family member serving in the Armed Forces who is exposed to hostile fire [24 CFR 5.609(b)(11)].

Types of Earned Income Not Counted in Annual Income

Temporary, Nonrecurring, or Sporadic Income [24 CFR 5.609(c)(9)]

Earnings of a Minor [24 CFR 5.609(b)(3) as updated for HOTMA]

A minor is a member of the family, other than the head of household or spouse, who is under 18 years of age. Employment income earned by minors is not included in annual income. All other sources of unearned income, except those specifically excluded by the regulations, are included.

Earned Income of Full-Time Students [24 CFR 5.609(b)(14) as updated for HOTMA]

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The earned income of a dependent full-time student in excess of the amount of the dependent deduction is excluded from annual income. All sources of unearned income, except those specifically excluded by the regulations, are included.

A family member other than the head of household or spouse/cohead is considered a full-time student if they are attending school or vocational training on a full-time basis [24 CFR 5.603(b)]. Full-time status is defined by the educational or vocational institution the student is attending [New PH OCC GB, Lease Requirements, p. 5].

Income of a Live-in Aide

Income earned by a live-in aide, as defined in [24 CFR 5.403], is not included in annual income [24 CFR 5.609(b)(8)]. (See Eligibility chapter for a full discussion of live-in aides.)

End of participation in a training program must be reported in accordance with NHHFA's interim reporting requirements.

6-I.E. Business and Self-Employment Income

[24 CFR 5.609(b)(28); Notice PIH 2023-27]

Annual income includes “net income from the operation of a business or profession. Net income is gross income minus business expenses that allows the business to operate. Gross income is all income amounts received into the business, prior to the deduction of business expenses.

Expenditures for business expansion or amortization of capital indebtedness may not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family.”

NHHFA Policy

To determine business expenses that may be deducted from gross income, NHHFA will use current applicable Internal Revenue Service (IRS) rules for determining allowable business expenses [see IRS Publication 535], unless a topic is addressed by HUD regulations or guidance as described herein.

Independent Contractors

Income received as an independent contractor is included in annual income, even if the source, date, or amount of the income varies [24 CFR 2.609 (b)(24) as updated for HOTMA].

An independent contractor is defined as an individual who qualifies as an independent contractor instead of an employee in accordance with the Internal Revenue Code federal income tax requirements and whose earnings are consequently subject to self-employment tax. In general, an individual is an independent contractor if the payer has the right to control or direct only the result of the work and not what will be done and how it will be done [24 CFR 5.603(b) as updated for HOTMA]. This may include individuals such as third-party delivery and

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transportation service providers and “gig workers” like babysitters, landscapers, rideshare drivers, and house cleaners. Income earned as an independent contractor is not considered nonrecurring income and is therefore included in annual income unless otherwise excluded by regulation.

Business Expansion

HUD regulations do not permit NHHFA to deduct from gross income expenses for business expansion.

NHHFA Policy

Business expansion is defined as any capital expenditure made to add new business activities, to expand current facilities, or to operate the business in additional locations. For example, purchase of a street sweeper by a construction business for the purpose of adding street cleaning to the services offered by the business would be considered a business expansion. Similarly, the purchase of a property by a hair care business to open at a second location would be considered a business expansion.

Capital Indebtedness

HUD regulations do not permit NHHFA to deduct from gross income the amortization of capital indebtedness.

NHHFA Policy

Capital indebtedness is defined as the principal portion of the payment on a capital asset such as land, buildings, and machinery. This means NHHFA will allow as a business expense interest, but not principal, paid on capital indebtedness.

Negative Business Income

If the net income from a business is negative, no business income will be included in annual income; a negative amount will not be used to offset other family income.

Withdrawal of Cash or Assets from a Business

HUD regulations require NHHFA to include in annual income the withdrawal of cash or assets from the operation of a business or profession unless the withdrawal reimburses a family member for cash or assets invested in the business by the family.

NHHFA Policy

Acceptable investments in a business include cash loans and contributions of assets or equipment. For example, if a member of an assisted family provided an up-front loan of $2,000 to help a business get started, NHHFA will not count as income any withdrawals from the business up to the amount of this loan until the loan has been repaid. Investments do not include the value of labor contributed to the business without compensation.

Co-owned Businesses

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NHHFA Policy

If a business is co-owned with someone outside the family, the family must document the share of the business it owns. If the family's share of the income is lower than its share of ownership, the family must document the reasons for the difference.

Assets Owned by a Business Entity

If a business entity (e.g., limited liability company or limited partnership) owns the asset, then the family's asset is their ownership stake in the business, not some portion of the business's assets. However, if the family holds the assets in their own name (e.g., they own one-third of a restaurant) rather than in the name of a business entity, then the percentage value of the asset owned by the family is what is counted toward net family assets (e.g., one-third of the value of the restaurant) [Notice PIH 2023-27].

6-I.F. Student Financial Assistance

[24 CFR 5.609(b)(9)]

The regulations distinguish between two categories of student financial assistance paid to both full-time and part-time students. The first category is any assistance to students under section 479B of the Higher Education Act of 1965 (Title IV of the HEA) which must be excluded from the family's annual income [24 CFR 5.609(b)(9)(i)]. Examples of assistance under title IV of the HEA include:

- Federal Pell Grants;
- Teach Grants;
- Federal Work Study Programs;
- Federal Perkins Loans;
- Income earned in employment and training programs under section 134 of the Workforce Innovation and Opportunity Act (WIOA); or
- Bureau of Indian Affairs/Education student assistance programs
    - The Higher Education Tribal Grant
    - The Tribally Controlled Colleges or Universities Grant Program

The second category is any other grant-in-aid, scholarship, or other assistance amounts an individual receives for the actual covered costs charged by the institute of higher education (not otherwise excluded by the Federally mandated income exclusions) [24 CFR 5.609(b)(9)(ii)]. Other student financial assistance received by the student that, either by itself or in combination with HEA assistance, exceeds the actual covered costs is included in income.

Actual covered costs are defined as the actual costs of:

- Tuition, books, and supplies;
    - Including supplies and equipment to support students with learning disabilities or other disabilities
- Room and board; and

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- Other fees required and charged to a student by the education institution.

For a student who is not the head of household or spouse/cohead, actual covered costs also include the reasonable and actual costs of housing while attending the institution of higher education and not residing in an assisted unit.

Further, to qualify, other student financial assistance must be expressly:

- For tuition, book, supplies, room and board, or other fees required and charged to the student by the educational institution;
- To assist a student with the costs of higher education; or
- To assist a student who is not the head of household or spouse with the reasonable and actual costs of housing while attending the educational institution and not residing in an assisted unit.

The student financial assistance may be paid directly to the student or to the educational institution on the student's behalf. However, any student financial assistance paid to the student must be verified by the PHA.

The financial assistance must be a grant or scholarship received from:

- The Federal government;
- A state, tribal, or local government;
- A private foundation registered as a nonprofit;
- A business entity (such as corporation, general partnership, limited liability company, limited partnership, joint venture, business trust, public benefit corporation, or nonprofit entity); or
- An institution of higher education.

Student financial assistance does not include:

- Financial support is provided to the student in the form of a fee for services performed; (e.g., a work study or teaching fellowship that is not excluded under section 479B of the Higher Education Act HEA);
- Gifts, including gifts from family or friends; or
- Any amount of the scholarship or grant that, either by itself or in combination with assistance excluded under the HEA, exceeds the actual covered costs of the student.

Calculating Income from Student Financial Assistance

[HOTMA Student Financial Assistance Resource Sheet; Notice PIH 2023-27]

The formula for calculation of student financial assistance always begins with deducting the assistance received under 479B of the HEA from the total actual covered costs, because the 479B assistance is intended to pay the student's actual covered costs. When a student receives assistance from both Title IV of the HEA and from other sources, the assistance received under Title IV of the HEA must be applied to the student's actual covered costs first and then other student financial assistance is applied to any remaining actual covered costs. Once actual costs are covered, any remaining student financial assistance is considered income.

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NHHFA Policy

If the student does not receive any assistance under Title IV of the HEA but does receive assistance from another source, the PHA will first calculate the actual covered costs to the student in accordance with 24 CFR 5.609(b)(ii). The PHA will then subtract the total amount of the student's financial assistance from the student's actual covered costs. The PHA will include any amount of financial assistance in excess of the student's actual covered costs in the family's annual income.

Example 1

- Actual covered costs: $20,000
- Other student financial assistance: $25,000
- Excluded income: $20,000 ($25,000 in financial assistance - $20,000 in actual covered costs)
- Included income: $5,000

When a student receives assistance from both Title IV of the HEA and from other sources, the PHA will first calculate the actual covered costs to the student in accordance with 24 CFR 5.609(b)(ii). The assistance received under Title IV of the HEA will be applied to the students' actual costs covered first and then the other student financial assistance will be applied to any remaining actual costs covered.

If the amount of assistance excluded under Title IV of the HEA equals or exceeds the actual covered costs, none of the assistance included under other student financial assistance" would be excluded from income.

Example 2

- Actual covered costs: $25,000
- Title IV HEA assistance: $26,000
- Title IV HEA assistance covers the students entire actual covered costs.
- Other Student Financial Assistance: $5,000
- Excluded income: The entire Title IV HEA assistance of $26,000
- Included income: All other financial assistance of $5,000

If the amount of assistance excluded under Title IV of the HEA is less than the actual covered costs, the PHA will exclude the amount of other student financial assistance up to the amount of the remaining actual covered costs.

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Example 3

- Actual covered costs: $22,000
- Title IV HEA assistance: $15,000
- The remaining amount not covered by Title IV HEA assistance is $7,000 ($22,000 in actual covered costs - $15,000 in Title IV HEA assistance).
- Other Student Financial Assistance: $5,000
- $7,000 in remaining actual covered costs - $5,000 in other financial assistance
- Excluded income: $15,000 entire amount of the Title IV HEA Assistance + $5,000 in other financial assistance
- Included income: $0

Example 4

- Actual covered costs: $18,000
- Title IV HEA Assistance: $15,000
- The remaining amount not covered by Title IV HEA assistance is $3,000 ($18,000 in actual covered costs - $15,000 in Title IV HEA Assistance)
- Other student Financial Assistance: $5,000
- When other student financial assistance is applied, financial assistance exceeds actual covered costs by $2,000 ($3,000 in actual covered costs - $5,000 in other financial assistance).
- Included income: $2,000 (the amount by which the financial aid exceeds the student's actual covered costs).

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6-I.G. Periodic Payments

[Notice PIH 2023-27]

Periodic payments are forms of income received on a regular basis.

Income that will not be repeated beyond the coming year (i.e., the 12 months following the effective date of the certification), based on information provided by the family, is considered nonrecurring income and is excluded from annual income. Income that has a discrete end date and will not be repeated beyond the coming year is excluded from a family's annual income because it is nonrecurring income. For example, a family receives income from a guaranteed income program in their city that has a discrete beginning and end date. While the guaranteed income will be repeated in the coming year, it will end before the family's next annual reexamination. This income is fully excluded from annual income.

However, this does not include unemployment income and other types of periodic payments that are received at regular intervals (such as weekly, monthly, or yearly). Unemployment income and other types of periodic payments are not considered nonrecurring income, unless explicitly excluded from income under 25 CFR 5.609(b) as updated for HOTMA, and thus they are included in annual income.

Insurance payments and settlements for personal or property losses, including but not limited to payments under health insurance, motor vehicle insurance, and workers' compensation, are excluded from annual income. Any workers' compensation is always excluded from annual income, regardless of the frequency or length of the payments.

Lump-Sum Payments for the Delayed Start of a Periodic Payment [24 CFR 5.609(b)(16) as updated for HOTMA]

Deferred periodic amounts from Supplemental Security Income (SSI) and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts, or any deferred Department of Veterans Affairs (VA) disability benefits that are received in a lump sum amount or in prospective monthly amounts are excluded from annual income.

NHHFA Policy

NHHFA will include in annual income lump sums received as a result of delays in processing periodic payments (other than those specifically excluded by the regulation), such as unemployment or welfare assistance.

When a delayed-start payment is received that is to be included and the family reports this during the period in which the PHA is processing an annual reexamination, the PHA will adjust the family's rent retroactively for the period the payment was intended to cover.

If the delayed-start payment is received outside of the time the PHA is processing an annual reexamination, then the PHA will consider whether the amount meets the threshold to conduct an interim reexamination. If so, the PHA will conduct an interim in accordance with PHA policies in Chapter 11. If not, the PHA will consider the amount when processing the family's next annual recertification.

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Retirement Accounts [24 CFR 5.609(b)(26) as updated for HOTMA

Any distribution of periodic payments from a retirement account is included in annual income at the time they are received by the family.

Social Security Benefits [Notice PIH 2023-27]

The PHA is required to use the gross benefit amount to calculate annual income from Social Security benefits.

Annually in October, the Social Security Administration (SSA) announces the cost-of-living adjustment (COLA) by which federal Social Security and SSI benefits are adjusted to reflect the increase, if any, in the cost of living. The federal COLA does not apply to state-paid disability benefits. Effective the day after the SSA has announced the COLA, PHAs are required to factor in the COLA when determining Social Security and SSI annual income for all annual reexaminations and interim reexaminations of family income that have not yet been completed and will be effective January 1 or later of the upcoming year [Notice PIH 2023-27]. When a family member's benefits are garnished, levied, or withheld to pay restitution, child support, tax debt, student loan debt, or other debts, the PHA must use the gross amount of the income, prior to the reduction, to determine a family's annual income.

NHHFA Policy

> Annual income includes "all amounts received," not the amount that a family may be legally entitled to receive but which they do not receive. When the SSA overpays an individual, resulting in a withholding or deduction from their benefit amount until the overpayment is paid in full, the PHA must use the reduced benefit amount after deducting only the amount of the overpayment withholding from the gross benefit amount.

6-I.H. Nonrecurring Income

[24 CFR 5.609(b)(24) as updated for HOTMA and Notice PIH 2023-27]

Nonrecurring income, which is income that will not be repeated beyond the coming year (e.g., 12 months following the effective date of the certification) based on information provided by the family, is excluded from annual income. The PHA may accept a self-certification from the family stating that the income will not be repeated in the coming year. See Chapter 7 for PHA policies related to verification of nonrecurring income.

Income received as an independent contractor, day laborer, or seasonal worker is not excluded from income as nonrecurring income, even if the source, date, or amount of the income varies.

Income that has a discrete end date and will not be repeated beyond the coming year during the family's upcoming annual reexamination period will be excluded from a family's annual income as nonrecurring income. This exclusion does not include unemployment income and other types of periodic payments that are received at regular intervals (such as weekly, monthly, or yearly).

Income amounts excluded under this category may include, but are not limited to:

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- Nonrecurring payments made to the family or to a third party on behalf of the family to assist with utilities;
- Payments for eviction prevention;
- Security deposits to secure housing;
- Payments for participation in research studies (depending on the duration); and
- General one-time payments received by or on behalf of the family.

Nonrecurring income that is excluded under the regulations includes:

- Payments from the U.S. Census Bureau for employment (relating to decennial census or the American Community Survey) lasting no longer than 180 days and not culminating in permanent employment [24 CFR 5.609(b)(24)(i) as updated for HOTMA].
- Direct federal or state payments intended for economic stimulus or recovery [24 CFR 5.609(b)(24)(ii) as updated for HOTMA].
- Amounts directly received by the family as a result of state refundable tax credits or state or federal tax refunds at the time they are received [24 CFR 5.609(b)(24)(iii) and (iv) as updated for HOTMA].
- Gifts for holidays, birthdays, or other significant life events or milestones (e.g., wedding gifts, baby showers, anniversaries) [24 CFR 5.609(b)(24)(v) as updated for HOTMA].
- Non-monetary, in-kind donations, such as food, clothing, or toiletries, received from a food bank or similar organization [24 CFR 5.609(b)(24)(vi) as updated for HOTMA]. When calculating annual income, PHAs are prohibited from assigning monetary value to such non-monetary in-kind donations received by the family [Notice PIH 2023-27]. Non-recurring, non-monetary in-kind donations from friends and family are excluded as non-recurring income. However, the value of regular in-kind donations (such as the value of groceries) received by friends and family are included.
- Lump-sum additions to net family assets, including but not limited to lottery or other contest winnings [24 CFR 5.609(b)(24)(vii) as updated for HOTMA].

6-I.I. State Payments to Allow Individuals with Disabilities to Live at Home

[24 CFR 5.609(b)(19) as updated for HOTMA]

Payments made by or authorized by a state Medicaid agency (including through a managed care entity) or other state or federal agency to an assisted family to enable a member of the assisted family who has a disability to reside in the family's assisted unit are excluded.

Authorized payments may include payments to a member of the assisted family through state Medicaid-managed care systems, other state agencies, federal agencies, or other authorized entities.

The payments must be received for caregiving services a family member provides to enable another member of the assisted family who has a disability to reside in the family's assisted unit. Payments to a family member for caregiving services for someone who is not a member of the assisted family (such as for a relative that resides elsewhere) are not excluded from income.

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Furthermore, if the agency is making payments for caregiving services to the family member for an assisted family member and for a person outside of the assisted family, only the payments attributable to the caregiving services for the caregiver's assisted family member would be excluded from income.

6-I.J. Civil Rights Settlements

[24 CFR 5.609(b)(25) as updated for HOTMA; FR Notice 2/14/23]

Regardless of how the settlement or judgment is structured, civil rights settlements or judgments, including settlements or judgments for back pay, are excluded from annual income. This may include amounts received because of litigation or other actions, such as conciliation agreements, voluntary compliance agreements, consent orders, other forms of settlement agreements, or administrative or judicial orders under the Fair Housing Act, Title VI of the Civil Rights Act, Section 504 of the Rehabilitation Act (Section 504), the Americans with Disabilities Act, or any other civil rights or fair housing statute or requirement.

While these civil rights settlement or judgment amounts are excluded from income, the settlement or judgment amounts will generally be counted toward the family's net family assets (e.g., if the funds are deposited into the family's savings account or a revocable trust under the control of the family or some other asset that is not excluded from the definition of *net family assets*). Income generated on the settlement or judgment amount after it has become a net family asset is not excluded from income. For example, if the family received a settlement or back pay and deposited the money in an interest-bearing savings account, the interest from that account would be income at the time the interest is received.

6-I.K. Additional Exclusions from Annual Income

[24 CFR 5.609(b) as updated for HOTMA; FR Notice 1/31/2024]

Other exclusions contained in 24 CFR 5.609(b) as updated for HOTMA and FR Notice 1/31/2024 include the following:

- Payments received for the care of foster children or foster adults or state or tribal kinship or guardianship care payments [24 CFR 5.609(b)(4) as updated for HOTMA].
- Insurance payments and settlements for personal or property losses, including but not limited to payments through health insurance, motor vehicle insurance, and workers' compensation [24 CFR 5.609(b)(5) as updated for HOTMA]. However, periodic payments paid at regular intervals (such as weekly, monthly, or yearly) for a period of greater than one year that are received in lieu of wages are included in annual income [Notice PIH 2023-27].
- Amounts received by the family that are specifically for, or in reimbursement of, the cost of health and medical care expenses for any family member [24 CFR 5.609(b)(6) as updated for HOTMA].
- Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member arising out of law, that resulted in a member of the family becoming disabled [24 CFR 5.609(b)(7) as updated for HOTMA].
- Income and distributions from any Coverdell education savings account under Section 530 of the Internal Revenue Code of 1986 or any qualified tuition program under Section 529 of such Code [24 CFR 5.609(b)(10) as updated for HOTMA].

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- Income earned by government contributions to, and distributions from, “baby bond” accounts created, authorized, or funded by federal, state, or local government [24 CFR 5.609(b)(10) as updated for HOTMA].
- The special pay to a family member serving in the Armed Forces who is exposed to hostile fire [24 CFR 5.609(b)(11) as updated for HOTMA].
- Payments related to aid and attendance under 38 U.S.C. 1521 to veterans in need of regular aid and attendance [24 CFR 5.609(b)(17) as updated for HOTMA]. This income exclusion applies only to veterans in need of regular aid and attendance and not to other beneficiaries of the payments, such as a surviving spouse [Notice PIH 2023-27].
- Loan proceeds (the net amount disbursed by a lender to or on behalf of a borrower, under the terms of a loan agreement) received by the family or a third party (e.g., proceeds received by the family from a private loan to enable attendance at an educational institution or to finance the purchase of a car) [24 CFR 5.609(b)(20) as updated for HOTMA]. The loan borrower or co-borrower must be a member of the family for this income exclusion to be applicable [Notice PIH 2023-27].
- Payments received by tribal members as a result of claims relating to the mismanagement of assets held in trust by the United States, to the extent such payments are also excluded from gross income under the Internal Revenue Code or other federal law [24 CFR 5.609(b)(21) as updated for HOTMA]. Generally, payments received by tribal members in excess of the first $2,000 of per capita shares are included in a family’s annual income for purposes of determining eligibility. However, as explained in Notice PIH 2023-27, payments made under the Cobell Settlement, and certain per capita payments under the recent Tribal Trust Settlements, must be excluded from annual income.
- Replacement housing “gap” payments made in accordance with 49 CFR Part 24 that offset increased out of pocket costs of displaced persons that move from one federally subsidized housing unit to another federally subsidized housing unit. Such replacement housing “gap” payments are not excluded from annual income if the increased cost of rent and utilities is subsequently reduced or eliminated, and the displaced person retains or continues to receive the replacement housing “gap” payments [24 CFR 5.609(b)(23) as updated for HOTMA].
- Income earned on amounts placed in a family’s Family Self-Sufficiency account [24 CFR 5.609(b)(27) as updated for HOTMA].
- Amounts received by participants in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (e.g., special equipment, clothing, transportation, childcare, etc.) and which are made solely to allow participation in a specific program [24 CFR 5.609(c)(12)(ii) as updated for HOTMA].
- Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS) [(24 CFR 5.609(b)(12)(i) as updated for HOTMA].
- Amounts received under a resident service stipend not to exceed $200 per month. A resident service stipend is a modest amount received by a resident for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of life in the development [24 CFR 5.600(b)(12)(iii) as updated for HOTMA].

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- Incremental earnings and benefits to any family member resulting from participation in qualifying training program funded by HUD or in qualifying federal, state, tribal, or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff are excluded from annual income. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives and are excluded only for the period during which the family member participates in the training program unless those amounts are excluded under 24 CFR 5.609(b)(9)(i) [24 CFR 5.609(b)(12)(iv) as updated for HOTMA].

NHHFA Policy

NHHFA defines training program as "a learning process with goals and objectives, generally having a variety of components, and taking place in a series of sessions over a period of time. It is designed to lead to a higher level of proficiency, and it enhances the individual's ability to obtain employment. It may have performance standards to measure proficiency. Training may include but is not limited to: (1) classroom training in a specific occupational skill, (2) on-the-job training with wages subsidized by the program, or (3) basic education" [expired Notice PIH 98-2, p. 3].

The PHA defines *incremental earnings and benefits* as the difference between (1) the total amount of welfare assistance and earnings of a family member prior to enrollment in a training program and (2) the total amount of welfare assistance and earnings of the family member after enrollment in the program [expired Notice PIH 98-2, pp. 3-4].
In calculating the incremental difference, the PHA will use as the pre-enrollment income the total annualized amount of the family member's welfare assistance and earnings reported on the family's most recently completed HUD-50058.
End of participation in a training program must be reported in accordance with the PHA's interim reporting requirements (see Chapter 11).

- Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era [24 CFR 5.609(b)(13) as updated for HOTMA].
- Adoption assistance payments for a child in excess of the amount of the dependent deduction per adopted child [24 CFR 5.609(b)(15) as updated for HOTMA].
- Refunds or rebates on property taxes paid on the dwelling unit [24 CFR 5.609(b)(20) as updated for HOTMA].
- Amounts that HUD is required by federal statute to exclude from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR 5.609(b) as updated for HOTMA apply. HUD will publish a notice in the *Federal Register* to identify the benefits that qualify for this exclusion. Updates will be published when necessary [24 CFR 5.609(b)(22) as updated for HOTMA].

  HUD publishes an updated list of these exclusions periodically. The most recent list of exclusions was published in the *Federal Register* on January 31, 2024. It includes:

  (a) The value of the allotment provided to an eligible household under the Food Stamp Act of 1977 (7 U.S.C. 2017 (b)). This exclusion also applies to assets.

  (b) Benefits under Section 1780 of the Richard B. Russell School Lunch Act and Child Nutrition Act of 1966, including WIC and reduced-price lunches.

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(c) Payments, including for supportive services and reimbursement of out-of-pocket expenses, to volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058). The exclusion also applies to assets.

- Except, the exclusion does not apply when the Chief Executive Officer of the Corporation for National and Community Service determines that the value of all such payments, adjusted to reflect the number of hours such volunteers are serving, is equivalent to or greater than the minimum wage then in effect under the Fair Labor Standards Act of 1938 (29 U.S.C. 201 et seq.) or the minimum wage, under the laws of the State where such volunteers are serving, whichever is the greater (42 U.S.C. 5044(f)(1)).

(d) Certain payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(c)).

(e) Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 5506).

(f) Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624(f)(1)).

(g) Allowances, earnings, and payments to individuals participating in programs under the Workforce Investment Act of 1998 which was reauthorized as the Workforce Innovation and Opportunity Act of 2014 (29 U.S.C. 3241(a)(2)).

(h) Deferred disability benefits from the Department of Veterans Affairs, whether received as a lump sum or in monthly prospective amounts.

(i) Income derived from the disposition of funds to the Grand River Band of Ottawa Indians (Pub. L. 94-540, 90 Section 6).

(j) Payments, funds, or distributions authorized, established, or directed by the Seneca Nation Settlement Act of 1990 (25 U.S.C. 1774f(b)).

(k) A lump sum or periodic payment received by an individual Indian pursuant to the Class Action Settlement Agreement in the United States District Court case entitled *Elouise Cobell et al.* v. *Ken Salazar et al.,* for a period of one year from the time of receipt of that payment as provided in the Claims Resolution Act of 2010.

(l) The first $2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U. S. Claims Court, the interests of individual Indians in trust or restricted lands, including the first $2,000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands (25 U.S.C. 1407-1408). This exclusion does not include proceeds of gaming operations regulated by the Commission (25 U.S.C. 1407–1408).

(m) Payments received from programs funded under Title V of the Older Americans Act of 1965 (42 U.S.C. 3056(f)).

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(n) Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in *In Re Agent Orange* product liability litigation, M.D.L. No. 381 (E.D.N.Y.). This exclusion also applies to assets.

(o) Payments received under 38 U.S.C. 1833(c) to children of Vietnam veterans born with spinal bifida, children of women Vietnam veterans born with certain birth defects, and children of certain Korean and Thailand service veterans born with spinal bifida (42 U.S.C. 12637(d)).

(p) Payments received under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721). This exclusion also applies to assets.

(q) The value of any childcare provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Childcare and Development Block Grant Act of 1990 (42 U.S.C. 9858q).

(r) Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j)). This exclusion also applies to assets.

(s) Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation (Pub. L. 95-433). This exclusion also applies to assets.

(t) Amounts of student financial assistance funded under Title IV of the Higher Education Act of 1965j, including awards under federal work-study programs or under the Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087uu).

For Section 8 programs only, any financial assistance in excess of amounts received by an individual for tuition and any other required fees and charges under the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.), from private sources, or an institution of higher education (as defined under the Higher Education Act of 1965 (20 U.S.C. 1002)), shall be considered income if the individual is over the age of 23 with dependent children (Pub. L. 109–115, section 327 (as amended)).

(u) Allowances, earnings, and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d)).

(v) Any amount of crime victim compensation that provides medical or other assistance (or payment or reimbursement of the cost of such assistance) under the Victims of Crime Act of 1984 received through a crime victim assistance program, unless the total amount of assistance that the applicant receives from all such programs is sufficient to fully compensate the applicant for losses suffered as a result of the crime (34 U.S.C. 20102(c)).

(w) Any amounts in an “individual development account” are excluded from assets and any assistance, benefit, or amounts earned by or provided to the individual development account are excluded from income, as provided by the Assets for Independence Act, as amended (42 U.S.C. 604(h)(4)).

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(x) Major disaster and emergency assistance received under the Robert T. Stafford Disaster Relief and Emergency Assistance Act and comparable disaster assistance provided by states, local governments, and disaster assistance organizations. This exclusion also applies to assets.

(y) Distributions from an ABLE account, distributions from and certain contributions to an ABLE account established under the ABLE Act of 2014 (Pub. L. 113–295.), as described in Notice PIH 2019–09 or subsequent or superseding notice is excluded from income and assets.

(z) The amount of any refund (or advance payment with respect to a refundable credit) issued under the Internal Revenue Code is excluded from income and assets for a period of 12 months from receipt (26 U.S.C. 6409).

(aa) Assistance received by a household under the Emergency Rental Assistance Program pursuant to the Consolidated Appropriations Act, 2021 (Pub. L. 116–260, section 501(j)), and the American Rescue Plan Act of 2021.

(ab) Per capita payments made from the proceeds of Indian Tribal Trust Settlements listed in IRS Notice 2013-1 and 2013-55 must be excluded from annual income unless the per capita payments exceed the amount of the original Tribal Trust Settlement proceeds and are made from a Tribe's private bank account in which the Tribe has deposited the settlement proceeds. Such amounts received in excess of the Tribal Trust Settlement are included in the gross income of the members of the Tribe receiving the per capita payments as described in IRS Notice 2013-1. The first $2,000 of per capita payments are also excluded from assets unless the per capita payments exceed the amount of the original Tribal Trust Settlement proceeds and are made from a Tribe's private bank account in which the Tribe has deposited the settlement proceeds (25 U.S.C. 117b(a), 25 U.S.C. 1407).

(ac) Any amounts (i) not actually received by the family, (ii) that would be eligible for exclusion under 42 U.S.C. 1382b(a)(7), and (iii) received for service-connected disability under 38 U.S.C. Chapter 11 or dependency and indemnity compensation under 38 U.S.C. Chapter 13 (25 U.S.C. 4103(9)(C)) as provided by an amendment by the Indian Veterans Housing Opportunity Act of 2010 (Pub. L. 111–269 section 2) to the definition of income applicable to programs under the Native American Housing Assistance and Self-Determination Act (NAHASDA) (25 U.S.C. 4101 et seq.).

6-I.L. Assets

[24 CFR 5.609(b)(3); 24 CFR 5.603(b)]

Overview

There is no asset limitation for participation in the HCV program. However, HUD requires that NHHFA include in annual income the anticipated "interest, dividends, and other net income of any kind from real or personal property" [24 CFR 5.609(b)(3)]. This section discusses how the income from various types of assets is determined. For most types of assets, NHHFA must determine the value of the asset in order to compute income from the asset. Therefore, for each asset type, this section discusses:

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How the value of the asset will be determined

How income from the asset will be calculated

Exhibit 6-1 provides the regulatory requirements for calculating income from assets [24 CFR 5.609(b)(3)] and Exhibit 6-3 provides the regulatory definition of net family assets. This section begins with a discussion of general policies related to assets and then provides HUD rules and NHHFA policies related to each type of asset.

Optional policies for family self-certification of assets are found in Chapter 7.

General Policies

Income from Assets

NHHFA generally will use current circumstances to determine both the value of an asset and the anticipated income from the asset. As is true for all sources of income, HUD authorizes NHHFA to use other than current circumstances to anticipate income when (1) an imminent change in circumstances is expected (2) it is not feasible to anticipate a level of income over 12 months or (3) NHHFA believes that past income is the best indicator of anticipated income. For example, if a family member owns real property that typically receives rental income but the property is currently vacant, NHHFA can take into consideration past rental income along with the prospects of obtaining a new tenant.

NHHFA Policy

Anytime current circumstances are not used to determine asset income, a clear rationale for the decision will be documented in the file. In such cases the family may present information and documentation to NHHFA to show why the asset income determination does not represent the family's anticipated asset income.

Valuing Assets

The calculation of asset income sometimes requires NHHFA to make a distinction between an asset's market value and its cash value.

The market value of an asset is its worth in the market (e.g., the amount a buyer would pay for real estate or the total value of an investment account).

The cash value of an asset is its market value less all reasonable amounts that would be incurred when converting the asset to cash.

NHHFA Policy

Reasonable costs that would be incurred when disposing of an asset include, but are not limited to, penalties for premature withdrawal, broker and legal fees, and settlement costs incurred in real estate transactions [HCV GB, p. 5-28].

Lump-Sum Additions to Net Family Assets [24 CFR 5.609(b)(24)(viii) as updated for HOTMA; Notice PIH 2023-27]

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The regulations exclude income from lump-sum additions to family assets, including lottery or other contest winnings as a type of nonrecurring income.

In addition, lump sums from insurance payments, settlements for personal or property losses, and recoveries from civil actions or settlements based on claims of malpractice, negligence, or other breach of duty owed to a family member arising out of law that resulted in a member of the family becoming a family member with a disability are excluded from income.

Further, deferred periodic amounts from Supplemental Security Income (SSI) and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts, or any deferred Department of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts are also excluded from income.

However, these amounts may count toward net family assets.

For a discussion of lump-sum payments that represent the delayed start of a periodic payment, most of which are counted as income, see sections 6-I.H and 6-I.I.

PHA Policy

Any lump-sum receipts are only counted as assets if they are retained by a family in a form recognizable as an asset. [RHIIP FAQs]. For example, if the family receives a $1,000 lump sum for lottery winnings, and the family immediately spends the entire amount, the lump sum will not be counted toward net family assets.

Imputing Income from Assets [24 CFR 5.609(b)(3), Notice PIH 2012-29]

When net family assets are $50,000 or less, NHHFA will include in annual income the actual income anticipated to be derived from the assets. When the family has net family assets in excess of $50,000, NHHFA will include in annual income the greater of (1) the actual income derived from the assets or (2) the imputed income. Imputed income from assets is calculated by multiplying the total cash value of all family assets by an average passbook savings rate as determined by NHHFA.

Note: The HUD field office no longer provides an interest rate for imputed asset income. The “safe harbor” is now for NHHFA to establish a passbook rate within 0.75 percent of a national average.

NHHFA must review its passbook rate annually to ensure that it remains within 0.75 percent of the national average.

NHHFA Policy

NHHFA initially set the imputed asset passbook rate at the national rate established by the Federal Deposit Insurance Corporation (FDIC).

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NHHFA will review the passbook rate annually. The rate will not be adjusted unless the current NHHFA rate is no longer within 0.75 percent of the national rate. If it is no longer within 0.75 percent of the national rate, the passbook rate will be set at the current national rate.

The effective date of changes to the passbook rate will be determined at the time of the review.

Determining Actual Anticipated Income from Assets

It may or may not be necessary for NHHFA to use the value of an asset to compute the actual anticipated income from the asset. When the value is required to compute the anticipated income from an asset, the market value of the asset is used. For example, if the asset is a savings account, the anticipated income is determined by multiplying the market value of the account by the interest rate on the account. However, if the asset is a property for which a family receives rental income, the anticipated income is determined by annualizing the actual monthly rental amount received for the property; it is not based on the property's market value.

Jointly Owned Assets

The regulation at 24 CFR 5.609(a)(4) specifies that annual income includes "amounts derived (during the 12-month period) from assets to which any member of the family has access."

NHHFA Policy

If an asset is owned by more than one person and any family member has unrestricted access to the asset, NHHFA will count the full value of the asset. A family member has unrestricted access to an asset when they can legally dispose of the asset without the consent of any of the other owners.

If an asset is owned by more than one person, including a family member, but the family member does not have unrestricted access to the asset, NHHFA will prorate the asset according to the percentage of ownership. If no percentage is specified or provided for by state or local law, NHHFA will prorate the asset evenly among all owners.

Assets Disposed of for Less than Fair Market Value [24 CFR 5.603(b)]

HUD regulations require NHHFA to count as a current asset any business or family asset that was disposed of for less than fair market value during the two years prior to the effective date of the examination/reexamination, except as noted below.

Minimum Threshold

The HCV Guidebook permits NHHFA to set a threshold below which assets disposed of for less than fair market value will not be counted [HCV GB, p. 5-27].

NHHFA Policy

NHHFA will not include the value of assets disposed of for less than fair market value unless the cumulative fair market value of all assets disposed of during the past two years exceeds the gross amount received for the assets by more than $1,000.

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When the two-year period expires, the income assigned to the disposed asset(s) also expires. If the two-year period ends between annual recertifications, the family may request an interim recertification to eliminate consideration of the asset(s).

Assets placed by the family in nonrevocable trusts are considered assets disposed of for less than fair market value except when the assets placed in trust were received through settlements or judgments.

Separation or Divorce

The regulation also specifies that assets are not considered disposed of for less than fair market value if they are disposed of as part of a separation or divorce settlement and the applicant or tenant receives important consideration not measurable in dollar terms.

NHHFA Policy

All assets disposed of as part of a separation or divorce settlement will be considered assets for which important consideration not measurable in monetary terms has been received. In order to qualify for this exemption, a family member must be subject to a formal separation or divorce settlement agreement established through arbitration, mediation, or court order.

Foreclosure or Bankruptcy

Assets are not considered disposed of for less than fair market value when the disposition is the result of a foreclosure or bankruptcy sale.

Family Declaration

NHHFA Policy

Families must sign a declaration form at initial certification and each annual recertification identifying all assets that have been disposed of for less than fair market value or declaring that no assets have been disposed of for less than fair market value. NHHFA may verify the value of the assets disposed of if other information available to NHHFA does not appear to agree with the information reported by the family.

Types of Assets

Checking and Savings Accounts

For regular checking accounts and savings accounts, cash value has the same meaning as market value. If a checking account does not bear interest, the anticipated income from the account is zero.

NHHFA Policy

In determining the value of checking account and savings accounts, NHHFA will use the current balance.

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In determining the anticipated income from an interest-bearing checking or savings account, NHHFA will multiply the value of the account by the current rate of interest paid on the account.

ABLE Accounts [24 CFR 5.609(b)(10) as updated for HOTMA; Notice PIH 2019-09]

An Achieving a Better Life Experience (ABLE) account is a type of tax-advantaged savings account that an eligible individual can use to pay for qualified disability expenses. Section 103 of the ABLE Act mandates that an individual's ABLE account (specifically, its account balance, contributions to the account, and distributions from the account) is excluded when determining the designated beneficiary's eligibility and continued occupancy under certain federal means-tested programs. The PHA must exclude the entire value of the individual's ABLE account from the household's assets. Distributions from the ABLE account are also not considered income. However, all wage income received, regardless of which account the money is paid to, is included as income.

Investment Accounts Such as Stocks, Bonds, Saving Certificates, and Money Market Funds

Interest or dividends earned by investment accounts are counted as actual income from assets even when the earnings are reinvested. The cash value of such an asset is determined by deducting from the market value any broker fees, penalties for early withdrawal, or other costs of converting the asset to cash.

NHHFA Policy

In determining the market value of an investment account, NHHFA will use the value of the account on the most recent investment report.

How anticipated income from an investment account will be calculated depends on whether the rate of return is known.

For assets that are held in an investment account with a known rate of return (e.g., savings certificates), asset income will be calculated based on that known rate (market value multiplied by rate of earnings).

When the anticipated rate of return is not known (e.g., stocks), NHHFA will calculate asset income based on the earnings for the most recent reporting period.

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Equity in Real Property or Other Capital Investments

Equity (cash value) in a property or other capital asset is the estimated current market value of the asset less the unpaid balance on all loans secured by the asset less reasonable costs (such as broker fees) that would be incurred in selling the asset [HCV GB, p. 5-25].

NHHFA Policy

NHHFA will first use the payoff amount for the loan (mortgage) as the unpaid balance to calculate equity. If the payoff amount is not available, NHHFA will use the basic loan balance information to deduct from the market value in the equity calculation.

Equity in real property and other capital investments is considered in the calculation of asset income except for the following types of assets:

- Equity accounts in HUD homeownership programs [24 CFR5.603(b)]
- The value of a home currently being purchased with assistance under the HCV program Homeownership Option for the first 10 years after the purchase date of the home [24 CFR 5.603(b), Notice PIH 2012-3]
- Equity in owner-occupied cooperatives and manufactured homes in which the family lives [HCV GB, p. 5-25]
- Equity in real property when a family member's main occupation is real estate [HCV GB, p. 5-25]. This real estate is considered a business asset, and income related to this asset will be calculated as described in section 6-I.F.
- Interests in Indian Trust lands [24 CFR 5.603(b)]
- Real property and capital assets that are part of an active business or farming operation [HCV GB, p. 5-25]
- NHHFA must also deduct from the equity the reasonable costs for converting the asset to cash. Using the formula for calculating equity specified above, the net cash value of real property is the market value minus the balance of the loan (mortgage) minus the expenses to convert to cash
  [Notice PIH 2012-3].

NHHFA Policy

For the purposes of calculating expenses to convert to cash for real property, NHHFA will use ten percent of the market value of the home or actual expenses.

A family may have real property as an asset in two ways: (1) owning the property itself and (2) holding a mortgage or deed of trust on the property. In the case of a property owned by a family member, the anticipated asset income generally will be in the form of rent or other payment for the use of the property. If the property generates no income, actual anticipated income from the asset will be zero.

In the case of a mortgage or deed of trust held by a family member, the outstanding balance (unpaid principal) is the cash value of the asset. The interest portion only of payments made to the family in accordance with the terms of the mortgage or deed of trust is counted as anticipated asset income.

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In the case of capital investments owned jointly with others not living in a family's unit, a prorated share of the property's cash value will be counted as an asset unless NHHFA determines that the family receives no income from the property and is unable to sell or otherwise convert the asset to cash.

Trusts [24 CFR 5.609(b)(2) as updated for HOTMA]

A trust is a legal arrangement generally regulated by state law in which one party (the creator or grantor) transfers property to a second party (the trustee) who holds the property for the benefit of one or more third parties (the beneficiaries).

The basis for determining how to treat trusts relies on information about who has access to either the principal in the account or the income from the account. There are two types of trusts, revocable and irrevocable.

When the creator sets up an irrevocable trust, the creator has no access to the funds in the account. Typically, special needs trusts are considered irrevocable. Irrevocable trusts not under the control of any member of the family are excluded from net family assets. The value of the trust continues to be excluded from net family assets so long as the fund continues to be held in a trust that is not revocable by, or under the control of, any member of the family or household [24 CFR 5.603(b)(4) as updated for HOTMA]. Further, where an irrevocable trust is excluded from net family assets, the PHA must not consider actual income earned by the trust (e.g., interest earned, rental income if property is held in the trust) for so long as the income from the trust is not distributed.

A revocable trust is a trust that the creator of the trust may amend or end (revoke). When there is a revocable trust, the creator has access to the funds in the trust account.

- A revocable trust that is under the control of the family is included in net family assets when the grantor is a member of the assisted family. If a revocable trust is included in the calculation of net family assets, then the actual income earned by the revocable trust is also included in the family's income. For example, interest earned or rental income if the property is held in the trust.
- A revocable trust that is not under the control of the family is excluded from net family assets. This happens when a member of the assisted family is the beneficiary of a revocable trust, but the grantor is not a member of the assisted family. In this case the beneficiary does not "own" the revocable trust, and the value of the trust is excluded from net family assets. For the revocable trust to be considered excluded from net family assets, no family or household member may be the account's trustee.

For both irrevocable and revocable trusts, if the value of the trust is not considered part of net family assets, then distributions from the trust are treated as follows:

- All distributions from the trust's principal are excluded from income.

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- Distributions of income earned by the trust (i.e., interest, dividends, realized gains, or other earnings on the trust's principal), are included as income unless the distribution is used to pay for the health and medical expenses for a minor.

Retirement Accounts

Income received from any account under a retirement plan recognized as such by the Internal Revenue Service, including individual retirement arrangements (IRAs), employer retirement plans, and retirement plans for self-employed individuals is excluded. For example, actual interest or dividend income is not counted as anticipated income from the account on the Form HUD-50058. When the PHA includes the value of the retirement account as assets on the Form HUD-50058, if the total cash value of the family's assets exceeds $5,000, imputed income will be calculated and included.

In order to correctly include or exclude as an asset any amount held in a company retirement or pension account by an employed person, NHHFA must know whether the money is accessible before retirement [HCV GB, p. 5-26].

While a family member is employed, only the amount the family member can withdraw without retiring or terminating employment is counted as an asset [HCV GB, p. 5-26].

After a family member retires or terminates employment, any amount distributed to the family member is counted as a periodic payment or a lump-sum receipt, as appropriate [HCV GB, p. 5-26], (For more on periodic payments, see section 6-I.H.) The balance in the account is counted as an asset only if it remains accessible to the family member.

IRA, Keogh, and similar retirement savings accounts are counted as assets even though early withdrawal would result in a penalty [HCV GB, p. 5-25].

Personal Property

Personal property held as an investment, such as gems, jewelry, coin collections, antique cars, etc., is considered an asset [HCV GB, p. 5-25].

NHHFA Policy

In determining the value of personal property held as an investment, NHHFA will use the family's estimate of the value. NHHFA may obtain an appraisal to confirm the value of the asset if there is reason to believe that the family's estimated value is off by $50 or more. The family must cooperate with the appraiser but cannot be charged any costs related to the appraisal.

Generally, personal property held as an investment generates no income until it is disposed of. If regular income is generated (e.g., income from renting the personal property), the amount that is expected to be earned in the coming year is counted as actual income from the asset.

Necessary items of personal property are not considered assets [24 CFR 5.603(b)].

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Necessary personal property consists of only those items not held as an investment, and may include clothing, furniture, household furnishings, jewelry, and vehicles, including those specially equipped for persons with disabilities.

Life Insurance

The cash value of a life insurance policy available to a family member before death, such as a whole life or universal life policy, is included in the calculation of the value of the family's assets [HCV GB 5-25]. The cash value is the surrender value. If such a policy earns dividends or interest that the family could elect to receive, the anticipated amount of dividends or interest is counted as income from the asset whether or not the family actually receives it.

6-I.M. Welfare Assistance

Overview

Welfare assistance is counted in annual income. Welfare assistance includes Temporary Assistance for Needy Families (TANF) and any payments to individuals or families based on need that are made under programs funded separately or jointly by federal, state, or local governments [24 CFR 5.603(b)].

Sanctions Resulting in the Reduction of Welfare Benefits [24 CFR 5.615]

NHHFA must make a special calculation of annual income when the welfare agency imposes certain sanctions on certain families. The full text of the regulation at 24 CFR 5.615 is provided as Exhibit 6-5. The requirements are summarized below. This rule applies only if a family was receiving HCV assistance at the time the sanction was imposed.

Covered Families

The families covered by 24 CFR 5.615 are those "who receive welfare assistance or other public assistance benefits ('welfare benefits') from a State or other public agency ('welfare 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" [24 CFR 5.615(b)]

Imputed Income

When a welfare agency imposes a sanction that reduces a family's welfare income because the family commits fraud or fails to comply with the agency's economic self-sufficiency program or work activities requirement, NHHFA must include in annual income "imputed" welfare income. NHHFA must request that the welfare agency provide the reason for the reduction of benefits and the amount of the reduction of benefits. The imputed welfare income is the amount that the benefits were reduced as a result of the sanction.

This requirement does not apply to reductions in welfare benefits: (1) at the expiration of the lifetime or other time limit on the payment of welfare benefits, (2) if a family member is unable to find employment even though the family member has complied with the welfare agency economic self-sufficiency or work activities requirements, or (3) because a family member has not complied with other welfare agency requirements [24 CFR 5.615(b)(2)].

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Offsets

The amount of the imputed welfare income is offset by the amount of additional income the family begins to receive after the sanction is imposed. When the additional income equals or exceeds the imputed welfare income, the imputed income is reduced to zero [24 CFR 5.615(c)(4)].

6-I.N. Periodic and Determinable Allowances

[24 CFR 5.609(b)(7)]

Annual income includes periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing with an assisted family.

Alimony and Child Support

NHHFA must count alimony or child support amounts awarded as part of a divorce or separation agreement.

NHHFA Policy

NHHFA will count court-awarded amounts for alimony and child support unless NHHFA verifies that: (1) the payments are not being made, and (2) the family has made reasonable efforts to collect amounts due, including filing with courts or agencies responsible for enforcing payments [HCV GB, pp. 5-23 and 5-47].

Families who do not have court-awarded alimony and child support awards are not required to seek a court award and are not required to take independent legal action to obtain collection.

PART II: Adjusted Income

6-II.A. Introduction

Overview

HUD regulations require NHHFA to deduct from annual income any of five mandatory deductions for which a family qualifies. The resulting amount is the family's adjusted income. Mandatory deductions are found in 24 CFR 5.611.

5.611(a) Mandatory deductions. In determining adjusted income, the responsible entity [NHHFA] must deduct the following amounts from annual income:

(1) $480 for each dependent.

(2) $400 for any elderly family or disabled family.

(3) The sum of the following, to the extent the sum exceeds three percent of annual income:

(i) Unreimbursed health and medical expenses of any elderly family or disabled family.

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(ii) Unreimbursed reasonable attendant care and auxiliary apparatus expenses for each member of the family who is a person with disabilities, to the extent necessary to enable any member of the family (including the member who is a person with disabilities) to be employed. This deduction may not exceed the earned income received by family members who are 18 years of age or older and who are able to work because of such attendant care or auxiliary apparatus; and

(4) Any reasonable childcare expenses necessary to enable a member of the family to be employed or to further his or her education.

This part covers policies related to these mandatory deductions. Verification requirements related to these deductions are found in Chapter 7.

Anticipating Expenses

NHHFA Policy

Generally, NHHFA will use current circumstances to anticipate expenses. When possible, for costs that are expected to fluctuate during the year (e.g., childcare during school and non-school periods and cyclical medical expenses), NHHFA will estimate costs based on historic data and known future costs.

If a family has an accumulated debt for medical or disability assistance expenses, NHHFA will include as an eligible expense the portion of the debt that the family expects to pay during the period for which the income determination is being made. However, amounts previously deducted will not be allowed even if the amounts were not paid as expected in a preceding period. NHHFA may require the family to provide documentation of payments made in the preceding year.

6-II.B. Dependent Deduction

An allowance of $480 is deducted from annual income for each dependent [24 CFR 5.611(a)(1)]. Dependent is defined as any family member other than the head, spouse, or cohead who is under the age of 18 or who is 18 or older and is a person with disabilities or a full-time student. Foster children, foster adults, and live-in aides are never considered dependents [24 CFR 5.603(b)].

6-II.C. Elderly or Disabled Family Deduction

A single deduction of $400 is taken for any elderly or disabled family [24 CFR 5.611(a)(2)]. An elderly family is a family whose head, spouse, cohead, or sole member is 62 years of age or older, and a disabled family is a family whose head, spouse, cohead, or sole member is a person with disabilities [24 CFR 5.403].

6-II.D. Health and Medical Expenses Deduction

[24 CFR 5.611(a)(3)(i) and 5.603(b)]

Unreimbursed health and medical expenses may be deducted to the extent that, in combination with any disability assistance expenses, they exceed three percent of annual income.

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The health and medical expense deduction is permitted only for families in which the head, spouse, or cohead is at least 62 or is a person with disabilities. If a family is eligible for a health and medical expense deduction, the medical expenses of all family members are counted [VG, p. 28].

Definition of Medical Expenses

HUD regulations define health and medical care expenses at 24 CFR 5.603(b) (as updated for HOTMA) to mean "any costs incurred in the diagnosis, cure, mitigation, treatment, or prevention of disease or payments for treatments affecting any structure or function of the body. Health and medical care expenses include medical insurance premiums and long-term care premiums that are paid or anticipated during the period for which annual income is computed." Health and medical care expenses may be deducted from annual income only if they are eligible under this definition and not otherwise reimbursed.

Although HUD revised the definition of health and medical care expenses to reflect the Internal Revenue Service (IRS) general definition of medical expenses, HUD is not permitting PHAs to specifically align their policies to IRS Publication 502. PHAs must review each expense to determine whether it is eligible in accordance with HUD's definition. While PHA policies may not specifically align with IRS Publication 502, HUD recommends PHAs use it as a standard for determining allowable expenses, and the PHA may list examples of allowable expenses in their policy provided they comply with HUD's definition at 24 CFR 5.603 as updated for HOTMA. The PHA may not define health and medical care expenses more narrowly than the regulation.

In accordance with the Health Insurance Portability and Accountability Act (HIPAA) (Pub. L. 104-191, 110 Stat. 1936) and the Privacy Act of 1974 (Pub. L. 93-579, 88 Stat. 1896), when requesting documentation to determine unreimbursed health and medical care expenses, the PHA may not request documentation beyond what is sufficient to determine anticipated health and medical care costs.

NHHFA Policy

NHHFA will use the most current IRS Publication 502 as a standard for determining if expenses claimed by eligible families qualify as health and medical care expenses. However, under no circumstances will the PHA deduct any expenses listed in IRS Publication 502 that do not conform with HUD's definition of health and medical care expenses.

Summary of Typical Allowable Health and Medical Care Expenses	
Services of medical professionals	Substance abuse treatment programs
Surgery and medical procedures that are necessary, legal, and non-cosmetic	Psychiatric treatment
Services of medical facilities	

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Hospitalization, long-term care, and in-home nursing services Prescription medicines and insulin, but not nonprescription medicines even if recommended by a doctor Improvements to housing directly related to medical needs (e.g., ramps for a wheelchair, handrails) Medical insurance premiums or the cost of a health maintenance organization (HMO) Medicare Part B and Part D premiums	Ambulance services and some costs of transportation related to medical expenses. The PHA will use the most current medical mileage rate listed in IRS Publication 502. The cost and care of necessary equipment related to a medical condition (e.g., eyeglasses/lenses, hearing aids, crutches, and artificial teeth) The costs of buying, training, and maintaining a guide dog or other service animal to assist a visually impaired or hearing disabled person, or a person with other physical disabilities. In general, this includes any costs, such as food, grooming, and veterinary care, incurred in maintaining the health and vitality of the service animal so that it may perform its duties.
Note: This chart provides a summary of eligible health and medical care expenses only. In all cases, the PHA will consider whether health and medical expenses care expenses claimed by the family are eligible under HUD's definition.	

Before placing health, medical, or disability expense bills and documentation in the tenant file, the PHA will redact all personally identifiable information.

If the PHA receives documentation from a verification source that contains the individual's specific diagnosis, information regarding the individual's treatment, and/or information regarding the nature or severity of the person's disability, the PHA will immediately dispose of this confidential information; this information will never be maintained in the individual's file. If the information needs to be disposed of, the PHA will note in the individual's file that verification was received, the date received, and the name and address of the person/organization that provided the verification. Under no circumstances will PHA include an applicant's or resident's medical records in the file [Notice PIH 2010-26].

Families That Qualify for Both Health and Medical and Disability Assistance Expenses

NHHFA Policy

This policy applies only to families in which the head, spouse, or cohead is 62 or older or is a person with disabilities.

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When expenses anticipated by a family could be defined as either health and medical or disability assistance expenses, NHHFA will consider them health and medical expenses unless it is clear that the expenses are incurred exclusively to enable a person with disabilities to work.

6-II.E. Disability Assistance Expenses Deduction

[24 CFR 5.603(b) and
24 CFR 5.611(a)(3)(ii)]

Reasonable expenses for attendant care and auxiliary apparatus for a disabled family member may be deducted if they: (1) are necessary to enable a family member 18 years or older to work, (2) are not paid to a family member or reimbursed by an outside source, (3) in combination with any medical expenses, exceed three percent of annual income, and (4) do not exceed the earned income received by the family member who is enabled to work.

Earned Income Limit on the Disability Assistance Expense Deduction

A family can qualify for the disability assistance expense deduction only if at least one family member (who may be the person with disabilities) is enabled to work [24 CFR 5.603(b)].

The disability expense deduction is capped by the amount of "earned income received by family members who are 18 years of age or older and who are able to work" because of the expense [24 CFR 5.611(a)(3)(ii)]. The earned income used for this purpose is the amount verified before any income exclusions are applied.

NHHFA Policy

The family must identify the family members enabled to work as a result of the disability assistance expenses. In evaluating the family's request, NHHFA will consider factors such as how the work schedule of the relevant family members relates to the hours of care provided, the time required for transportation, the relationship of the family members to the person with disabilities, and any special needs of the person with disabilities that might determine which family members are enabled to work.

When NHHFA determines that the disability assistance expenses enable more than one family member to work, the expenses will be capped by the sum of the family members' incomes.

Eligible Disability Expenses

Examples of auxiliary apparatus are provided in the HCV Guidebook as follows: "Auxiliary apparatus are items such as wheelchairs, ramps, adaptations to vehicles, or special equipment to enable a blind person to read or type, but only if these items are directly related to permitting the disabled person or other family member to work" [HCV GB, p. 5-30].

HUD advises NHHFA to further define and describe auxiliary apparatus [VG, p. 30].

Eligible Auxiliary Apparatus

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Auxiliary apparatus items may include expenses for wheelchairs, ramps, adaptations to vehicles, guide dogs, assistance animals, or special equipment to enable a person who is blind or has low vision to read or type or special equipment to assist a person who is deaf or hard of hearing [Notice PIH 2023-27].

Expenses incurred for maintaining or repairing an auxiliary apparatus are eligible. In the case of an apparatus that is specially adapted to accommodate a person with disabilities (e.g., a vehicle or computer), the cost to maintain the special adaptations (but not maintenance of the apparatus itself) is an eligible expense. The cost-of-service animals trained to give assistance to persons with disabilities, including the cost of acquiring the animal, veterinary care, food, grooming, and other continuing costs of care, will be included.

Eligible Attendant Care

The family determines the type of attendant care that is appropriate for the person with disabilities.

NHHFA Policy

Examples of attendant care expenses can include teaching a person with disabilities how to perform day-to-day tasks independently like cleaning, bathing, doing laundry, and cooking. Attendant care can be 24-hour care, or care during sporadic periods throughout the day [Notice PIH 2023-27].

Attendant care also includes, but is not limited to, reasonable costs for home medical care, nursing services, in-home or center-based care services, interpreters for persons with hearing impairments, and readers for persons with visual disabilities.

Attendant care expenses will be included for the period that the person enabled to work is employed plus reasonable transportation time. The cost of general housekeeping and personal services is not an eligible attendant care expense. However, if the person enabled to work is the person with disabilities, personal services necessary to enable the person with disabilities to work are eligible.

If the care attendant also provides other services to the family, NHHFA will prorate the cost and allow only that portion of the expenses attributable to attendant care that enables a family member to work. For example, if the care provider also cares for a child who is not the person with disabilities, the cost of care must be prorated. Unless otherwise specified by the care provider, the calculation will be based upon the number of hours spent in each activity and/or the number of persons under care.

Payments to Family Members

No disability assistance expenses may be deducted for payments to a member of an assisted family [24 CFR 5.603(b)]. However, expenses paid to a relative who is not a member of the assisted family may be deducted if they are not reimbursed by an outside source.

Necessary and Reasonable Expenses

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The family determines the type of care or auxiliary apparatus to be provided and must describe how the expenses enable a family member to work. The family must certify that the disability assistance expenses are necessary and are not paid or reimbursed by any other source.

NHHFA Policy

NHHFA determines the reasonableness of the expenses based on typical costs of care or apparatus in the locality. To establish typical costs, NHHFA will collect information from organizations that provide services and support to persons with disabilities. A family may present, and NHHFA will consider, the family's justification for costs that exceed typical costs in the area.

Families That Qualify for Both Medical and Disability Assistance Expenses

NHHFA Policy

This policy applies only to families in which the head or spouse is 62 or older or is a person with disabilities.

When expenses anticipated by a family could be defined as either medical or disability assistance expenses, NHHFA will consider them medical expenses unless it is clear that the expenses are incurred exclusively to enable a person with disabilities to work.

6-III.F. Child Care Expense Deduction

HUD defines child care expenses at 24 CFR 5.603(b) as "amounts anticipated to be paid by the family for the care of children under 13 years of age (including foster children) during the period for which annual income is computed, but only where such care is necessary to enable a family member to actively seek employment, be gainfully employed, or to further his or her education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for childcare. In the case of childcare necessary to permit employment, the amount deducted shall not exceed the amount of employment income that is included in annual income."

Clarifying the Meaning of Child for This Deduction

Childcare expenses do not include child support payments made to another on behalf of a minor who is not living in an assisted family's household [VG, p. 26]. However, childcare expenses for foster children that are living in the assisted family's household are included when determining the family's childcare expenses [HCV GB, p. 5-29].

Qualifying for the Deduction

Determining Who Is Enabled to Pursue an Eligible Activity

NHHFA Policy

The family must identify the family member(s) enabled to pursue an eligible activity. The term eligible activity in this section means any of the activities that may make the family eligible for a childcare deduction (seeking work, pursuing an education, or being gainfully employed).

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In evaluating the family's request, NHHFA will consider factors such as how the schedule for the claimed activity relates to the hours of care provided, the time required for transportation, the relationship of the family member(s) to the child, and any special needs of the child that might help determine which family member is enabled to pursue an eligible activity.

Seeking Work

NHHFA Policy

If the childcare expense being claimed is to enable a family member to seek employment, the family must provide evidence of the family member's efforts to obtain employment at each reexamination. The deduction may be reduced or denied if the family member's job search efforts are not commensurate with the childcare expense being allowed.

Furthering Education

NHHFA Policy

If the childcare expense being claimed is to enable a family member to further their education, the member must be enrolled in school (academic or vocational) or participating in a formal training program. The family member is not required to be a full-time student, but the time spent in educational activities must be commensurate with the childcare claimed.

Being Gainfully Employed

NHHFA Policy

If the childcare expense being claimed is to enable a family member to be gainfully employed, the family must provide evidence of the family member's employment during the time that childcare is being provided. Gainful employment is any legal work activity (full- or part-time) for which a family member is compensated.

Earned Income Limit on Child Care Expense Deduction

When a family member looks for work or furthers their education, there is no cap on the amount that may be deducted for childcare – although the care must still be necessary and reasonable. However, when childcare enables a family member to work, the deduction is capped by "the amount of employment income that is included in annual income" [24 CFR 5.603(b)].

The earned income used for this purpose is the amount of earned income verified after any earned income disallowances or income exclusions are applied.

When the person who is enabled to work is a person with disabilities who receives the earned income disallowance (EID) or a full-time student whose earned income above $480 is excluded, childcare costs related to enabling a family member to work may not exceed the portion of the person's earned income that actually is included in annual income. For example, if a family member who qualifies for the EID makes $15,000 but because of the EID only $5,000 is included in annual income, childcare expenses are limited to $5,000.

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NHHFA must not limit the deduction to the least expensive type of childcare. If the care allows the family to pursue more than one eligible activity, including work, the cap is calculated in proportion to the amount of time spent working [HCV GB, p. 5-30].

NHHFA Policy

When the childcare expense being claimed is to enable a family member to work, only one family member's income will be considered for a given period of time. When more than one family member works during a given period, NHHFA generally will limit allowable childcare expenses to the earned income of the lowest-paid member. The family may provide information that supports a request to designate another family member as the person enabled to work.

Eligible Child Care Expenses

The type of care to be provided is determined by the assisted family. NHHFA may not refuse to give a family the childcare expense deduction because there is an adult family member in the household that may be available to provide childcare [VG, p. 26].

Allowable Child Care Activities

NHHFA Policy

For school-age children, costs attributable to public or private school activities during standard school hours are not considered. Expenses incurred for supervised activities after school or during school holidays (e.g., summer day camp, after-school sports league) are allowable forms of childcare.

The costs of general housekeeping and personal services are not eligible. Likewise, childcare expenses paid to a family member who lives in the family's unit are not eligible; however, payments for childcare to relatives who do not live in the unit are eligible.

If a childcare provider also renders other services to a family or childcare is used to enable a family member to conduct activities that are not eligible for consideration, the PHA will prorate the costs and allow only that portion of the expenses that is attributable to childcare for eligible activities. For example, if the care provider also cares for a child with disabilities who is 13 or older, the cost of care will be prorated. Unless otherwise specified by the childcare provider, the calculation will be based upon the number of hours spent in each activity and/or the number of persons under care.

Necessary and Reasonable Costs

Childcare expenses will be considered necessary if: (1) a family adequately explains how the care enables a family member to work, actively seek employment, or further their education, and (2) the family certifies, and the childcare provider verifies, that the expenses are not paid or reimbursed by any other source.

NHHFA Policy

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Childcare expenses will be considered for the time required for the eligible activity plus reasonable transportation time. For childcare that enables a family member to go to school, the time allowed may include not more than one study hour for each hour spent in class.

PART III: Calculating Family Share and NHHFA Subsidy

6-III.A. Overview of Rent and Subsidy Calculations

TTP Formula [24 CFR 5.628]

HUD regulations specify the formula for calculating the total tenant payment (TTP) for an assisted family. TTP is the highest of the following amounts, rounded to the nearest dollar:

- 30 percent of the family's monthly adjusted income (adjusted income is defined in Part II)
- 10 percent of the family's monthly gross income (annual income, as defined in Part I, divided by 12)
- The welfare rent (in as-paid states only)
- A minimum rent between $0 and $130 that is established by NHHFA

NHHFA has authority to suspend and exempt families from minimum rent when a financial hardship exists, as defined in section 6-III.B.

The amount that a family pays for rent and utilities (the family share) will never be less than the family's TTP but may be greater than the TTP depending on the rent charged for the unit the family selects.

Welfare Rent [24 CFR 5.628]

NHHFA Policy

Welfare rent does not apply in this locality.

Minimum Rent [24 CFR 5.630]

NHHFA Policy

The minimum rent for this locality is $ 130.

Family Share [24 CFR 982.305(a)(5)]

If a family chooses a unit with a gross rent (rent to owner plus an allowance for tenant-paid utilities) that exceeds NHHFA's applicable payment standard: (1) the family will pay more than the TTP, and (2) at initial occupancy NHHFA may not approve the tenancy if it would require the family share to exceed 40 percent of the family's monthly adjusted income. (For a discussion of the application of payment standards, see section 6-III.C.)

NHHFA Subsidy [24 CFR 982.505(b)]

NHHFA will pay a monthly housing assistance payment (HAP) for a family that is equal to the lower of (1) the applicable payment standard for the family minus the family's TTP or (2) the

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gross rent for the family's unit minus the TTP. (For a discussion of the application of payment standards, see section 6-III.C.)

Utility Reimbursement [24 CFR 982.514(b); 982.514(c)]

When NHHFA subsidy for a family exceeds the rent to owner, the family is due a utility reimbursement. HUD permits NHHFA to pay the reimbursement to the family or directly to the utility provider. NHHFA has a MTW waiver to not make these reimbursements in the following situations listed below in the NHHFA policy.

NHHFA *Policy*

- When the utility reimbursement payment is greater than the total tenant payment, NHHFA will not pay the reimbursement to the family. Exceptions to this policy included elderly and disabled households as well as VASH, FUP, FYI and Stability vouchers.
- NHHFA will make utility reimbursements to the family only if they are disabled or elderly or are participants in the following special programs VASH, FUP, FYI and Stability vouchers. Or if the utility allowance is greater than TTP, the client is entitled to the difference.

NHHFA may make all utility reimbursement payments to qualifying families on a monthly basis. If available in our software. NHHFA may make quarterly payments when the monthly reimbursement amount is $15.00 or less. Reimbursements must be made once per calendar-year quarter and must be prorated if the family leaves the program in advance of its next quarterly reimbursement. NHHFA must also adopt hardship policies for families for whom receiving quarterly reimbursement would create a financial hardship.

NHHFA Policy

NHHFA will issue all utility reimbursements monthly.

6-III.B. Financial Hardships Affecting Minimum Rent

[24 CFR 5.630]

Overview

If the PHA establishes a minimum rent greater than zero, the PHA must grant an exemption from the minimum rent if a family is unable to pay the minimum rent because of financial hardship.

The financial hardship exemption applies only to families required to pay the minimum rent. If a family's TTP is higher than the minimum rent, the family is not eligible for a hardship exemption. If the PHA determines that a hardship exists, the family share is the highest of the remaining components of the family's calculated TTP.

HUD-Defined Financial Hardship

Financial hardship includes the following situations:

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(1) The family has lost eligibility for or is awaiting an eligibility determination for a federal, state, or local assistance program. This includes a family member who is a noncitizen lawfully admitted for permanent residence under the Immigration and Nationality Act who would be entitled to public benefits but for Title IV of the Personal Responsibility and Work Opportunity Act of 1996.

NHHFA Policy

The minimum rent policy does not apply to elderly and disabled households. Eligibility: In order to be approved for a hardship exemption from minimum rent the household must meet the criteria as listed in Determining Eligibility for Financial Hardship.

In addition, the household must meet the following criteria:

- The household follows all program rules and regulations.
- The household does not owe NHHFA any money or is current/up to date with an existing repayment agreement.
- The household has completed an application for the FSS program; and
- The household has submitted a request for hardship within 15 business days from the date of the Minimum Rent Notification Letter to request an Informal Hearing and/or Hardship Review.

Timeframe: Households who qualify and receive wavier approval will have their tenant rent adjusted without the application of the minimum rent for a maximum period of 90 days beginning the month following the date of the family's request for a hardship exemption. At the end of the 90-day suspension period, NHHFA will reinstate the minimum rent.

6-III.C Applying Payment Standards

[24 CFR 982.505; 982.503(b)]

Overview

The PHA's schedule of payment standards is used to calculate housing assistance payments for HCV families. This section covers the application of the PHA's payment standards. The establishment and revision of the PHA's payment standard schedule are covered in Chapter 16.

Payment standard is defined as "the maximum monthly assistance payment for a family assisted in the voucher program (before deducting the total tenant payment by the family)" [24 CFR 982.4(b)].

The payment standard for a family is the lower of (1) the payment standard for the family unit size, which is defined as the appropriate number of bedrooms for the family under the PHA's subsidy standards [24 CFR 982.4(b)], or (2) the payment standard for the size of the dwelling unit rented by the family.

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If the PHA has established an exception payment standard for a designated part of a zip code area or FMR area and a family's unit is located in the exception area, the PHA must use the appropriate payment standard for the exception area.

The PHA is required to pay a monthly housing assistance payment (HAP) for a family that is the lower of (1) the payment standard for the family minus the family's TTP or (2) the gross rent for the family's unit minus the TTP.

If during the term of the HAP contract for a family's unit, the owner lowers the rent, the PHA will recalculate the HAP using the lower of the initial payment standard or the gross rent for the unit [HCV GB, p. 7-8].

Changes in Payment Standards

When the PHA revises its payment standards during the term of the HAP contract for a family's unit, it will apply the new payment standards in accordance with HUD regulations. Regulations governing increases and decreases in the payment standard have changed, with a required compliance date of December 3, 2024.

Decreases [24 CFR 982.505(c)(3) and Notice PIH 2024-34]

For new HAP contracts, the PHA applies the payment standard in effect at the time of HAP contract execution.

The PHA must administer decreases in the payment standard amount for the family in accordance with the PHA policy as described in the administrative plan and apply the policy consistently to all families.

If a PHA changes its payment standard schedule, resulting in a lower payment standard amount, during the term of a HAP contract, the PHA is not required to reduce the payment standard used to calculate subsidy for families under HAP contract as long as the HAP contract remains in effect.

Changes effective 12/3/24 and later: If the PHA does choose to reduce the payment standard for families currently under HAP contract, the initial reduction to the payment standard may not be applied any earlier than two years following the effective date of the decrease in the payment standard and only with proper written notice to the family in accordance with 24 CFR 982.505(c)(3)(iii).

At that point, the PHA may either reduce the payment standard to the current amount in effect on the PHA's payment standard schedule or may reduce the payment standard to another amount that is higher than the normally applicable amount on the schedule. The PHA may also establish different policies for designated areas within their jurisdiction (e.g., different zip code areas).

In any case, the PHA must provide the family with at least 12 months' notice that the payment standard is being reduced before the effective date of the change. In the written notice, the PHA must state the new payment standard amount, explain that the family's new payment standard amount will be the greater of the amount listed in the current written notice or the new amount (if any) on the PHA's payment standard schedule at the end of the 12-month period, and make

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clear where the family will find the PHA's payment standard schedule. The PHA's policy on decreases in the payment standard during the term of the HAP contract apply to all families under HAP contract at the time of the effective date of the decrease in the payment standard within the designated area.

NHHFA Policy

- If a PHA changes its payment standard schedule resulting in a lower payment standard amount, during the term of a HAP contract, the PHA will not reduce the payment standard used to calculate subsidy for families under HAP contract as long as the HAP contract remains in effect. The PHA will not establish different policies for decreases in the payment standard for designated areas within their jurisdiction.
    - For reference and audit purposes, for changes that were effective 12/2/24 and earlier: If the PHA reduced the payment standard for families then currently under HAP contract, HUD required that the initial reduction to the payment standard not be applied any earlier than the effective date of the family's second regular reexamination following the effective date of the decrease in the payment standard amount.
- The Supervisors of Rental Assistance are responsible for reviewing the payment standards for the voucher program and making recommendations for adjustments, as necessary. Adjustments are approved by the Managing Director, Assisted Housing. These reviews will be performed at least annually by geographic area and bedroom size. Each payment standard amount on the schedule is not less than 80 of the published Fair Market Rent (in effect when the payment standard is adopted) for the unit size and is not more than 120% of the Fair Market rent or HUD-approved community wide exception rent (in effect when the payment standard amount is adopted) for the unit size.
- NHHFA will monitor rent burdens of families assisted in the voucher program and will modify payment standards as needed.
- If the payment standard amount is increased during the term of the HAP contract, the increased payment standard amount shall be used to calculate the monthly housing assistance payment for the household at any time after the effective date of the increase, rather than waiting for the next regular reexamination.
- If the household voucher size increases or decreases during the HAP contract term, the new household unit voucher size will be used to determine the payment standard amount for the family at any time after the effective date of the change in family size, rather than waiting for the next regular reexamination.
- If the payment standard amount has decreased, during the term of a HAP contract, NHHFA will not reduce the payment standard as long as the HAP contract remains in effect. If the household moves to a new unit, NHHFA will apply the payment standard in effect at the time of the move.

Increases [24 CFR 982.505(c)(4) and Notice PIH 2024-34]

For new HAP contracts, the PHA applies the payment standard in effect at the time of HAP contract execution.

Changes effective 12/3/24 and later: If the payment standard is increased during the term of the HAP contract, the increased payment standard will be applied no later than the earliest of:

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- The effective date of an increase in the gross rent that would result in an increase in the family share;
- The family's first regular or interim reexamination; or
- One year following the effective date of the increase in the payment standard amount.

NHHFA may adopt a policy to apply a payment standard increase at any time earlier than the date calculated above as long as the policy is included in the administrative plan and applied consistently to all families [24 CFR 982.505(c)(5)].

NHHFA Policy

- The PHA will not adopt payment standard increases earlier than the date required by the regulations.

For reference and audit purposes, for changes effective 12/2/24 and earlier: If the PHA increased the payment standard during the term of the HAP contract, the increased payment standard was to be used to calculate the monthly housing assistance payment for the family beginning on the effective date of the family's first regular reexamination on or after the effective date of the increase in the payment standard.

Families requiring or requesting interim reexaminations did not have their HAP payments calculated using the higher payment standard until their next annual reexamination [HCV GB, p. 7-8].

Changes in Family Unit Size (Voucher Size)

[24 CFR 982.505(c)(6) and Notice PIH 2024-34]

Changes effective 12/3/24 and later: Irrespective of any increase or decrease in the payment standard, if the family unit size increases or decreases during the HAP contract term, the new family unit size may be used to determine the payment standard immediately but no later than the family's first regular reexamination following the change in family unit size.

NHHFA Policy

If the family unit size (voucher size) changes during the term of a HAP contract, the new family unit size will be used to determine the payment standard at the family's first regular reexamination following the change in family unit size.

For reference and audit purposes, for changes effective 12/2/24 and earlier: Irrespective of any increase or decrease in the payment standard, if the family unit size increased or decreased during the HAP contract term, HUD required the new family unit size to be used to determine the payment standard for the family beginning at the family's first regular reexamination following the change in family unit size.

Moves

If the family moves to a new unit, or a new HAP contract is executed due to changes in the lease (even if the family remains in place) the current payment standard applicable to the family will be used when the new HAP contract is processed.

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Reasonable Accommodation [24 CFR 982.503(d)(5)]

If a family requires a higher payment standard as a reasonable accommodation for a family member who is a person with disabilities, the PHA is allowed to establish a higher payment standard for the family of not more than 120 percent of the published FMR without HUD approval or prior notification to HUD. A PHA may establish a payment standard greater than 120 percent of the applicable FMR as a reasonable accommodation in accordance with 24 CFR part 8, after requesting and receiving HUD approval. See Chapter 16 for more information.

6-III.D. Applying Utility Allowances

[24 CFR 982.517]

Overview

A PHA-established utility allowance schedule is used in determining family share and PHA subsidy. A family's utility allowance is determined by the size of dwelling unit leased by a family or the voucher unit size for which the family qualifies using PHA subsidy standards, whichever is the lowest of the two. See Chapter 5 for information on the PHA's subsidy standards.

For policies on establishing and updating utility allowances, see Chapter 16.

Reasonable Accommodation and Individual Relief

On request from a family that includes a person with disabilities, the PHA must approve a utility allowance which is higher than the applicable amount on the utility allowance schedule if a higher utility allowance is needed as a reasonable accommodation to make the program accessible and usable by the family member with a disability [24 CFR 982.517(e)]. (See Chapter 2 for policies regarding the request and approval of reasonable accommodations.)

Further, the PHA may grant requests for individual relief from charges in excess of the utility allowance on reasonable grounds, such as special factors not within control of the resident, as the PHA deems appropriate. The family must request the higher allowance and provide the PHA an explanation of the need for individual relief and an explanation about the amount of additional allowance required [see HCV GB, p. 18-8].

PHAs should develop criteria for granting individual relief, notify residents about the availability of individual relief, and notify participants about the availability of individual relief programs (sometimes referred to as "Medical Baseline discounts") offered by the local utility company.

NHHFA Policy

The family must request the higher allowance and provide NHHFA with information about the amount of additional allowance required.

NHHFA will consider the following criteria as valid reasons for granting individual relief:

- The excessive consumption is due to special needs of the family that are beyond their control, such as the need for specialized equipment in the case of a family member who is ill, elderly, or who has a disability.

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In determining the amount of the reasonable accommodation or individual relief, NHHFA will allow a reasonable measure of additional usage as necessary. To arrive at the amount of additional utility cost of specific equipment, the family may provide information to show that the actual cost exceeds our monthly cost.

At its discretion, NHHFA may reevaluate the need for the increased utility allowance at any regular reexamination.

Utility Allowance Revisions

At reexamination, NHHFA must use the current utility allowance schedule [HCV GB, p. 18-8].

NHHFA Policy

Revised utility allowances will be applied to a family's rent and subsidy calculations at the first action that is effective after the allowance is adopted.

6-III.E. Prorated Assistance for Mixed Families

[24 CFR 5.520]

HUD regulations prohibit assistance to ineligible family members. A mixed family is one that includes at least one U.S. citizen or eligible immigrant and any number of ineligible family members. NHHFA must prorate the assistance provided to a mixed family. NHHFA will first determine assistance as if all family members were eligible and then prorate the assistance based upon the percentage of family members that actually are eligible. For example, if the subsidy for a family is calculated at $500 and two of four family members are ineligible, the subsidy would be reduced to $250.

Exhibit 6-1: Annual Income Inclusions

24 CFR 5.609

(a) *Annual income means all amounts, monetary or not, which:*

(1) Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member; or

(2) Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and

(3) Which are not specifically excluded in paragraph (c) of this section.

(4) Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.

(b) *Annual income includes, but is not limited to:*

(1) The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;

(2) The net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An

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allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family;

(3) Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only as authorized in paragraph (b)(2) of this section. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of $5,000, annual income shall include the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD;

(4) The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount (except as provided in paragraph (c)(14) of this section);

(5) Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (except as provided in paragraph (c)(3) of this section);

(6) Welfare assistance payments.

(i) Welfare assistance payments made under the Temporary Assistance for Needy Families (TANF) program are included in annual income only to the extent such payments:

(A) Qualify as assistance under the TANF program definition at 45 CFR 260.31[1]; and

(B) Are not otherwise excluded under paragraph (c) of this section.

(ii) If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of:

(A) The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus

(B) The maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph shall be the amount resulting from one application of the percentage.

(7) Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling;

(8) All regular pay, special pay and allowances of a member of the Armed Forces (except as provided in paragraph (c)(7) of this section)

(9) For section 8 programs only and as provided in 24 CFR 5.612, any financial assistance, in excess of amounts received for tuition, that an individual receives under the Higher Education Act of 1965 (20 U.S.C.

[1] Text of 45 CFR 260.31 follows.

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1001 et seq.), from private sources, or from an institution of higher education (as defined under the Higher Education Act of 1965 (20 U.S.C. 1002)), shall be considered income to that individual, except that financial assistance described in this paragraph is not considered annual income for persons over the age of 23 with dependent children. For purposes of this paragraph, "financial assistance" does not include loan proceeds for the purpose of determining income.

HHS DEFINITION OF "ASSISTANCE"

45 CFR: GENERAL TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

260.31 What does the term "assistance" mean?

(a)(1) The term "assistance" includes cash, payments, vouchers, and other forms of benefits designed to meet a family's ongoing basic needs (i.e., for food, clothing, shelter, utilities, household goods, personal care items, and general incidental expenses).

(2) It includes such benefits even when they are:

(i) Provided in the form of payments by a TANF agency, or other agency on its behalf, to individual recipients; and

(ii) Conditioned on participation in work experience or community service (or any other work activity under 261.30 of this chapter).

(3) Except where excluded under paragraph (b) of this section, it also includes supportive services such as transportation and childcare provided to families who are not employed.

(b) [The definition of "assistance"] excludes: (1) Nonrecurrent, short-term benefits that:

(i) Are designed to deal with a specific crisis situation or episode of need;

(ii) Are not intended to meet recurrent or ongoing needs; and

(iii) Will not extend beyond four months.

(2) Work subsidies (i.e., payments to employers or third parties to help cover the costs of employee wages, benefits, supervision, and training);

(3) Supportive services such as childcare and transportation provided to families who are employed;

(4) Refundable earned income tax credits;

(5) Contributions to, and distributions from, Individual Development Accounts;

(6) Services such as counseling, case management, peer support, childcare information and referral, transitional services, job retention, job advancement, and other employment-related services that do not provide basic income support; and

(7) Transportation benefits provided under a Job Access or Reverse Commute project, pursuant to section 404(k) of [the Social Security] Act, to an individual who is not otherwise receiving assistance.

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Exhibit 6-2: Annual Income Exclusions

24 CFR 5.609(b) as updated for HOTMA

(b)Annual income does not include the following:

(1) Any imputed return on an asset when net family assets are less than or equal to the HUD-published threshold amount (which amount HUD will adjust annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers) and no actual income from the net family assets can be determined.

(2) The following types of trust distributions:

(i) For an irrevocable trust or a revocable trust outside the control of the family or household excluded from the definition of net family assets under § 5.603(b):

(A) Distributions of the principal or corpus of the trust; and

(B) Distributions of income from the trust when the distributions are used to pay the costs of health and medical care expenses for a minor.

(ii) For a revocable trust under the control of the family or household, any distributions from the trust; except that any actual income earned by the trust, regardless of whether it is distributed, shall be considered income to the family at the time it is received by the trust.

(3) Earned income of children under 18 years of age.

(4) Payments received for the care of foster children or foster adults, or State or Tribal kinship or guardianship care payments.

(5) Insurance payments and settlements for personal or property losses, including but not limited to payments through health insurance, motor vehicle insurance, and workers' compensation.

(6) Amounts received by the family that are specifically for, or in reimbursement of, the cost of health and medical care expenses for any family member.

(7) Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member arising out of law, that resulted in a member of the family becoming disabled.

(8) Income of a live-in aide, foster child, or foster adult as defined in §§ 5.403 and 5.603, respectively.

(9)

(i) Any assistance that section 479B of the Higher Education Act of 1965, as amended (20 U.S.C. 1087uu), requires be excluded from a family's income; and

(ii) Student financial assistance for tuition, books, and supplies (including supplies and equipment to support students with learning disabilities or other disabilities), room and board, and other fees required and charged to a student by an institution of higher education (as defined under Section 102 of the Higher Education Act of 1965 (20 U.S.C. 1002)) and, for a student who is not the head of household or spouse, the reasonable and actual costs of housing while attending the institution of higher education and not residing in an assisted unit.

(A) Student financial assistance, for purposes of this paragraph (9)(ii), means a grant or scholarship received from— (

1) The Federal government;

(2) A State, Tribe, or local government;

(3) A private foundation registered as a nonprofit under 26 U.S.C. 501(c)(3);

(4) A business entity (such as corporation, general partnership, limited liability company, limited partnership, joint venture,

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business trust, public benefit corporation, or nonprofit entity); or

(5) An institution of higher education.

(B) Student financial assistance, for purposes of this paragraph (9)(ii), does not include—

(1) Any assistance that is excluded pursuant to paragraph (b)(9)(i) of this section;

(2) Financial support provided to the student in the form of a fee for services performed (e.g., a work study or teaching fellowship that is not excluded pursuant to paragraph (b)(9)(i) of this section); (

3) Gifts, including gifts from family or friends; or

(4) Any amount of the scholarship or grant that, either by itself or in combination with assistance excluded under this paragraph or paragraph (b)(9)(i), exceeds the actual covered costs of the student. The actual covered costs of the student are the actual costs of tuition, books and supplies (including supplies and equipment to support students with learning disabilities or other disabilities), room and board, or other fees required and charged to a student by the education institution, and, for a student who is not the head of household or spouse, the reasonable and actual costs of housing while attending the institution of higher education and not residing in an assisted unit. This calculation is described further in paragraph (b)(9)(ii)€ of this section.

(C) Student financial assistance, for purposes of this paragraph (b)(9)(ii) must be:

(1) Expressly for tuition, books, room and board, or other fees required and charged to a student by the education institution;

(2) Expressly to assist a student with the costs of higher education; or

(3) Expressly to assist a student who is not the head of household or spouse with the reasonable and actual costs of housing while attending the education institution and not residing in an assisted unit.

(D) Student financial assistance, for purposes of this paragraph (b)(9)(ii), may be paid directly to the student or to the educational institution on the student's behalf. Student financial assistance paid to the student must be verified by the responsible entity as student financial assistance consistent with this paragraph (b)(9)(ii).

(E) When the student is also receiving assistance excluded under paragraph (b)(9)(i) of this section, the amount of student financial assistance under this paragraph (b)(9)(ii) is determined as follows:

(1) If the amount of assistance excluded under paragraph (b)(9)(i) of this section is equal to or exceeds the actual covered costs under paragraph (b)(9)(ii)(B)(4) of this section, none of the assistance described in this paragraph (b)(9)(ii) of this section is considered student financial assistance excluded from income under this paragraph (b)(9)(ii)(E).

(2) If the amount of assistance excluded under paragraph (b)(9)(i) of this section is less than the actual covered costs under paragraph (b)(9)(ii)(B)(4) of this section, the amount of assistance described in paragraph (b)(9)(ii) of this section that is considered student financial assistance excluded under this paragraph is the lower of:

(i) the total amount of student financial assistance received under this paragraph (b)(9)(ii) of this section, or

(ii) the amount by which the actual covered costs under paragraph (b)(9)(ii)(B)(4) of this section exceeds the assistance excluded under paragraph (b)(9)(i) of this section.

(10) Income and distributions from any Coverdell education savings account under section 530 of the Internal Revenue Code of 1986 or any qualified tuition program under section 529 of such Code; and income

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earned by government contributions to, and distributions from, “baby bond” accounts created, authorized, or funded by Federal, State, or local government.

(11) The special pay to a family member serving in the Armed Forces who is exposed to hostile fire.

(12)

(i) Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);

(ii) Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (e.g., special equipment, clothing, transportation, childcare, etc.) and which are made solely to allow participation in a specific program;

(iii) Amounts received under a resident service stipend not to exceed $200 per month. A resident service stipend is a modest amount received by a resident for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of life in the development.

(iv) Incremental earnings and benefits resulting to any family member from participation in training programs funded by HUD or in qualifying Federal, State, Tribal, or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives and are excluded only for the period during which the family member participates in the employment training program unless those amounts are excluded under paragraph (b)(9)(i) of this section.

(13) Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era.

(14) Earned income of dependent fulltime students in excess of the amount of the deduction for a dependent in § 5.611.

(15) Adoption assistance payments for a child in excess of the amount of the deduction for a dependent in § 5.611.

(16) Deferred periodic amounts from Supplemental Security Income and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts, or any deferred Department of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts.

(17) Payments related to aid and attendance under 38 U.S.C. 1521 to veterans in need of regular aid and attendance.

(18) Amounts received by the family in the form of refunds or rebates under State or local law for property taxes paid on the dwelling unit.

(19) Payments made by or authorized by a State Medicaid agency (including through a managed care entity) or other State or Federal agency to a family to enable a family member who has a disability to reside in the family’s assisted unit. Authorized payments may include payments to a member of the assisted family through the State Medicaid agency (including through a managed care entity) or other State or Federal agency for caregiving services the family member provides to enable a family member who has a disability to reside in the family’s assisted unit.

(20) Loan proceeds (the net amount disbursed by a lender to or on behalf of a borrower, under the terms of a loan agreement) received by the family or a third party (e.g., proceeds received by the family from a private loan to enable attendance at

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an educational institution or to finance the purchase of a car).

(21) Payments received by Tribal members as a result of claims relating to the mismanagement of assets held in trust by the United States, to the extent such payments are also excluded from gross income under the Internal Revenue Code or other Federal law.

(22) Amounts that HUD is required by Federal statute to exclude from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in paragraph (b) of this section apply. HUD will publish a notice in the Federal Register to identify the benefits that qualify for this exclusion. Updates will be published when necessary.

(23) Replacement housing "gap" payments made in accordance with 49 CFR part 24 that offset increased out of pocket costs of displaced persons that move from one federally subsidized housing unit to another Federally subsidized housing unit. Such replacement housing "gap" payments are not excluded from annual income if the increased cost of rent and utilities is subsequently reduced or eliminated, and the displaced person retains or continues to receive the replacement housing "gap" payments.

(24) Nonrecurring income, which is income that will not be repeated in the coming year based on information provided by the family. Income received as an independent contractor, day laborer, or seasonal worker is not excluded from income under this paragraph, even if the source, date, or amount of the income varies. Nonrecurring income includes:

(i) Payments from the U.S. Census Bureau for employment (relating to decennial census or the American Community Survey) lasting no longer than 180 days and not culminating in permanent employment.

(ii) Direct Federal or State payments intended for economic stimulus or recovery.

(iii) Amounts directly received by the family as a result of State refundable tax credits or State tax refunds at the time they are received.

(iv) Amounts directly received by the family as a result of Federal refundable tax credits and Federal tax refunds at the time they are received.

(v) Gifts for holidays, birthdays, or other significant life events or milestones (e.g., wedding gifts, baby showers, anniversaries).

(vi) Non-monetary, in-kind donations, such as food, clothing, or toiletries, received from a food bank or similar organization.

(vii) Lump-sum additions to net family assets, including but not limited to lottery or other contest winnings.

(25) Civil rights settlements or judgments, including settlements or judgments for back pay.

(26) Income received from any account under a retirement plan recognized as such by the Internal Revenue Service, including individual retirement arrangements (IRAs), employer retirement plans, and retirement plans for self-employed individuals; except that any distribution of periodic payments from such accounts shall be income at the time they are received by the family.

(27) Income earned on amounts placed in a family's Family Self Sufficiency Account.

(28) Gross income a family member receives through self-employment or operation of a business; except that the following shall be considered income to a family member:

(i) Net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An

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allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations; and

(ii) Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family.

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Exhibit 6-3: Treatment of Family Assets

24 CFR 5.603(b) Net Family Assets

(1) Net cash value after deducting reasonable costs that would be incurred in disposing of real property, savings, stocks, bonds, and other forms of capital investment, excluding interests in Indian trust land and excluding equity accounts in HUD homeownership programs. The value of necessary items of personal property such as furniture and automobiles shall be excluded.

(2) 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. Any income distributed from the trust fund shall be counted when determining annual income under Sec. 5.609.

(3) In determining net family assets, PHAs or owners, as applicable, shall include the value of any business or family assets disposed of by an applicant or tenant for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application for the program or reexamination, as applicable, in excess of the consideration received therefor. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or tenant receives important consideration not measurable in dollar terms.

(4) For purposes of determining annual income under Sec. 5.609, the term "net family assets'' does not include the value of a home currently being purchased with assistance under part 982, subpart M of this title. This exclusion is limited to the first 10 years after the purchase date of the home.

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Exhibit 6-4: The Effect of Welfare Benefit Reduction

24 CFR 5.615

Public housing program and Section 8 tenant-based assistance program: How welfare benefit reduction affects family income.

(a) *Applicability.* This section applies to covered families who reside in public housing (part 960 of this title) or receive Section 8 tenant-based assistance (part 982 of this title).

(b) *Definitions.* The following definitions apply for purposes of this section:

Covered families. Families who receive welfare assistance or other public assistance benefits ("welfare benefits") from a State or other public agency ("welfare 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.

Economic self-sufficiency program. See definition at Sec. 5.603.

Imputed welfare income. The amount of annual income not actually received by a family, as a result of a specified welfare benefit reduction, that is nonetheless included in the family's annual income for purposes of determining rent.

Specified welfare benefit reduction.

(1) A reduction of welfare benefits by the welfare agency, in whole or in part, for a family member, as determined by the welfare agency, because of fraud by a family member in connection with the welfare program; or because of welfare agency sanction against a family member for noncompliance with a welfare agency requirement to participate in an economic self-sufficiency program.

(2) "Specified welfare benefit reduction" does not include a reduction or termination of welfare benefits by the welfare agency:

(i) at expiration of a lifetime or other time limit on the payment of welfare benefits;

(ii) because a family member is not able to obtain employment, even though the family member has complied with welfare agency economic self-sufficiency or work activities requirements; or

(iii) because a family member has not complied with other welfare agency requirements.

(c) *Imputed welfare income.*

(1) A family's annual income includes the amount of imputed welfare income (because of a specified welfare benefits reduction, as specified in notice to the PHA by the welfare agency), plus the total amount of other annual income as determined in accordance with Sec. 5.609.

(2) At the request of the PHA, the welfare agency will inform the PHA in writing of the amount and term of any specified welfare benefit reduction for a family member, and the reason for such reduction, and will also inform the PHA of any subsequent changes in the term or amount of such specified welfare benefit reduction. The PHA will use this information to determine the amount of imputed welfare income for a family.

(3) A family's annual income includes imputed welfare income in family annual income, as determined at the PHA's interim or regular reexamination of family income

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and composition, during the term of the welfare benefits reduction (as specified in information provided to the PHA by the welfare agency).

(4) The amount of the imputed welfare income is offset by the amount of additional income a family receives that commences after the time the sanction was imposed. When such additional income from other sources is at least equal to the imputed

(5) The PHA may not include imputed welfare income in annual income if the family was not an assisted resident at the time of sanction.

(d) *Review of PHA decision.*

(1) Public housing. If a public housing tenant claims that the PHA has not correctly calculated the amount of imputed welfare income in accordance with HUD requirements, and if the PHA denies the family's request to modify such amount, the PHA shall give the tenant written notice of such denial, with a brief explanation of the basis for the PHA determination of the amount of imputed welfare income. The PHA notice shall also state that if the tenant does not agree with the PHA determination, the tenant may request a grievance hearing in accordance with part 966, subpart B of this title to review the PHA determination. The tenant is not required to pay an escrow deposit pursuant to Sec. 966.55(e) for the portion of tenant rent attributable to the imputed welfare income in order to obtain a grievance hearing on the PHA determination.

(2) Section 8 participant. A participant in the Section 8 tenant-based assistance program may request an informal hearing, in accordance with Sec. 982.555 of this title, to review the PHA determination of the amount of imputed welfare income that must be included in the family's annual income in accordance with this section. If the family claims that such amount is not correctly calculated in accordance with HUD requirements, and if the PHA denies the family's request to modify such amount, the PHA shall give the family written notice of such denial, with a brief explanation of the basis for the PHA determination of the amount of imputed welfare income. Such notice shall also state that if the family does not agree with the PHA determination, the family may request an informal hearing on the determination under the PHA hearing procedure.

(e) *PHA relation with welfare agency.*

(1) The PHA must ask welfare agencies to inform the PHA of any specified welfare benefits reduction for a family member, the reason for such reduction, the term of any such reduction, and any subsequent welfare agency determination affecting the amount or term of a specified welfare benefits reduction. If the welfare agency determines a specified welfare benefits reduction for a family member, and gives the PHA written notice of such reduction, the family's annual incomes shall include the imputed welfare income because of the specified welfare benefits reduction.

(2) The PHA is responsible for determining the amount of imputed welfare income that is included in the family's annual income as a result of a specified welfare benefits reduction as determined by the welfare agency, and specified in the notice by the welfare agency to the PHA. However, the PHA is not responsible for determining whether a reduction of welfare benefits by the welfare agency was correctly determined by the welfare agency in

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accordance with welfare program requirements and procedures, nor for providing the opportunity for review or hearing on such welfare agency determinations.

(3) Such welfare agency determinations are the responsibility of the welfare agency, and the family may seek appeal of such determinations through the welfare agency's normal due process procedures. The PHA shall be entitled to rely on the welfare agency notice to the PHA of the welfare agency's determination of a specified welfare benefits reduction.

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Chapter 6B Income and Subsidy Determinations

This chapter is applicable upon the PHA's HOTMA 102/104 compliance date. Prior to this date, the PHA will follow policies as outlined in Chapter 6.A. of the model policy.

[24 CFR Part 5, Subparts E and F; 24 CFR 982]

Introduction

A family's income determines eligibility for assistance and is also used to calculate the family's payment and NHHFA's subsidy. NHHFA will use the policies and methods described in this chapter to ensure that only eligible families receive assistance and that no family pays more or less than its obligation under the regu0lations. This chapter describes HUD regulations and NHHFA policies related to these topics in three parts as follows:

Part I: Annual Income. HUD regulations specify the sources of income which are excluded from the family's annual income. These requirements and NHHFA policies for calculating annual income are found in Part I.

Part II: Assets. HUD regulations specify the types of assets which are excluded from a family's annual income. These requirements and NHHFA policies for calculating income from assets are found in Part II.

Part III: Adjusted Income. Once annual income has been established, HUD regulations require NHHFA to subtract from annual income any of five mandatory deductions for which a family qualifies and allow NHHFA to adopt additional permissive deductions. These requirements and NHHFA policies for calculating adjusted income are found in Part III.

Part IV: Calculating Family Share and NHHFA Subsidy. This part describes the statutory formula for calculating total tenant payment (TTP), the use of utility allowances, and the methodology for determining NHHFA subsidy and required family payment.

Part I: Annual Income

6-I.A. Overview

[24 CFR 5.609]

Annual income includes:

All amounts, not specifically excluded in 24 CFR 5.609(b).

All amounts received from all sources by each member of the family who is 18 years of age or older or is the head of household or spouse.

Unearned income by or on behalf of each dependent who is under 18 years of age; and

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Imputed returns of an asset based on the current passbook savings rate, as determined by HUD, when the value of net family assets exceeds $50,000 (which amount HUD will adjust annually) and the actual returns from a given asset cannot be calculated.

In addition to this general definition, the regulations at 24 CFR 5.609(b) provide a comprehensive listing of all sources of income that are excluded from annual income. Note, unlike in previous versions of the regulations, the current regulations governing annual income do not list sources of income that are to be included. Instead, HUD relies on the definition of excluded income under 24 CFR 5.609(b) to provide the scope of what is included. To that end, generally, all income is included unless it is specifically excluded by regulation.

Annual income includes “all amounts received,” not the amount that a family may be legally entitled to receive but did not receive. For example, a family’s child support or alimony income must be based on payments received, not the amounts to which the family is entitled by court or agency orders [Notice PIH 2023-27].

Annual income also includes all actual anticipated income from assets (provided the income is not otherwise excluded) even if the asset itself is excluded from net family assets [Notice PIH 2023-27]. 24 CFR 5.603(b)(1) describes HUD regulations for treating specific types of income and assets. The full texts of those portions of the regulations are provided in exhibits at the end of this chapter as follows:

Annual Income Full Definition (Exhibit 6-1)

Treatment of Family Assets (Exhibit 6-2)

The Effect of Welfare Benefit Reduction (Exhibit 6-3)

Sections 6-I. B and 6-I.C discuss general requirements and methods for calculating annual income. The rest of this section describes how each source of income is treated for the purposes of determining annual income. Verification requirements for annual income are discussed in Chapter 7.

6-I.B. Household Composition and Income

Overview

Income received by all family members must be counted unless specifically excluded by the regulations. It is the responsibility of the head of household to report changes in family composition in accordance with HUD regulations and NHHFA policies in Chapter 11. The rules on which sources of income are counted vary somewhat by family member. The chart below summarizes how family composition affects income determinations.

Summary of Income Included and Excluded by Person

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Live-in aides	Income from all sources (both earned and unearned) is excluded [24 CFR 5.609(b)(8)].
Foster child or foster adult	Income from all sources (both earned and unearned) is excluded [24 CFR 5.609(b)(8)].
Head, spouse, or cohead Other adult family members	All sources of income not specifically excluded by the regulations are included [24 CFR 5.609(a)].
Minors	Earned income of children under 18 years of age is excluded [24 CFR 5.609(b)(3)]. All sources of unearned income, except those specifically excluded by the regulations, are included [24 CFR 5.609(a)].
Full-time students 18 years of age or older (not head, spouse, or cohead)	Earned income in excess of the dependent deduction is excluded [24 CFR 5.609(b)(14)]. All sources of unearned income, except those specifically excluded by the regulations, are included.

Temporarily Absent Family Members

The current regulations governing annual income do not specifically address temporarily absent family members. The regulations also do not define “temporarily” or “permanently” absent or specify a timeframe associated with a temporary versus a permanent absence.

NHHFA Policy

Unless specifically excluded by the regulations, the income of all family members approved to live in the unit will be counted, even if the family member is temporarily absent from the unit.

Generally, an individual who is or is expected to be absent from the assisted unit for 180 consecutive days or less is considered temporarily absent and continues to be considered a family member. Generally, an individual who is or is expected to be absent from the assisted unit for more than 180 consecutive days is considered permanently absent and no longer a family member. Exceptions to this general policy are discussed below.

Absent Students

NHHFA Policy

When someone who has been considered a family member attends school away from home, the person will continue to be considered a family member unless information becomes available to NHHFA indicating that the student has established a separate household, or the family declares that the student has established a separate household.

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Absences Due to Placement in Foster Care

Children temporarily absent from the home as a result of placement in foster care (as confirmed by the state child welfare agency) are considered members of the family [24 CFR 5.403].

NHHFA Policy

If a child has been placed in foster care, NHHFA will verify with the appropriate agency whether and when the child is expected to be returned to the home. Unless the agency confirms that the child has been permanently removed from the home, the child will continue to be counted as a family member.

Absent Head, Spouse, or Cohead

NHHFA Policy

An employed head, spouse, or cohead absent from the unit more than 180 consecutive days due to employment will continue to be considered a family member.

Family Members Permanently Confined for Medical Reasons

If a family member is confined to a nursing home or hospital on a permanent basis, that person is no longer considered a family member and the income of that person is not counted [HCV GB, p. 5-22].

NHHFA Policy

NHHFA will request verification from a responsible medical professional and will use this determination. If the responsible medical professional cannot provide a determination, the person generally will be considered temporarily absent. The family may present evidence that the family member is confined on a permanent basis and request that the person not be considered a family member.

When an individual who has been counted as a family member is determined permanently absent, the family is eligible for the medical expense deduction only if the remaining head, spouse, or cohead qualifies as an elderly person or a person with disabilities.

Joint Custody of Dependents

NHHFA Policy

Dependents that are subject to joint custody arrangement will be considered a member of the family, if they live with the applicant or participant family 50 percent or more of the time.

When more than one applicant or participant family (regardless of program) are claiming the same dependents as family members, the family with primary custody at the time of the initial examination or reexamination will be able to claim the dependents. If there is a dispute about which family should claim them, NHHFA will make the determination based on available

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documents such as court orders, school records, or an IRS income return showing which family has claimed the child for income tax purposes, or other documentation.

Caretakers for a Child

NHHFA Policy

The approval of a caretaker is at the owner and NHHFA's discretion and subject to the owner and NHHFA's screening criteria. If neither a parent nor a designated guardian remains in a household receiving HCV assistance, NHHFA will take the following actions.

(1) If a responsible agency has determined that another adult is to be brought into the assisted unit to care for a child for an indefinite period, the designated caretaker will not be considered a family member until a determination of custody or legal guardianship is made.

(2) If a caretaker has assumed responsibility for a child without the involvement of a responsible agency or formal assignment of custody or legal guardianship, the caretaker will be treated as a visitor for 90 days. After the 90 days have elapsed, the caretaker will be considered a family member unless information is provided that would confirm that the caretaker's role is temporary. In such cases NHHFA will extend the caretaker's status as an eligible visitor.

(3) At any time that custody or guardianship legally has been awarded to a caretaker, the housing choice voucher will be transferred to the caretaker.

(4) During any period that a caretaker is considered a visitor, the income of the caretaker is not counted in annual income and the caretaker does not qualify the family for any deductions from income.

6-I.C. Calculating Annual Income

The methodology used for calculating income differs depending on whether income is being calculated at initial occupancy, interim reexamination, or at annual reexamination. However, income from assets is always anticipated regardless of certification type.

Anticipating Annual Income

[24 CFR 5.609(c)(1)]

At initial occupancy and for an interim reexamination of family income, NHHFA is required to use anticipated income (current income) for the upcoming 12-month period following the new admission or interim reexamination effective date. Policies related to verifying income are found in Chapter 7.

NHHFA Policy

When NHHFA cannot readily anticipate income based upon current circumstances (e.g., in the case of temporary, sporadic, or variable employment, seasonal employment, unstable working hours, or suspected fraud), NHHFA will review and analyze historical data for patterns of

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employment, paid benefits, and receipt of other income and use the results of this analysis to establish annual income.

Any time current circumstances are not used to project annual income, a clear rationale for the decision will be documented in the file. In all such cases the family may present information and documentation to NHHFA to show why the historic pattern does not represent the family's anticipated income.

In all cases, the family file will be documented with a clear record of the reason for the decision, and a clear audit trail will be left as to how NHHFA annualized projected income.

Known Changes in Income

If NHHFA verifies an upcoming increase or decrease in income, annual income will be projected by applying each income amount to the appropriate part of the 12-month period.

Example: An employer reports that a full-time employee who has been receiving $8/hour will begin to receive $8.25/hour in the eighth week after the effective date of the new admission or interim reexamination. In such a case NHHFA would calculate annual income as follows: ($8/hour × 40 hours × 7 weeks) + ($8.25 × 40 hours × 45 weeks).

The family may present information that demonstrates that implementing a change before its effective date would create a hardship for the family. In such cases NHHFA will calculate annual income using current circumstances and then, should the change in income require NHHFA to conduct an interim reexamination, conduct an interim reexamination in accordance with NHHFA policy in Chapter 11.

Calculating Annual Income at Annual Reexamination

[24 CFR.609(c)(2); Notice PIH 2023-27]

At annual reexamination, NHHFA must first determine the family's income for the previous 12-month period and use this amount as the family income for annual reexaminations; however, adjustments to reflect current income must be made. Any change of income since the family's last annual reexamination, including those that did not meet the threshold to process an interim reexamination of family income in accordance with NHHFA policies in Chapter 11 and HUD regulations, must be considered. If, however, there have been no changes to income, then the amount of income calculated for the previous 12-month period is the amount that will be used to determine the family's rental assistance. Income from assets is always anticipated, irrespective of the income examination type. Policies related to conducting annual reexaminations are located in Chapter 11.

6-I.D. Earned Income

Wages and Related Compensation

[24 CFR 5.609(a); Notice PIH 2023-27]

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The earned income of each member of the family who is 18 years of age or older, or who is the head of household or spouse/cohead regardless of age, is included in annual income. Income received as a day laborer or seasonal worker is also included in annual income, even if the source, date, or amount of the income varies [24 CFR 5.609 (b)(24)].

Earned income means income or earnings from wages, tips, salaries, other employee compensation, and net income from self-employment. Earned income does not include any pension or annuity, transfer payments (meaning payments made or income received in which no goods or services are being paid for, such as welfare, social security, and governmental subsidies for certain benefits), or any cash or in-kind benefits [24 CFR 5.100].

A day laborer is defined as an individual hired and paid one day at a time without an agreement that the individual will be hired or work again in the future [24 CFR 5.603(b)]. Income earned as a day laborer is not considered nonrecurring income and is therefore included in annual income unless otherwise excluded by regulation.

A seasonal worker is defined as an individual who is hired into a short-term position (e.g., for which the customary employment period for the position is six months or fewer) and the employment begins about the same time each year (such as summer or winter). Typically, the individual is hired to address seasonal demands that arise for the particular employer or industry [24 CFR 5.603(b)]. Some examples of seasonal work include employment limited to holidays or agricultural seasons. Seasonal work may include but is not limited to employment as a lifeguard, ballpark vendor, or snowplow driver [Notice PIH 2023-27]. Income earned as a seasonal worker is not considered nonrecurring income and is therefore included in annual income unless otherwise excluded by regulation.

NHHFA Policy

NHHFA will include in annual income the full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation.

For persons who regularly receive bonuses or commissions, NHHFA will verify, and then average amounts received for the two years preceding admission or interim reexamination. If only a one-year history is available, NHHFA will use the prior year amounts. In either case the family may provide, and NHHFA will consider, a credible justification for not using this history to anticipate future bonuses or commissions. If a new employee has not yet received any bonuses or commissions, NHHFA will count only the amount estimated by the employer. The file will be documented appropriately.

Military Pay

All regular pay, special pay and allowances of a member of the Armed Forces are counted except for the special pay to a family member serving in the Armed Forces who is exposed to hostile fire [24 CFR 5.609(b)(11)].

Earnings of a Minor

[24 CFR 5.609(b)(3)]

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A minor is a member of the family, other than the head of household or spouse, who is under 18 years of age. Employment income earned by minors is not included in annual income. All other sources of unearned income, except those specifically excluded by the regulations, are included.

Earned Income of Full-Time Students

[24 CFR 5.609(b)(14)]

The earned income of a dependent full-time student in excess of the amount of the dependent deduction is excluded from annual income. All sources of unearned income, except those specifically excluded by the regulations, are included.

A family member other than the head of household or spouse/cohead is considered a full-time student if they are attending school or vocational training on a full-time basis [24 CFR 5.603(b)]. To be considered "full-time," a student must be considered "full-time" by an educational institution with a degree or certificate program [HCV GB, p. 5-29].

6-I.E. Business and Self-Employment Income

[24 CFR 5.609(b)(28); Notice PIH 2023-27]

Annual income includes "net income from the operation of a business or profession. Net income is gross income minus business expenses that allows the business to operate. Gross income is all income amounts received into the business, prior to the deduction of business expenses.

Expenditures for business expansion or amortization of capital indebtedness may not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family."

NHHFA Policy

To determine business expenses that may be deducted from gross income, NHHFA will use current applicable Internal Revenue Service (IRS) rules for determining allowable business expenses [see IRS Publication 535], unless a topic is addressed by HUD regulations or guidance as described herein.

Independent Contractors

Income received as an independent contractor is included in annual income, even if the source, date, or amount of the income varies [24 CFR 5.609 (b)(24)].

An independent contractor is defined as an individual who qualifies as an independent contractor instead of an employee in accordance with the Internal Revenue Code Federal income tax requirements and whose earnings are consequently subject to the Self-Employment Tax. In general, an individual is an independent contractor if the payer has the right to control or

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direct only the result of the work and not what will be done and how it will be done [24 CFR 5.603(b)]. This may include individuals such as third-party delivery and transportation service providers and “gig workers” like babysitters, landscapers, rideshare drivers, and house cleaners. Income earned as an independent contractor is not considered nonrecurring income and is therefore included in annual income unless otherwise excluded by regulation.

Business Expansion

HUD regulations do not permit NHHFA to deduct from gross income expenses for business expansion.

NHHFA Policy

Business expansion is defined as any capital expenditure made to add new business activities, to expand current facilities, or to operate the business in additional locations. For example, purchase of a street sweeper by a construction business for the purpose of adding street cleaning to the services offered by the business would be considered a business expansion. Similarly, the purchase of a property by a hair care business to open at a second location would be considered a business expansion.

Capital Indebtedness

HUD regulations do not permit NHHFA to deduct from gross income the amortization of capital indebtedness.

NHHFA Policy

Capital indebtedness is defined as the principal portion of the payment on a capital asset such as land, buildings, and machinery. This means NHHFA will allow as a business expense interest, but not principal, paid on capital indebtedness.

Negative Business Income

If the net income from a business is negative, no business income will be included in annual income; a negative amount will not be used to offset other family income.

Withdrawal of Cash or Assets from a Business

HUD regulations require NHHFA to include in annual income the withdrawal of cash or assets from the operation of a business or profession unless the withdrawal reimburses a family member for cash or assets invested in the business by the family.

NHHFA Policy

Acceptable investments in a business include cash loans and contributions of assets or equipment. For example, if a member of an assisted family provided an up-front loan of $2,000 to help a business get started, NHHFA will not count as income any withdrawals from the business up to the amount of this loan until the loan has been repaid. Investments do not include the value of labor contributed to the business without compensation.

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Co-owned Businesses

NHHFA Policy

If a business is co-owned with someone outside the family, the family must document the share of the business it owns. If the family's share of the income is lower than its share of ownership, the family must document the reasons for the difference.

Assets Owned by a Business Entity

If a business entity (e.g., limited liability company or limited partnership) owns the asset, then the family's asset is their ownership stake in the business, not some portion of the business's assets. However, if the family holds the assets in their own name (e.g., they own one-third of a restaurant) rather than in the name of a business entity, then the percentage value of the asset owned by the family is what is counted toward net family assets (e.g., one-third of the value of the restaurant) [Notice PIH 2023-27].

6-I.F. Student Financial Assistance

[FR Notice 2/14/23 and Notice PIH 2023-27]

The regulations distinguish between two categories of student financial assistance paid to both full-time and part-time students.

Types of Assistance

Any assistance to students under section 479B of the Higher Education Act of 1965 (Title IV of the HEA) must be excluded from the family's annual income [24 CFR 5.609(b)(9)(i)].

- Examples of assistance under title IV of the HEA include:
- Federal Pell Grants.
- Teach Grants.
- Federal Work Study Programs.
- Federal Perkins Loans.
- Income earned in employment and training programs under section 134 of the Workforce Innovation and Opportunity Act (WIOA); or
- Bureau of Indian Affairs/Education student assistance programs
- The Higher Education Tribal Grant
- The Tribally Controlled Colleges or Universities Grant Program
- Any other grant-in-aid, scholarship, or other assistance amounts an individual receives for the actual covered costs charged by the institute of higher education not otherwise excluded by the Federally mandated income exclusions are excluded [24 CFR 5.609(b)(9)(ii)]. Actual covered costs are defined as the actual costs of:

Tuition, books, and supplies.

- Including supplies and equipment to support students with learning disabilities or other disabilities
- Room and board; and
- Other fees required and charged to a student by the education institution.

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- For a student who is not the head of household or spouse/cohead, actual covered costs also include the reasonable and actual costs of housing while attending the institution of higher education and not residing in an assisted unit.
- Further, to qualify, other student financial assistance must be expressly:
    - For tuition, book, supplies, room and board, or other fees required and charged to the student by the educational institution.
    - To assist a student with the costs of higher education; or
    - To assist a student who is not the head of household or spouse with the reasonable and actual costs of housing while attending the educational institution and not residing in an assisted unit.
    - The student financial assistance may be paid directly to the student or to the educational institution on the student's behalf. However, any student financial assistance paid to the student must be verified by NHHFA.

The financial assistance must be a grant or scholarship received from:

- The Federal government.
- A state, tribal, or local government.
- A private foundation registered as a nonprofit.
- A business entity (such as corporation, general partnership, limited liability company, limited partnership, joint venture, business trust, public benefit corporation, or nonprofit entity); or
- An institution of higher education.

Student financial assistance, does not include:

- Financial support provided to the student in the form of a fee for services performed; (e.g., a work study or teaching fellowship that is not excluded under section 479B of the Higher Education Act HEA);
- Gifts, including gifts from family or friends; or
- Any amount of the scholarship or grant that, either by itself or in combination with assistance excluded under the HEA, exceeds the actual covered costs of the student.
- Calculating Income from Student Financial Assistance [HOTMA Student Financial Assistance Resource Sheet; Notice PIH 2023-27]

Calculating Income from Student Financial Assistance [HOTMA Student Financial Assistance Resource Sheet; Notice PIH 2023-27]

The formula for calculating the amount of other student financial assistance that is excluded from income always begins with deducting the assistance received under 479B of the HEA from the total actual covered costs, because the 479B assistance is intended to pay the student's actual covered costs. When a student receives assistance from both Title IV of the HEA and from other sources, the assistance received under Title IV of the HEA must be applied to the student's actual covered costs first and then other student financial assistance is applied to any

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remaining actual covered costs. Once actual costs are covered, any remaining student financial assistance is considered income.

NHHFA Policy

If a student only receives financial assistance under Title IV of the HEA and does not receive any other student financial assistance, NHHFA will exclude the full amount of the assistance received under Title IV from the family's annual income. NHHFA will not calculate actual covered costs in this case.

If the student does not receive any assistance under Title IV of the HEA but does receive assistance from another source, NHHFA will first calculate the actual covered costs to the student in accordance with 24 CFR 5.609(b)(ii). NHHFA will then subtract the total amount of the student's financial assistance from the student's actual covered costs. NHHFA will include any amount of financial assistance in excess of the student's actual covered costs in the family's annual income.

Example 1 Actual covered costs: $20,000 Other student financial assistance: $25,000 Excluded income: $20,000 ($25,000 in financial assistance - $20,000 in actual covered costs) Included income: $5,000

When a student receives assistance from both Title IV of the HEA and from other sources, NHHFA will first calculate the actual covered costs to the student in accordance with 24 CFR 5.609(b)(ii). The assistance received under Title IV of the HEA will be applied to the student's actual covered costs first and then the other student financial assistance will be applied to any remaining actual covered costs.

If the amount of assistance excluded under Title IV of the HEA equals or exceeds the actual covered costs, none of the assistance included under other student financial assistance" would be excluded from income.

Example 2 Actual covered costs: $25,000 Title IV HEA assistance: $26,000 Title IV HEA assistance covers the students entire actual covered costs.

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Other Student Financial Assistance: $5,000

Excluded income: The entire Title IV HEA assistance of $26,000

Included income: All other financial assistance of $5,000

If the amount of assistance excluded under Title IV of the HEA is less than the actual covered costs, NHHFA will exclude the amount of other student financial assistance up to the amount of the remaining actual covered costs.

Example 3

Actual covered costs: $22,000

Title IV HEA assistance: $15,000

The remaining amount not covered by Title IV HEA assistance is $7,000 ($22,000 in actual covered costs - $15,000 in Title IV HEA assistance).

Other Student Financial Assistance: $5,000

$7,000 in remaining actual covered costs - $5,000 in other financial assistance

Excluded income: $15,000 entire amount of the Title IV HEA Assistance + $5,000 in other financial assistance

Included income: $0

Example 4

Actual covered costs: $18,000

Title IV HEA Assistance: $15,000

The remaining amount not covered by Title IV HEA assistance is $3,000 ($18,000 in actual covered costs - $15,000 in Title IV HEA Assistance)

Other student Financial Assistance: $5,000

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When other student financial assistance is applied, financial assistance exceeds actual covered costs by $2,000 ($3,000 in actual covered costs - $5,000 in other financial assistance).

Included income: $2,000 (the amount by which the financial aid exceeds the student's actual covered costs).

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6-I.G. Periodic Payments

Periodic payments are forms of income received on a regular basis. HUD regulations specify periodic payments that are not included in annual income. Regulations do not specify which types of periodic payments are included in annual income.

Income that has a discrete end date and will not be repeated beyond the coming year is excluded from a family's annual income because it is nonrecurring income. However, this does not include unemployment income and other types of periodic payments that are received at regular intervals (such as weekly, monthly, or yearly) for a period of greater than one year that can be extended. For example, a family receives income from a guaranteed income program in their city that has a discrete beginning and end date. While the guaranteed income will be repeated in the coming year, it will end before the family's next annual reexamination. This income is fully excluded from annual income.

Insurance payments and settlements for personal or property losses, including but not limited to payments under health insurance, motor vehicle insurance, and workers' compensation, are excluded from annual income. However, periodic payments paid at regular intervals (such as weekly, monthly, or yearly) for a period of greater than one year that are received in lieu of wages for workers' compensation are included in annual income. Payments received in lieu of wages for worker's compensation are excluded, even if paid in periodic payments, if the income will last for a period of less than one year.

Lump-Sum Payments for the Delayed Start of a Periodic Payment

[24 CFR 5.609(b)(16)]

Deferred periodic amounts from Supplemental Security Income (SSI) and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts, or any deferred Department of Veterans Affairs (VA) disability benefits that are received in a lump sum amount or in prospective monthly amounts are excluded from annual income.

NHHFA Policy

NHHFA will include in annual income lump sums received as a result of delays in processing periodic payments (other than those specifically excluded by the regulation), such as unemployment or welfare assistance.

When a delayed-start payment is received that is to be included and the family reports this during the period in which NHHFA is processing an annual reexamination, NHHFA will adjust the family's rent retroactively for the period the payment was intended to cover.

If the delayed-start payment is received outside of the time NHHFA is processing an annual reexamination, then NHHFA will consider whether the amount meets the threshold to conduct an interim reexamination. If so, NHHFA will conduct an interim in accordance with NHHFA policies in Chapter 11. If not, NHHFA will consider the amount when processing the family's next recertification.

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Retirement Accounts

[24 CFR 5.609(b)(26); Notice PIH 2023-27]

Income received from any account under a retirement plan recognized as such by the IRS, including individual retirement arrangements (IRAs), employer retirement plans, and retirement plans for self-employed individuals is not considered actual income from assets.

However, any distribution of periodic payments from such accounts is included in annual income at the time they are received by the family.

An asset moved to a retirement account held by a member of the family is not considered to be an asset disposed of for less than fair market value.

Social Security Benefits

[Notice PIH 2023-27]

NHHFA is required to use the gross benefit amount to calculate annual income from Social Security benefits.

Annually in October, the Social Security Administration (SSA) announces the cost-of-living adjustment (COLA) by which federal Social Security and SSI benefits are adjusted to reflect the increase, if any, in the cost of living. The federal COLA does not apply to state-paid disability benefits. Effective the day after the SSA has announced the COLA, NHHFA are required to factor in the COLA when determining Social Security and SSI annual income for all annual reexaminations and interim reexaminations of family income that have not yet been completed and will be effective January 1 or later of the upcoming year [Notice PIH 2023-27]. When a family member's benefits are garnished, levied, or withheld to pay restitution, child support, tax debt, student loan debt, or other debts, NHHFA must use the gross amount of the income, prior to the reduction, to determine a family's annual income.

NHHFA Policy

Annual income includes "all amounts received," not the amount that a family may be legally entitled to receive but which they do not receive. When the SSA overpays an individual, resulting in a withholding or deduction from their benefit amount until the overpayment is paid in full, NHHFA will use the reduced benefit amount after deducting only the amount of the overpayment withholding from the gross benefit amount.

Alimony and Child Support

NHHFA Policy

- NHHFA will count all regular payments of alimony or child support awarded as part of a divorce or separation agreement.
- NHHFA will count court-awarded amounts for alimony and child support unless the family certifies and NHHFA verifies that the payments are not being made.
- *To* verify that payments are not being made, NHHFA will review child support payments

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over the last three months.

- If payments are being made regularly, NHHFA will use the amount received during the last 12 months (excluding any lump sums received). If payments have been made for a period less than 12 months, NHHFA will average all payments that have been made.
- At new admission or interim recertification, if any lump sum payments were made in the past 12 months, NHHFA will determine the likelihood of the family receiving another similar payment within the next 12 months before deciding whether or not this amount will be included in the calculation of annual income.
- If NHHFA determines and can appropriately verify that the family in all likelihood will not receive a similar payment, then the amount will not be considered when projecting annual income.
- If NHHFA determines that it is likely that the family will receive a similar payment and can appropriately verify it, the amount will be included when projecting annual income.
- If no payments have been made in the past three months and there are no lump sums, NHHFA will not include alimony or child support in annual income.

6-I.H. Nonrecurring Income

[24 CFR 5.609(b)(24) and Notice PIH 2023-27]

Income received as an independent contractor, day laborer, or seasonal worker is not excluded from income as nonrecurring income, even if the source, date, or amount of the income varies.

Income that has a discrete end date and will not be repeated beyond the coming year during the family's upcoming reexamination period will be excluded from a family's annual income as nonrecurring income. This exclusion does not include unemployment income and other types of periodic payments that are received at regular intervals (such as weekly, monthly, or yearly) for a period of greater than one year that can be extended.

Income amounts excluded under this category may include, but are not limited to:

- Nonrecurring payments made to the family or to a third party on behalf of the family to assist with utilities.
- Payments for eviction prevention.
- Security deposits to secure housing.
- Payments for participation in research studies (depending on the duration); and
- General one-time payments received by or on behalf of the family.

Nonrecurring income that is excluded under the regulations includes:

- Payments from the U.S. Census Bureau for employment (relating to decennial census or the American Community Survey) lasting no longer than 180 days and not culminating in permanent employment [24 CFR 5.609(b)(24)(i)].
- Direct federal or state payments intended for economic stimulus or recovery [24 CFR 5.609(b)(24)(ii)].
- Amounts directly received by the family as a result of state refundable tax credits or state or federal tax refunds at the time they are received [24 CFR 5.609(b)(24)(iii) and (iv)].

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- Gifts for holidays, birthdays, or other significant life events or milestones (e.g., wedding gifts, baby showers, anniversaries) [24 CFR 5.609(b)(24)(v)].
- Non-monetary, in-kind donations, such as food, clothing, or toiletries, received from a food bank or similar organization [24 CFR 5.609(b)(24)(vi)]. When calculating annual income, NHHFA is prohibited from assigning monetary value to non-monetary in-kind donations received by the family [Notice PIH 2023-27]. Non-recurring, non-monetary in-kind donations from friends and family are excluded as non-recurring income.
- Lump-sum additions to net family assets, including but not limited to lottery or other contest winnings [24 CFR 5.609(b)(24)(vii)].

6-I.I. Welfare Assistance

Overview

Welfare assistance is counted in annual income. Welfare assistance includes Temporary Assistance for Needy Families (TANF) and any payments to individuals or families based on need that are made under programs funded separately or jointly by federal, state, or local governments.

Sanctions Resulting in the Reduction of Welfare Benefits [24 CFR 5.615]

NHHFA must make a special calculation of annual income when the welfare agency imposes certain sanctions on certain families. The full text of the regulation at 24 CFR 5.615 is provided as Exhibit 6-3. The requirements are summarized below. This rule applies only if a family was receiving HCV assistance at the time the sanction was imposed.

Covered Families

The families covered by 24 CFR 5.615 are those “who receive welfare assistance or other public assistance benefits (‘welfare benefits’) from a State or other public agency (’welfare 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” [24 CFR 5.615(b)]

Imputed Income

When a welfare agency imposes a sanction that reduces a family’s welfare income because the family commits fraud or fails to comply with the agency’s economic self-sufficiency program or work activities requirement, NHHFA must include in annual income “imputed” welfare income. NHHFA must request that the welfare agency provide the reason for the reduction of benefits and the amount of the reduction of benefits. The imputed welfare income is the amount that the benefits were reduced as a result of the sanction.

This requirement does not apply to reductions in welfare benefits: (1) at the expiration of the lifetime or other time limit on the payment of welfare benefits, (2) if a family member is unable to find employment even though the family member has complied with the welfare agency economic self-sufficiency or work activities requirements, or (3) because a family member has not complied with other welfare agency requirements [24 CFR 5.615(b)(2)].

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Offsets

The amount of the imputed welfare income is offset by the amount of additional income the family begins to receive after the sanction is imposed. When the additional income equals or exceeds the imputed welfare income, the imputed income is reduced to zero [24 CFR 5.615(c)(4)].

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6-I.J. State Payments to Allow Individuals with Disabilities to Live at Home

[24 CFR 5.609(b)(19)]

Payments made by or authorized by a state Medicaid agency (including through a managed care entity) or other state or federal agency to an assisted family to enable a member of the assisted family who has a disability to reside in the family's assisted unit are excluded.

Authorized payments may include payments to a member of the assisted family through state Medicaid-managed care systems, other state agencies, federal agencies or other authorized entities.

The payments must be received for caregiving services a family member provides to enable another member of the assisted family who has a disability to reside in the family's assisted unit. Payments to a family member for caregiving services for someone who is not a member of the assisted family (such as for a relative that resides elsewhere) are not excluded from income.

Furthermore, if the agency is making payments for caregiving services to the family member for an assisted family member and for a person outside of the assisted family, only the payments attributable to the caregiving services for the caregiver's assisted family member would be excluded from income.

6-I.K. Civil Rights Settlements

[24 CFR 5.609(b)(25); FR Notice 2/14/23]

Regardless of how the settlement or judgment is structured, civil rights settlements or judgments, including settlements or judgments for back pay, are excluded from annual income. This may include amounts received because of litigation or other actions, such as conciliation agreements, voluntary compliance agreements, consent orders, other forms of settlement agreements, or administrative or judicial orders under the Fair Housing Act, Title VI of the Civil Rights Act, Section 504 of the Rehabilitation Act (Section 504), the Americans with Disabilities Act, or any other civil rights or fair housing statute or requirement.

While these civil rights settlement or judgment amounts are excluded from income, the settlement or judgment amounts will generally be counted toward the family's net family assets (e.g., if the funds are deposited into the family's savings account or a revocable trust under the control of the family or some other asset that is not excluded from the definition of net family assets). Income generated on the settlement or judgment amount after it has become a net family asset is not excluded from income. For example, if the family received a settlement or back pay and deposited the money in an interest-bearing savings account, the interest from that account would be income at the time the interest is received.

Furthermore, if a civil rights settlement or judgment increases the family's net family assets such that they exceed $52,787 for 2026 (as annually adjusted by an inflationary factor), then income will be imputed on the net family assets pursuant to 24 CFR 5.609(a)(2). If the imputed income, which HUD considers unearned income, increases the family's annual adjusted income by 10 percent or more, then an interim reexamination of income will be required unless the addition to

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the family's net family assets occurs within the last three months of the family's income certification period and NHHFA or owner chooses not to conduct the examination.

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6-I.L. Additional Exclusions from Annual Income

[24 CFR 5.609(b)]

Other exclusions contained in 24 CFR 5.609(b) that have not been discussed earlier in this chapter include the following:

- Payments received for the care of foster children or foster adults or state or tribal kinship or guardianship care payments [24 CFR 5.609(b)(4)].
- Insurance payments and settlements for personal or property losses, including but not limited to payments through health insurance, motor vehicle insurance, and workers' compensation [24 CFR 5.609(b)(5)]. However, periodic payments paid at regular intervals (such as weekly, monthly, or yearly) for a period of greater than one year that are received in lieu of wages for workers' compensation are included in annual income [Notice PIH 2023-27].
- Amounts received by the family that are specifically for, or in reimbursement of, the cost of health and medical care expenses for any family member [24 CFR 5.609(b)(6)].
- Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member arising out of law, that resulted in a member of the family becoming disabled [24 CFR 5.609(b)(7)].
- Income and distributions from any Coverdell education savings account under Section 530 of the Internal Revenue Code of 1986 or any qualified tuition program under Section 529 of such Code [24 CFR 5.609(b)(10)].
- Income earned by government contributions to, and distributions from, "baby bond" accounts created, authorized, or funded by federal, state, or local government [24 CFR 5.609(b)(10)].
- The special pay to a family member serving in the Armed Forces who is exposed to hostile fire [24 CFR 5.609(b)(11)].
- Payments related to aid and attendance under 38 U.S.C. 1521 to veterans in need of regular aid and attendance [24 CFR 5.609(b)(17)]. This income exclusion applies only to veterans in need of regular aid and attendance and not to other beneficiaries of the payments, such as a surviving spouse [Notice PIH 2023-27].
- Loan proceeds (the net amount disbursed by a lender to or on behalf of a borrower, under the terms of a loan agreement) received by the family or a third party (*e.g.,* proceeds received by the family from a private loan to enable attendance at an educational institution or to finance the purchase of a car) [24 CFR 5.609(b)(20)]. The loan borrower or co-borrower must be a member of the family for this income exclusion to be applicable [Notice PIH 2023-27].
- Payments received by tribal members as a result of claims relating to the mismanagement of assets held in trust by the United States, to the extent such payments are also excluded from gross income under the Internal Revenue Code or other federal law [24 CFR 5.609(b)(21)]. Generally, payments received by tribal members in excess of the first $2,000 of per capita shares are included in a family's

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annual income for purposes of determining eligibility. However, as explained in Notice PIH 2023-27, payments made under the Cobell Settlement, and certain per capita payments under the recent Tribal Trust Settlements, must be excluded from annual income in HUD programs that adopt the definitions of annual income in 24 CFR 5.609, the Census Long Form, and the IRS Form 1040, including the programs affected by Notice PIH 2023-27.

- Replacement housing “gap” payments made in accordance with 49 CFR Part 24 that offset increased out of pocket costs of displaced persons that move from one federally subsidized housing unit to another federally subsidized housing unit. Such replacement housing “gap” payments are not excluded from annual income if the increased cost of rent and utilities is subsequently reduced or eliminated, and the displaced person retains or continues to receive the replacement housing “gap” payments [24 CFR 5.609(b)(23)].
- Income earned on amounts placed in a family’s Family Self-Sufficiency account [24 CFR 5.609(b)(27)].
- Amounts received by participants in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred *e.g.,* special equipment, clothing, transportation, childcare, etc.) and which are made solely to allow participation in a specific program [24 CFR 5.609(i)(12)(ii)].
- Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS) [(24 CFR 5.609(b)(12)(i)].
- Amounts received under a resident service stipend not to exceed $200 per month. A resident service stipend is a modest amount received by a resident for performing a service for NHHFA or owner, on a part-time basis, that enhances the quality of life in the development [24 CFR 5.609 I(12)(ii)].
- Incremental earnings and benefits to any family member resulting from participation in qualifying training program funded by HUD or in qualifying federal, state, tribal, or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff are excluded from annual income. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives and are excluded only for the period during which the family member participates in the training program unless those amounts are excluded under 24 CFR 5.609(b)(9)(i) [24 CFR 5.609(b)(12)(iv)].
- Incremental earnings and benefits to any family member resulting from participation in qualifying training program funded by HUD or in qualifying federal, state, tribal, or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff are excluded from annual income. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives and are excluded only for the period during which the family member participates in the training program unless those amounts are excluded under 24 CFR 5.609(b)(9)(i) [24 CFR 5.609(b)(12)(iv)].

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NHHFA Policy

- NHHFA defines training program as "a learning process with goals and objectives, generally having a variety of components, and taking place in a series of sessions over a period of time. It is designed to lead to a higher level of proficiency, and it enhances the individual's ability to obtain employment. It may have performance standards to measure proficiency. Training may include but is not limited to: (1) classroom training in a specific occupational skill, (2) on-the-job training with wages subsidized by the program, or (3) basic education" [expired Notice PIH 98-2, p. 3].
- NHHFA defines incremental earnings and benefits as the difference between (1) the total amount of welfare assistance and earnings of a family member prior to enrollment in a training program and (2) the total amount of welfare assistance and earnings of the family member after enrollment in the program [expired Notice PIH 98-2, pp. 3–4].
- In calculating the incremental difference, NHHFA will use as the pre-enrollment income the total annualized amount of the family member's welfare assistance and earnings reported on the family's most recently completed HUD-50058.
- End of participation in a training program must be reported in accordance with NHHFA's interim reporting requirements.
- Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era [24 CFR 5.609(b)(13)].
- Adoption assistance payments for a child in excess of the amount of the dependent deduction per adopted child [24 CFR 5.609(b)(15)].
- Refunds or rebates on property taxes paid on the dwelling unit [24 CFR 5.609(b)(20)].
- Amounts that HUD is required by federal statute to exclude from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR 5.609(b) apply. HUD will publish a notice in the Federal Register to identify the benefits that qualify for this exclusion. Updates will be published when necessary.
- HUD publishes an updated list of these exclusions periodically. The most recent list of exclusions was published in the Federal Register on May 20, 2014. It includes:
- The value of the allotment provided to an eligible household under the Food Stamp Act of 1977 (7 U.S.C. 2017 (b))

Benefits under Section 1780 of the School Lunch Act and Child Nutrition Act of 1966, including WIC

(a) Payments to volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058)
(b) Payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(c))
(c) Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 459e)
(d) Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624(f))

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(e) Payments received under programs funded in whole or in part under the Workforce Investment Act of 1998 (29 U.S.C. 2931)
(f) Deferred disability benefits from the Department of Veterans Affairs, whether received as a lump sum or in monthly prospective amounts
(g) Income derived from the disposition of funds to the Grand River Band of Ottawa Indians (Pub. L. 94-540, 90 Stat. 2503-04)
(h) Payments, funds, or distributions authorized, established, or directed by the Seneca Nation Settlement Act of 1990 (25 U.S.C. 1774f(b))
(i) A lump sum or periodic payment received by an individual Indian pursuant to the Class Action Settlement Agreement in the United States District Court case entitled Elouise Cobell et al. v. Ken Salazar et al., for a period of one year from the time of receipt of that payment as provided in the Claims Resolution Act of 2010
(j) The first $2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U. S. Claims Court, the interests of individual Indians in trust or restricted lands, including the first $2,000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands (25 U.S.C. 1407-1408)
(k) Benefits under the Indian Veterans Housing Opportunity Act of 2010 (only applies to Native American housing programs)
(l) Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056(f))
(m) Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in In Re Agent Orange product liability litigation, M.D.L. No. 381 (E.D.N.Y.)
(n) Payments received under 38 U.S.C. 1833(c) to children of Vietnam veterans born with spinal bifida, children of women Vietnam veterans born with certain birth defects, and children of certain Korean service veterans born with spinal bifida
(o) Payments received under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721)
(p) The value of any childcare provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q)
(q) Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j))
(r) Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation (Pub. L. 95-433)
(s) Amounts of scholarships funded under Title IV of the Higher Education Act of 1965j, including awards under federal work-study programs or under the Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087uu). For HCV programs, the exception found in § 237 of Public Law 109–249 applies and requires that the amount of financial assistance in excess of tuition and mandatory fees shall be considered income in accordance with the provisions codified at 24 CFR 5.609(b)(9), except for those

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persons with disabilities as defined by 42 U.S.C. 1437a(b)(3)(E) (Pub. L. 109–249) (See Section 6-I.L. for exceptions.)

(t) Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d))

(u) Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act (42 U.S.C. 10602)

(v) Any amounts in an "individual development account" as provided by the Assets for Independence Act, as amended in 2002

(w) Payments made from the proceeds of Indian tribal trust cases as described in Notice PIH 2013–30, "Exclusion from Income of Payments under Recent Tribal Trust Settlements" (25 U.S.C. 117b(a))

(x) Major disaster and emergency assistance received under the Robert T. Stafford Disaster Relief and Emergency Assistance Act and comparable disaster assistance provided by states, local governments, and disaster assistance organizations

(y) Distributions from an ABLE account, and actual or imputed interest on the ABLE account balance [See also Notice PIH 2019-09]

PART II: Assets

6-II.A. Overview

Annual income includes all actual anticipated income from assets (unless otherwise excluded by the regulations) even if the asset itself is excluded from net family assets [Notice PIH 2023-27].

The regulation at 24 CFR 5.603(b)(3) provides a list of items that are excluded from the calculation of net family assets. Note, unlike previous versions of the regulations, the current regulations do not list types of assets that are included in annual income. Instead, HUD relies on the definition of items excluded from assets to provide the scope of what is included. Exhibit 6-2 provides the regulatory definition of net family assets.

Optional policies for family self-certification of assets are found in Chapter 7. Policies related to the asset limitation may be found in Chapter 3.

Income from assets is always anticipated, irrespective of the income examination type.

NHHFA Policy

NHHFA generally will use current circumstances to determine both the value of an asset and the anticipated income from the asset. NHHFA will use other than current circumstances to anticipate income when (1) an imminent change in circumstances is expected, (2) it is not feasible to anticipate a level of income over 12 months, or (3) NHHFA believes that past income is the best indicator of anticipated income. For example, if a family member owns real property that typically receives rental income, but the property is currently vacant, NHHFA can take into consideration past rental income along with the prospects of obtaining a new tenant.

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Any time current circumstances are not used to determine asset income, a clear rationale for the decision will be documented in the file. In such cases the family may present information and documentation to NHHFA to show why the asset income determination does not represent the family's anticipated asset income.

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6-II.B. Assets Disposed of For Less Than Fair Market Value

[24 CFR 5.603(b)(2)]

NHHFA must include the value of any business or family assets disposed of by an applicant or participant for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application or reexamination, as applicable, in excess of the consideration received for the asset. An asset moved to a retirement account held by a member of the family is not considered to be an asset disposed of for less than fair market value. [Notice PIH 2023-27].

Minimum Threshold

The HCV Guidebook permits NHHFA to set a threshold below which assets disposed of for less than fair market value will not be counted [HCV GB, p. 5-27].

NHHFA Policy

NHHFA will not include the value of assets disposed of for less than fair market value unless the cumulative fair market value of all assets disposed of during the past two years exceeds the gross amount received for the assets by more than $1,000.

Separation or Divorce

The regulation also specifies that assets are not considered disposed of for less than fair market value if they are disposed of as part of a separation or divorce settlement and the applicant or tenant receives important consideration not measurable in dollar terms.

NHHFA Policy

All assets disposed of as part of a separation or divorce settlement will be considered assets for which important consideration not measurable in monetary terms has been received. In order to qualify for this exemption, a family member must be subject to a formal separation or divorce settlement agreement established through arbitration, mediation, or court order.

Foreclosure or Bankruptcy

Assets are not considered disposed of for less than fair market value when the disposition is the result of a foreclosure or bankruptcy sale. Negative equity in real property or other investments does not prohibit the owner from selling the property or other investments, so negative equity alone would not justify excluding the property or other investments from family assets.

Asset Owned by a Business Entity

If a business entity (e.g., limited liability company or limited partnership) owns the asset, then the family's asset is their ownership stake in the business, not some portion of the business's assets. However, if the family holds the assets in their own name (e.g., they own one third of a restaurant) rather than in the name of a business entity, then the percentage value of the asset

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owned by the family is what is counted toward net family assets (e.g., one-third of the value of the restaurant) [Notice PIH 2023-27].

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Family Declaration

NHHFA Policy

Families must sign a declaration form at initial certification and each recertification identifying all assets that have been disposed of for less than fair market value or declaring that no assets have been disposed of for less than fair market value. NHHFA may verify the value of the assets disposed of if other information available to NHHFA does not appear to agree with the information reported by the family.

6-II.C. Asset Inclusions and Exclusions

Necessary and Non-Necessary Personal Property [24 CFR 5.603(b)(3)(i)]

All assets are categorized as either *real property* (e.g., land, a home) or *personal property*.

Personal property includes tangible items, like boats, as well as intangible items, like bank accounts.

The value of necessary items of personal property is excluded from the calculation of net family assets. Necessary items of personal property include a car used for commuting or medical devices.

HUD defines *necessary personal property* as items essential to the family for the maintenance, use, and occupancy of the premises as a home; or they are necessary for employment, education, or health and wellness. Necessary personal property includes more than merely items that are indispensable to the bare existence of the family. It may include personal effects (such as items that are ordinarily worn or utilized by the individual), items that are convenient or useful to a reasonable existence, and items that support and facilitate daily life within the family's home. Necessary personal property also includes items that assist a household member with a disability, including any items related to disability-related needs, or that may be required for a reasonable accommodation for a person with a disability. Necessary personal property does not include bank accounts, other financial investments, or luxury items. Items of personal property that do not qualify as necessary personal property are classified as non-necessary personal property.

The combined value of all **non-necessary** items of personal property is only included in annual income when the combined total value exceeds the HUD-published threshold amount (adjusted annually and published in HUD's current year Inflation-Adjusted Values tables). When the combined value of all non-necessary personal property does not exceed the HUD-published threshold amount, all non-necessary personal property is excluded from net family assets.

While not an exhaustive list, the following table from Notice PIH 2023-27 provides examples of necessary and non-necessary personal property.

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Necessary Personal Property	Non-Necessary Personal Property
Car(s)/vehicle(s) that a family relies on for transportation for personal or business use (e.g., bike, motorcycle, skateboard, scooter) Furniture, carpets, linens, kitchenware Common appliances Common electronics (e.g., radio, television, DVD player, gaming system) Clothing Personal effects that are not luxury items (e.g., toys, books) Wedding and engagement rings Jewelry used in religious/cultural celebrations and ceremonies Religious and cultural items Medical equipment and supplies Health care–related supplies Musical instruments used by the family Personal computers, phones, tablets, and related equipment Professional tools of trade of the family, for example professional books Educational materials and equipment used by the family, including equipment to accommodate persons with disabilities Equipment used for exercising (e.g., treadmill, stationary bike, kayak, paddleboard, ski equipment)	Recreational car/vehicle not needed for day-to-day transportation for personal or business use (campers, motorhomes, traveling trailers, all-terrain vehicles (ATVs)) Bank accounts or other financial investments (e.g., checking account, savings account, stocks/bonds) Recreational boat/watercraft Expensive jewelry without religious or cultural value, or which does not hold family significance Collectibles (e.g., coins/stamps) Equipment/machinery that is not used to generate income for a business Items such as gems/precious metals, antique cars, artwork, etc.

NHHFA Policy

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In determining the value of non-necessary, non-financial personal property, the PHA will use the family's estimate of the value. The PHA may obtain an appraisal if there is reason to believe that the family's estimated value is off by $50 or more. The family must cooperate with the appraiser but cannot be charged any costs related to the appraisal.

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Checking and Savings Accounts

[Notice PIH 2023-27]

HUD considers bank accounts as non-necessary items of personal property. Whether or not non-necessary personal property is counted toward net family assets depends on the combined value of all of the family's assets.

- When the combined value of net family assets is greater than $52,787 for 2026, as adjusted by inflation, checking and/or savings accounts would be counted toward net family assets.
- When the combined value of all non-necessary personal property does not exceed the HUD published threshold amount, all non-necessary personal property is excluded from net family assets. In this case, the value of the family's checking and/or savings accounts would not be considered when calculating net family assets.

However, actual income from checking and savings accounts is always included in a family's annual income, regardless of the total value of net family assets or whether the asset itself is included or excluded from net family assets, unless that income is specifically excluded.

ABLE Accounts

[24 CFR 5.609(b)(10); Notice PIH 2019-09]

An Achieving a Better Life Experience (ABLE) account is a type of tax-advantaged savings account that an eligible individual can use to pay for qualified disability expenses. Section 103 of the ABLE Act mandates that an individual's ABLE account (specifically, its account balance, contributions to the account, and distributions from the account) is excluded when determining the designated beneficiary's eligibility and continued occupancy under certain federal means-tested programs. NHHFA must exclude the entire value of the individual's ABLE account from the household's assets. Distributions from the ABLE account are also not considered income. However, all wage income received, regardless of which account the money is paid to, is included as income.

Investment Accounts Such as Stocks, Bonds, Saving Certificates, and Money Market Funds

[24 CFR 5.603(b)(1)]

HUD considers financial investments such as stocks and bonds non-necessary items of personal property. Whether non-necessary personal property is counted toward net family assets depends on the combined value of all of the family's assets.

When the combined value of net family assets is greater than $52,787 for 2026, as adjusted by inflation, financial investments such as stocks and bonds are considered part of net family assets. In this case, the value of the family's checking and/or savings accounts would be counted toward net family assets.

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When the combined value of all non-necessary personal property does not exceed $50,000, as adjusted by inflation, all non-necessary personal property is excluded from net family assets. In this case, the value of the family's financial investments such as stocks and bonds would not be considered when calculating net family assets.

However, actual income from financial accounts is always included in a family's annual income, regardless of the total value of net family assets or whether the asset itself is included or excluded from net family assets, unless that income is specifically excluded. When a stock issues dividends in some years but not others (e.g., due to market performance), the dividend is counted as the actual return when it is issued, but when no dividend is issued, the actual return is $0. When the stock never issues dividends, the actual return is $0.

NHHFA Policy

NHHFA will include interest or dividends earned by investment accounts as actual income from assets even when the earnings are reinvested.

The cash value of such an asset is determined by deducting from the market value any broker fees, penalties for early withdrawal, or other costs of converting the asset to cash.

In determining the market value of an investment account, NHHFA will use the value of the account on the most recent investment report.

Lump-Sum Additions to Net Family Assets

[24 CFR 5.609(b)(24(viii); Notice PIH 2023-27]

The regulations exclude income from lump-sum additions to family assets, including lottery or other contest winnings as a type of nonrecurring income.

In addition, lump sums from insurance payments, settlements for personal or property losses, and recoveries from civil actions or settlements based on claims of malpractice, negligence, or other breach of duty owed to a family member arising out of law that resulted in a member of the family becoming a family member with a disability are excluded from income.

Further, deferred periodic amounts from Supplemental Security Income (SSI) and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts, or any deferred Department of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts are also excluded from income.

However, these amounts may count toward net family assets. NHHFA must consider any actual or imputed returns from assets as income at the next applicable income examination. In the case where the lump sum addition to assets would lead to imputed income, which is unearned income, that increases the family's annual adjusted income by 10 percent or more, then the addition of the lump sum to the family's assets will trigger an immediate interim reexamination of income in accordance with Chapter 11. This reexamination of income must take place as soon as the lump sum is added to the family's net family assets unless the addition takes place in the last three months of family's income certification period and NHHFA chooses not to conduct the examination.

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For a discussion of lump-sum payments that represent the delayed start of a periodic payment, most of which are counted as income, see sections 6-I.H and 6-I.I.

NHHFA Policy

Any lump-sum receipts are only counted as assets if they are retained by a family in a form recognizable as an asset. [RHIIP FAQs]. For example, if the family receives a $1,000 lump sum for lottery winnings, and the family immediately spends the entire amount, the lump sum will not be counted toward net family assets.

Jointly Owned Assets

[Notice PIH 2023-27]

For assets owned jointly by the family and one or more individuals outside of the assisted family, NHHFA must include the total value of the asset in the calculation of net family assets, unless:

The asset is otherwise excluded.

- The asset is otherwise excluded.
- The family can demonstrate that the asset is inaccessible to them; or
- The family cannot dispose of any portion of the asset without the consent of another owner who refuses to comply.

Any income from a jointly owned asset must be included in annual income, unless:

- The income is specifically excluded.
- The family demonstrates that they do not have access to the income from that asset; or
- The family only has access to a portion of the income from that asset.

If the family demonstrates that they can only access a portion of the income from an asset, then only that portion's value is included in the calculation of income from assets.

If an individual is a beneficiary who is entitled to access the account's funds only upon the death of the account's owner, and may not otherwise withdraw funds from an account, then the account is not an asset to the assisted family, and the family should provide proper documentation demonstrating that they are only a beneficiary on the account.

Trusts

[24 CFR 5.609(b)(2) and 5.603(b)(4)]

A trust is a legal arrangement generally regulated by state law in which one party (the creator or grantor) transfers property to a second party (the trustee) who holds the property for the benefit of one or more third parties (the beneficiaries).

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The following types of trust distributions are excluded from annual income:

- Distributions of the principal or corpus of the trust; and
- Distributions of income from the trust when the distributions are used to pay the costs of health and medical care expenses for a minor.

The basis for determining how to treat trusts relies on information about who has access to either the principal in the account or the income from the account. There are two types of trusts, revocable and irrevocable.

When the creator sets up an irrevocable trust, the creator has no access to the funds in the account. Irrevocable trusts not under the control of any member of the family or household are not assets. Typically, special needs trusts are considered irrevocable. The value of the trust is not included in net family assets, so long as the fund continues to be held in a trust that is not revocable by, or under the control of, any member of the family or household [24 CFR 5.603(b)(4)]. Where an irrevocable trust is excluded from net family assets, NHHFA must not consider actual income earned by the trust (e.g., interest earned, rental income if property is held in the trust) for so long as the income from the trust is not distributed. If the value of the trust is not considered part of the family's net assets, then distributions from the trust are treated as follows:

- All distributions from the trust's principal are excluded from income.
- Distributions of income earned by the trust (i.e., interest, dividends, realized gains, or other earnings on the trust's principal), are included as income unless the distribution is used to pay for the health and medical expenses for a minor.

A revocable trust is a trust that the creator of the trust may amend or end (revoke). When there is a revocable trust, the creator has access to the funds in the trust account.

- A revocable trust that is under the control of the family is included in net family assets when the grantor is a member of the assisted family. If a revocable trust is included in the calculation of net family assets, then the actual income earned by the revocable trust is also included in the family's income. For example, interest earned or rental income if the property is held in the trust. The PHA must calculate imputed income on the revocable trust if net family assets are more than the HUD-published threshold amount, which is adjusted annually and listed in HUD's Inflation Adjusted Values tables ($52,787 for 2026), and actual income from the trust cannot be calculated (e.g., if the trust is comprised of farmland that is not in use).
- A revocable trust that is not under the control of the family is excluded from net family assets. This happens when a member of the assisted family is the beneficiary of a revocable trust, but the grantor is not a member of the assisted family. In this case the beneficiary does not "own" the revocable trust, and the value of the trust is excluded from net family assets. For the revocable trust to be considered excluded from net family assets, no family or household member may be the account's trustee.

For both irrevocable and revocable trusts, if the value of the trust is not considered part of net family assets, then distributions from the trust are treated as follows:

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- All distributions from the trust's principal are excluded from income.
- Distributions of income earned by the trust (i.e., interest, dividends, realized gains, or other earnings on the trust's principal), are included as income unless the distribution is used to pay for the health and medical expenses for a minor.

Life Insurance

[FR Notice 2/14/23 and Notice PIH 2023-27]

Net family assets do not include the value of term life insurance, which has no cash value to the individual before death.

The cash value of a life insurance policy available to a family member before death, such as a whole life or universal life policy, is included in the calculation of the value of the family's assets. The cash value is the surrender value. While the cash value of an insurance policy is considered an asset, the face value of any policy is not. If such a policy earns dividends or interest that the family could elect to receive, the amount of dividends or interest is counted as income from the asset whether or not the family actually receives it.

Tax Refunds

[24 CFR 5.603(b)(3)(xi) and Notice PIH 2023-27]

All amounts received by a family in the form of federal tax refunds or refundable tax credits are excluded from a family's net family assets for a period of 12 months after receipt by the family.

At the time of an annual or interim reexamination of income, if the federal tax refund was received during the 12 months preceding the effective date of the reexamination, then the amount of the refund that was received by the family is subtracted from the total value of the account in which the federal tax refund or refundable tax credits were deposited. When the subtraction results in a negative number, then the balance of the asset is considered $0.

PHAs are not required to verify the amount of the family's federal tax refund or refundable tax credits if the family's net assets are equal to or below the HUD-determined threshold (adjusted annually for inflation), even in years when full verification of assets is required or if the PHA does not accept self-certification of assets. PHAs must verify the amount of the family's federal tax refund or refundable tax credits if the family's net assets are greater than the HUD-determined threshold.

The anticipated income earned by the assets in which a family has deposited their federal tax refund or refundable tax credits must be included in the family's annual income unless the income is specifically excluded.

Asset Exclusions

[24 CFR 5.603(b)]

The following are excluded from the calculations of net family assets:

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- The value of any account under a retirement plan recognized as such by the IRS, including individual retirement arrangements (IRAs), employer retirement plans, and retirement plans for self-employed individuals [24 CFR 5.603(b)(3)(iii)].
- The value of real property that the family does not have the effective legal authority to sell in the jurisdiction in which the property is located [24 CFR 5.603(b)(3)(iv)].
    - Real property as used in this part has the same meaning as that provided under the law of the state in which the property is located [24 CFR 5.100].
    - Examples of this include but are not limited to co-ownership situations (including situations where one owner is a victim of domestic violence), where one party cannot unilaterally sell the real property; property that is tied up in litigation; and inherited property in dispute [Notice PIH 2023-27].
- Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member arising out of law, that resulted in a family member being a person with a disability [24 CFR 5.603(b)(3)(v)];
- The value of any Coverdell education savings account under section 530 of the Internal Revenue Code of 1986 [24 CFR 5.603(b)(3)(vi)];
- The value of any qualified tuition program under Section 529 of such Code [24 CFR 5.603(b)(3)(vi)];
- The value of any “baby bond” account created, authorized, or funded by federal, state, or local government [24 CFR 5.603(b)(3)(vi)];
- Interests in Indian trust land [24 CFR 5.603(b)(3)(vii)];
- Equity in a manufactured home where the family receives assistance under 24 CFR part 982 [24 CFR 5.603(b)(3)(viii)];
- Equity in property under the Homeownership Option for which a family receives assistance under 24 CFR part 982 [24 CFR 5.603(b)(3)(ix)];
- Family Self-Sufficiency accounts [24 CFR 5.603(b)(3)(x)];
- Federal tax refunds or refundable tax credits for a period of 12 months after receipt by the family [24 CFR 5.603(b)(3)(xi)].
- The full amount of assets held in an irrevocable trust [Notice PIH 2023-27]; and
- The full amount of assets held in a revocable trust where a member of the family is the beneficiary, but the grantor/owner and trustee of the trust is not a member of the participant family or household [Notice PIH 2023-27].

6-II.D. Determining Income from Assets

In some cases, amounts that are excluded from net family assets may be included as annual income when disbursements are made to a family from an asset. In other cases, amounts are excluded from annual income as a lump-sum addition to net family assets, but those funds are

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then considered a net family asset if held in an account or other investment that is considered part of net family assets [Notice PIH 2023-27].

Net Family Assets

Net family assets are defined as the net cash value of all assets owned by the family, after deducting reasonable costs that would be incurred in disposing real property, savings, stocks, bonds, and other forms of capital investment.

NHHFA Policy

Reasonable costs that would be incurred when disposing of an asset include, but are not limited to, penalties for premature withdrawal, broker and legal fees, and settlement costs incurred in real estate transactions such as settlement costs and transfer taxes [New PH OCC GB, Income Determinations, p. 24].

The calculation of asset income sometimes requires NHHFA to make a distinction between an asset's market value and its cash value.

- The market value of an asset is its worth in the market (e.g., the amount a buyer would pay for real estate or the total value of an investment account).
- The cash value of an asset is its market value less all reasonable amounts that would be incurred when converting the asset to cash.

The cash value of real property or other assets with negative equity would be considered $0 for the purposes of calculating net family assets. Negative equity in real property or other investments does not prohibit the family from selling the property or other investments, so negative equity alone would not justify excluding the property or other investments from family assets [Notice PIH 2023-27].

Actual Income from Assets

Income from assets must be included on the Form HUD-50058 regardless of the amount of income. Actual income from assets is always included in a family's annual income, regardless of the total value of net family assets or whether the asset itself is included or excluded from net family assets, unless that income is specifically excluded by 24 CFR 5.609(b).

Income or returns from assets are generally considered to be interest, dividend payments, and other actual income earned on the asset, and not the increase in market value of the asset. The increase in market value is relevant to the cash value of the asset for the purpose of determining total net family assets and imputing income.

NHHFA may determine the net assets of a family based on a self-certification by the family that the net family assets do not exceed the HUD-published threshold amount, which is adjusted annually and listed in HUD's Inflation Adjusted Values tables, without taking additional steps to verify the accuracy of the declaration [24 CFR 5.618(b)]. Policies related to verification of assets are found in Chapter 7 of this policy.

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NHHFA may not calculate or include any imputed income from assets when net family assets total $50,000 or less [24 CFR 5.609(b)(1)]. The actual income from assets must be included on the Form HUD-50058.

Imputed Income from Assets

When net family assets exceed $50,000 (adjusted annually by HUD), NHHFA may not rely on self-certification. If actual returns can be calculated, NHHFA must include actual income from the asset on the Form HUD-50058 (for example, a savings account or CD where the rate of return is known). If actual returns cannot be calculated, NHHFA must calculate imputed returns using the HUD-determined passbook rate (for example, real property or a non-necessary item of personal property such as a recreational boat). If NHHFA can compute actual income from some but not all assets, NHHFA must compute actual returns where possible and use the HUD-determined passbook rate for assets where actual income cannot be calculated [24 CFR 5.609(a)(2)].

An asset with an actual return of $0 (such as a non-interest-bearing checking account), is not the same as an asset for which an actual return cannot be computed (such as non-necessary personal property). If the asset is a financial asset and there is no income generated (for example, a bank account with a zero percent interest rate or a stock that does not issue cash dividends), then the asset generates zero actual asset income, and imputed income is not calculated. When a stock issues dividends in some years but not others (e.g., due to market performance), the dividend is counted as the actual return when it is issued, and when no dividend is issued, the actual return is $0. When the stock never issues dividends, the actual return is consistently $0.

PART III: Adjusted Income

6-III.A. Introduction

Overview

HUD regulations require NHHFA to deduct from annual income any of five mandatory deductions for which a family qualifies and allow NHHFA to deduct other permissive deductions in accordance with NHHFA policy. The resulting amount is the family's adjusted income. Mandatory deductions are found in 24 CFR 5.611.

5.611 Adjusted income means annual income (as determined under § 5.609) of the members of the family residing or intending to reside in the dwelling unit, after making the following deductions:

(a) Mandatory deductions

(1) $500 for each dependent (adjusted annually by HUD, rounded to the next lowest multiple of $25);

(2) $550 for any elderly family or disabled family (adjusted annually by HUD, rounded to the next lowest multiple of $25);

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(3) The sum of the following, to the extent the sum exceeds ten percent of annual income:

(i) Unreimbursed health and medical care expenses of any elderly family or disabled family;

(ii) Unreimbursed reasonable attendant care and auxiliary apparatus expenses for each member of the family who is a person with disabilities, to the extent necessary to enable any member of the family (including the member who is a person with disabilities) to be employed; and

(4) Any reasonable child care expenses necessary to enable a member of the family to be employed or to further his or her education.

This part covers policies related to these mandatory deductions. Verification requirements related to these deductions are found in Chapter 7.

Anticipating Expenses

NHHFA Policy

Generally, NHHFA will use current circumstances to anticipate expenses. When possible, for costs that are expected to fluctuate during the year (e.g., childcare during school and non-school periods and cyclical medical expenses), NHHFA will estimate costs based on historic data and known future costs.

If a family has an accumulated debt for medical or disability assistance expenses, NHHFA will include as an eligible expense the portion of the debt that the family expects to pay during the period for which the income determination is being made. However, amounts previously deducted will not be allowed even if the amounts were not paid as expected in a preceding period. NHHFA may require the family to provide documentation of payments made in the preceding year.

When calculating health and medical care expenses, NHHFA will include those expenses anticipated to be incurred during the 12 months following the certification date which are not covered by an outside source, such as insurance. The allowance is not intended to give a family an allowance equal to last year's expenses, but to anticipate regular ongoing and anticipated expenses during the coming year. Since these expenses are anticipated, the PH Occupancy Guidebook states "it is likely that actual expenses will not match what was anticipated. Typically, this would not be considered an underpayment as long as at the time of the annual reexamination, the expenses were calculated based on the appropriate verification" [New PH OCC GB, Income Determinations, p. 30].

6-III.B. Dependent Deduction

An allowance of $500 is deducted from annual income for each dependent (which amount will be adjusted by HUD annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers, rounded to the next lowest multiple of $25) [24 CFR 5.611(a)(1)]. A dependent is defined as any family member other than the head, spouse, or cohead who is under the age of 18 or who is 18 or older and is a person with disabilities or a full-time student.

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Foster children, foster adults, and live-in aides are never considered dependents [24 CFR 5.603(b)].

6-III.C. Elderly or Disabled Family Deduction

A single deduction of $550 is taken for any elderly or disabled family (which amount will be adjusted by HUD annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers, rounded to the next lowest multiple of $25) [24 CFR 5.611(a)(2)].

An elderly family is a family whose head, spouse, cohead, or sole member is 62 years of age or older, and a disabled family is a family whose head, spouse, cohead, or sole member is a person with disabilities [24 CFR 5.403].

6-III.D. Health and Medical Care Expenses Deduction

[24 CFR 5.611(a)(3)(i) and 5.603(b)]

Unreimbursed health and medical care expenses may be deducted to the extent that, in combination with any disability assistance expenses, they exceed ten percent of annual income.

This deduction is permitted only for families in which the head, spouse, or cohead is at least 62 or is a person with disabilities. If a family is eligible for a medical expense deduction, the medical expenses of all family members are counted.

Definition of Medical Expenses

HUD regulations define health and medical care expenses at 24 CFR 5.603(b) to mean “any costs incurred in the diagnosis, cure, mitigation, treatment, or prevention of disease or payments for treatments affecting any structure or function of the body. Health and medical care expenses include medical insurance premiums and long-term care premiums that are paid or anticipated during the period for which annual income is computed.” Medical insurance premiums continue to be eligible health and medical care expenses. Health and medical care expenses may be deducted from annual income only if they are eligible and not otherwise reimbursed and may only be deducted for elderly or disabled families.

Although HUD revised the definition of health and medical care expenses to reflect the Internal Revenue Service (IRS) general definition of medical expenses, HUD is not permitting NHHFA to specifically align their policies with IRS Publication 502 for determining which expenses are included in HUD’s mandatory deduction for health and medical care expenses. NHHFA must review each expense to determine whether it is eligible in accordance with HUD’s definition of health and medical care expenses.

While PHA policies may not specifically align with IRS Publication 502, HUD recommends PHAs use it as a standard for determining allowable expenses, and the PHA may list examples of allowable expenses in their policy provided they comply with HUD’s definition at 24 CFR 5.603. The PHA may not define *health and medical care expenses* more narrowly than the regulation.

In accordance with the Health Insurance Portability and Accountability Act (HIPAA) (Pub. L. 104-191, 110 Stat. 1936) and the Privacy Act of 1974 (Pub. L. 93-579, 88 Stat. 1896), when

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requesting documentation to determine unreimbursed health and medical care expenses, the PHA may not request documentation beyond what is sufficient to determine anticipated health and medical care costs.

NHHFA Policy

NHHFA will use the most current IRS Publication 502 as a standard for determining if expenses claimed by eligible families qualify as health and medical care expenses. However, under no circumstances will the PHA deduct any expenses listed in IRS Publication 502 that do not conform with HUD's definition of *health and medical care expenses.*

Summary of Typical Allowable Health and Medical Care Expenses	
Services of medical professionals Surgery and medical procedures that are necessary, legal, and non-cosmetic Services of medical facilities Hospitalization, long-term care, and in-home nursing services Prescription medicines and insulin, but not nonprescription medicines even if recommended by a doctor Improvements to housing directly related to medical needs (e.g., ramps for a wheelchair, handrails) Medical insurance premiums or the cost of a health maintenance organization (HMO) Medicare Part B and Part D premiums	Substance abuse treatment programs Psychiatric treatment Ambulance services and some costs of transportation related to medical expenses. The PHA will use the most current medical mileage rate listed in IRS Publication 502. The cost and care of necessary equipment related to a medical condition (e.g., eyeglasses/lenses, hearing aids, crutches, and artificial teeth) The costs of buying, training, and maintaining a guide dog or other service animal to assist a visually impaired or hearing disabled person, or a person with other physical disabilities. In general, this includes any costs, such as food, grooming, and veterinary care, incurred in maintaining the health and vitality of the service animal so that it may perform its duties.
Note: This chart provides a summary of eligible health and medical care expenses only. In all cases, the PHA will consider whether health and medical expenses care expenses claimed by the family are eligible under HUD's definition.	

Before placing health, medical, or disability expense bills and documentation in the tenant file, the PHA will redact all personally identifiable information.

If the PHA receives documentation from a verification source that contains the individual's specific diagnosis, information regarding the individual's treatment, and/or information regarding the nature or severity of the person's disability, the PHA will immediately dispose of this

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confidential information; this information will never be maintained in the individual's file. If the information needs to be disposed of, the PHA will note in the individual's file that verification was received, the date received, and the name and address of the person/organization that provided the verification. Under no circumstances will the PHA include an applicant's or resident's medical records in the file [Notice PIH 2010-26].

Families That Qualify for Both Health and Medical and Disability Assistance Expenses

NHHFA Policy

This policy applies only to families in which the head, spouse, or cohead is 62 or older or is a person with disabilities.

When expenses anticipated by a family could be defined as either a health and medical care or disability assistance expenses, NHHFA will consider them health and medical care expenses unless it is clear that the expenses are incurred exclusively to enable a person with disabilities to work.

6-III.E. Disability Assistance Expenses Deduction

[24 CFR 5.603(b) and 24 CFR 5.611(a)(3)(ii)]

Unreimbursed reasonable expenses for attendant care and auxiliary apparatus for each member of the family who is a person with disabilities may be deducted if they: (1) are necessary to enable a family member 18 years or older to work, (2) are not paid to a family member or reimbursed by an outside source, (3) in combination with any medical expenses, exceed ten percent of annual income, and (4) do not exceed the earned income received by the family member who is enabled to work.

Earned Income Limit on the Disability Assistance Expense Deduction

A family can qualify for the disability assistance expense deduction only if at least one family member (who may be the person with disabilities) is enabled to work [24 CFR 5.603(b)].

The disability expense deduction is capped by the amount of "earned income received by family members who are 18 years of age or older and who are able to work" because of the expense [24 CFR 5.611(a)(3)(ii)]. The earned income used for this purpose is the amount verified before any earned income disallowances or income exclusions are applied.

NHHFA Policy

The family must identify the family members enabled to work as a result of the disability assistance expenses. In evaluating the family's request, NHHFA will consider factors such as how the work schedule of the relevant family members relates to the hours of care provided, the time required for transportation, the relationship of the family members to the person with disabilities, and any special needs of the person with disabilities that might determine which family members are enabled to work.

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When NHHFA determines that the disability assistance expenses enable more than one family member to work, the expenses will be capped by the sum of the family members' incomes.

Eligible Auxiliary Apparatus

[Notice PIH 2023-27]

Auxiliary apparatus items may include expenses for wheelchairs, ramps, adaptations to vehicles, guide dogs, assistance animals, or special equipment to enable a person who is blind or has low vision to read or type or special equipment to assist a person who is deaf or hard of hearing.

NHHFA Policy

Expenses incurred for maintaining or repairing an auxiliary apparatus are eligible. In the case of an apparatus that is specially adapted to accommodate a person with disabilities (e.g., a vehicle or computer), the cost to maintain the special adaptations (but not maintenance of the apparatus itself) is an eligible expense. The cost of service animals trained to give assistance to persons with disabilities, including the cost of acquiring the animal, veterinary care, food, grooming, and other continuing costs of care, will be included.

Eligible Attendant Care

[Notice PIH 2023-27]

Examples of attendant care expenses can include teaching a person with disabilities how to perform day-to-day tasks independently like cleaning, bathing, doing laundry, and cooking. Attendant care can be 24-hour care, or care during sporadic periods throughout the day. The family determines the type of attendant care that is appropriate for the person with disabilities.

NHHFA Policy

Attendant care expenses will be included for the period that the person enabled to work is employed plus reasonable transportation time. The cost of general housekeeping and personal services is not an eligible attendant care expense. However, if the person enabled to work is the person with disabilities, personal services necessary to enable the person with disabilities to work are eligible.

If the care attendant also provides other services to the family, NHHFA will prorate the cost and allow only that portion of the expenses attributable to attendant care that enables a family member to work. For example, if the care provider also cares for a child who is not the person with disabilities, the cost of care must be prorated. Unless otherwise specified by the care provider, the calculation will be based upon the number of hours spent in each activity and/or the number of persons under care.

Payments to Family Members

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No disability assistance expenses may be deducted for payments to a member of an assisted family [24 CFR 5.603(b)]. However, expenses paid to a relative who is not a member of the assisted family may be deducted if they are not reimbursed by an outside source.

Necessary and Reasonable Expenses

The family determines the type of care or auxiliary apparatus to be provided and must describe how the expenses enable a family member to work. The family must certify that the disability assistance expenses are necessary and are not paid or reimbursed by any other source.

NHHFA Policy

NHHFA determines the reasonableness of the expenses based on typical costs of care or apparatus in the locality. To establish typical costs, NHHFA will collect information from organizations that provide services and support to persons with disabilities. A family may present, and NHHFA will consider, the family's justification for costs that exceed typical costs in the area.

Families That Qualify for Both Health and Medical and Disability Assistance Expenses

NHHFA Policy

This policy applies only to families in which the head or spouse is 62 or older or is a person with disabilities.

When expenses anticipated by a family could be defined as either health and medical care or disability assistance expenses, NHHFA will consider them health and medical care expenses unless it is clear that the expenses are incurred exclusively to enable a person with disabilities to work.

6-III.F. Child Care Expense Deduction

HUD defines child care expenses at 24 CFR 5.603(b) as "amounts anticipated to be paid by the family for the care of children under 13 years of age (including foster children) during the period for which annual income is computed, but only where such care is necessary to enable a family member to actively seek employment, be gainfully employed, or to further his or her education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for childcare. In the case of childcare necessary to permit employment, the amount deducted shall not exceed the amount of employment income that is included in annual income."

Clarifying the Meaning of Child for This Deduction

Childcare expenses do not include child support payments made to another on behalf of a minor who is not living in an assisted family's household [VG, p. 26]. However, childcare expenses for foster children that are living in the assisted family's household are included when determining the family's child care expenses [HCV GB, p. 5-29].

Qualifying for the Deduction

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Determining Who Is Enabled to Pursue an Eligible Activity

NHHFA Policy

The family must identify the family member(s) enabled to pursue an eligible activity. The term eligible activity in this section means any of the activities that may make the family eligible for a childcare deduction (seeking work, pursuing an education, or being gainfully employed).

In evaluating the family's request, NHHFA will consider factors such as how the schedule for the claimed activity relates to the hours of care provided, the time required for transportation, the relationship of the family member(s) to the child, and any special needs of the child that might help determine which family member is enabled to pursue an eligible activity.

Seeking Work

NHHFA Policy

If the childcare expense being claimed is to enable a family member to seek employment, the family must provide evidence of the family member's efforts to obtain employment at each reexamination. The deduction may be reduced or denied if the family member's job search efforts are not commensurate with the childcare expense being allowed by NHHFA.

Furthering Education

NHHFA Policy

If the childcare expense being claimed is to enable a family member to further their education, the member must be enrolled in school (academic or vocational) or participating in a formal training program. The family member is not required to be a full-time student, but the time spent in educational activities must be commensurate with the childcare claimed.

Being Gainfully Employed

NHHFA Policy

If the childcare expense being claimed is to enable a family member to be gainfully employed, the family must provide evidence of the family member's employment during the time that childcare is being provided. Gainful employment is any legal work activity (full- or part-time) for which a family member is compensated.

Earned Income Limit on Child Care Expense Deduction

When a family member looks for work or furthers their education, there is no cap on the amount that may be deducted for childcare – although the care must still be necessary and reasonable. However, when childcare enables a family member to work, the deduction is capped by "the amount of employment income that is included in annual income" [24 CFR 5.603(b)].

The earned income used for this purpose is the amount of earned income verified after any income exclusions are applied.

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When the person who is enabled to work is a person with disabilities who receives the earned income disallowance (EID) or a full-time student whose earned income above $480 is excluded, childcare costs related to enabling a family member to work may not exceed the portion of the person's earned income that actually is included in annual income. For example, if a family member who qualifies for the EID makes $15,000 but because of the EID only $5,000 is included in annual income, childcare expenses are limited to $5,000.

NHHFA must not limit the deduction to the least expensive type of childcare. If the care allows the family to pursue more than one eligible activity, including work, the cap is calculated in proportion to the amount of time spent working [HCV GB, p. 5-30].

NHHFA Policy

When the childcare expense being claimed is to enable a family member to work, only one family member's income will be considered for a given period of time. When more than one family member works during a given period, NHHFA generally will limit allowable childcare expenses to the earned income of the lowest-paid member. The family may provide information that supports a request to designate another family member as the person enabled to work.

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Eligible Child Care Expenses

The type of care to be provided is determined by the assisted family. NHHFA may not refuse to give a family the childcare expense deduction because there is an adult family member in the household that may be available to provide childcare [VG, p. 26].

Allowable Child Care Activities

NHHFA Policy

For school-age children, costs attributable to public or private school activities during standard school hours are not considered. Expenses incurred for supervised activities after school or during school holidays (e.g., summer day camp, after-school sports league) are allowable forms of childcare.

The costs of general housekeeping and personal services are not eligible. Likewise, childcare expenses paid to a family member who lives in the family's unit are not eligible; however, payments for childcare to relatives who do not live in the unit are eligible.

If a childcare provider also renders other services to a family or childcare is used to enable a family member to conduct activities that are not eligible for consideration, NHHFA will prorate the costs and allow only that portion of the expenses that is attributable to child care for eligible activities. For example, if the care provider also cares for a child with disabilities who is 13 or older, the cost of care will be prorated. Unless otherwise specified by the childcare provider, the calculation will be based upon the number of hours spent in each activity and/or the number of persons under care.

Necessary and Reasonable Costs

Childcare expenses will be considered necessary if: (1) a family adequately explains how the care enables a family member to work, actively seek employment, or further their education, and (2) the family certifies, and the child care provider verifies, that the expenses are not paid or reimbursed by any other source.

NHHFA Policy

Childcare expenses will be considered for the time required for the eligible activity plus reasonable transportation time. For childcare that enables a family member to go to school, the time allowed may include not more than one study hour for each hour spent in class.

To establish the reasonableness of childcare costs, NHHFA will use the schedule of child care costs from a qualified local entity that either subsidizes child care costs or licenses child care providers. Families may present, and NHHFA will consider, justification for costs that exceed typical costs in the area.

6-III.G. Hardship Exemptions

[24 CFR 5.611(c), (d), and (e)]

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Health and Medical Care and Disability Assistance Expenses [24 CFR 5.611(c); Notice PIH 2023-27]

The regulations provide for two types of hardship exemption categories for families that qualify for unreimbursed health and medical care expenses and/or disability assistance expenses. A family will benefit from this hardship exemption only if the family has eligible expenses that can be deducted in excess of five percent of annual income. In order to claim unreimbursed health and medical care expenses, the family must have a head, cohead, or spouse that is elderly or a person with a disability. In order to claim unreimbursed reasonable attendant care and auxiliary apparatus expenses, the family must include a person with a disability, and the expenses must enable any member of the family (including the member who is a person with a disability) to be employed.

Families may be eligible for relief under one of two categories; phased-in relief or general relief, as defined below.

Phased-In Relief

The first category is applicable to all families who received a deduction for unreimbursed health and medical care and/or reasonable attendant care or auxiliary apparatus expenses based on their most recent income review. The family must receive phased-in relief if they are determined to be eligible. These families will begin receiving a 24-month phased-in relief at their next annual or interim reexamination, whichever occurs first.

For these families, the threshold amount is phased-in as follows:

- The family is eligible for a deduction totaling the sum of expenses that exceeds 5 percent of annual income for the first 12 months.
- At the conclusion of 12 months, the family is eligible for a deduction totaling the sum of their expenses that exceed 7.5 percent of annual income for another 12 months.
- At the conclusion of 24 months, the standard threshold amount of 10 percent would be used, unless the family qualifies for relief under the general hardship relief category.
    - When an eligible family's phased-in relief begins at an interim reexamination, NHHFA will need to process another transaction one year later to move the family along to the next phase. The transaction can be either an interim reexamination if triggered, or a non-interim reexamination transaction.

Prior to the end of the 24-month period, the family may request a hardship exemption under the second category as described below. If the family is found eligible under the second category, the hardship exemption under the first category ends, and the family's hardship is administered in accordance with the requirements listed below. Once a family requests general relief, the family may no longer receive phased-in relief.

NHHFA must track the 24-month phase-period for each eligible family, even if a family's expenses go below the appropriate phase-in percentage, during the first or second 12-month phase-in period. phase-in must continue for families who move to another public housing unit at

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the same NHHFA. When the family is treated as a new admission under a different property/program (e.g., the family moves from public housing to the HCV program), unless NHHFA has a written policy to continue phased-in relief upon admission, the family's expense deduction will be calculated using the 10-percent threshold unless request for general relief is approved by NHHFA. When a family moves with continued assistance or ports to a new NHHFA, the family must continue to receive phased-in relief. The family must receive the remaining calendar months of the percentage phase-in. NHHFA must use the existing phase-in documentation to determine the remaining calendar months and the percentage phase-in.

NHHFA Policy

NHHFA will not continue phased-in relief for families who move from public housing to HCV. These families will be treated as new admissions and the sum of expenses that exceeds 10 percent of annual income will be used to calculate their adjusted income.

General Relief

The second category is for families that can demonstrate:

- Their health and medical and/or disability assistance expenses increased (other than the transition to the higher threshold); or
- The family's financial hardship is a result of a change in circumstances (as defined in NHHFA policy) that would not otherwise trigger an interim reexamination.

The family may request a hardship exemption under the second category regardless of whether the family previously received the health and medical and/or disability assistance deductions or are currently or were previously receiving relief under phased-in relief category above. HUD requires that NHHFA develop policies defining what constitutes a hardship for purposes of this exemption.

NHHFA must obtain third-party verification of the hardship or must document in the file the reason third-party verification was not available. NHHFA must attempt to obtain third-party verification prior to the end of the 90-day hardship exemption period.

NHHFA Policy

To qualify for a hardship exemption, a family must submit a request in writing. The request must show that the family's health and medical and/or disability assistance expenses have increased (other than the transition to the higher threshold) and that the family's financial hardship is a result of a change in circumstances. NHHFA defines a change in circumstances as a decrease in income or increase in other expenses that has resulted in the family's financial hardship but does not, on its own, trigger an interim reexam in accordance with NHHFA policies.

Examples of circumstances constituting a financial hardship may include the following situations:

- The family is awaiting an eligibility determination for a federal, state, or local assistance program, such as a determination for unemployment compensation or disability benefits.

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- The family's income decreased because of a loss of employment, death of a family member, or due to a natural or federal/state declared disaster; or
- Other circumstances as determined by NHHFA.
- The family must provide third-party verification of the hardship with the request. If third-party verification is not available, NHHFA will document the file with the reason and will attempt to obtain third-party verification prior to the end of the 90-day hardship exemption period.

NHHFA must promptly notify the family in writing of the change in the determination of adjusted income and the family's rent resulting from hardship exemptions. The notice must inform the family of when the hardship exemption will begin and expire [24 CFR 5.611(e)(2)].

NHHFA Policy

NHHFA will make a determination of whether the family qualifies within 30 calendar days and will notify the family in writing of the result within 10 business days of the determination.

If NHHFA denies the hardship exemption request, NHHFA notice will also state that if the family does not agree with NHHFA determination, the family may request a hearing.

If the family qualifies for an exemption, NHHFA will include the date the hardship exemption will begin and the date it will expire as well as information on how to request a 90-day extension based on family circumstances.

If the family qualifies, the family will receive a deduction for the sum of eligible expenses that exceed five percent of annual income.

The family's hardship relief ends when the circumstances that made the family eligible for the relief are no longer applicable or after 90 days, whichever is earlier. However, NHHFA may, at its discretion, extend the relief for one or more additional 90-day periods while the family's hardship condition continues. NHHFA are not limited to a maximum number of 90-day extensions.

NHHFA must establish written policies regarding the types of circumstances that will allow a family to qualify for a financial hardship and when such deductions may be eligible for additional 90-day extensions. NHHFA must develop policies requiring families to report if the circumstances that made the family eligible for the hardship exemption are no longer applicable.

NHHFA Policy

The family may request an extension either orally or in writing prior to the end of the hardship exemption period. NHHFA will extend relief for an additional 90-days if the family demonstrates to NHHFA's satisfaction that the family continues to qualify for the hardship exemption based on circumstances described above. NHHFA will require updated verification based on the family's current circumstances. Additional extension(s) may be granted on a case-by-case basis provided the family continues to request extensions prior to the end of each hardship exemption period. Families must report if the circumstances that made the family eligible for the hardship

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exemption are no longer applicable. At any time, NHHFA may terminate the hardship exemption if NHHFA determines that the family no longer qualifies for the exemption.

Child Care Expense Hardship Exemption

[24 CFR 5.611(d) and Notice PIH 2023-27]

A family whose eligibility for the childcare expense deduction is ending may request a financial hardship exemption to continue receiving the deduction. If the family demonstrates to NHHFA's satisfaction that the family is unable to pay their rent because of the loss of the childcare expense deduction, and that the child care expense is still necessary even though the family member is not working, looking for work, or seeking to further their education, NHHFA must recalculate the family's adjusted income and continue the child care deduction.

NHHFA must develop a policy to define what constitutes a hardship, which includes the family's inability to pay rent. NHHFA must obtain third-party verification of the hardship or must document in the file the reason third-party verification was not available. NHHFA must attempt to obtain third-party verification prior to the end of the 90-day hardship exemption period.

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NHHFA Policy

For a family to qualify, they must demonstrate that their inability to pay rent would be as a result of the loss of this deduction. NHHFA defines this hardship as a potential decrease in income or increase in other expenses that would result from the loss of the childcare expense and such loss would impact the family's ability to pay their rent.

Some factors to consider when determining if the family is unable to pay rent may include determining that the rent, utility payment, and applicable expenses (childcare expenses or health and medical expenses) are more than 40 percent of the family's adjusted income, or verifying whether the family has experienced unanticipated expenses, such as large medical bills, that have affected their ability to pay their rent.

The family must also demonstrate that the childcare expense is still necessary even though the family member is no longer employed or furthering their education. NHHFA will consider qualification under this criterion on a case-by case basis (for example, if the family member who was employed has left their job in order to provide uncompensated care to an elderly friend or family member who is severely ill and lives across town).

The family must provide third-party verification of the hardship with the request. If third-party verification is not available, NHHFA will document the file with the reason and will attempt to obtain third-party verification prior to the end of the 90-day hardship exemption period.

NHHFA must promptly notify the family in writing of the change in the determination of adjusted income and the family's rent resulting from hardship exemptions.

If NHHFA denies the request, the notice must specifically state the reason for the denial. NHHFA must provide families 30 days' notice of any increase in rent.

If NHHFA approves the request, the notice must inform the family of when the hardship exemption will begin and expire [24 CFR 5.611(e)(2)]. The notice must also state the requirement for the family to report to NHHFA if the circumstances that made the family eligible for relief are no longer applicable and that the family's adjusted income and tenant rent will be recalculated upon expiration of the hardship exemption [Notice PIH 2023-27].

NHHFA Policy

NHHFA will make a determination of whether the family qualifies within 30 calendar days and will notify the family in writing of the result within 10 business days of the determination.

If NHHFA denies the hardship exemption request, NHHFA notice will also state that if the family does not agree with NHHFA determination, the family may request an informal grievance hearing.

If the family qualifies for an exemption, NHHFA will include all required information listed above as well as information on how to request a 90-day extension based on family circumstances.

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If the family qualifies, the hardship exemption and the resulting alternative adjusted income calculation must remain in place for a period of up to 90 days.

NHHFA may, at its discretion, extend the hardship exemptions for additional 90-day periods based on family circumstances and as stated in NHHFA policies. NHHFA are not limited to a maximum number of 90-day extensions. NHHFA must develop policies requiring families to report if the circumstances that made the family eligible for the hardship exemption are no longer applicable.

NHHFA must promptly notify families in writing if they are denied either an initial hardship exemption or an additional 90-day extension of the exemption. If NHHFA denies the request, the notice must specifically state the reason for the denial.

NHHFA must notify the family if the hardship exemption is no longer necessary, and the hardship exemption will be terminated because the circumstances that made the family eligible for the exemption are no longer applicable. The notice must state the termination date and provide 30 days' notice of rent increase, if applicable.

NHHFA Policy

The family may request an extension either orally or in writing prior to the end of the hardship exemption period. NHHFA will extend relief for an additional 90-days if the family demonstrates to NHHFA's satisfaction that the family continues to qualify for the hardship exemption. NHHFA will require updated verification based on the family's current circumstances. Additional extension may be granted on a case-by-case basis provided the family continues to request extensions prior to the end of each hardship exemption period. Families must report if the circumstances that made the family eligible for the hardship exemption are no longer applicable. At any time, NHHFA may terminate the hardship exemption if NHHFA determines that the family no longer qualifies for the exemption.

6-III.H. Permissive Deductions

[24 CFR 5.611(b)(1)(ii)]

NHHFA may adopt additional permissive deductions from annual income if they establish a policy in the administrative plan. Permissive deductions are additional, optional deductions that may be applied to annual income. As with mandatory deductions, permissive deductions must be based on need or family circumstance and deductions must be designed to encourage self-sufficiency or other economic purpose. If NHHFA offers permissive deductions, they must be granted to all families that qualify for them and should complement existing income exclusions and deductions [PH Occ GB, p. 128]. Permissive deductions may be used to incentivize or encourage self-sufficiency and economic mobility.

A NHHFA that adopts such deductions must have sufficient funding to cover the increased housing assistance payment cost of the deductions. A NHHFA will not be eligible for an increase in HCV renewal funding for subsidy costs resulting from such deductions.

NHHFA Policy

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NHHFA has opted not to use permissive deductions.

PART IV: Calculating Family Share and NHHFA Subsidy

6-IV.A. Overview of Rent and Subsidy Calculations

TTP Formula [24 CFR 5.628]

HUD regulations specify the formula for calculating the total tenant payment (TTP) for an assisted family. TTP is the highest of the following amounts, rounded to the nearest dollar:

- 30 percent of the family's monthly adjusted income (adjusted income is defined in Part II)
- 10 percent of the family's monthly gross income (annual income, as defined in Part I, divided by 12)
- The welfare rent (in as-paid states only)
- A minimum rent between $0 and $130 that is established by NHHFA

NHHFA has authority to suspend and exempt families from minimum rent when a financial hardship exists, as defined in section 6-IV.B.

The amount that a family pays for rent and utilities (the family share) will never be less than the family's TTP but may be greater than the TTP depending on the rent charged for the unit the family selects.

Welfare Rent

[24 CFR 5.628]

NHHFA Policy

Welfare rent does not apply in this locality.

Minimum Rent

[24 CFR 5.630]

NHHFA Policy

The minimum rent for this locality is $130.

Family Share

[24 CFR 982.305(a)(5)]

If a family chooses a unit with a gross rent (rent to owner plus an allowance for tenant-paid utilities) that exceeds NHHFA's applicable payment standard: (1) the family will pay more than the TTP, and (2) at initial occupancy NHHFA may not approve the tenancy if it would require the

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family share to exceed 40 percent of the family's monthly adjusted income. The income used for this determination must have been verified no earlier than 60 days before the family's voucher was issued. (For a discussion of the application of payment standards, see section 6-IV.C.)

NHHFA Subsidy

[24 CFR 982.505(b)]

NHHFA will pay a monthly housing assistance payment (HAP) for a family that is equal to the lower of (1) the applicable payment standard for the family minus the family's TTP or (2) the gross rent for the family's unit minus the TTP. (For a discussion of the application of payment standards, see section 6-IV.C.)

Utility Reimbursement

[24 CFR 982.514(b); 982.514(c)]

When NHHFA subsidy for a family exceeds the rent to owner, the family is due a utility reimbursement. HUD permits NHHFA to pay the reimbursement to the family or directly to the utility provider. NHHFA has a MTW waiver to not make these reimbursements in the following situations listed below in the NHHFA policy.

NHHFA Policy

- When the utility reimbursement payment is greater than the total tenant payment, NHHFA will not pay the reimbursement to the family. Exceptions to this policy included elderly and disabled households as well as VASH, FUP, FYI and Stability vouchers.

- NHHFA will make utility reimbursements to the family only if they are disabled or elderly or are participants in the following special programs VASH, FUP, FYI and Stability vouchers. Or if the utility allowance is greater than TTP, the client is entitled to the difference.

NHHFA Policy

NHHFA will issue all utility reimbursements monthly or quarterly if that option is available in our software.

6-IV.B. Financial Hardships Affecting Minimum Rent

[24 CFR 5.630]

Overview

If NHHFA establishes a minimum rent greater than zero, NHHFA must grant an exemption from the minimum rent if a family is unable to pay the minimum rent because of financial hardship.

The financial hardship exemption applies only to families required to pay the minimum rent. If a family's TTP is higher than the minimum rent, the family is not eligible for a hardship exemption.

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If NHHFA determines that a hardship exists, the family share is the highest of the remaining components of the family's calculated TTP.

HUD-Defined Financial Hardship

Financial hardship includes the following situations:

(1) The family has lost eligibility for or is awaiting an eligibility determination for a federal, state, or local assistance program. This includes a family member who is a noncitizen lawfully admitted for permanent residence under the Immigration and Nationality Act who would be entitled to public benefits but for Title IV of the Personal Responsibility and Work Opportunity Act of 1996.

NHHFA Policy

A hardship will be considered to exist only if the loss of eligibility has an impact on the family's ability to pay the minimum rent.

For a family waiting for a determination of eligibility, the hardship period will end as of the first of the month following: (1) implementation of assistance, if approved, or (2) the decision to deny assistance. A family whose request for assistance is denied may request a hardship exemption based upon one of the other allowable hardship circumstances.

(2) The family would be evicted because it is unable to pay the minimum rent.

NHHFA Policy

For a family to qualify under this provision, the cause of the potential eviction must be the family's failure to pay rent to the owner or tenant-paid utilities.

(3) Family income has decreased because of changed family circumstances, including the loss of employment.

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(4) A death has occurred in the family.

NHHFA Policy

In order to qualify under this provision, a family must describe how the death has created a financial hardship (e.g., because of funeral-related expenses or the loss of the family member's income).

(5) The family has experienced other circumstances determined by the PHA.

NHHFA Policy

The PHA has not established any additional hardship criteria.

In addition, the household must meet the following criteria:

- The household follows all program rules and regulations.
- The household does not owe NHHFA any money or is current/up to date with an existing repayment agreement.
- The household has completed an application for the FSS program; and
- The household has submitted a request for hardship within 15 business days from the date of the Minimum Rent Notification Letter to request an Informal Hearing and/or Hardship Review.

Implementation of Hardship Exemption

Determination of Hardship

When a family requests a financial hardship exemption, the PHA must suspend the minimum rent requirement or utility reimbursement payment (URP) beginning the first of the month following the family's request.

The PHA then determines whether the financial hardship exists.

NHHFA Policy

To qualify for a hardship exemption, a family must submit a request for a hardship exemption in writing. The request must explain the nature of the hardship and how the hardship has affected the family's ability to pay the minimum rent.

The PHA will make the determination of hardship within 30 calendar days.

No Financial Hardship

If the PHA determines there is no financial hardship, the PHA will reinstate the minimum rent and require the family to repay the amounts suspended.

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Timeframe: Households who qualify and receive wavier approval will have their tenant rent adjusted without the application of the minimum rent for a maximum period of 90 days beginning the month following the date of the family's request for a hardship exemption. At the end of the 90-day suspension period, NHHFA will reinstate the minimum rent.

6-IV.C. Applying Payment Standards

[24 CFR 982.505; 982.503(b)]

Overview

NHHFA's schedule of payment standards is used to calculate housing assistance payments for HCV families. This section covers the application of NHHFA's payment standards. The establishment and revision of NHHFA's payment standard schedule are covered in Chapter 16.

Payment standard is defined as "the maximum monthly assistance payment for a family assisted in the voucher program (before deducting the total tenant payment by the family)" [24 CFR 982.4(b)].

The payment standard for a family is the lower of (1) the payment standard for the family unit size, which is defined as the appropriate number of bedrooms for the family under NHHFA's subsidy standards [24 CFR 982.4(b)], or (2) the payment standard for the size of the dwelling unit rented by the family.

If NHHFA has established an exception payment standard for a designated part of a zip code area or FMR area and a family's unit is located in the exception area, NHHFA must use the appropriate payment standard for the exception area.

NHHFA is required to pay a monthly housing assistance payment (HAP) for a family that is the lower of (1) the payment standard for the family minus the family's TTP or (2) the gross rent for the family's unit minus the TTP.

If during the term of the HAP contract for a family's unit, the owner lowers the rent, NHHFA will recalculate the HAP using the lower of the initial payment standard or the gross rent for the unit [HCV GB, p. 7-8].

Changes in Payment Standards

When NHHFA revises its payment standards during the term of the HAP contract for a family's unit, it will apply the new payment standards in accordance with HUD regulations. Regulations governing increases and decreases in the payment standard have changed, with a required compliance date of December 3, 2024.

Decreases [24 CFR 982.505(c)(3) and Notice PIH 2024-34]

For new HAP contracts, the PHA applies the payment standard in effect at the time of HAP contract execution.

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NHHFA must administer decreases in the payment standard amount for the family in accordance with the PHA policy as described in the administrative plan and apply the policy consistently to all families.

If NHHFA changes its payment standard schedule, resulting in a lower payment standard amount, during the term of a HAP contract, NHHFA is not required to reduce the payment standard used to calculate subsidy for families under HAP contract as long as the HAP contract remains in effect. NHHFA must administer decreases in the payment standard amount for the family in accordance with the PHA policy as described in the administrative plan.

Changes effective 12/3/24 and later: If the PHA does choose to reduce the payment standard for families currently under HAP contract, the initial reduction to the payment standard may not be applied any earlier than two years following the effective date of the decrease in the payment standard and only with proper written notice to the family in accordance with 24 CFR 982.505(c)(3)(iii).

At that point, the PHA may either reduce the payment standard to the current amount in effect on the PHA's payment standard schedule or may reduce the payment standard to another amount that is higher than the normally applicable amount on the schedule. The PHA may also establish different policies for designated areas within their jurisdiction (e.g., different zip code areas). In any case, the PHA must provide the family with at least 12 months' notice that the payment standard is being reduced before the effective date of the change. In the written notice, the PHA must state the new payment standard amount, explain that the family's new payment standard amount will be the greater of the amount listed in the current written notice or the new amount (if any) on the PHA's payment standard schedule at the end of the 12-month period, and make clear where the family will find the PHA's payment standard schedule. The PHA's policy on decreases in the payment standard during the term of the HAP contract apply to all families under HAP contract at the time of the effective date of the decrease in the payment standard within the designated area.

NHHFA Policy

If NHHFA changes its payment standard schedule resulting in a lower payment standard amount, during the term of a HAP contract, the PHA will not reduce the payment standard used to calculate subsidy for families under HAP contract as long as the HAP contract remains in effect.

The PHA will not establish different policies for decreases in the payment standard for designated areas within their jurisdiction.

For reference and audit purposes, for changes that were effective 12/2/24 and earlier: If the PHA reduced the payment standard for families then currently under HAP contract, HUD required that the initial reduction to the payment standard not be applied any earlier than the effective date of the family's second regular reexamination following the effective date of the decrease in the payment standard amount.

Increases

[24 CFR 982.505(c)(4) and Notice PIH 2024-34]

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For new HAP contracts, the PHA applies the payment standard in effect at the time of HAP contract execution.

NHHFA Policy

- The Supervisors of Rental Assistance are responsible for reviewing the payment standards for the voucher program and making recommendations for adjustments, as necessary. Adjustments are approved by the Managing Director, Assisted Housing. These reviews will be performed at least annually by geographic area and bedroom size. Each payment standard amount on the schedule is not less than 80 of the published Fair Market Rent (in effect when the payment standard is adopted) for the unit size and is not more than 120% of the Fair Market rent or HUD-approved community wide exception rent (in effect when the payment standard amount is adopted) for the unit size.
- NHHFA will monitor rent burdens of families assisted in the voucher program and will modify payment standards as needed.
- If the payment standard amount is increased during the term of the HAP contract, the increased payment standard amount shall be used to calculate the monthly housing assistance payment for the household at any time after the effective date of the increase, rather than waiting for the next regular reexamination.
- If the household voucher size increases or decreases during the HAP contract term, the new household unit voucher size will be used to determine the payment standard amount for the family at any time after the effective date of the change in family size, rather than waiting for the next regular reexamination.
- If the payment standard amount has decreased, during the term of a HAP contract, NHHFA will not reduce the payment standard as long as the HAP contract remains in effect. If the household moves to a new unit, NHHFA will apply the payment standard in effect at the time of the move.

Changes in Family Unit Size (Voucher Size)

NHHFA Policy

Irrespective of any increase or decrease in the payment standard, if the family unit size increases or decreases during the HAP contract term, the new family unit size must be used to determine the payment standard for the family immediately with a 30-day notice to the client following the change in family unit size.

Moves

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If the family moves to a new unit, or a new HAP contract is executed due to changes in the lease (even if the family remains in place) the current payment standard applicable to the family will be used when the new HAP contract is processed.

Reasonable Accommodation

If a family requires a higher payment standard as a reasonable accommodation for a family member who is a person with disabilities, the PHA is allowed to establish a higher payment standard for the family of not more than 120 percent of the published FMR without HUD approval or prior notification to HUD. A PHA may establish a payment standard greater than 120 percent of the applicable FMR as a reasonable accommodation in accordance with 24 CFR part 8, after requesting and receiving HUD approval. See Chapter 16 for more information.

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6-IV.D. Applying Utility Allowances

[24 CFR 982.517]

Overview

A NHHFA-established utility allowance schedule is used in determining family share and NHHFA subsidy. A family's utility allowance is determined by the size of dwelling unit leased by a family or the voucher unit size for which the family qualifies using NHHFA subsidy standards, whichever is the lowest of the two. See Chapter 5 for information on NHHFA's subsidy standards.

For policies on establishing and updating utility allowances, see Chapter 16.

Reasonable Accommodation and Individual Relief

On request from a family that includes a person with disabilities, NHHFA must approve a utility allowance which is higher than the applicable amount on the utility allowance schedule if a higher utility allowance is needed as a reasonable accommodation to make the program accessible and usable by the family member with a disability [24 CFR 982.517(e)]. (See Chapter 2 for policies regarding the request and approval of reasonable accommodations.)

Further, NHHFA may grant requests for individual relief from charges in excess of the utility allowance on reasonable grounds, such as special factors not within control of the resident, as NHHFA deems appropriate. The family must request the higher allowance and provide NHHFA an explanation of the need for individual relief and an explanation about the amount of additional allowance required [see HCV GB, p. 18-8].

NHHFA should develop criteria for granting individual relief, notify residents about the availability of individual relief, and notify participants about the availability of individual relief programs (sometimes referred to as "Medical Baseline discounts") offered by the local utility company.

NHHFA Policy

The family must request the higher allowance and provide NHHFA with information about the amount of additional allowance required.

NHHFA will consider the following criteria as valid reasons for granting individual relief:

- The excessive consumption is due to special needs of the family that are beyond their control, such as the need for specialized equipment in the case of a family member who is ill, elderly, or who has a disability.

In determining the amount of the reasonable accommodation or individual relief, NHHFA will allow a reasonable measure of additional usage as necessary. To arrive at the amount of

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additional utility cost of specific equipment, the family may provide information to show that the actual cost exceeds our monthly cost.

At its discretion, NHHFA may reevaluate the need for the increased utility allowance at any regular reexamination.

Utility Allowance Revisions

At reexamination, NHHFA must use the current utility allowance schedule [HCV GB, p. 18-8].

NHHFA Policy

Revised utility allowances will be applied to a family's rent and subsidy calculations at the first action that is effective after the allowance is adopted.

6-IV.E. Prorated Assistance for Mixed Families

[24 CFR 5.520]

HUD regulations prohibit assistance to ineligible family members. A mixed family is one that includes at least one U.S. citizen or eligible immigrant and any number of ineligible family members. NHHFA must prorate the assistance provided to a mixed family. NHHFA will first determine assistance as if all family members were eligible and then prorate the assistance based upon the percentage of family members that actually are eligible. For example, if NHHFA subsidy for a family is calculated at $500 and two of four family members are ineligible, NHHFA subsidy would be reduced to $250.

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Exhibit 6-1: Annual Income Full Definition

24 CFR 5.609

(a) Annual income includes, with respect to the family:

(1) All amounts, not specifically excluded in paragraph (b) of this section, received from all sources by each member of the family who is 18 years of age or older or is the head of household or spouse of the head of household, plus unearned income by or on behalf of each dependent who is under 18 years of age, and

(2) When the value of net family assets exceeds $50,000 (which amount HUD will adjust annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers) and the actual returns from a given asset cannot be calculated, imputed returns on the asset based on the current passbook savings rate, as determined by HUD.

(b)Annual income does not include the following:

(1) Any imputed return on an asset when net family assets total $50,000 or less (which amount HUD will adjust annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers) and no actual income from the net family assets can be determined.

(2) The following types of trust distributions:

(i) For an irrevocable trust or a revocable trust outside the control of the family or household excluded from the definition of net family assets under § 5.603(b):

(A) Distributions of the principal or corpus of the trust; and

(B) Distributions of income from the trust when the distributions are used to pay the costs of health and medical care expenses for a minor.

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(ii) For a revocable trust under the control of the family or household, any distributions from the trust; except that any actual income earned by the trust, regardless of whether it is distributed, shall be considered income to the family at the time it is received by the trust.

(3) Earned income of children under the 18 years of age.

(4) Payments received for the care of foster children or foster adults, or State or Tribal kinship or guardianship care payments.

(5) Insurance payments and settlements for personal or property losses, including but not limited to payments through health insurance, motor vehicle insurance, and workers' compensation.

(6) Amounts received by the family that are specifically for, or in reimbursement of, the cost of health and medical care expenses for any family member.

(7) Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member arising out of law, that resulted in a member of the family becoming disabled.

(8) Income of a live-in aide, foster child, or foster adult as defined in §§ 5.403 and 5.603, respectively.

(9)

(i) Any assistance that section 479B of the Higher Education Act of 1965, as amended (20 U.S.C. 1087uu), requires be excluded from a family's income; and

(ii) Student financial assistance for tuition, books, and supplies (including supplies and equipment to support students with learning disabilities or other disabilities), room and board, and other fees required and charged to a student by an institution of higher education (as defined under Section 102 of the Higher Education Act of 1965 (20 U.S.C. 1002)) and, for a student who is not the head of household or spouse, the reasonable and actual costs of housing while attending the institution of higher education and not residing in an assisted unit.

(A) Student financial assistance, for purposes of this paragraph (9)(ii), means a grant or scholarship received from— (

1) The Federal government.

(2) A State, Tribe, or local government.

(3) A private foundation registered as a nonprofit under 26 U.S.C. 501(c)(3);

(4) A business entity (such as corporation, general partnership, limited liability company, limited partnership, joint venture, business trust, public benefit corporation, or nonprofit entity); or

(5) An institution of higher education.

(B) Student financial assistance, for purposes of this paragraph (9)(ii), does not include—

(1) Any assistance that is excluded pursuant to paragraph (b)(9)(i) of this section.

(2) Financial support provided to the student in the form of a fee for services performed (e.g., a work study or teaching fellowship that is not excluded pursuant to paragraph (b)(9)(i) of this section); (

3) Gifts, including gifts from family or friends; or

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(4) Any amount of the scholarship or grant that, either by itself or in combination with assistance excluded under this paragraph or paragraph (b)(9)(i), exceeds the actual covered costs of the student. The actual covered costs of the student are the actual costs of tuition, books and supplies (including supplies and equipment to support students with learning disabilities or other disabilities), room and board, or other fees required and charged to a student by the education institution, and, for a student who is not the head of household or spouse, the reasonable and actual costs of housing while attending the institution of higher education and not residing in an assisted unit. This calculation is described further in paragraph (b)(9)(ii)€ of this section.

(C) Student financial assistance, for purposes of this paragraph (b)(9)(ii) must be:

(1) Expressly for tuition, books, room and board, or other fees required and charged to a student by the education institution.

(2) Expressly to assist a student with the costs of higher education; or

(3) Expressly to assist a student who is not the head of household or spouse with the reasonable and actual costs of housing while attending the education institution and not residing in an assisted unit.

(D) Student financial assistance, for purposes of this paragraph (b)(9)(ii), may be paid directly to the student or to the educational institution on the student's behalf. Student financial assistance paid to the student must be verified by the responsible entity as student financial assistance consistent with this paragraph (b)(9)(ii).

(E) When the student is also receiving assistance excluded under paragraph (b)(9)(i) of this section, the amount of student financial assistance under this paragraph (b)(9)(ii) is determined as follows:

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(1) If the amount of assistance excluded under paragraph (b)(9)(i) of this section is equal to or exceeds the actual covered costs under paragraph (b)(9)(ii)(B)(4) of this section, none of the assistance described in this paragraph (b)(9)(ii) of this section is considered student financial assistance excluded from income under this paragraph (b)(9)(ii)(E).

(2) If the amount of assistance excluded under paragraph (b)(9)(i) of this section is less than the actual covered costs under paragraph (b)(9)(ii)(B)(4) of this section, the amount of assistance described in paragraph (b)(9)(ii) of this section that is considered student financial assistance excluded under this paragraph is the lower of:

(i) the total amount of student financial assistance received under this paragraph (b)(9)(ii) of this section, or

(ii) the amount by which the actual covered costs under paragraph (b)(9)(ii)(B)(4) of this section exceeds the assistance excluded under paragraph (b)(9)(i) of this section.

(10) Income and distributions from any Coverdell education savings account under section 530 of the Internal Revenue Code of 1986 or any qualified tuition program under section 529 of such Code; and income earned by government contributions to, and distributions from, “baby bond” accounts created, authorized, or funded by Federal, State, or local government.

(11) The special pay to a family member serving in the Armed Forces who is exposed to hostile fire.

(12)

(i) Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);

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(ii) Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (e.g., special equipment, clothing, transportation, childcare, etc.) and which are made solely to allow participation in a specific program;

(iii) Amounts received under a resident service stipend not to exceed $200 per month. A resident service stipend is a modest amount received by a resident for performing a service for NHHFA or owner, on a part-time basis, that enhances the quality of life in the development.

(iv) Incremental earnings and benefits resulting to any family member from participation in training programs funded by HUD or in qualifying Federal, State, Tribal, or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives and are excluded only for the period during which the family member participates in the employment training program unless those amounts are excluded under paragraph (b)(9)(i) of this section.

(13) Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era.

(14) Earned income of dependent fulltime students in excess of the amount of the deduction for a dependent in § 5.611.

(15) Adoption assistance payments for a child in excess of the amount of the deduction for a dependent in § 5.611.

(16) Deferred periodic amounts from Supplemental Security Income and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts, or any deferred Department of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts.

(17) Payments related to aid and attendance under 38 U.S.C. 1521 to veterans in need of regular aid and attendance.

(18) Amounts received by the family in the form of refunds or rebates under State or local law for property taxes paid on the dwelling unit.

(19) Payments made by or authorized by a State Medicaid agency (including through a managed care entity) or other State or Federal agency to a family to enable a family member who has a disability to reside in the family's assisted unit. Authorized payments may include payments to a member of the assisted family through the State Medicaid agency (including through a managed care entity) or other State or Federal agency for caregiving services the family member provides to enable a family member who has a disability to reside in the family's assisted unit.

(20) Loan proceeds (the net amount disbursed by a lender to or on behalf of a borrower, under the terms of a loan agreement) received by the family or a third party (e.g., proceeds received by the family from a private loan to enable attendance at an educational institution or to finance the purchase of a car).

(21) Payments received by Tribal members as a result of claims relating to the mismanagement of assets held in trust by the United States, to the extent such payments are also excluded from gross income under the Internal Revenue Code or other Federal law.

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(22) Amounts that HUD is required by Federal statute to exclude from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in paragraph (b) of this section apply. HUD will publish a notice in the Federal Register to identify the benefits that qualify for this exclusion. Updates will be published when necessary.

(23) Replacement housing “gap” payments made in accordance with 49 CFR part 24 that offset increased out of pocket costs of displaced persons that move from one federally subsidized housing unit to another Federally subsidized housing unit. Such replacement housing “gap” payments are not excluded from annual income if the increased cost of rent and utilities is subsequently reduced or eliminated, and the displaced person retains or continues to receive the replacement housing “gap” payments.

(24) Nonrecurring income, which is income that will not be repeated in the coming year based on information provided by the family. Income received as an independent contractor, day laborer, or seasonal worker is not excluded from income under this paragraph, even if the source, date, or amount of the income varies. Nonrecurring income includes:

(i) Payments from the U.S. Census Bureau for employment (relating to decennial census or the American Community Survey) lasting no longer than 180 days and not culminating in permanent employment.

(ii) Direct Federal or State payments intended for economic stimulus or recovery.

(iii) Amounts directly received by the family as a result of State refundable tax credits or State tax refunds at the time they are received.

(iv) Amounts directly received by the family as a result of Federal refundable tax credits and Federal tax refunds at the time they are received.

(v) Gifts for holidays, birthdays, or other significant life events or milestones (e.g., wedding gifts, baby showers, anniversaries).

(vi) Non-monetary, in-kind donations, such as food, clothing, or toiletries, received from a food bank or similar organization.

(vii) Lump-sum additions to net family assets, including but not limited to lottery or other contest winnings.

(25) Civil rights settlements or judgments, including settlements or judgments for back pay.

(26) Income received from any account under a retirement plan recognized as such by the Internal Revenue Service, including individual retirement arrangements (IRAs), employer retirement plans, and retirement plans for self-employed individuals; except that any distribution of periodic payments from such accounts shall be income at the time they are received by the family.

(27) Income earned on amounts placed in a family’s Family Self Sufficiency Account.

(28) Gross income a family member receives through self-employment or operation of a business; except that the following shall be considered income to a family member:

(i) Net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations; and

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(ii) Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family.

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Exhibit 6-2: Treatment Of Family Assets

24 CFR 5.603(b) Net Family Assets

(1) Net family assets is the net cash value of all assets owned by the family, after deducting reasonable costs that would be incurred in disposing real property, savings, stocks, bonds, and other forms of capital investment.

(2) In determining net family assets, NHHFA or owners, as applicable, must include the value of any business or family assets disposed of by an applicant or tenant for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application for the program or reexamination, as applicable, in excess of the consideration received therefor. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or tenant receives consideration not measurable in dollar terms. Negative equity in real property or other investments does not prohibit the owner from selling the property or other investments, so negative equity alone would not justify excluding the property or other investments from family assets.

(3) Excluded from the calculation of net family assets are: (i) The value of necessary items of personal property; (ii) The combined value of all non-necessary items of personal property if the combined total value does not exceed $50,000 (which amount will be adjusted by HUD in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers); (iii) The value of any account under a retirement plan recognized as such by the Internal Revenue Service, including individual retirement arrangements (IRAs), employer retirement plans, and retirement plans for self-employed individuals; (iv) The value of real property that the family does not have the effective legal authority to sell in the jurisdiction in which the property is located; (v) Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member arising out of law, that resulted in a family member being a person with a disability; (vi) The value of any Coverdell education savings account under section 530 of the Internal Revenue Code of 1986, the value of any qualified tuition program under section 529 of such Code, the value of any Achieving a Better Life Experience (ABLE) account authorized under Section 529A of such Code, and the value of any “baby bond” account created, authorized, or funded by Federal, State, or local government. (vii) Interests in Indian trust land; (viii) Equity in a manufactured home where the family receives assistance under 24 CFR part 982; (ix) Equity in property under the Homeownership Option for which a family receives assistance under 24 CFR part 982; (x) Family Self-Sufficiency Accounts; and (xi) Federal tax refunds or refundable tax credits for a period of 12 months after receipt by the family.

(4) 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 trust fund is not a family asset and the value of the trust is not included in the calculation of net family assets, so long as the fund continues to be held in a trust that is not revocable by, or under the control of, any member of the family or household.

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Exhibit 6-3: The Effect of Welfare Benefit Reduction

24 CFR 5.615

Public housing program and Section 8 tenant-based assistance program: How welfare benefit reduction affects family income.

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(a) Applicability. This section applies to covered families who reside in public housing (part 960 of this title) or receive Section 8 tenant-based assistance (part 982 of this title).

(b) Definitions. The following definitions apply for purposes of this section:

Covered families. Families who receive welfare assistance or other public assistance benefits (“welfare benefits”) from a State or other public agency (“welfare 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.

Economic self-sufficiency program. See definition at Sec. 5.603.

Imputed welfare income. The amount of annual income not actually received by a family, as a result of a specified welfare benefit reduction, that is nonetheless included in the family's annual income for purposes of determining rent.

Specified welfare benefit reduction.

(1) A reduction of welfare benefits by the welfare agency, in whole or in part, for a family member, as determined by the welfare agency, because of fraud by a family member in connection with the welfare program; or because of welfare agency sanction against a family member for noncompliance with a welfare agency requirement to participate in an economic self-sufficiency program.

(2) “Specified welfare benefit reduction” does not include a reduction or termination of welfare benefits by the welfare agency:

(i) at expiration of a lifetime or other time limit on the payment of welfare benefits.

(ii) because a family member is not able to obtain employment, even though the family member has complied with welfare agency economic self-sufficiency or work activities requirements; or

(iii) because a family member has not complied with other welfare agency requirements.

(c) Imputed welfare income.

(1) A family's annual income includes the amount of imputed welfare income (because of a specified welfare benefits reduction, as specified in notice to NHHFA by the welfare agency), plus the total amount of other annual income as determined in accordance with Sec. 5.609.

(2) At the request of NHHFA, the welfare agency will inform NHHFA in writing of the amount and term of any specified welfare benefit reduction for a family member, and the reason for such reduction, and will also inform NHHFA of any subsequent changes in the term or amount of such specified welfare benefit reduction. NHHFA will use this information to determine the amount of imputed welfare income for a family.

(3) A family’s annual income includes imputed welfare income in family annual income, as determined at NHHFA's interim or regular reexamination of family income and composition,

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during the term of the welfare benefits reduction (as specified in information provided to NHHFA by the welfare agency).

(4) The amount of the imputed welfare income is offset by the amount of additional income a family receives that commences after the time the sanction was imposed. When such additional income from other sources is at least equal to the imputed

(5) NHHFA may not include imputed welfare income in annual income if the family was not an assisted resident at the time of sanction.

(d) Review of NHHFA decision.

(1) Public housing. If a public housing tenant claims that NHHFA has not correctly calculated the amount of imputed welfare income in accordance with HUD requirements, and if NHHFA denies the family's request to modify such amount, NHHFA shall give the tenant written notice of such denial, with a brief explanation of the basis for NHHFA determination of the amount of imputed welfare income. NHHFA notice shall also state that if the tenant does not agree with NHHFA determination, the tenant may request a grievance hearing in accordance with part 966, subpart B of this title to review NHHFA determination. The tenant is not required to pay an escrow deposit pursuant to Sec. 966.55(e) for the portion of tenant rent attributable to the imputed welfare income in order to obtain a grievance hearing on NHHFA determination.

(2) Section 8 participant. A participant in the Section 8 tenant-based assistance program may request an informal hearing, in accordance with Sec. 982.555 of this title, to review NHHFA determination of the amount of imputed welfare income that must be included in the family's annual income in accordance with this section. If the family claims that such amount is not correctly calculated in accordance with HUD requirements, and if NHHFA denies the family's request to modify such amount, NHHFA shall give the family written notice of such denial, with a brief explanation of the basis for NHHFA determination of the amount of imputed welfare income. Such notice shall also state that if the family does not agree with NHHFA determination, the family may request an informal hearing on the determination under NHHFA hearing procedure.

(e) NHHFA relation with welfare agency.

(1) NHHFA must ask welfare agencies to inform NHHFA of any specified welfare benefits reduction for a family member, the reason for such reduction, the term of any such reduction, and any subsequent welfare agency determination affecting the amount or term of a specified welfare benefits reduction. If the welfare agency determines a specified welfare benefits reduction for a family member, and gives NHHFA written notice of such reduction, the family's annual incomes shall include the imputed welfare income because of the specified welfare benefits reduction.

(2) NHHFA is responsible for determining the amount of imputed welfare income that is included in the family's annual income as a result of a specified welfare benefits reduction as determined by the welfare agency and specified in the notice by the welfare agency to NHHFA. However, NHHFA is not responsible for determining whether a reduction of welfare benefits by the welfare agency was correctly determined by the welfare agency in accordance with welfare

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program requirements and procedures, nor for providing the opportunity for review or hearing on such welfare agency determinations.

(3) Such welfare agency determinations are the responsibility of the welfare agency, and the family may seek appeal of such determinations through the welfare agency's normal due process procedures. NHHFA shall be entitled to rely on the welfare agency notice to NHHFA of the welfare agency's determination of a specified welfare benefits reduction.

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Chapter 7 Verification

[24 CFR 982.516, 24 CFR 982.551, 24 CFR 5.230, Notice PIH 2023-27]

Introduction

NHHFA must verify all information that is used to establish the family's eligibility and level of assistance and is required to obtain written authorization from the family in order to collect the information. Applicants and program participants must cooperate with the verification process as a condition of receiving assistance. PHA's must not pass on the cost of verification to the family.

As a MTW agency NHHFA has received a waiver to the verification guidance provided by HUD in Notice PIH 2018-18 and any subsequent guidance issued by HUD. This chapter summarizes those requirements and provides supplementary NHHFA policies.

Part I describes the general verification process. Part II provides more detailed requirements related to family information. Part III provides information on income and assets, and Part IV covers mandatory deductions.

Verification policies, rules and procedures will be modified as needed to accommodate persons with disabilities. All information obtained through the verification process will be handled in accordance with the records management policies of NHHFA.

Part I: General Verification Requirements

7-I.A. Family Consent to Release of Information

[24 CFR 982.516; 24 CFR 982.551; 24 CFR 5.230; Notice PIH 2023-27; and HOTMAquestions@HUD.gov response 9/15/25]

Consent Forms

The family must supply any information that NHHFA or HUD determines is necessary to the administration of the program and must consent to NHHFA verification of that information [24 CFR 982.551]. All adult family members must sign consent forms as needed to collect information relevant to the family's eligibility and level of assistance. While NHHFAs must use form HUD-9886, this form does not release all the information necessary to the administration of the program. NHHFA must also develop its own release forms to cover all other necessary information.

In addition, if NHHFA chooses to distribute EIV reports via mail, email, or other methods, they must ensure compliance with the Federal Privacy Act.

NHHFA Policy

At admission, NHHFA will request that all adult family members (other than the head of household) sign consent forms stating that their EIV income information may be shared with the

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head of household. Adult family members with no such consent form on file will be requested to sign at annual reexamination.

If an adult family member other than the head of household fails to sign a consent form stating that their EIV income information may be shared with the head of household, NHHFA will utilize EIV's "Print Household Member Information" feature to generate income reports addressed separately to each adult in the household. For example, if a household has two adults, NHHFA will provide one report to the head of household and a separate report to the other adult member.

Refusal by an adult family member to sign a form granting permission to provide EIV information to the head of household is not grounds for denial or termination of assistance of either the individual or the family.

The executed form will remain effective until the family is denied assistance, the individual leaves the program, or the family member provides written notification to the PHA to revoke consent.

Form HUD-9886-A

[24 CFR 5.230(b)(1), b(2), (c)(4), and (c)(5); and Notice PIH 2023-27]

All adult applicants and participants sign form HUD-9886, Authorization for Release of Information. All adult family members (and the head and spouse/cohead, regardless of age) are required to sign the Form HUD-9886 at admission. Participants, prior to January 1, 2024, signed and submitted Form HUD-9886 at each annual reexamination. HOTMA eliminated this requirement and instead required that the Form HUD-9886 be signed only once. On or after January 1, 2024, current program participants signed and submited a new Form HUD-9886 at their next interim or annual reexamination. This form will only be signed once. Another Form HUD-9886 will not be submitted to NHHFA except under the following circumstances:

- When any person 18 years or older becomes a member of the family;
- When a current member of the family turns 18; or
- As required by HUD or NHHFA in administrative instructions.

NHHFA has the discretion to establish policies around when family members must sign consent forms when they turn 18. NHHFA must establish these policies stating when family members will be required to sign consent forms at intervals other than at reexamination.

NHHFA Policy

Family members turning 18 years of age between annual recertifications will be notified in writing that they are required to sign the required Consent to the Release of Information Form HUD-9886 at the family's next annual or interim reexamination, whichever is earlier.

The purpose of form HUD-9886 is to facilitate automated data collection and computer matching from specific sources and provides the family's consent only for the specific purposes listed on the form. HUD and NHHFA may collect information from State Wage Information Collection Agencies (SWICAs) and current and former employers of adult family members. Only HUD is authorized to collect information directly from the Internal Revenue Service (IRS) and the Social

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Security Administration (SSA). The PHA must also develop its own release forms to cover all other information not covered by the form HUD-9886-A.

NHHFA may obtain any financial record from any financial institution, as the terms financial record and financial institution are defined in the Right to Financial Privacy Act (12 U.S.C. 3401), whenever NHHFA determines, the record is needed to determine an applicant's or participant's eligibility for assistance or level of benefits [24 CFR 5.230(c)(4)].

The executed form will remain effective until the family is denied assistance, assistance is terminated, or the family provides written notification to NHHFA to revoke consent.

Penalties for Failing to Consent

[24 CFR 5.232]

If any family member who is required to sign a consent form fails to do so, NHHFA must deny admission to applicants and terminate assistance of participants. The family may request an informal review (applicants) or informal hearing (participants) in accordance with NHHFA procedures.

However, this does not apply if the applicant, participant, or any member of their family, revokes their consent with respect to the ability of NHHFA to access financial records from financial institutions, unless NHHFA establishes a policy that revocation of consent to access financial records will result in denial or termination of assistance or admission [24 CFR 5.232(c)]. NHHFAs may not process interim or annual reexaminations of income without the family's executed consent forms.

NHHFA Policy

NHHFA has established a policy that revocation of consent to access financial records will result in denial of admission or termination of assistance.

In order for a family to revoke their consent, the family must provide written notice to NHHFA.

Within 10 business days of the date the family provides written notice, NHHFA will send the family a notice acknowledging receipt of the request and explaining that revocation of consent will result in denial or termination of assistance, as applicable. At the same time, NHHFA will notify their local HUD office.

7-I.B. Streamlined Income Determinations

[24 CFR 960.257(c); Notice PIH 2023-27]

HUD permits NHHFA to streamline the income determination process for family members with fixed sources of income. While third-party verification of all income sources must be obtained during the intake process and every three years thereafter, in the intervening years, NHHFA may determine income from fixed sources by applying a verified cost of living adjustment (COLA) or other inflationary adjustment factor. Streamlining policies are optional. NHHFA may,

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however, obtain third-party verification of all income, regardless of the source. Further, upon request of the family, NHHFA must perform third-party verification of all income sources.

Fixed sources of income include Social Security and SSI benefits, pensions, annuities, disability or death benefits, and other sources of income subject to a COLA or rate of interest. The determination of fixed income may be streamlined even if the family also receives income from other non-fixed sources.

Two streamlining options are available, depending upon the percentage of the family's income that is received from fixed sources.

When 90 percent or more of a family's unadjusted income is from fixed sources, NHHFA may apply the inflationary adjustment factor to the family's fixed-income sources, provided that the family certifies both that 90 percent or more of their unadjusted income is fixed and that their sources of fixed income have not changed from the previous year. Sources of non-fixed income are not required to be adjusted and must not be adjusted by a COLA, but PHAs may choose to adjust sources of non-fixed income based on third-party verification. PHAs have the discretion to either adjust the non-fixed income or carry over the calculation of non-fixed income from the first year to years two and three.

When less than 90 percent of a family's unadjusted income consists of fixed income, NHHFAs may apply a COLA to each of the family's sources of fixed income. NHHFAs must determine all other income using standard verification requirements as outlined in Notice PIH 2023-27.

NHHFA Policy

NHHFA will use a streamlined income determinations where applicable.

- If 90 percent or more of a family's unadjusted income is from fixed income sources:
- NHHFA will streamline the annual reexamination process by applying the verified inflationary adjustment factor to fixed-income sources.
- NHHFA will document in the file how the determination that a source of income was fixed was made.
- Third-party verification of non-fixed income will be obtained biennially regardless of the percentage of family income received from fixed sources.
- If the family's sources of fixed income have changed from the previous year, NHHFA will obtain third-party verification of any new sources of fixed income.

When less than 90 percent of a family's unadjusted income consists of fixed income:

- NHHFA will apply a COLA to each of the family's sources of fixed income.
- All other income will be verified using third-party verification as outlined in Notice PIH 2023-27 and Chapter 7 of this policy.

In the following circumstances, regardless of the percentage of income received from fixed sources, NHHFA will obtain third-party verification as outlined in Notice PIH 2023-27 and Chapter 7 of this policy:

- Of all assets when net family assets exceed $50,000
- Of all deductions and allowances from annual income

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- If a family member with a fixed source of income is added
- If verification of the COLA or rate of interest is not available
- During the intake process and at least once every three years thereafter.

7-I.D. Verification Hierarchy

[Notice PIH 2023-27]

When NHHFA does not use a streamlined determination of income or an income determination from a means-tested federal assistance program, HUD requires NHHFA to obtain third-party verification of:

- Reported family annual income.
- The value of net family assets when the net value exceeds the HUD-published threshold, as listed in HUD's Inflation-Adjusted Values Expenses related to deductions from annual income; and
- Other factors that affect the determination of adjusted income.

HUD mandates the use of the EIV system and offers administrative guidance on the use of other methods to verify family information and specifies the circumstances in which each method will be used. In general HUD requires NHHFA to use the most reliable form of verification that is available and to document the reasons when NHHFA uses a lesser form of verification.

This MTW activity waives HUD PIH Notice 2018-18 and successor notices to allow NHHFA to utilize an alternative streamlined method to verify household income for all HCV households. Implementation would begin at the next annual or interim recertification to be completed.

Alter the verification hierarchy to the following:

Level	Verification Technique	Ranking
1	Upfront income verification using HUD's EIV & IVT	Highest (Mandatory)
2	Upfront income verification no HUD system	Highest (Optional)
3	Written third party verification OR written third party verification form OR Oral third-party verification	High (mandatory)
4	Self-Certification	High (Optional)

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Extend the time that verifications are valid: for applicants, verifications may not be more than 180 days old at the time of voucher issuance.

For fixed income applicants and clients (Social Security award letters, fixed pensions, and VA benefits, etc.) verifications are valid for the full calendar year in which they are effective.

File Documentation

NHHFA must document in the file how the figures used in income and rent calculations were determined. Information obtained, and decisions reached during the verification process will be recorded in the family's file in sufficient detail to demonstrate that NHHFA has followed all of the verification policies set forth in this plan. The record should be sufficient to enable a staff member or HUD reviewer to understand the process followed and conclusions reached.

Upfront Income Verification Using HUD's Enterprise Income Verification (EIV) System (Mandatory)

NHHFA must use HUD's EIV system in its entirety as a third-party source to verify tenant employment and income information during annual and streamlined reexaminations of family composition and income in accordance with 24 CFR 5.236 and Notice PIH 2023-27.

HUD's EIV system contains data showing earned income, unemployment benefits, social security benefits, and SSI benefits for participant families.

The income validation tool (IVT) in EIV provides projections of discrepant income for wages, unemployment compensation, and SSA benefits pursuant to HUD's data sharing agreements with other departments.

The following policies apply to the use of HUD's EIV system.

EIV Income and IVT Reports

NHHFA is required to obtain an EIV Income and IVT report for each family any time NHHFA conducts an annual reexamination. However, NHHFA is not required to use the EIV Income and IVT reports:

At annual reexamination if NHHFA used Safe Harbor verification from another means-test federal assistance program to determine the family's income; or

The EIV Income and IVT Reports are also not available for program applicants at admission.

When required to use the EIV Income Report, in order for the report to be considered current, NHHFA must pull the report within 120 days of the effective date of the annual reexamination.

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The EIV Income Report may be used to verify and calculate income at annual reexamination if the family self-certifies that the amount is accurate and representative of current income. The family must be provided with the information in EIV.

NHHFA Policy

NHHFA will obtain EIV income and IVT reports for reexaminations for all families on a monthly basis. NHHFA will ensure that all EIV Income Reports are pulled within 120 days of the effective date of the annual reexamination.

Income and IVT reports will only be used for interim reexaminations as necessary. For example, EIV may be used to verify that families claiming zero income are not receiving income from any sources listed in EIV.

Income and IVT reports will be retained in participant files with the applicable annual documents or interim reexamination documents (if applicable) for the duration of the family's participation.

When NHHFA determines through EIV reports and third-party verification that a family has concealed or under-reported income, corrective action will be taken pursuant to the policies in Chapter 14, Program Integrity.

New Hires Report [Notice PIH 2023-27]

The New Hires Report identifies participant families who have new employment within the last six months. The report is updated monthly.

PHAs must review this information at reexamination except when the PHA uses Safe Harbor verification from another means-tested federal assistance program to determine the family's income.

PHAs that do not require families to undergo interim reexaminations for earned income increases after an interim decrease are not required to review this report between a family's annual reexamination. If the PHA requires an interim for increases in earned income after an interim decrease, then the PHA must review the report quarterly after the family's interim decrease.

NHHFA Policy

NHHFA will review the New Hires Report at reexamination.

No Income Reported by HHS or SSA Report

This report is a tool for NHHFAs to identify participants who passed the SSA identity test, but no income information was reported by either the Department of Health and Human Services (HHS) or SSA records. This scenario does not mean that the participant does not have any income. NHHFAs obtain written third-party verification of any income reported by the participant. NHHFA must identify in its policies and procedures when this report will be pulled [Notice PIH 2023-27].

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NHHFA Policy

NHHFA will generate the No Income Reported by HHS or SSA Report quarterly and will retain the report.

NHHFA will re-verify the status of participants identified on the report quarterly. Based on the information provided by the family and in EIV, NHHFA may require that family members provide verifications or sign release forms to obtain additional verification.

When NHHFA determines through this report and third-party verification that a family has concealed or under-reported income, corrective action will be taken pursuant to the policies in Chapter 14, Program Integrity

EIV Identity Verification Report

The EIV system verifies tenant identities against SSA records. These records are compared to HUD data for a match on social security number, name, and date of birth.

NHHFAs are required to use EIV's Identity Verification Report on a monthly basis to improve the availability of income information in EIV [Notice PIH 2023-27].

When identity verification for a participant fails, a message will be displayed within the EIV system, and no income information will be displayed.

NHHFA Policy

NHHFA will identify participants whose identity verification has failed by reviewing EIV's Identity Verification Report on a monthly basis.

NHHFA will attempt to resolve discrepancies by obtaining appropriate documentation from the participant. When NHHFA determines that discrepancies exist as a result of NHHFA errors such as spelling errors or incorrect birth dates, it will correct the errors promptly.

Deceased Tenants Reports [Notice PIH 2012-4 and Notice PIH 2023-27]

The Deceased Tenant Report identifies residents that have been reported by the SSA as deceased. NHHFA is required to review the report at least quarterly.

NHHFA Policy

NHHFA will review the Deceased Tenants Report monthly.

When the Deceased Tenants Report identifies an individual as being deceased, NHHFA must immediately send a letter to the head of household or emergency contact person to confirm the death of the listed household member. NHHFA must notify the owner in writing of the deceased head of household.

NHHFA may list the EOP as the last day of the month in which the death occurred. The landlord is entitled to receive the full HAP amount for the month in which the tenant death occurred.

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NHHFA Policy

NHHFA will list the EOP as the last day of the month in which the death occurred. The landlord is entitled to receive the full HAP amount for the month in which the tenant death occurred.

When the only remaining, household member is the live-in aide, the live-in aide is not entitled or eligible for any rental assistance or continued occupancy. NHHFA may not designate the live-in aide as the new head of household or change the relation code on the Form HUD-50058.

Other EIV Reports [Notice PIH 2023-27]

NHHFA is required to review the Multiple Subsidy Report at least quarterly and the Failed EIV Pre-Screening and Failed Verification (Failed SSA Identity Test) reports at least monthly), and the EIV Immigration reports at least monthly.

7-I.E. Level 4 Verification

[Notice PIH 2023-27]

HUD identifies two types of Level 4 verification: written-third party verification from the source and EIV + self-certification.

EIV Self-Certification

EIV may be used as written third-party verification and may be used to calculate income if the family agrees with the information in EIV and self-certifies that the amount is accurate and representative of current income. This practice is known as EIV + self-certification. When calculating income using this method, NHHFA may use its discretion to determine which method of calculation is reasonable: the last four quarters combined or an average of any number of quarters. The family must be provided with the information from EIV.

NHHFA Policy

NHHFA is required to obtain, at minimum, four weeks of current and consecutive pay stubs when calculating income using third-party verification from the source. For new income sources or when two pay stubs are not available, NHHFA should determine income based on the information from a traditional written, third-party verification form or the best available information.

NHHFA Policy

In general, NHHFA will use third-party verification from the source in the following circumstances:

- At annual and interim reexamination when EIV + self-certification is not used.
- For all new admissions.

In general, third-party documents provided by the family or the source must be dated within 180 days of the date received by NHHFA. However, for fixed-income sources, a statement dated within the appropriate benefit year is acceptable documentation.

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NHHFA may reject documentation provided by the family if the document is not an original, if the document appears to be forged, or if the document is altered, mutilated, or illegible. If NHHFA determines that third-party documents provided by the family are not acceptable, NHHFA will explain the reason to the family and request additional documentation from the family or will use a lower form of verification such as a self-verification.

When verification of assets held by a banking or financial institution is required, NHHFA will obtain one statement that reflects the current balance of the account.

When pay stubs are used, NHHFA will require the family to provide the four weeks of the most current, consecutive pay stubs. At NHHFA's discretion, if additional paystubs are needed due to the family's circumstances (e.g., sporadic income, fluctuating schedule, etc.), NHHFA may request additional paystubs or a payroll record.

7-I.F. Level 3 Verification: Written, Third-Party Form

[Notice PIH 2023 -27]

This type of verification is a form developed by NHHFA and used uniformly for all families when needed to collect information from a third-party source. This is known as "traditional third-party verification." NHHFA may send a NHHFA-developed form directly to the third-party source by mail, fax, or email and the source completes the form by hand (in writing or typeset).

NHHFA may use this method when higher forms are unavailable or are rejected by NHHFA or when the family is unable to provide acceptable verification. NHHFA may skip this level of verification and may instead substitute oral third-party verification or self-certification.

7.I.G. Level 2: Oral Third-Party Verification

[Notice PIH 2023-27]

For third-party oral verification, NHHFAs contact sources, identified by UIV techniques or by the family, by telephone or in person.

Third-party oral verification may be used when requests for written third-party verification forms have not been returned within a reasonable time—e.g., 10 business days.

NHHFAs must document in the file the date and time of the telephone call or visit, the name of the person contacted, the telephone number, as well as the information confirmed.

When Third-Party Verification is Not Required

[Notice PIH 2023-27]

Third-party verification may not be available in all situations. HUD has acknowledged that it may not be cost-effective or reasonable to obtain third-party verification of income, assets, or expenses when these items would have a minimal impact on the family's total tenant payment.

NHHFA Policy

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If the family cannot provide original documents, a self-certification will be acceptable as the only means of verification.

Primary Documents

Third-party verification is not required when legal documents are the primary source, such as a birth certificate or other legal documentation of birth.

7-I.G. Level 1: Non-Third-Party Verification Technique: Self-Certification

[Notice PIH 2023-27]

Self-certification, however, is an acceptable form of verification when:

- A source of income is fully excluded
- Net family assets total $50,000 or less and NHHFA has adopted a policy to accept self-certification
- The family declares that they do not have any present ownership in any real property
- A family states that they have non-recurring income that will not be repeated in the coming year; and/or
- NHHFA has adopted a policy to implement streamlined annual recertifications for fixed sources of income (See Chapter 11)

HUD does not require that a self-certification be notarized; however, HUD recommends including language on any self-certification to ensure the certifier understands the consequences of knowingly providing false information.

NHHFA Policy

When information cannot be verified by a third party or by review of documents, family members will be required to submit self-certifications attesting to the accuracy of the information they have provided to NHHFA.

NHHFA may require a family to certify that a family member does not receive a particular type of income or benefit.

The self-certification must be made in a format acceptable to NHHFA and must be signed by the family member whose information or status is being verified.

All self-certifications will include the following language:

“I/We, the undersigned, certify under penalty of perjury that the information provided here is true and correct, to the best of my knowledge and recollection. WARNING: Anyone who knowingly submits a false claim or knowingly makes a false statement is subject to criminal and/or civil penalties, including confinement for up to five years, fines, and civil and administrative penalties (18 U.S.C. 287, 1001, 1010, 1012; 31 U.S.C. 3279, 3802).”

Imputed Assets

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HUD permits PHAs to accept a self-certification from a family as verification of assets disposed of for less than fair market value [HCV GB, p. 5-28].

NHHFA Policy

NHHFA will accept a self-certification from a family as verification of assets disposed of for less than fair market value.

Part II: Verifying Family Information

7-II.A. Verification of Legal Identity

NHHFA Policy

NHHFA will require families to furnish verification of legal identity for each household member.

Verification of Legal Identity for Adults	Verification of Legal Identity for Children
Certificate of birth, naturalization papers Current, valid driver's license or Department of Motor Vehicles identification card U.S. military discharge (DD 214) Current U.S. passport Current government employer identification card with picture	Certificate of birth Adoption papers

If a document submitted by a family is illegible for any reason or otherwise questionable, more than one of these documents may be required.

Legal identity will be verified for all applicants at the time of eligibility determination and in cases where NHHFA has reason to doubt the identity of a person representing themselves to be a participant.

7-II.B. Social Security Numbers

[24 CFR 5.216, Notice PIH 2023-27]

The family must provide documentation of a valid Social Security number (SSN) for each member of the household, with the exception of individuals who do not contend eligible immigration status. Exemptions also include existing program participants who were at least 62 years of age as of January 31, 2010, and had not previously disclosed an SSN.

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Note that an individual who previously declared to have eligible immigration status may not change their declaration for the purpose of avoiding compliance with the SSN disclosure and documentation requirements or penalties associated with noncompliance with these requirements. Nor may the head of household opt to remove a household member from the family composition for this purpose.

NHHFA must accept the following documentation as acceptable evidence of the social security number:

- An original SSN card issued by the Social Security Administration (SSA)
- An original SSA-issued document, which contains the name and SSN of the individual
- An original document issued by a federal, state, or local government agency, which contains the name and SSN of the individual

While NHHFA must attempt to gather third-party verification of SSNs prior to admission as listed above, NHHFAs also have the option of accepting a self-certification and a third-party document (such as a bank statement, utility or cell phone bill, or benefit letter) with the applicant's name printed on it to satisfy the SSN disclosure requirement if NHHFA has exhausted all other attempts to obtain the required documentation. If verifying an individual's SSN using this method, NHHFA must document why the other SSN documentation was not available.

If the tenant's SSN becomes verified in EIV, then no further verification is required. If the tenant's SSN fails the SSA identity match, then NHHFA must obtain a valid SSN card issued by the SSA or an original document issued by a federal or state government agency that contains the name of the individual and the SSN of the individual, along with other identifying information of the individual. The tenant's assistance must be terminated if they fail to provide the required documentation.

NHHFA Policy

NHHFA will verify an individual's SSN in the situations described above using the method described above as a last resort when no other forms of verification of the individual's SSN are available.

NHHFA may only reject documentation of an SSN provided by an applicant or participant if the document is not an original document or if the original document has been altered, mutilated, is illegible, or appears to be forged.

NHHFA Policy

NHHFA will explain to the applicant or participant the reasons the document is not acceptable and request that the individual obtain and submit acceptable documentation of the SSN to NHHFA within 90 days.

In the case of Moderate Rehabilitation Single Room Occupancy (SRO) individuals, the required documentation must be provided within 90 calendar days from the date of admission into the program. NHHFA must grant one additional 90-day extension if it determines that the applicant's failure to comply was due to circumstances that were beyond the applicant's control and could not have been reasonably foreseen.

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NHHFA Policy

NHHFA will grant one additional 90-day extension if needed for reasons beyond the participant's control such as delayed processing of the SSN application by the SSA, natural disaster, fire, death in the family, or other emergency. If the individual fails to comply with SSN disclosure and documentation requirements upon expiration of the provided time period, NHHFA will terminate the individual's assistance.

If an applicant family includes a child under 6 years of age who joined the household within the 6 months prior to the date of voucher issuance, an otherwise eligible family may be admitted to the program and the family must provide documentation of the child's SSN within 90 days of the effective date of the initial HAP contract. A 90-day extension will be granted if NHHFA determines that the participant's failure to comply was due to unforeseen circumstances and was outside of the participant's control.

NHHFA Policy

NHHFA will grant one additional 90-day extension if needed for reasons beyond the applicant's control, such as delayed processing of the SSN application by the SSA, natural disaster, fire, death in the family, or other emergency.

When a participant requests to add a new household member who is at least 6 years of age, or who is under the age of 6 and has an SSN, the participant must provide the complete and accurate SSN assigned to each new member at the time of reexamination or recertification, in addition to the documentation required to verify it. NHHFA may not add the new household member until such documentation is provided.

When a participant requests to add a new household member who is under the age of 6 and has not been assigned an SSN, the participant must provide the SSN assigned to each new child and the required documentation within 90 calendar days of the child being added to the household. A 90-day extension will be granted if NHHFA determines that the participant's failure to comply was due to unforeseen circumstances and was outside of the participant's control. During the period NHHFA is awaiting documentation of the SSN, the child will be counted as part of the assisted household.

NHHFA Policy

NHHFA will grant one additional 90-day extension if needed for reasons beyond the participant's control such as delayed processing of the SSN application by the SSA, natural disaster, fire, death in the family, or other emergency.

Social security numbers must be verified only once during continuously assisted occupancy.

NHHFA Policy

NHHFA will verify each disclosed SSN by:

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- Obtaining documentation from applicants and participants that is acceptable as evidence of social security numbers
- Making a copy of the original documentation submitted, returning it to the individual, and retaining a copy in the file folder
- Once the individual's verification status is classified as "verified," NHHFA may, at its discretion, remove and destroy copies of documentation accepted as evidence of social security numbers. The retention of the EIV Summary Report or Income Report is adequate documentation of an individual's SSN.

NHHFA Policy

Once an individual's status is classified as "verified" in HUD's EIV system, NHHFA will not remove and destroy copies of documentation accepted as evidence of social security numbers.

7-II.C. Documentation of Age

A birth certificate or other official record of birth is the preferred form of age verification for all family members. For elderly family members an original document that provides evidence of the receipt of social security retirement benefits is acceptable.

NHHFA Policy

If an official record of birth or evidence of social security retirement benefits cannot be provided, NHHFA will require the family to submit other documents that support the reported age of the family member (e.g., school records, driver's license if birth year is recorded) and to provide a self-certification.

Age must be verified only once during continuously assisted occupancy.

7-II.D. Family Relationships

Applicants and program participants are required to identify the relationship of each household member to the head of household. Definitions of the primary household relationships are provided in the Eligibility chapter.

NHHFA Policy

Family relationships are verified only to the extent necessary to determine a family's eligibility and level of assistance. Certification by the head of household normally is sufficient verification of family relationships.

Marriage

NHHFA Policy

Certification by the head of household is normally sufficient verification. If NHHFA has reasonable doubts about a marital relationship, NHHFA will require the family to document the marriage.

A marriage certificate generally is required to verify that a couple is married.

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In the case of a common law marriage, the couple must demonstrate that they hold themselves to be married (e.g., by telling the community they are married, calling each other husband and wife, using the same last name, filing joint income tax returns).

Separation or Divorce

NHHFA Policy

Certification by the head of household is normally sufficient verification. If NHHFA has reasonable doubts about a separation or divorce, NHHFA will require the family to provide documentation of the divorce or separation.

A certified copy of a divorce decree, signed by a court officer, is required to document that a couple is divorced.

A copy of a court-ordered maintenance or other court record is required to document a separation.

If no court document is available, documentation from a community-based agency will be accepted.

Absence of Adult Member

NHHFA Policy

If an adult member who was formerly a member of the household is reported to be permanently absent, the family must provide evidence to support that the person is no longer a member of the family (e.g., documentation of another address at which the person resides such as a lease or utility bill), if NHHFA so requests.

Foster Children and Foster Adults

NHHFA Policy

Third-party verification from the state or local government agency responsible for the placement of the individual with the family is required.

7-II.E. Verification of Student Status

General Requirements

NHHFA Policy

NHHFA requires families to provide information about the student status of all students who are 18 years of age or older. This information will be verified only if:

- The family reports full-time student status for an adult other than the head, spouse, or cohead.

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- The family reports childcare expenses to enable a family member to further their education.
- The family includes a student enrolled in an institution of higher education.

Restrictions on Assistance to Students Enrolled in Institutions of Higher Education

This section applies only to students who are seeking assistance on their own, separately from their parents. It does not apply to students residing with parents who are seeking or receiving HCV assistance.

NHHFA Policy

In accordance with the verification hierarchy described in section 7-1.B, NHHFA will determine whether the student is exempt from the restrictions in 24 CFR 5.612 by verifying any one of the following exemption criteria:

The student is enrolled at an educational institution that does not meet the definition of institution of higher education in the Higher Education Act of 1965 (see section Exhibit 3-2).

- The student is at least 24 years old.
- The student is a veteran, as defined in section 3-II.E.
- The student is married.
- The student has at least one dependent child, as defined in section 3-II.E.
- The student is a person with disabilities, as defined in section 3-II.E, and was receiving assistance prior to November 30, 2005.

If NHHFA cannot verify at least one of these exemption criteria, NHHFA will conclude that the student is subject to the restrictions on assistance at 24 CFR 5.612. In addition to verifying the student's income eligibility, NHHFA will then proceed to verify either the student's parents' income eligibility (see section 7-III.J) or the student's independence from their parents (see below).

Independent Student

NHHFA Policy

NHHFA will verify a student's independence from their parents to determine that the student's parents' income is not relevant for determining the student's eligibility by doing all of the following:

- Either reviewing and verifying previous address information to determine whether the student has established a household separate from their parents for at least one year, or reviewing and verifying documentation relevant to determining whether the student meets the U.S. Department of Education's definition of independent student (see section 3-II.E)
- Reviewing the student's prior year income tax returns to verify the student is independent or verifying the student meets the U.S. Department of Education's definition of independent student (see section 3-II.E)
- Requesting and obtaining written certification directly from the student's parents identifying the amount of support they will be providing to the student, even if the amount

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of support is $0, except in cases in which NHHFA determines that the student is a vulnerable youth (see section 3-II.E)

7-II.F. Documentation of Disability

NHHFA must verify the existence of a disability in order to allow certain income disallowances and deductions from income. NHHFA is not permitted to inquire about the nature or extent of a person's disability [24 CFR 100.202(c)]. NHHFA may not inquire about a person's diagnosis or details of treatment for a disability or medical condition. If NHHFA receives a verification document that provides such information, NHHFA will not place this information in the tenant file. Under no circumstances will NHHFA request a participant's medical record(s). For more information on health care privacy laws, see the Department of Health and Human Services' website at http://www.hhs.gov/ocr/privacy/.

The above cited regulation does not prohibit the following inquiries, provided these inquiries are made of all applicants, whether or not they are persons with disabilities [VG, p. 24]:

- Inquiry into an applicant's ability to meet the requirements of ownership or tenancy
- Inquiry to determine whether an applicant is qualified for a dwelling available only to persons with disabilities or to persons with a particular type of disability
- Inquiry to determine whether an applicant for a dwelling is qualified for a priority available to persons with disabilities or to persons with a particular type of disability
- Inquiring whether an applicant for a dwelling is a current illegal abuser or addict of a controlled substance
- Inquiring whether an applicant has been convicted of the illegal manufacture or distribution of a controlled substance

Family Members Receiving SSA Disability Benefits

Verification of the receipt of disability benefits from the Social Security Administration (SSA) is sufficient verification of disability for the purpose of qualifying for waiting list preferences (if applicable) or certain income disallowances and deductions [VG, p. 23].

NHHFA Policy

For family members claiming disability who receive disability benefits from the SSA, NHHFA will attempt to obtain information about disability benefits through the HUD Enterprise Income Verification (EIV) system. If documentation from HUD's EIV System is not available, NHHFA will request a current (dated within the last year) SSA benefit verification letter from each family member claiming disability status. If the family is unable to provide the document(s), NHHFA will ask the family to request a benefit verification letter by either calling SSA at 1-800-772-1213, or by requesting it from www.ssa.gov. Once the applicant or participant receives the benefit verification letter, they will be required to provide it to NHHFA.

Family Members Not Receiving SSA Disability Benefits

Receipt of veteran's disability benefits, worker's compensation, or other non-SSA benefits based on the individual's claimed disability are not sufficient verification that the individual meets HUD's definition of disability in 24 CFR 5.403.

NHHFA Policy

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For family members claiming disability who do not receive disability benefits from the SSA, a knowledgeable professional must provide third-party verification that the family member meets the HUD definition of disability. See the Eligibility chapter for the HUD definition of disability. The knowledgeable professional will verify whether the family member does or does not meet the HUD definition.

7-II.G. Citizenship or Eligible Immigration Status

[24 CFR 5.508]

Overview

Housing assistance is not available to persons who are not citizens, nationals, or eligible immigrants. Prorated assistance is provided for "mixed families" containing both eligible and ineligible persons. A detailed discussion of eligibility requirements is in the Eligibility chapter. This verifications chapter discusses HUD and NHHFA verification requirements related to citizenship status.

The family must provide a certification that identifies each family member as a U.S. citizen, a U.S. national, an eligible noncitizen or an ineligible noncitizen and submit the documents discussed below for each family member. Once eligibility to receive assistance has been verified for an individual it need not be collected or verified again during continuously assisted occupancy. [24 CFR 5.508(g)(5)]

U.S. Citizens and Nationals

HUD requires a declaration for each family member who claims to be a U.S. citizen or national. The declaration must be signed personally by any family member 18 or older and by a guardian for minors.

NHHFA may request verification of the declaration by requiring presentation of a birth certificate, United States passport or other appropriate documentation. HUD strongly encourages PHAs to require that families provide proof of citizenship by such means as birth certificates, naturalization certificates, passports, or other documentation [HUD Secretary Letter 12/16/25]

NHHFA Policy

Family members who claim U.S. citizenship or national status will not be required to provide additional documentation unless NHHFA receives information indicating that an individual's declaration may not be accurate.

Eligible Immigrants

Documents Required

All family members claiming eligible immigration status must declare their status in the same manner as U.S. citizens and nationals.

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The documentation required for eligible noncitizens varies depending upon factors such as the date the person entered the U.S., the conditions under which eligible immigration status has been granted, age, and the date on which the family began receiving HUD-funded assistance. Exhibit 7-1 at the end of this chapter summarizes documents family members must provide.

NHHFA Verification [HCV GB, pp. 5-3 and 5-7 HUD Secretary Letter 12/16/25]

For family members aged 62 or older who claim to be eligible immigrants, proof of age is required in the manner described in 7-II.C. of this plan. No further verification of eligible immigration status is required.

Family members under the age of 62 who claim to be eligible immigrants must provide supporting documentation of their immigration status and sign a verification consent form. Supporting documentation consists of documentation accepted by the U.S. Citizenship and Immigration Services (USCIS)—for example, a Form I-551 U.S. Permanent Resident Card.

The PHA must verify immigration status with the United States Citizenship and Immigration Services (USCIS). The primary method for verifying eligible immigration status is USCIS's automated system, Systematic Alien Verification for Entitlements (SAVE). The PHA must determine whether the applicant's status makes them eligible for assistance consistent with Section 214. Exhibit 7-2 at the end of this chapter provides information on eligibility for HUD assistance.

Where applicable, the PHA must retain documentation of SAVE verification in tenant files. If SAVE cannot confirm an individual's eligible immigration status, or if the response in SAVE verifies an immigration status that is not eligible for assistance, then the PHA must submit a request for secondary or additional verification to USCIS within 10 days of receiving the initial results. The PHA must scan and upload information to USCIS as needed or required to obtain a verification response.

If the secondary or additional verification fails, the PHA must notify the family and inform them of their right to file an appeal with USCIS. If the family wishes to exercise their right to file an appeal with USCIS, they must submit a written request to USCIS within 30 days of the notification. USCIS will render a decision to the family and forward a copy to the PHA.

Assistance must be denied when primary and secondary verification do not verify eligible immigration status and the family does not pursue a USCIS appeal or informal hearing rights, or decisions are rendered against the family through a USCIS appeal or informal hearing.

The PHA must not delay, deny, reduce, or terminate assistance because of a delay in the process of determining eligible status, unless the family causes the delay. While the PHA may not admit any individual prior to receiving required documentation, the PHA may elect to provide prorated assistance to the family prior to completing the verification process.

Family members who do not sign a declaration of their status or provide the required supporting documentation will be considered ineligible for housing assistance. The head of household must sign a statement listing all family members who do not claim to be citizens, nationals, or eligible immigrants, or whose status cannot be confirmed [HUD Secretary Letter 12/16/25].

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7-II.H. Verification of Preference Status

NHHFA must verify any preferences claimed by an applicant that determined placement on the waiting list.

NHHFA Policy

NHHFA will offer a preference to any family that has been terminated from its HCV program due to insufficient program funding. NHHFA will verify this preference using NHHFA's termination records.

The PHA also offers a preference to families that include victims of domestic violence, dating violence, sexual assault, stalking, or human trafficking who are seeking an emergency transfer under VAWA from the PHA's public housing program or other covered housing program operated by the PHA (as described in Section 4-III.C).
To verify that applicants qualify for the preference, the PHA will review internal agency records and follow documentation requirements outlined in Section 16-IX.D

PART III: Verifying Income and Assets

Chapter 6 of this plan describes in detail the types of income that are included and excluded and how assets and income from assets are handled. Any income reported by the family must be verified. This part provides NHHFA policies that supplement the general verification procedures specified in Part I of this chapter.

NHHFA Policy

The following policies do not apply when NHHFA uses a safe harbor income determination from a means-tested federal assistance program.

7-III.A. Earned Income

Tips

NHHFA Policy

Unless tip income is included in a family member's W-2 by the employer or in UIV verification sources, persons who work in industries where tips are standard will be required to sign a certified estimate of tips received for the prior year or tips anticipated to be received in the coming year.

Wages

NHHFA Policy

When NHHFA requires third-party verification of wages, for wages other than tips, the family must provide originals of the two most current, consecutive pay stubs.

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7-III.B. Business and Self Employment Income

NHHFA must obtain written, third-party verification when the income type is not available in EIV. This includes income from self-employment.

NHHFA Policy

Business owners and self-employed persons will be required to provide:

- Income tax returns with corresponding official tax forms and schedules attached and including third-party receipt of transmission for income tax return filed (i.e., tax preparer's transmittal receipt, summary of transmittal from online source, etc.).
- If accelerated depreciation was used on the tax return or financial statement, an accountant's calculation of depreciation expense, computed using straight-line depreciation rules.

For self-employed individuals who claim they do not to file tax returns, NHHFA will obtain a completed copy of IRS Form 4506-T to verify that no return has been filed.

For those employed in "gig employment" (i.e., those in formal agreements with on-demand companies such as Uber, Lyft, or Door Dash), NHHFA will provide a format for the individual to declare their income and expenses. NHHFA will also review the printed statement of monthly income from the applicable app for all hours worked and pay received as well as the Schedule C of the individual's tax return and the corresponding IRS Form 1099 or 1099k.

NHHFA will provide a format for any person who is unable to provide such a statement to record income and expenses for the coming year. The business owner/self-employed person will be required to submit the information requested and to certify to its accuracy at all future reexaminations. At any reexamination NHHFA may request documents that support submitted financial statements such as manifests, appointment books, cash books, or bank statements.

If a family member has been self-employed less than three (3) months, NHHFA will accept the family member's certified estimate of income and schedule an interim reexamination in three (3) months. If the family member has been self-employed for three (3) to twelve (12) months NHHFA will require the family to provide documentation of income and expenses for this period and use that information to project income.

7-III.C. Periodic Payments and Payments In Lieu Of Earnings

For policies governing streamlined income determinations for fixed sources of income, please see Chapter 11.

Social Security/SSI Benefits [Notice PIH 2023-27]

Verification requirements for Social Security (SS) and Supplemental Security Income (SSI) benefits differ for applicants and participants.

For applicants, since EIV does not contain SS or SSI benefit information, NHHFA must ask applicants to provide a copy of their current SS and/or SSI benefit letter (dated within the last 120 calendar days) for each family member that receives SS and/or SSI benefits. If the family is

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unable to provide the document or documents, NHHFA should help the applicant request a benefit verification letter from SSA's website at www.ssa.gov or ask the family to request one by calling SSA at 1-800-772-1213. NHHFA must obtain the original benefit letter from the applicant, make a photocopy of the document for the file, and return the original to the family.

For participants, NHHFA must obtain information through the HUD EIV system and confirm with the participants that the current listed benefit amount is correct.

If the participant agrees with the amount reported in EIV, NHHFA must use the EIV-reported gross benefit amount to calculate annual income from Social Security. NHHFAs are required to use the EIV-reported SS and SSI benefit amounts when calculating income unless the tenant disputes the EIV-reported amount. For example, an SSA benefit letter may list the monthly benefit amount as $450.80 and EIV displays the amount as $450.00. NHHFA must use the EIV-reported amount unless the participant disputes the amount.

If the participant disputes the EIV-reported benefit amount, or if benefit information is not available in EIV, NHHFA must request a current SSA benefit verification letter (dated within the last 120 calendar days) from each family member that receives SS and/or SSI benefits. If the family is unable to provide the document or documents, NHHFA should help the participant request a benefit verification letter from SSA's website at www.ssa.gov or ask the family to request one by calling SSA at 1-800-772-1213. NHHFA must obtain the original benefit letter from the participant, make a photocopy of the document for the file, and return the original to the family.

Photocopies of social security checks or bank statements are not acceptable forms of verification for SS/SSI benefits.

NHHFA Policy

If an EIV income report must be provided to the family, the PHA will follow EIV security requirements as detailed in PHA policy in Section 7-I.A. Family Consent to Release of Information.

7-III.D. Alimony or Child Support

[Notice PIH 2023-27]

Annual income includes "all amounts received," not the amount that a family may be legally entitled to receive but which they do not receive. For example, a family's child support or alimony income must be based on payments received, not the amounts to which the family is entitled by court or agency orders. A copy of a court order or other written payment agreement alone may not be sufficient verification of amounts received by a family.

NHHFA Policy

The methods NHHFA will use to verify alimony and child support payments differ depending on whether the family declares that it receives regular payments.

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If the family declares that it receives regular payments, verification will be obtained in the following order of priority:

- Third-party verification form from the state or local child support enforcement agency
- Family's self-certification of amount received

Note: Families are not required to undertake independent enforcement action.

7-III.E. Nonrecurring Income

[Notice PIH 2023-27]

Income that will not be repeated beyond the coming year (i.e., the 12 months following the effective date of the certification), based on information provided by the family, is considered nonrecurring income and is excluded from annual income. NHHFA may accept a self-certification from the family stating that the income will not be repeated in the coming year.

NHHFA Policy

NHHFA will accept self-certification from the family stating that income will not be repeated in the coming year. However, NHHFA may choose, on a case-by-case basis, to require third-party verification that income sources will not be repeated in the coming year.

7-III.F. Assets and Income from Assets

Net Family Assets [24 CFR 5.603]

At admission and reexam, for families with net assets totaling $50,000 or less (adjusted annually), NHHFA may, but is not required to, accept the family's self-certification that the family's assets do not exceed $50,000 without taking any additional steps to verify the accuracy of the declaration. The declaration must include the amount of income the family expects to receive from assets which must be included in the family's income. This includes declaring income from checking and savings accounts which, although excluded from the calculation of net family assets (because the combined value of non-necessary personal property does not exceed $50,000), may generate asset income. NHHFAs must clarify during the self-certification process which assets are included/excluded from net family assets.

For PHA's that choose to accept self-certification, they are required to obtain third-party verification of all assets, regardless of the amount, at least once every three years.

PHA's who choose not to accept self-certifications of assets must verify all families' assets on an annual basis.

When net family assets have a total value over $50,000, NHHFA may not rely on the family's self-certification. Third-party verification of assets is required when net family assets exceed $50,000, adjusted annually by HUD.

When verification of assets is required, NHHFA is required to obtain a minimum of one statement that reflects the current balance of banking/financial accounts.

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NHHFA Policy

For families with net assets totaling $50,000 or less, NHHFA will accept the family's self-certification of the value of family assets and anticipated asset income. The family's declaration must show each asset, and the amount of income expected from that asset. All family members 18 years of age and older must sign the family's declaration. NHHFA reserves the right to require additional verification in situations where the accuracy of the declaration is in question. Any income the family expects to receive from assets will be included in the family's annual income. The family will be required to provide third-party verification of net family assets every three years.

When verification is required, in determining the value of checking or savings accounts, NHHFA will use the current balance.

In determining the anticipated income from an interest-bearing checking or savings account when verification is required and the rate of return is known, NHHFA will multiply the current balance of the account by the current rate of interest paid on the account. If a checking account does not bear interest, the anticipated income from the account is zero.

Self-Certification of Real Property Ownership [24 CFR 5.618(b)(2)]

NHHFA must determine whether a family has present ownership in real property that is suitable for occupancy for purposes of determining whether the family is compliant with the asset limitation described in Chapters 3 and 12. At admission and reexam, NHHFA may accept a self-certification from the family that the family does not have any present ownership in any real property that is suitable for occupancy. If the family declares they have present ownership in real property, NHHFA must obtain third-party verification.

NHHFA Policy

Both at admission and reexam, NHHFA will accept self-certification from the family that the family does not have any present ownership in any real property. The certification will state that the family does not have any present ownership interest in any real property and must be signed by all family members 18 years of age and older. NHHFA reserves the right to require additional verification in situations where the accuracy of the declaration is in question.

If the family declares they have a present ownership in real property, NHHFA will verify the following factors: whether the family has the legal right to reside in the property; whether the family has effective legal authority to sell the property; and whether the property is suitable for occupancy by the family as a residence. However, in cases where a family member is a victim of domestic violence, dating violence, sexual assault, or stalking, NHHFA will comply with confidentiality requirements under 24 CFR 5.2007 and will accept a self-certification.

7-III.G. Assets Disposed of For Less Than Fair Market Value

The family must certify whether any assets have been disposed of for less than fair market value in the preceding two years. HUD permits NHHFAs to accept a self-certification from a family as verification of assets disposed of for less than fair market value [HCV GB, p. 5-28]. NHHFA needs to verify only those certifications that warrant documentation [HCV GB, p. 5-28].

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NHHFA Policy

NHHFA will accept a self-certification from a family as verification of assets disposed of for less than fair market value.

NHHFA will verify the value of assets disposed of only if:

- NHHFA does not already have a reasonable estimation of its value from previously collected information, or
- The amount reported by the family in the certification appears obviously in error.

Example 1: An elderly participant reported a $10,000 certificate of deposit at the last reexamination and NHHFA verified this amount. Now the person reports that she has given this $10,000 to her son. NHHFA has a reasonable estimate of the value of the asset; therefore, reverification of the value of the asset is not necessary.

Example 2: A family member has disposed of its 1/4 share of real property located in a desirable area and has valued her share at approximately $5,000. Based upon market conditions, this declaration does not seem realistic. Therefore, NHHFA will verify the value of this asset.

7-III.H. Net Income from Rental Property

NHHFA Policy

The family must provide:

- A current executed lease for the property that shows the rental amount or certification from the current tenant
- A self-certification from the family members engaged in the rental of property providing an estimate of expenses for the coming year and the most recent IRS Form 1040 with Schedule E (Rental Income), along with proof of filing.
- If schedule E was not prepared, NHHFA will require the family members involved in the rental of property to provide a self-certification of income and expenses for the previous year and may request documentation to support the statement including tax statements, insurance invoices, bills for reasonable maintenance and utilities, and bank statements or amortization schedules showing monthly interest expense.

7-III.I. Federal Tax Refunds or Refundable Tax Credits

[Notice PIH 2023-27]

NHHFA is not required to verify the amount of the family's federal tax refund or refundable tax credit(s) if the family's net assets are equal to or below $50,000 (adjusted annually for inflation), even in years when full verification of assets is required or if NHHFA does not accept self-certification of assets. NHHFA must verify the amount of the family's federal tax refund or refundable tax credits if the family's net assets are greater than $50,000.

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7-III.J. Retirement Accounts

NHHFA Policy

NHHFA will accept an original document from the entity holding the account dated no earlier than 12 months before that reflects any distributions of the account balance, any lump sums taken, and any regular payments.

7-III.K. Income from Excluded Sources

[Notice PIH 2023-27]

A detailed discussion of excluded income is provided in Chapter 6, Part I.

HUD guidance on verification of excluded income draws a distinction between income which is fully excluded and income which is only partially excluded.

For fully excluded income, NHHFA is not required to document why third-party verification is not available, or report the income on the 50058. Fully excluded income is defined as income where the entire amount qualifies to be excluded from the annual income determination in accordance with 24 CFR 5.609(b) and any Federal Register notice on mandatory exclusions issued by HUD (for example, food stamps, earned income of a minor, or foster care funds).

NHHFA may accept a family's signed application or reexamination form as self-certification of fully excluded income. They do not have to require additional documentation. However, if there is any doubt that a source of income qualifies for full exclusion, NHHFA has the option of requiring additional verification.

For partially excluded income, NHHFA is required to follow the verification hierarchy and all applicable regulations, and to report the income on the 50058. Partially excluded income is defined as income where only a certain portion of what is reported by the family qualifies to be excluded and the remainder is included in annual income (for example, the income of an adult full-time student other than the head of household, spouse or cohead).

NHHFA Policy

NHHFA will accept the family's self-certification as verification of fully excluded income. NHHFA may request additional documentation if necessary to document the income source.

NHHFA will verify the source and amount of partially excluded income as described in Part 1 of this chapter.

7-III.L. Zero Income Status Reviews

[Notice PIH 2023-27]

A zero-income review is an assessment, sometimes periodic, performed by NHHFA of the income of a family who claims that they do not receive income from any source, including from assets. During such reviews, it is common for PHAs to request that families complete and sign a

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worksheet explaining how they pay for the household's expenses. HUD does not require PHAs to conduct periodic zero income reviews. In calculating annual income, PHA's must not assign monetary value to nonmonetary in-kind donations from a food bank or similar organization received by the family [24 CFR § 5.609(b)(24)(vi)]. PHA's that perform zero income reviews must update local discretionary policies, procedures, and forms. Families who begin receiving income which does not trigger an interim reexamination should no longer be considered zero income even though the family's income is not reflected on the Form HUD-50058.

NHHFA Policy

NHHFA will check UIV sources and/or may request information from third-party sources to verify that certain forms of income such as unemployment benefits, TANF, SS, SSI, earned income, child support, etc., are not being received by families claiming to have zero annual income.

NHHFA will also require that each family member who claims zero income status complete a zero-income form. If any sources of income are identified on the form, NHHFA will verify the income in accordance with the policies in this chapter prior to including the income in the family's annual income.

NHHFA will only conduct interims in accordance with NHHFA policy in Chapter 11.

7-III.M. Student Financial Assistance

[24 CFR 5.609(b)(9)]

The regulations distinguish between two categories of student financial assistance paid to both full-time and part-time students. Any assistance to students under section 479B of the Higher Education Act of 1965 (Tile IV of the HEA) must be excluded from the family's annual income [24 CFR 5.609(b)(9)(i)]. Any other grant-in-aid, scholarship, or other assistance amounts an individual receives for the actual covered costs charged by the institute of higher education not otherwise excluded by the federally mandated income exclusions are excluded [24 CFR 5.609(b)(9)(ii)].

NHHFA Policy

NHHFA will request written third-party verification of both the source and the amount of student financial assistance. Family-provided documents from the educational institution attended by the student will be requested, as well as documents generated by any other person or entity providing such assistance, as reported by the student.

In addition, unless the student's only source of assistance is assistance under Title IV of the HEA, NHHFA will request written verification of the cost of the student's tuition, books, supplies, room and board, and other required fees and charges to the student from the educational institution.

If NHHFA is unable to obtain third-party written verification of the requested information, NHHFA will pursue other forms of verification following the verification hierarchy in section 7-I.B.

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7-III.N. Parental Income of Students Subject to Eligibility Restrictions

If a student enrolled at an institution of higher education is under the age of 24, is not a veteran, is not married, does not have a dependent child, and is not a person with disabilities receiving HCV assistance as of November 30, 2005, the income of the student's parents must be considered when determining income eligibility, unless the student is determined independent from their parents or a vulnerable youth in accordance with NHHFA policy [24 CFR 5.612, FR Notice 4/10/06, p. 18146, and FR Notice 9/21/16].

This provision does not apply to students residing with parents who are seeking or receiving HCV assistance. It is limited to students who are seeking or receiving assistance on their own, separately from their parents.

NHHFA Policy

If NHHFA is required to determine the income eligibility of a student's parents, NHHFA will request an income declaration and certification of income from the appropriate parent(s) (as determined in section 3-II.E). NHHFA will send the request directly to the parents, who will be required to certify to their income under penalty of perjury. The parents will be required to submit the information directly to NHHFA. The required information must be submitted (postmarked) within 10 business days of the date of NHHFA's request or within any extended timeframe approved by NHHFA.

NHHFA reserves the right to request and review supporting documentation at any time if it questions the declaration or certification. Supporting documentation may include, but is not limited to, Internal Revenue Service (IRS) tax returns, consecutive and original pay stubs, bank statements, pension benefit statements, benefit award letters, and other official and authentic documents from a federal, state, or local agency.

PART IV: Verifying Mandatory Deductions

7-IV.A. Dependent and Elderly/Disabled Household Deductions

The dependent and elderly/disabled family deductions require only that NHHFA verify that the family members identified as dependents or elderly/disabled persons meet the statutory definitions. No further verifications are required.

Dependent Deduction

See Chapter 6 for a full discussion of this deduction. NHHFA must verify that:

- Any person under the age of 18 for whom the dependent deduction is claimed is not the head, spouse, or cohead of the family and is not a foster child
- Any person age 18 or older for whom the dependent deduction is claimed is not a foster adult or live-in aide, and is a person with a disability or a full time student

Elderly/Disabled Family Deduction

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See Eligibility chapter for a definition of elderly and disabled families and Chapter 6 for a discussion of the deduction. NHHFA must verify that the head, spouse, or cohead is 62 years of age or older or a person with disabilities.

7-IV.B. Health and Medical Care Expense Deduction

Policies related to medical expenses are found in Chapter 6. The amount of the deduction will be verified following the standard verification procedures described in Part I.

NHHFA must comply with the Health Insurance Portability and Accountability Act (HIPAA) (Pub. L. 104-191, 110 Stat. 1936) and the Privacy Act of 1974 (Pub. L. 93-579, 88 Stat. 1896) when requesting documentation to determine unreimbursed health and medical care expenses. NHHFA may not request documentation beyond what is sufficient to determine anticipated health and medical care costs. Before placing bills and documentation in the tenant file, NHHFA must redact all personally identifiable information [FR Notice 2/14/23].

Amount of Expense

NHHFA Policy

Medical expenses will be verified through:

- Written third-party documents provided by the family, such as Pharmacy printouts or receipts.
- When income is projected at new admission or interim, NHHFA will make a best effort to determine what expenses from the past are likely to continue to occur in the future. NHHFA will also accept evidence of monthly payments or total payments that will be due for medical expenses during the upcoming 12 months.
- Written third-party verification forms if the family is unable to provide acceptable documentation.
- When income is projected at new admission or interim, if third-party or document review is not possible, written family certification as to costs anticipated to be incurred during the upcoming 12 months.

Before placing bills and documentation in the tenant file, NHHFA will redact all personally identifiable information.

If NHHFA receives documentation from a verification source that contains the individual's specific diagnosis, information regarding the individual's treatment, and/or information regarding the nature or severity of the person's disability, NHHFA will immediately dispose of this confidential information; this information will never be maintained in the individual's file. If the information needs to be disposed of, NHHFA will note in the individual's file that verification was received, the date received, and the name and address of the person/organization that provided the verification. Under no circumstances will NHHFA include an applicant's or resident's medical records in the file [Notice PIH 2010-26].

In addition, NHHFA must verify that:

- The household is eligible for the deduction.
- The costs to be deducted are qualified health and medical care expenses.

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- The expenses are not paid for or reimbursed by any other source.
- Costs incurred in past years are counted only once.

Eligible Household

The health and medical care expense deduction is permitted only for households in which the head, spouse, or cohead is at least 62, or a person with disabilities. NHHFA must verify that the family meets the definition of an elderly or disabled family provided in the Eligibility chapter and as described in Chapter 7 (7-IV.A.) of this plan.

Qualified Expenses

To be eligible for the health and medical care expense deduction, the costs must qualify as medical expenses. See Chapter 6 for NHHFA's policy on what counts as a medical expense.

Unreimbursed Expenses

To be eligible for the health and medical care expense deduction, the costs must not be reimbursed by another source.

NHHFA Policy

The family will be required to certify that the medical expenses are not paid or reimbursed to the family from any source. If expenses are verified through a third party, the third party must certify that the expenses are not paid or reimbursed from any other source.

Expenses Incurred in Past Years

NHHFA Policy

At new admission and interim reexam, when anticipated costs are related to on-going payment of medical bills incurred in past years, NHHFA will verify:

- The anticipated repayment schedule
- The amounts paid in the past, and
- Whether the amounts to be repaid have been deducted from the family's annual income in past years

7-IV.C. Disability Assistance Expenses

Policies related to disability assistance expenses are found in 6-II.E. The amount of the deduction will be verified following the standard verification procedures described in Part I.

NHHFA must comply with the Health Insurance Portability and Accountability Act (HIPAA) (Pub. L. 104-191, 110 Stat. 1936) and the Privacy Act of 1974 (Pub. L. 93-579, 88 Stat. 1896) when requesting documentation to determine unreimbursed auxiliary apparatus or attendance care costs. NHHFA may not request documentation beyond what is sufficient to determine anticipated reasonable attendant care and auxiliary apparatus costs. Before placing bills and documentation in the tenant file, NHHFA must redact all personally identifiable information [FR Notice 2/14/23].

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Amount of Expense

Attendant Care

NHHFA Policy

Expenses for attendant care will be verified through:

- Written third-party documents provided by the family, such as receipts or cancelled checks.
- Third-party verification form signed by the provider, if family-provided documents are not available.

When income is projected at new admission or interim, if third-party verification is not possible, written family certification as to costs anticipated to be incurred for the upcoming 12 months.

Before placing bills and documentation in the tenant file, NHHFA will redact all personally identifiable information.

If NHHFA receives documentation from a verification source that contains the individual's specific diagnosis, information regarding the individual's treatment, and/or information regarding the nature or severity of the person's disability, NHHFA will immediately dispose of this confidential information; this information will never be maintained in the individual's file. If the information needs to disposed of, NHHFA will note in the individual's file that verification was received, the date received, and the name and address of the person/organization that provided the verification. Under no circumstances will NHHFA include an applicant's or resident's medical records in the file [Notice PIH 2010-26].

Auxiliary Apparatus

NHHFA Policy

Expenses for auxiliary apparatus will be verified through:

- Written third-party documents provided by the family, such as billing statements for purchase of auxiliary apparatus, or other evidence of monthly payments or total payments that will be due for the apparatus during the upcoming 12 months.
- Third-party verification form signed by the provider, if family-provided documents are not available.
- If third-party verification is not possible, written family certification of estimated apparatus costs for the upcoming 12 months.
- In addition, NHHFA must verify that:

The family member for whom the expense is incurred is a person with disabilities (as described in 7-II.F above).

- The expense permits a family member, or members, to work (as described in Chapter 6.).
- The expense is not reimbursed from another source (as described in Chapter 6.).
- Family Member is a Person with Disabilities

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To be eligible for the disability assistance expense deduction, the costs must be incurred for attendant care or auxiliary apparatus expense associated with a person with disabilities. NHHFA will verify that the expense is incurred for a person with disabilities (See 7-II.F.).

Family Member(s) Permitted to Work

NHHFA must verify that the expenses claimed actually enable a family member, or members, (including the person with disabilities) to work.

NHHFA Policy

NHHFA will request third-party verification from a rehabilitation agency or knowledgeable medical professional indicating that the person with disabilities requires attendant care or an auxiliary apparatus to be employed, or that the attendant care or auxiliary apparatus enables another family member, or members, to work (See 6-II.E.). This documentation may be provided by the family.

If third-party verification has been attempted and is either unavailable or proves unsuccessful, the family must certify that the disability assistance expense frees a family member, or members (possibly including the family member receiving the assistance), to work.

Unreimbursed Expenses

To be eligible for the disability expenses deduction, the costs must not be reimbursed by another source.

NHHFA Policy

The family will be required to certify that attendant care or auxiliary apparatus expenses are not paid by or reimbursed to the family from any source.

7-IV.D. Child Care Expenses

Policies related to childcare expenses are found in Chapter 6. The amount of the deduction will be verified following the standard verification procedures described in Part I of this chapter. In addition, NHHFA must verify that:

- The child is eligible for care (12 or younger).
- The costs claimed are not reimbursed.
- The costs enable a family member to work, actively seek work, or further their education.
- The costs are for an allowable type of childcare.
- The costs are reasonable.

Eligible Child

To be eligible for the childcare deduction, the costs must be incurred for the care of a child under the age of 13. NHHFA will verify that the child being cared for (including foster children) is under the age of 13 (See 7-II.C.).

Unreimbursed Expense

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To be eligible for the childcare deduction, the costs must not be reimbursed by another source.

NHHFA Policy

The family (and the care provider) will be required to certify that the childcare expenses are not paid or reimbursed to the family from any source.

Pursuing an Eligible Activity

NHHFA must verify that the family member(s) that the family has identified as being enabled to seek work, pursue education, or be gainfully employed, are actually pursuing those activities.

NHHFA Policy

Information to be Gathered

NHHFA will verify information about how the schedule for the claimed activity relates to the hours of care provided, the time required for transportation, the time required for study (for students), the relationship of the family member(s) to the child, and any special needs of the child that might help determine which family member is enabled to pursue an eligible activity.

Seeking Work

Whenever possible NHHFA will use documentation from a state or local agency that monitors work-related requirements (e.g., welfare or unemployment). In such cases NHHFA will request family-provided verification from the agency of the member's job seeking efforts to date and require the family to submit to NHHFA any reports provided to the other agency.

In the event third-party verification is not available, NHHFA will provide the family with a form on which the family member must record job search efforts. NHHFA will review this information at each subsequent reexamination for which this deduction is claimed.

Furthering Education

NHHFA will request third-party documentation to verify that the person permitted to further their education by the childcare is enrolled and provide information about the timing of classes for which the person is registered. The documentation may be provided by the family.

Gainful Employment

NHHFA will seek third-party verification of the work schedule of the person who is permitted to work by the childcare. In cases in which two or more family members could be permitted to work, the work schedules for all relevant family members may be verified. The documentation may be provided by the family.

Allowable Type of Child Care

The type of care to be provided is determined by the family, but must fall within certain guidelines, as discussed in Chapter 6.

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NHHFA Policy

NHHFA will verify that the type of childcare selected by the family is allowable, as described in Chapter 6.

NHHFA will verify that the fees paid to the childcare provider cover only childcare costs (e.g., no housekeeping services or personal services) and are paid only for the care of an eligible child (e.g., prorate costs if some of the care is provided for ineligible family members).

NHHFA will verify that the childcare provider is not an assisted family member. Verification will be made through the head of household's declaration of family members who are expected to reside in the unit.

Reasonableness of Expenses

Only reasonable childcare costs can be deducted.

NHHFA Policy

The actual costs the family incurs will be compared with NHHFA's established standards of reasonableness for the type of care in the locality to ensure that the costs are reasonable.

If the family presents a justification for costs that exceed typical costs in the area, NHHFA will request additional documentation, as required, to support a determination that the higher cost is appropriate.

Exhibit 7-1: Summary Of Documentation Requirements
For Noncitizens [HCV GB, PP. 5-9 AND 5-10]

All noncitizens claiming eligible status must sign a declaration of eligible immigrant status on a form acceptable to NHHFA. Except for persons 62 or older, all eligible noncitizens must sign a verification consent form Additional documents are required based upon the person's status.
Elderly Noncitizens A person 62 years of age or older who claims eligible immigration status also must provide proof of age such as birth certificate, passport, or documents showing receipt of SS old-age benefits.
All other Noncitizens Noncitizens that claim eligible immigration status also must present the applicable USCIS document. Acceptable USCIS documents are listed below.

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Form I-551 Alien Registration Receipt Card (for permanent resident aliens) Form I-94 Arrival-Departure Record annotated with one of the following: “Admitted as a Refugee Pursuant to Section 207” “Section 208” or “Asylum” “Section 243(h)” or “Deportation stayed by Attorney General” “Paroled Pursuant to Section 221 (d)(5) of the USCIS”	Form I-94 Arrival-Departure Record with no annotation accompanied by: A final court decision granting asylum (but only if no appeal is taken); A letter from a USCIS asylum officer granting asylum (if application is filed on or after 10/1/90) or from a USCIS district director granting asylum (application filed before 10/1/90). A court decision granting withholding of deportation; or A letter from an asylum officer granting withholding or deportation (if application filed on or after 10/1/90).
Form I-688 Temporary Resident Card annotated “Section 245A” or Section 210”.	Form I-688B Employment Authorization Card annotated “Provision of Law 274a. 12(11)” or “Provision of Law 274a.12”.
A receipt issued by the USCIS indicating that an application for issuance of a replacement document in one of the above listed categories has been made and the applicant’s entitlement to the document has been verified; or Other acceptable evidence. If other documents are determined by the USCIS to constitute acceptable evidence of eligible immigration status, they will be announced by notice published in the Federal Register	

EXHIBIT 7-2: SAVE System Responses and Section 214 Eligibility for HUD Assistance

[HUD Secretary Letter 12/16/25]

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Eligible for Assistance

- United States Citizen;
- Lawful Permanent Resident (LPR) – Employment Authorized;
- Lawful Permanent Resident (LPR) – Employment Authorized Indefinitely;
- Conditional Resident – Employment Authorized;
- Conditional Resident;
- Conditional Entrant – Employment Authorized Indefinitely;
- Parolee;
- Parolee Indefinite – Not Employment Authorized;
- Parolee Indefinite – Temporary Employee Authorized;
- Parolee Expires – Not Employment Authorized;
- Parolee Expires – Temporary Employment Authorized;
- Refugee – Employment Authorized;
- Refugee – Employment Authorized – Indefinite;
- Asylee – Employment Authorized;
- Asylee – Employment Authorized – Indefinite;
- Family Unity -Temporary Employment Authorized;
- Non-Immigrant Employment Authorized – Indefinite;
    - Non-immigrants who are citizens of either the Federated States of Micronesia, the Republic of the Marhsall Islands, or Palau
- Cuban/Haitian Entrant;
- No Status – Granted Withholding of Removal – Employment Authorized Indefinitely;
- Violence Against Women Act (VAWA) – Self-Petitioner – Temporary Employment Authorized;
- VAWA Self-Petitioner; and
- VAWA Self-Petitioner – Not Employment Authorized.

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Ineligible for Assistance

- Non-Immigrant
- Non-Immigrant – Temporary Employment Authorized;
  Non-Immigrant – Temporary Employment Authorized – Indefinite;
- Non-Immigrant – Not Employment Authorized;
- Non-Immigrant – Employment Authorized CNMI Only;
- Student Status Temporary Authorized;
- If Principal – Temporary Employment Authorized;
- If Principal or Spouse – Temporary Employment Authorized;
- Temporary Resident – Temporary Employment Authorized;
- Deferred Action for Childhood Arrivals (DACA) – Employment Authorized;
- Temporary Protected Status (TPS) – Employment Authorized;
- Application Pending (Form I-589 Asylum);
- Application Pending (Form I-485 Adjustment of Status) – Temporary Employment Authorized;
- Application Pending;
- Application Pending – Temporary Employment Authorization;
- Application Pending – Not Temporary Employment Authorization;
- Deferred Action Status (DAS);
- Deferred Action Status (DAS) – Not Employment Authorized;
- Deferred Enforced Departure (DED); and
- No Status;
- No Status – Released on an Order of Supervision – Temporary Employment Authorized;
- No Status – Employment Authorized Indefinitely; and
  No Status Temporary Employment Authorized.

If more information is required to classify the individual's immigration status, following up with DHS and/or the individual may be necessary.

- Immigration Enumerator Required – Resubmit with Additional Information;
- Institute Additional Verification;
- Institute Third Level Verification;
- No Record Found with SSA – Resubmit with Additional Information;
- Temporary Employment Authorized;
- Resubmit Doc;
- Verification in Process;
- Continue to Process;
- Unable to Process;
- Null;
- Expired Document;
- Document Appears to be Altered; and
- Document Appears to be Counterfeit

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Chapter 8 Housing Quality Standards (HQS) and National Standards for the Physical Inspection of Real Estate (NSPIRE) and Rent Reasonableness Determinations

[24 CFR 5 Subpart G and Notice PIH 2024-26, REV-1]

Introduction

Owners must maintain all units occupied by families receiving Housing Choice Voucher (HCV) assistance in accordance with housing quality standards. Units assisted under the program must comply with HUD's National Standards for the Physical Inspection of Real Estate (NSPIRE) regulations and standards no later than February 1, 2027. Until such time, the PHA will continue using the HQS inspection standards. [Notice PIH 2024-26, REV-1].

All units must pass an HQS inspection prior to the approval of a lease and at least once every 24 months during the term of the contract, and at other times as needed, to determine that the unit meets HQS. HUD also requires PHAs to determine that rents for units under the program are reasonable when compared to comparable unassisted units in the market area.

All units must pass an inspection prior to the approval of a lease (with some exceptions) and at least once every 24 months (or 36 months for small rural PHAs) during the term of the HAP contract, and at other times as needed, to determine that the unit meets housing quality standards. HUD also requires PHAs to determine that rents for units under the program are reasonable when compared to comparable unassisted units in the market area.

Provided they meet certain requirements, HUD permits PHAs to establish some additional local requirements in their administrative plans. The use of the term *NSPIRE standard*s in this plan refers to the combination of both HUD and PHA-established requirements. However, state and local codes, compliance is not part of the determination of whether a unit passes the NSPIRE standards.

This chapter explains HUD and PHA requirements related to physical inspections and rent reasonableness as follows:

> Part I. Physical Standards. This part discusses NSPIRE standards required of units occupied by HCV and PBV-assisted families. It also identifies affirmative habitability requirements for all units and life-threatening conditions that must be corrected in 24 hours.
>
> Part II. The Inspection Process. This part describes the types of inspections the PHA will make and the steps that will be taken when units do not meet NSPIRE standards.
>
> Part III. Rent Reasonableness Determinations. This part discusses the policies the PHA will use to make rent reasonableness determinations.

Special requirements for homeownership, manufactured homes, and other special housing types are discussed in Chapter 15 to the extent that they apply in this jurisdiction. Special requirements for the PBV and RAD PBV programs (if applicable) are discussed in Chapters 17 and 18, respectively.

NSPIRE and HQS

Even once the HQS inspection standard has sunset, the regulations at 24 CFR Part 982 and 983 governing the HCV and PBV programs will continue to use the terms *HQS* and *housing*

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quality standards rather than *NSPIRE*. This is because the definition of *housing quality standards (HQS)* at 24 CFR 982.4 means the minimum quality standards developed by HUD in accordance with 24 CFR 5.703 for the HCV program, including any variations approved by HUD for the PHA. As such, the model policy uses the term *housing quality standards* whenever applicable regulations use this term. Except in the chapter describing HQS, the acronym *HQS* is not used in the model policy in order to avoid confusion between the umbrella term meaning housing standards and the specific inspection protocol. The model policy only uses the term *NSPIRE* when referring to specific NSPIRE standards.

All units must pass an NSPIRE inspection prior to the approval of a lease (with some exceptions) and at least once every 24 months (or 36 months for MTW approved waivers) during the term of the HAP contract, and at other times as needed, to determine that the unit meets NSPIRE standards. HUD also requires NHHFA to determine that rents for units under the program are reasonable when compared to comparable unassisted units in the market area.

Provided they meet certain requirements, HUD permits NHHFA to establish some additional local requirements in their administrative plans. The use of the term NSPIRE in this plan refers to the combination of both HUD and NHHFA-established requirements. However, compliance is not part of the determination of whether a unit passes the NSPIRE standards.

This chapter explains HUD and NHHFA requirements related to physical inspections and rent reasonableness as follows:

Part I. Physical Standards. This part discusses NSPIRE standards required of units occupied by HCV and PBV-assisted families. It also identifies affirmative habitability requirements for all units and life-threatening conditions that must be corrected in 24 hours.

Part II. The Inspection Process. This part describes the types of inspections NHHFA will make and the steps that will be taken when units do not meet NSPIRE standards.

Part III. Rent Reasonableness Determinations. This part discusses the policies NHHFA will use to make rent reasonableness determinations.

Special NSPIRE requirements for homeownership, manufactured homes, and other special housing types are discussed in Chapter 15 to the extent that they apply in this jurisdiction. Special requirements for the PBV are discussed in Chapter 17.

NSPIRE Standards Applicable to HQS [HUD Letter 6/14/24]

Even if the PHA is still under the HQS inspection standard, the PHA must apply the following requirements under NSPIRE:

- The NSPIRE standards for carbon monoxide alarms are currently applicable even if the PHA has not yet transitioned to NSPIRE;
- PHAs are required to comply with the NSPIRE Smoke Alarm Standard prior to December 3, 2024; and
- The Visual Assessment Standard for Potential Lead-Based Paint Hazard in 24 CFR Part 35 Subparts M and H apply.

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Part I: NSPIRE Standards

NSPIRE standards are published on HUD's NSPIRE website as well as in the NSPIRE Final Rule [FR Notice 5/1//2023].

8-I.A. Inspectable Areas

[24 CFR 5.703(a)(1) and 24 CFR 5.705(a)(2)]

NSPIRE defines the inspectable areas for inspection under the standards as inside, outside and unit. However, the inspection requirement for the HCV and PBV programs only applies to units occupied or to be occupied by HCV or PBV participants and common areas and exterior areas which either service or are associated with such units.

8-I.B. Affirmative Habitability Requirements

[24 CFR 5.703(b), (c), and (d)]

NSPIRE provides for minimum, or affirmative, habitability requirements for each area (unit, inside, outside). These areas must meet these requirements for habitability, which are listed in Exhibit 8-1.

The inside, outside and unit must be free of health and safety hazards that pose a danger to residents. Types of health and safety concerns include, but are not limited to carbon monoxide, electrical hazards, extreme temperature, flammable materials or other fire hazards, garbage and debris, handrail hazards, infestation, lead-based paint, mold, and structural soundness [24 CFR 5.703(e).

As of December 29, 2004, (the effective date of the Public and Federally Assisted Housing Fire Safety Act of 2022), smoke alarms have must have either a sealed 10-year battery or be hard wired.

8-I.C. Modifications to Provide Accessibility

[24 CFR 100.203; Notice 2003-31; and Notice PIH 2014-02]

Under the Fair Housing Act of 1988 an owner must make reasonable accommodations in rules, policies, practices, or services if necessary for a person with disabilities to use the housing and must not refuse the request of a family that contains a person with a disability to make necessary and reasonable modifications to the unit if such modification is necessary to afford the person with a disability full enjoyment of the premises. Such modifications are at the family's expense. The owner may, where it is reasonable to do so, require restoration of the unit to its original condition (reasonable wear and tear excepted) if the modification would interfere with the owner or next occupant's full enjoyment of the premises. The owner may not increase a customarily required security deposit. However, the landlord may negotiate a restoration agreement that requires the family to restore the unit and, if necessary to ensure the likelihood of restoration, may require the tenant to pay a reasonable amount into an interest- bearing escrow account over a reasonable period of time. The interest in any such account accrues to the benefit of the tenant. The owner may also require reasonable assurances that the quality of

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the work will be acceptable and that any required building permits will be obtained. [24 CFR 100.203; Notice 2003-31].

Modifications to units to provide access for a person with a disability must meet all applicable NSPIRE requirements and conform to the design, construction, or alteration of facilities contained in the UFAS and the ADA Accessibility Guidelines (ADAAG) [28 CFR 35.151(c) and Notice 2003-31] See Chapter 2 of this plan for additional information on reasonable accommodations for persons with disabilities.

8-I.D. Additional Local Requirements

[24 CFR 5.705(a)(3) and Notice PIH 2024-26, REV-1]

NHHFA may impose variations to the NSPIRE standards as long as the additional criteria are not likely to adversely affect the health or safety of participant families or severely restrict housing choices for families. HUD approval is required for variations to NSPIRE standards and approved variations must be added to the administrative plan.

HUD may approve inspection criteria variations if the variations apply standards in local housing codes or other codes adopted by NHHFA or because of local climatic or geographic conditions. Acceptability criteria variations may only be approved by HUD if such variations either meet or exceed the performance requirements or significantly expand affordable housing opportunities for families assisted under the program.

NHHFA Policy

NHHFA has not requested any HUD-approved variations to NSPIRE standards.

8-I.E. Life-Threatening Deficiencies

[Notice PIH 2023-28, REV-1 and FR Notice 7/14/17]

HUD previously required NHHFA to define life-threatening conditions in the administrative plan. The NSPIRE standards now describe those conditions which are considered life-threatening and must be corrected within 24 hours.

The following are a list of life-threatening deficiencies under NSPIRE:

Inspectable Item	Deficiency
Call-for-Aid System	System is blocked, or pull cord is higher than 6 inches off the floor.
	System does not function properly
Carbon Monoxide Alarm	Carbon monoxide alarm is missing, not installed, or not installed in a proper location.

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Inspectable Item	Deficiency
	Carbon monoxide alarm is obstructed.
	Carbon monoxide alarm does not produce an audio or visual alarm when tested.
Chimney	A visually accessible chimney, flue, or firebox connected to a fireplace or wood-burning appliance is incomplete or damaged such that it may not safely contain fire and convey smoke and combustion gases to the exterior.
	Chimney exhibits signs of structural failure.
Clothes Dryer Exhaust Ventilation	Electric dryer transition duct is detached or missing.
	Gas dryer transition duct is detached or missing.
	Electric dryer exhaust ventilation system has restricted airflow.
	Dryer transition duct is constructed of unsuitable material.
	Gas dryer exhaust ventilation system has restricted airflow.
Dorr – Entry	Entry door is missing.
Door – Fire Labeled	Fire labeled door is missing.
Egress	Obstructed means of egress.
	Sleeping room is located on the third floor or below and has an obstructed rescue opening.
	Fire escape is obstructed.
Electrical – Conductor, Outlet, and Switch	Outlet or switch is damaged.
	Exposed electrical conductor.
	Water is currently in contact with an electrical conductor.
Electrical – Service Panel	The overcurrent protection device is damaged.
Exit Sign	Exit sign is damaged, missing, obstructed, or not adequately illuminated.

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Inspectable Item	Deficiency
Fire Escape	Fire extinguisher is damaged or missing.
Fire Extinguisher	Fire extinguisher pressure gauge reads over or under-charged.
	Fire extinguisher service tag is missing, illegible, or expired.
	Fire extinguisher is damaged or missing.
Flammable and Combustible Items	Flammable or combustible item is on or within 3 feet of an appliance that provides heat for thermal comfort or a fuel-burning water heater; OR Improperly stored chemicals.
Guardrail	Guardrail is missing or not installed.
	Guardrail is not functionally adequate.
Heating, Ventilation, and Air Conditioning (HVAC)	The inspection date is on or between October 1 and March 31 and the permanently installed heating source is not working or the permanently installed heating source is working and the interior temperature is below 64 degrees Fahrenheit.
	Unvented space heater that burns gas, oil, or kerosene is present.
	Combustion chamber cover or gas shutoff valve is missing from a fuel burning heating appliance.
	Fuel burning heating system or device exhaust vent is misaligned, blocked, disconnected, improperly connected, damaged, or missing.
Leak – Gas or Oil	Natural gas, propane, or oil leak.
Mold-like Substance	Presence of mold-like substance at extremely high levels is observed visually.
Smoke Alarm	Smoke alarm is not installed where required.
	Smoke alarm is obstructed.
	Smoke alarm does not produce an audio or visual alarm when tested.

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Inspectable Item	Deficiency
Sprinkler Assembly	Sprinkler head assembly is encased or obstructed by an item or object that is within 18 inches of the sprinkler head.
	Sprinkler assembly component is damaged, inoperable, or missing and it is detrimental to performance.
	Sprinkler assembly has evidence of corrosion.
	Sprinkler assembly has evidence of foreign material that is detrimental to performance.
Structural System	Structural system exhibits signs of serious failure.
Toilet	Only 1 toilet was installed, and it is missing.
Water Heater	Chimney or flue piping is blocked, misaligned, or missing.
	Gas shutoff valve is damaged, missing, or not installed.

NHHFA may add additional deficiencies which NHHFA considers life-threatening provided they are described in the administrative plan.

NHHFA Policy

In addition to those listed under the NSPIRE standards, the following are considered life-threatening conditions:

Utilities not in service, including no running hot water

8-I.F. Owner and Family Responsibilities

[24 CFR 982.404]

Family Responsibilities

The family may be held responsible for a breach of housing quality standards caused by any of the following:

- Tenant-paid utilities not in service;
- Failure to provide or maintain appliances owned by the family; and
- Damage to the dwelling unit or premises caused by a household member or guest beyond ordinary wear and tear.

NHHFA Policy

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Damages beyond ordinary wear and tear will be considered to be damages which could be assessed against the security deposit under state law or in court practice.
If the PHA has waived the owner's responsibility to remedy the violation as outlined under the owner obligations above, the following applies:

- If the housing quality standards breach caused by the family is life-threatening, the family must take all steps permissible under the lease and state and local law to ensure the deficiency is corrected within 24 hours of notification.

- For other family-caused deficiencies, the family must take all steps permissible under the lease and state and local law to ensure the deficiency is corrected within 30 calendar days of notification (or any PHA-approved extension).

If the family has caused a breach of housing quality standards, the PHA must take prompt and vigorous action to enforce the family obligations. The PHA may terminate assistance for the family in accordance with 24 CFR 982.552.

NHHFA Policy

Damages beyond ordinary wear and tear will be considered to be damages which could be assessed against the security deposit under state law or in court practice.

Owner Responsibilities

The owner must maintain the unit in accordance with housing quality standards. A unit is not in compliance with housing quality standards if the PHA or other inspector authorized by the state or local government determines that the unit has housing quality standards deficiencies based upon an inspection, notifies the owner in writing of the deficiencies, and the deficiencies are not remedied within the appropriate time frame.

In the case of a housing quality standards deficiency that the PHA determines is caused by the tenant, any member of the household, or any guest or other person under the tenant's control (other than damage resulting from ordinary use), the PHA may waive the owner's responsibility to remedy the violation. The HAP to the owner may not be withheld or abated if the owner responsibility has been waived. However, if the family's actions constitute a serious or repeated lease violation, the owner may take legal action to evict the family. In addition, the PHA may terminate the family's assistance because of a housing quality standards breach (beyond damage resulting from ordinary use) caused by any member of the household, guest, or other person under the tenant's control.

NHHFA Policy

The PHA will waive the owner's responsibility for housing quality standards deficiencies that have been determined to have been caused by the tenant, any member of the household, or any guest or other person under the tenant's control, to the extent the tenant can be held responsible for ensuring that the deficiencies are corrected: the tenant must take all necessary steps permissible under the lease and state and local law to remedy the deficiency. This may include paying the owner for the cost of the necessary repairs in accordance with the lease.

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The owner will be required to repair an inoperable smoke detector unless NHHFA determines that the family has intentionally disconnected it (by removing batteries or other means). In this case, the family will be required to repair the smoke detector within 24 hours.

If an owner fails to correct life-threatening conditions as required by NHHFA, NHHFA will enforce the NSPIRE standards in accordance with HUD requirements. See 8-II-G.

8-I.G. Lead-Based Paint

NHHFA and owners must comply with the requirements and timelines in 24 CFR Part 35 Subpart M—Tenant-Based Rental Assistance and Subpart H—Project-Based Assistance. NHHFA and owners are reminded that any deteriorated paint in target housing, or other lead-based paint hazard identified through a lead-based paint risk assessment or lead-based paint inspection is considered a violation of NSPIRE standards.

For the HCV program, Subpart M applies to units where a child under age six resides or is expected to reside, common areas that service that unit, and exterior painted surfaces associated with that unit or common areas. For project-based programs, Subpart H applies to assisted units and common areas of the property regardless of whether a child under age six resides or is expected to reside in the unit. NSPIRE does not alter any of the lead-based paint requirements in Part 35 for these programs.

Special Requirements for Children with Elevated Blood Lead Level

[24 CFR 35.1225; FR Notice 1/13/17; Notice PIH 2017-13]

If NHHFA is notified by a public health department or other medical health care provider, or verifies information from a source other than a public health department or medical health care provider, that a child of less than six years of age, living in an HCV-assisted unit has been identified as having an elevated blood lead level, NHHFA must complete an environmental investigation of the dwelling unit within 15 calendar days after being notified by a public health department or other medical health care provider. The environmental investigation must be completed in accordance with program requirements, and the result of the environmental investigation must be immediately provided to the owner of the dwelling unit. In cases where the public health department has already completed an evaluation of the unit, this information must be provided to the owner.

Within 30 days after receiving the environmental investigation report from NHHFA, or the evaluation from the public health department, the owner is required to complete the reduction of identified lead-based paint hazards in accordance with the lead-based paint regulations [24 CFR 35.1325 and 35.1330; 40 CFR 745.227]. If the owner does not complete the “hazard reduction” as required, the dwelling unit is in violation of HQS and NHHFA will take action in accordance with Section 8-II.G.

NHHFA reporting requirements, and data collection and record keeping responsibilities related to children with an elevated blood lead level, are discussed in Chapter 16.

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8-I.H. Violation of Space Standards

[24 CFR 5.703(d)(5)]

Units assisted under the HCV or PBV programs must have at least one bedroom or living/sleeping room for each two persons. A living room may be used as sleeping (bedroom) space, but no more than two persons may occupy the space [HCV GB p. 10-6]. Each habitable room must have two working outlets or one working outlet and a permanent light. HUD defines a habitable room as a room in a building for living, sleeping, eating, or cooking, but excluding bathrooms, toilet rooms, closets, hallways, storage or utility spaces, and similar areas [FR Notice 5/11/23].

A unit that does not meet these space standards is defined as overcrowded.

If NHHFA determines that a unit is overcrowded because of an increase in family size or a change in family composition, NHHFA must issue the family a new voucher.

PART II: The Inspection Process

8-II.A. Overview

24 CFR 982.405

Types of Inspections

NHHFA conducts the following types of inspections as needed. Each type of inspection is discussed in the paragraphs that follow.

Initial Inspections. NHHFA conducts initial inspections in response to a request from the family to approve a unit for participation in the HCV program.

Annual/Biennial/Triennial Inspections. HUD requires NHHFA to inspect each unit under lease at least annually or biennially (or triennially for MTW-approved waivers) to confirm that the unit still meets NSPIRE standards.

Special Inspections. A special inspection may be requested by the owner, the family, or a third party as a result of problems identified with a unit between regular inspections.

Quality Control Inspections. HUD requires that a sample of units be inspected by a supervisor or other qualified individual to evaluate the work of the inspector(s) and to ensure that inspections are performed in compliance with the NSPIRE standards.

Inspection Costs

[Notice PIH 2016-05; 24 CFR 5.705(d)]

NHHFA may not charge the family for unit inspections or reinspection [24 CFR 982.405(e)].

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NHHFA may not charge the owner for the inspection of the unit prior to the initial term of the lease or for a first inspection during assisted occupancy of the unit. However, NHHFA may charge a reasonable fee to owners for reinspection in two situations: when the owner notifies NHHFA that a repair has been made but the deficiency has not been corrected, and when the time for repairs has elapsed and the deficiency has not been corrected. Fees may not be imposed for tenant-caused damages, for cases in which the inspector could not gain access to the unit, or for new deficiencies discovered during a reinspection.

The owner may not pass the cost of a reinspection fee to the family. Reinspection fees must be added to NHHFA's administrative fee reserves and may only be used for activities related to the provision of tenant-based assistance.

NHHFA Policy

NHHFA will not charge a fee for failed reinspection.

Remote Video Inspections (RVIs)

[Notice PIH 2020-31]

As an alternative to some or all on-site inspections, NHHFA may, but is not required to, perform NSPIRE inspections from a remote location using video streaming technology and a proxy at the inspection site. Since there may be some circumstances in which the application of technology provides insufficient information or evidence to allow NHHFA to make appropriate determinations about whether a condition violates NSPIRE standards, Notice PIH 2020-31 requires that if a NHHFA chooses to implement RVIs, NHHFA should have policies and procedures in place to address such limitations.

NHHFA Policy

NHHFA may conduct a Remote Virtual Inspection under the following circumstances:

- Properties that receive Low Income Housing Tax Credits, Federal HOME funds, or financed by Rural Development.
- Properties that do not have children under the age of 6 unless the property was constructed after 1978.
- Reinspection of items that failed previously on an initial inspection.
- Stay-at-home orders issued by a government agency.

Notice and Scheduling

The family must allow NHHFA to inspect the unit at reasonable times with reasonable notice [24 CFR 982.551(d)].

NHHFA Policy

Both the family and the owner will be given reasonable notice of all inspections. Except in the case of a life-threatening emergency, reasonable notice is considered to be not less than 48 hours. Inspections may be scheduled between 8:00 a.m. and 7:00 p.m. Generally, inspections

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will be conducted on business days only. In the case of a life-threatening emergency, NHHFA will give as much notice as possible, given the nature of the emergency.

Owner and Family Inspection Attendance

HUD permits NHHFA to set policy regarding family and owner presence at the time of inspection [HCV GB p. 10-27].

NHHFA Policy

- When a family occupies the unit at the time of inspection an authorized adult must be present for the inspection. The presence of the owner or the owner's representative is encouraged but is not required.
- At initial inspection of a vacant unit, NHHFA will inspect the unit in the presence of the owner or owner's representative. The presence of a family representative is permitted but is not required.

8-II.B. Initial Inspection

Approving Units [FR Notice 1/18/17; Notice PIH 2017-20; and 24 CFR 982.406]

HUD regulations require that units assisted under the HCV program be inspected to determine that the units meet NSPIRE standards before NHHFA approves assisted tenancy.

NHHFA must determine that the unit the family selects meets NSPIRE standards prior to approving tenancy.

NHHFA Policy

The unit must pass the initial inspection on or before the effective date of the HAP contract.

NHHFA will not rely on alternative inspections and will conduct an initial inspection for each unit prior to executing a HAP contract with the owner.

Timing of Initial Inspections

[24 CFR 982.395(b)(2)(i)]

HUD requires NHHFA with fewer than 1,250 budgeted units to complete the initial inspection, determine whether the unit satisfies NSPIRE standards, and notify the owner and the family of the determination within 15 days of submission of the Request for Tenancy Approval (RFTA). For NHHFA with 1,250 or more budgeted units, to the extent practicable such inspection and determination must be completed within 15 days. The 15-day period is suspended for any period during which the unit is not available for inspection.

NHHFA Policy

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NHHFA will complete the initial inspection, determine whether the unit satisfies NSPIRE standards, and notify the owner and the family of the determination within 15 days of submission of the Request for Tenancy Approval (RFTA).

Inspection Results and Reinspection

For new units proposed for the HCV program, life-threatening deficiencies must be resolved before the HAP contract is executed and the family moves into the unit.

NHHFA Policy

If any deficiencies are identified, the owner will be notified of the deficiencies and be given a time frame to correct them. If requested by the owner, the time frame for correcting the deficiencies may be extended by NHHFA for good cause. NHHFA will reinspect the unit within five business days of the date the owner notifies NHHFA that the required corrections have been made.

If the time period for correcting the deficiencies (or any NHHFA-approved extension) has elapsed, or the unit fails at the time of the reinspection, NHHFA will notify the owner and the family that the unit has been rejected and that the family must search for another unit. NHHFA may agree to conduct a second reinspection, for good cause, at the request of the family and owner.

Following a failed reinspection, the family may submit a new Request for Tenancy Approval for the same unit after the owner has made repairs, if they are unable to locate another suitable unit.

Utilities

Generally, at initial lease-up the owner is responsible for demonstrating that all utilities are in working order including those utilities that the family will be responsible for paying.

NHHFA Policy

Utility service must be available for testing at the time of the initial inspection.

Appliances

NHHFA Policy

If the family is responsible for supplying the stove and/or refrigerator, NHHFA will allow the stove and refrigerator to be placed in the unit after the unit has met all other NSPIRE requirements. The required appliances must be in place before the HAP contract is executed by NHHFA. NHHFA will execute the HAP contract based upon a certification from the family that the appliances have been installed and are working.

8-II.C. Periodic Inspections

[24 CFR 982.405 and 982.406; Notice PIH 2016-05]

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HUD requires NHHFA to inspect each unit under HAP contract at least biennially (or triennially as a MTW waiver), to confirm that the unit still meets NSPIRE standards. The inspection may be conducted in conjunction with the family's annual reexamination but also may be conducted separately.

NHHFA Policy

NHHFA will conduct inspections every three years for properties financed with Low Income Housing Tax Credits. Other units will be added to triennial inspections based on the quality of the unit and previous inspection results. All other unit inspections will be conducted biennially. All units will be inspected at least once every three years, the participant may request an interim inspection. HQS standards as found at 24 CFR 982.401 will not be altered. HUD can conduct or request the agency to perform an inspection at any time for health and safety, as well as accessibility purposes.

NHHFA will not rely on alternative inspection standards.

Scheduling the Inspection

NHHFA Policy

If an adult cannot be present on the scheduled date, the family should request that NHHFA reschedule the inspection. Whenever feasible, the participant will be informed in writing at least 7-10 calendar days in advance of the inspection. For staff safety as well as liability purposes, the participant, a representative of the participant who is an adult over the age of 18, or the owner or their representative must be present for the inspection.

If the family misses the first scheduled appointment without requesting a new inspection date, NHHFA will automatically schedule a second inspection. If the family misses two scheduled inspections without NHHFA approval, NHHFA will consider the family to have violated its obligation to make the unit available for inspection. This may result in termination of the family's assistance in accordance with Chapter 12. Exceptions for extenuating circumstances may be made due to the participant's hospitalization, need for reasonable accommodation or due to an acceptable need to re-schedule.

8-II.D. Special Inspections

[24 CFR 982.405(g)]

If a participant family or government official reports a life-threatening condition which the owner would be required to repair within 24 hours, NHHFA must contact the owner and the family and determine if there is a fail and if so what is the severity of the fail. If needed an actual inspection will be completed.

NHHFA Policy

During a special inspection, NHHFA generally will inspect only those deficiencies that were reported. However, the inspector will record any additional deficiencies that are observed and will require the responsible party to make the necessary repairs.

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If the inspection has been scheduled or is due within 90 days of the date the special inspection is scheduled NHHFA may elect to conduct a full inspection.

8-II.E. Quality Control Inspections

[24 CFR 982.405(b); 24 CFR 985.3(e); HCV GB, p. 10-32]

HUD requires a NHHFA supervisor or other qualified person to conduct quality control inspections of a sample of units to ensure that each inspector is conducting accurate and complete inspections and that there is consistency in the application of the NSPIRE standards.

The unit sample must include only units that have been inspected within the preceding three months. The selected sample should be drawn to represent a cross section of neighborhoods and the work of a cross section of inspectors.

8-II.F. Inspection Results and Reinspection for Units Under Hap Contract

Correction Timeframes [Notice PIH 2024-26, REV-1]

Each deficiency is identified in the NPSIRE standards as either life-threatening, severe, moderate, or low.

For units under HAP contract, life-threatening deficiencies must be corrected within 24 hours after notice has been provided. All other non-life-threatening deficiencies (severe and moderate) must be corrected within 30 days (or a NHHFA-approved extension) after notice has been provided. If low deficiencies are present in a unit, these deficiencies result in a pass and would only be noted by the inspector for informational purposes.

Notification of Corrective Actions

The owner and the family will be notified in writing of the results of all inspections. When an inspection identifies deficiencies, NHHFA will determine (1) whether or not the failure is a life-threatening condition and (2) whether the family or owner is responsible.

NHHFA Policy

When life-threatening deficiencies are identified, NHHFA will immediately notify both parties by telephone or email. The notice will specify who is responsible for correcting the violation. The corrective actions must be taken within 24 hours of NHHFA's notice.

When failures that are severe or moderate are identified, NHHFA will send the owner and the family a written notification of the inspection results within two business days of the inspection. The written notice will specify who is responsible for correcting the violation, and the time frame within which the failure must be corrected. Generally, not more than 30 days will be allowed for the correction. If low deficiencies are identified, these deficiencies will only be noted for informational purposes.

The notice of inspection results will inform the owner that if life-threatening conditions are not corrected within 24 hours, and non-life-threatening conditions are not corrected within the

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specified time frame (or any NHHFA-approved extension), the owner's HAP will be abated in accordance with NHHFA policy (see 8-II.G.).

Likewise, in the case of family caused deficiencies, the notice will inform the family that if corrections are not made within the specified time frame (or any NHHFA-approved extension, if applicable) the family's assistance will be terminated in accordance with NHHFA policy (see Chapter 12).

Extensions

For life-threatening deficiencies, NHHFA cannot grant an extension to the 24-hour corrective action period. For conditions that are severe or moderate, NHHFA may grant an exception to the required time frames for correcting the violation, if NHHFA determines that an extension is appropriate.

NHHFA Policy

Extensions will be granted in cases where NHHFA has determined that the owner has made a good faith effort to correct the deficiencies and is unable to for reasons beyond the owner's control. Reasons may include, but are not limited to:

- A repair cannot be completed because required parts or services are not available.
- A repair cannot be completed because of weather conditions.
- A reasonable accommodation is needed because the family includes a person with disabilities.
- The length of the extension will be determined on a case-by-case basis, but will not exceed 60 days, except in the case of delays caused by weather conditions. In the case of weather conditions, extensions may be continued until the weather has improved sufficiently to make repairs possible. The necessary repairs must be made within 15 calendar days, once the weather conditions have subsided.

Reinspection

NHHFA Policy

For biennial and triennial inspections NHHFA will accept self-certification of repairs. Photos or other documentation regarding repairs will be accepted in lieu of a reinspection. The owner may certify on our online portal that repairs have been completed.

For Initial inspections NHHFA will complete a reinspection within five business days of being notified that the unit is ready for reinspection for life threatening or severe fails. Moderate fails may be verified with Photos or other documentation regarding repairs will be accepted in lieu of a reinspection. The owner may certify on our online portal that repairs have been completed.

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8-II.G. Enforcing Owner Compliance

If the owner fails to maintain the dwelling unit in accordance with NSPIRE standards, NHHFA must take prompt and vigorous action to enforce the owner obligations.

HAP Abatement

If an owner fails to correct deficiencies by the time specified by NHHFA, HUD requires NHHFA to abate housing assistance payments no later than the first of the month following the specified correction period (including any approved extension) [24 CFR 985.3(f)]. No retroactive payments will be made to the owner for the period of time the rent was abated. Owner rents are not abated as a result of deficiencies that are the family's responsibility.

NHHFA Policy

NHHFA will make all HAP abatements effective the first of the month following the expiration of NHHFA specified correction period (including any extension).

NHHFA will inspect abated units within five business days of the owner's notification that the work has been completed. Payment will resume effective on the day the unit passes inspection.

During any abatement period the family continues to be responsible for its share of the rent. The owner must not seek payment from the family for abated amounts and may not use the abatement as cause for eviction.

HAP Contract Termination

NHHFA must decide how long any abatement period will continue before the HAP contract will be terminated. NHHFA will issue a voucher to permit the family to move to another unit as described in Chapter 10.

NHHFA Policy

If the owner still has not completed the repairs within two weeks of the notice of abatement, and those fails are of a serious nature, a contract termination letter is prepared for signature by the Director, Program Operations. The notice must specify the date of contract cancellation. A transfer voucher will be issued to the participant. If the owner elects to remedy the failure items after HAP payment termination notification, the HAP will be abated until staff confirms the repairs have been completed.

8-II.H. Enforcing Family Compliance

[24 CFR 982.404(b)]

If the PHA waived the landlord responsibility for housing quality standards deficiencies that have been determined to have been caused by the tenant, any member of the household, or any guest or other person under the tenant's control, (see section 8-I.D), the family is responsible for correcting any housing quality standards violations listed in paragraph 8.I.D. If the family fails to correct a violation within the period allowed by the PHA (and any extensions), the PHA will

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terminate the family's assistance, according to the policies described in Chapter 12.
If the owner carries out a repair for which the family is responsible under the lease, the owner may bill the family for the cost of the repair and may enter into a repayment agreement with the family.

PART III: Rent Reasonableness

[24 CFR 982.507]

8-III.A. Overview

No HAP contract can be approved until NHHFA has determined that the rent for the unit is reasonable. The purpose of the rent reasonableness test is to ensure that a fair rent is paid for each unit rented under the HCV program.

HUD regulations define a reasonable rent as one that does not exceed the rent charged for comparable, unassisted units in the same market area. HUD also requires that owners not charge more for assisted units than for comparable units on the premises. This part explains the method used to determine whether a unit's rent is reasonable.

8-III.B. When Rent Reasonableness Determinations Are Required

Owner-Initiated Rent Determinations

NHHFA must make a rent reasonableness determination at initial occupancy and whenever the owner requests a rent adjustment.

The owner and family first negotiate the rent for a unit. NHHFA (or independent agency in the case of NHHFA-owned units) will assist the family with the negotiations upon request. At initial occupancy NHHFA must determine whether the proposed rent is reasonable before a HAP Contract is signed. The owner must not change the rent during the initial lease term. Subsequent requests for rent adjustments must be consistent with the lease between the owner and the family. Rent increases will not be approved unless any failed items identified by the most recent inspection have been corrected.

NHHFA Policy

After the initial occupancy period, the owner may request a rent adjustment in accordance with the owner's lease. For rent increase requests after initial lease-up.

NHHFA will determine whether the requested increase is reasonable within 10 business days of receiving the request from the owner. The owner will be notified of the determination in writing.

All rents adjustments will be effective the first of the month following 60 days after NHHFA's receipt of the owner's request or on the date specified by the owner, whichever is later.

NHHFA and HUD-Initiated Rent Reasonableness Determinations

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HUD requires NHHFA to make a determination of rent reasonableness (even if the owner has not requested a change) if there is a 10 percent decrease in the fair market rent that goes into effect at least 60 days before the contract anniversary date. HUD also may direct NHHFA to make a determination at any other time. NHHFA may decide that a new determination of rent reasonableness is needed at any time.

NHHFA Policy

In addition to the instances described above, NHHFA will make a determination of rent reasonableness at any time after the initial occupancy period if: (1) NHHFA determines that the initial rent reasonableness determination was in error or (2) NHHFA determines that the information provided by the owner about the unit or other units on the same premises was incorrect.

LIHTC and HOME-Assisted Units [24 CFR 982.507(c)]

For units receiving low-income housing tax credits (LIHTCs) or units assisted under HUD's HOME Investment Partnerships (HOME) Program, a rent comparison with unassisted units is not required if the voucher rent does not exceed the rent for other LIHTC- or HOME-assisted units in the project that are not occupied by families with tenant-based assistance.

For LIHTCs, if the rent requested by the owner does exceed the LIHTC rents for non-voucher families, NHHFA must perform a rent comparability study in accordance with program regulations. In such cases, the rent shall not exceed the lesser of: (1) the reasonable rent as determined from the rent comparability study; or (2) the payment standard established by NHHFA for the unit size involved.

Rents Charged for Other Units on the Premises

The Request for Tenancy Approval (HUD-52517) requires owners to provide information, on the form itself, about the rent charged for other unassisted comparable units on the premises if the premises include more than 4 units.

By accepting NHHFA payment each month the owner certifies that the rent is not more than the rent charged for comparable unassisted units on the premises. If asked to do so, the owner must give NHHFA information regarding rents charged for other units on the premises.

How Rents Are Determined

NHHFA Policy

NHHFA contracts with the Affordable Housing Network, LLC and uses its RentWatch Rent Reasonable Software system. RentWatch has a rolling database of comparable units that are updated in real time and address three key requirements for the administration of the HCV program:

- Rent Reasonableness Determination, Certifications, and Quality Control
- HCV Landlord Property Listing Like to AffordableHousing.com
- Creation and maintenance of a rent reasonableness database

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RentWatch is an Internet based solution and is fully compliance with the provisions of:

- 24 CFR 982.507
- HUD Notice PIH 2003-12
- HCV Program Guidebook, Chapter 9 Rent Reasonableness

The database of comparable unassisted units will consider:

- The location, quality, size, unit type, and age of the contract unit; and
- Any amenities, housing services, maintenance and utilities to be provided by the owner in accordance with the lease.

EXHIBIT 8-1: Affirmative Habitability Requirements

Affirmative Habitability Requirements: Inside
Must include at least 1 battery-operated or hard-wired smoke detector, in proper working condition, on each level of the property.
Must meet or exceed the carbon monoxide detection standards set by the Secretary through Federal Register notification.
Any outlet installed within 6 feet of a water source must be GFCI protected.
Must have a guardrail when there is an elevated walking surface with a drop off of 30 inches or greater measured vertically.
Must have permanently mounted light fixtures in any kitchens and each bathroom.
May not contain unvented space heaters that burn gas, oil or kerosene.

Affirmative Habitability Requirements: Outside
Any outlet installed within 6 feet of a water source must be GFCI-protected.
Must have a guardrail when there is an elevated walking surface with a drop off of 30 inches or greater measured vertically.

Affirmative Habitability Requirements: Unit
Must have hot and cold running water in the bathroom and kitchen, including an adequate source of safe drinking water in the bathroom and kitchen.

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Must include its own bathroom or sanitary facility that is in proper operating condition and usable in privacy. It must contain a sink, a bathtub or shower, and an interior flushable toilet.
Must have at least one battery-operated or hard-wired smoke detector, in proper working condition, in the following locations: On each level of the unit AND Inside each bedroom or sleeping area AND With 21 feet of any door toa bedroom measured along a path of travel AND Where a smoke detector is installed outside a bedroom is separated from an adjacent living area by a door, a smoke detector must also be installed in the living area side of the door.
If the unit is occupied by a hearing-impaired person, the smoke detectors must have an alarm system designed for hearing-impaired persons.
Must have a living room and a kitchen area with a sink, cooking appliance, refrigerator, food preparation area and food storage area.
Must have two working outlets or one working outlet and one permanent light fixture within all habitable rooms.
Must have a permanently mounted light fixture in each bathroom and in the kitchen.
Outlets within 6 feet of water source must be GFCI-protected.
Must have permanently installed heating source.
No units may contain unvented space heaters that burn gas, oil or kerosene.
Must have a guard rail when there is an elevated walking surface with a drop off of 30 inches or greater measured vertically.
Must have at least one bedroom or living/sleeping room for each two persons.

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Chapter 9 General Leasing Policies

Introduction

Chapter 9 covers the lease-up process from the family's submission of a Request for Tenancy Approval to execution of the HAP contract.

In order for NHHFA to assist a family in a particular dwelling unit, or execute a Housing Assistance Payments (HAP) contract with the owner of a dwelling unit, NHHFA must determine that all the following program requirements are met:

- The unit itself must qualify as an eligible unit [24 CFR 982.305(a)]
- The unit must be inspected by NHHFA and meet the National Standards for the Physical Inspection of Real Estate (NSPIRE) [24 CFR 982.305(a)]
- The lease offered by the owner must be approvable and must include the required Tenancy Addendum [24 CFR 982.305(a)]
- The rent to be charged by the owner for the unit must be reasonable [24 CFR 982.305(a)]
- The owner must be an eligible owner, approvable by NHHFA, with no conflicts of interest [24 CFR 982.306]
- For families initially leasing a unit only: Where the gross rent of the unit exceeds the applicable payment standard for the family, the share of rent to be paid by the family cannot exceed 45 percent of the family's monthly adjusted income [24 CFR 982.305(a)]

9-I.A. Tenant Screening

NHHFA has no liability or responsibility to the owner or other persons for the family's behavior or suitability for tenancy [24 CFR 982.307(a)(1)].

NHHFA may elect to screen applicants for family behavior or suitability for tenancy. See Chapter 3 for a discussion of NHHFA's policies with regard to screening applicant families for program eligibility [24 CFR 982.307(a)(1)].

The owner is responsible for screening and selection of the family to occupy the owner's unit. At or before NHHFA approval of the tenancy, NHHFA must inform the owner that screening and selection for tenancy is the responsibility of the owner [24 CFR 982.307(a)(2)]. NHHFA must also inform the owner or manager or their rights and obligations under the Violence against Women Act (VAWA) [24 CFR 5.2005(a)(2)].

NHHFA must provide the owner with the family's current and prior address (as shown in NHHFA records) and the name and address (if known to NHHFA) of the landlord at the family's current and prior address [24 CFR 982.307(b)(1)].

NHHFA is permitted, but not required, to offer the owner other information in NHHFA's possession about the tenancy history or drug trafficking of family members [24 CFR 982.307(b)(2)].

NHHFA's policy on providing information to the owner must be included in the family's briefing packet [24 CFR 982.307(b)(3)].

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NHHFA may not disclose to the owner any confidential information provided by the family in response to a NHHFA request for documentation of domestic violence, dating violence, sexual assault, stalking, or human trafficking, except at the written request or with the written consent of the individual providing the documentation [see 24 CFR 5.2007(b)(4)].

NHHFA Policy

NHHFA will not screen applicants for family behavior or suitability for tenancy.

NHHFA will not provide additional screening information to the owner.

9-I.B. Requesting Tenancy Approval

[Form HUD-52517 and 24 CFR 982.302]

After the family is issued a voucher, the family must locate an eligible unit, with an owner or landlord willing to participate in the voucher program. Once a family finds a suitable unit and the owner is willing to lease the unit under the program, the owner and the family must request NHHFA to approve the assisted tenancy in the selected unit.

The owner and the family must submit two documents to NHHFA:

- Completed Request for Tenancy Approval (RFTA) – Form HUD-52517

The RFTA contains important information about the rental unit selected by the family, including the unit address, number of bedrooms, structure type, year constructed, utilities included in the rent, and the requested beginning date of the lease, necessary for NHHFA to determine whether to approve the assisted tenancy in this unit.

Owners must certify to the most recent amount of rent charged for the unit and provide an explanation for any difference between the prior rent and the proposed rent.

Owners must certify that they are not the parent, child, grandparent, grandchild, sister or brother of any member of the family, unless NHHFA has granted a request for reasonable accommodation for a person with disabilities who is a member of the tenant household.

For units constructed prior to 1978, owners must either 1) certify that the unit, common areas, and exterior have been found to be free of lead-based paint by a certified inspector; or 2) attach a lead-based paint disclosure statement.

Both the RFTA and the proposed lease must be submitted no later than the expiration date stated on the voucher. [HCV GB p.8-15].

NHHFA Policy

- The RFTA must be signed by both the family and the owner.
- The owner may submit the RFTA on behalf of the family.
- Completed RFTA (including the proposed dwelling lease) must be submitted as hard copies, in-person, by mail, by email, or by fax.

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- The family may not submit, and NHHFA will not process, more than one (1) RFTA at a time.
- When the family submits the RFTA NHHFA will review the RFTA for completeness.
- If the RFTA is incomplete including the owner signature, NHHFA will notify the family and the owner of the deficiencies.
- Missing information and/or missing documents will only be accepted as hard copies, in-person, by mail, by email, or by fax. NHHFA may accept clarification of inconsistent information over the phone and will document those changes on the RFTA.
- Because of the time sensitive nature of the tenancy approval process, NHHFA will attempt to communicate with the owner and family by phone, fax, or email. NHHFA will use mail when the parties cannot be reached by phone, fax, or email.

9-I.C. Owner Participation

NHHFA does not formally approve an owner to participate in the HCV program. However, there are a number of criteria where NHHFA may deny approval of an assisted tenancy based on past owner behavior, conflict of interest, or other owner-related issues. There are also criteria for which NHHFA must disapprove an owner.

See Chapter 13 for a full discussion of owner qualification to participate in the HCV program.

9-I.D. Eligible Units

There are a number of criteria that a dwelling unit must meet in order to be eligible for assistance under the voucher program. Generally, a voucher-holder family may choose any available rental dwelling unit on the market in NHHFA's jurisdiction. This includes the dwelling unit they are currently occupying.

Ineligible Units [24 CFR 982.352(a)]

NHHFA may not assist a unit under the voucher program if the unit is a public housing or Indian housing unit; a unit receiving project-based assistance under section 8 of the 1937 Act (42 U.S.C. 1437f); nursing homes, board and care homes, or facilities providing continual psychiatric, medical, or nursing services; college or other school dormitories; units on the grounds of penal, reformatory, medical, mental, and similar public or private institutions; a unit occupied by its owner or by a person with any interest in the unit.

NHHFA Policy

NHHFA does not have any eligible NHHFA-owned units available for leasing under the voucher program.

Special Housing Types

[24 CFR 982 Subpart M]

HUD regulations permit, but do not generally require, NHHFA to permit families to use voucher assistance in a number of special housing types in accordance with the specific requirements applicable to those programs. These special housing types include single room occupancy (SRO) housing, congregate housing, group home, shared housing, manufactured home space

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(where the family owns the manufactured home and leases only the space), cooperative housing and homeownership option. See Chapter 15 for specific information and policies on any of these housing types that NHHFA has chosen to allow.

The regulations do require NHHFA to permit use of any special housing type if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities.

Duplicative Assistance [24 CFR 982.352(c)]

A family may not receive the benefit of HCV tenant-based assistance while receiving the benefit of any of the following forms of other housing subsidy, for the same unit or for a different unit:

- Public or Indian housing assistance.
- Other Section 8 assistance (including other tenant-based assistance).
- Assistance under former Section 23 of the United States Housing Act of 1937 (before amendment by the Housing and Community Development Act of 1974).
- Section 101 rent supplements.
- Section 236 rental assistance payments.
- Tenant-based assistance under the HOME Program.
- Rental assistance payments under Section 521 of the Housing Act of 1949 (a program of the Rural Development Administration).
- Any local or State rent subsidy.
- Section 202 supportive housing for the elderly.
- Section 811 supportive housing for persons with disabilities; (11) Section 202 projects for non-elderly persons with disabilities (Section 162 assistance); or
- Any other duplicative federal, State, or local housing subsidy, as determined by HUD. For this purpose, 'housing subsidy' does not include the housing component of a welfare payment, a social security payment received by the family, or a rent reduction because of a tax credit.

NSPIRE Standards [Notice PIH 2023-28]

In order to be eligible, the dwelling unit must be in safe and habitable condition. This determination is made using HUD's National Standards for the Physical Inspection of Real Estate (NSPIRE) and/or equivalent state or local standards approved by HUD. See Chapter 8 for a full discussion of the NSPIRE standards, as well as the process for inspection at initial lease-up.

Unit Size

In order to be eligible, the dwelling unit must be appropriate for the number of persons in the household. A family must be allowed to lease an otherwise acceptable dwelling unit with fewer bedrooms than the number of bedrooms stated on the voucher issued to the family, provided the unit meets the applicable space requirements [24 CFR 5.703(d)(5)]. The family must be allowed to lease an otherwise acceptable dwelling unit with more bedrooms than the number of bedrooms stated on the voucher issued to the family. See Chapter 5 for a full discussion of subsidy standards.

Rent Reasonableness [24 CFR 982.305 and 24 CFR 982.507]

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In order to be eligible, the dwelling unit must have a reasonable rent. The rent must be reasonable in relation to comparable unassisted units in the area and must not be in excess of rents charged by the owner for comparable, unassisted units on the premises. See Chapter 8 for a full discussion of rent reasonableness and the rent reasonableness determination process.

Rent Burden [24 CFR 982.508]

Where a family is initially leasing a unit and the gross rent of the unit exceeds the applicable payment standard for the family, the family share cannot exceed 45 percent of the family's adjusted monthly income. The term "family share" refers to the amount the family pays toward rent and utilities. The gross rent for the unit minus the total housing assistance payment (HAP) for the unit equals the family share. See Chapter 6 for a discussion of calculation of gross rent, the use of payment standards, and calculation of family income, family share of rent and HAP.

9-I.E. PHA Leasing Assistance for Families (Notice PIH 2022-18)

PHAs may utilize their Unrestricted Net Position (UNP, or administrative fee reserves) or ongoing administrative fees towards activities designed to help assist HCV families in leasing units under the program. Such activities include providing security deposit assistance, utility deposit assistance, assisting with all or some of the application fee or similar fees, and holding fees.

NHHFA Policy

NHHFA will not utilize UNP or ongoing administrative fees to pay security deposits, utility deposits, assist with application or similar fees, or holding fees.

9-I.F. Lease and Tenancy Addendum

The family and the owner must execute a written dwelling lease agreement for the assisted unit. This written lease is a contract between the tenant family and the owner; NHHFA is not a party to this contract.

The tenant must have legal capacity to enter a lease under State and local law. 'Legal capacity' means that the tenant is bound by the terms of the lease and may enforce the terms of the lease against the owner [24 CFR 982.308(a)]

Lease Form and Tenancy Addendum [24 CFR 982.308]

If the owner uses a standard lease form for rental to unassisted tenants in the locality or the premises, the lease must be in such standard form. If the owner does not use a standard lease form for rental to unassisted tenants, the owner may use another form of lease. The HAP contract prescribed by HUD contains the owner's certification that if the owner uses a standard lease form for rental to unassisted tenants, the lease for the assisted tenants is in such standard form.

All provisions in the HUD-required Tenancy Addendum must be added word-for-word to the owner's standard lease form. The Tenancy Addendum includes the HUD requirements for the tenancy. Because it is a part of the lease, the tenant shall have the right to enforce the Tenancy

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Addendum against the owner. If there is a conflict between the owner's lease and the Tenancy Addendum, the terms of the Tenancy Addendum shall prevail over any other provisions of the lease.

NHHFA Policy

NHHFA does not provide a model or standard dwelling lease for owners to use in the HCV program.

Lease Information [24 CFR 982.308(d)]

The assisted dwelling lease must contain all of the required information as listed below:

- The names of the owner and the tenant:
- The unit rented (address, apartment number, and any other information needed to identify the contract unit)
- The term of the lease (initial term and any provisions for renewal)
- The amount of the monthly rent to owner
- A specification of what utilities and appliances are to be supplied by the owner, and what utilities and appliances are to be supplied by the family

Term of Assisted Tenancy

The initial term of the assisted dwelling lease must be for at least one year [24 CFR 982.309]. The initial lease term is also stated in the HAP contract.

The HUD program regulations permit NHHFA to approve a shorter initial lease term if certain conditions are met.

NHHFA Policy

NHHFA will approve an initial lease term of less than one (1) year only in special circumstances.

During the initial term of the lease, the owner may not raise the rent to owner [24 CFR 982.309].

Any provisions for renewal of the dwelling lease will be stated in the dwelling lease [HCV Guidebook, pg. 8-22]. There are no HUD requirements regarding any renewal extension terms, except that they must be stated in the dwelling lease if they exist.

NHHFA may execute the HAP contract even if there is less than one year remaining from the beginning of the initial lease term to the end of the last expiring funding increment under the consolidated ACC. [24 CFR 982.309(b)].

Security Deposit [24 CFR 982.313 (a) and (b)]

The owner may collect a security deposit from the tenant. NHHFA may prohibit security deposits in excess of private market practice, or in excess of amounts charged by the owner to unassisted tenants. However, if NHHFA chooses to do so, language to this effect must be added to Part A of the HAP contract [Form HUD-52641].

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NHHFA Policy

NHHFA will allow the owner to collect any security deposit amount the owner determines is appropriate in accordance with NH state law. Therefore, no modifications to the HAP contract will be necessary.

Separate Non-Lease Agreements between Owner and Tenant

Owners may not demand or accept any rent payment from the family in excess of the rent to the owner as approved by NHHFA minus NHHFA's housing assistance payments to the owner [24 CFR 982.451(b)(4)].

The owner may not charge the tenant extra amounts for items customarily included in rent in the locality, or provided at no additional cost to unsubsidized tenants in the premises [24 CFR 982.510(c)].

NHHFA Policy

NHHFA permits owners and families to execute separate, non-lease agreements for services, appliances (other than range and refrigerator) and other items that are not included in the lease.

Any items, appliances, or other services that are customarily provided to unassisted families as part of the dwelling lease with those families or are permanently installed in the dwelling unit must be included in the dwelling lease for the assisted family. These items, appliances or services cannot be placed under a separate non-lease agreement between the owner and family. Side payments for additional rent, or for items, appliances or services customarily provided to unassisted families as part of the dwelling lease for those families, are prohibited.

The family is not liable and cannot be held responsible under the terms of the assisted dwelling lease for any charges pursuant to a separate non-lease agreement between the owner and the family. Non-payment of any charges pursuant to a separate non-lease agreement between the owner and the family cannot be a cause for eviction or termination of tenancy under the terms of the assisted dwelling lease.

Separate non-lease agreements that involve additional items, appliances or other services may be considered amenities offered by the owner and may be taken into consideration when determining the reasonableness of the rent for the property.

NHHFA Review of Lease

NHHFA will review the dwelling lease for compliance with all applicable requirements.

NHHFA Policy

If the dwelling lease is incomplete or incorrect, NHHFA will notify the family and the owner of the deficiencies. Missing and corrected lease information will only be accepted as hard copies, in-

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person, by mail, by email, or by fax. NHHFA will not accept missing and corrected information over the phone.

Because the initial leasing process is time-sensitive, NHHFA will attempt to communicate with the owner and family by phone, fax, or email. NHHFA will use mail when the parties can't be reached by phone, fax, or email.

NHHFA is permitted, but is not required, to review the lease to determine if the lease complies with State and local law and is permitted to decline to approve the tenancy if NHHFA determines that the lease does not comply with State or local law [24 CFR 982.308(c)]

NHHFA Policy

NHHFA will not review the owner's lease for compliance with state/local law.

9-I.G. Tenancy Approval

[24 CFR 982.305]

After receiving the family's Request for Tenancy Approval, NHHFA must promptly notify the family and owner whether the assisted tenancy is approved.

Prior to approving the assisted tenancy and execution of a HAP contract, NHHFA must ensure that all required actions and determinations discussed in Part I of this chapter have been completed.

These actions include ensuring that the unit is eligible; the unit has been inspected by NHHFA and meets NSPIRE standards; the lease offered by the owner is approvable and includes the required Tenancy Addendum; the rent to be charged by the owner for the unit must is reasonable; where the family is initially leasing a unit and the gross rent of the unit exceeds the applicable payment standard for the family, the share of rent to be paid by the family does not exceed 45 percent of the family's monthly adjusted income [24 CFR 982.305(a)]; the owner is an eligible owner, not disapproved by NHHFA, with no conflicts of interest [24 CFR 982.306]; the family and the owner have executed the lease, including the Tenancy Addendum, and the lead-based paint disclosure information [24 CFR 982.305(b)].

NHHFA Policy

NHHFA will complete its determination within 10 business days of receiving all required information.

If the terms of the RFTA/proposed lease are changed for any reason, including but not limited to negotiation with NHHFA, NHHFA will obtain corrected copies of the RFTA and proposed lease, signed by the family and the owner.

Corrections to the RFTA/proposed lease will only be accepted as hard copies, in-person, by mail, by email, or by fax. NHHFA will not accept corrections over the phone.

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If NHHFA determines that the tenancy cannot be approved for any reason, the owner and the family will be notified in writing and given the opportunity to address any reasons for disapproval. NHHFA will instruct the owner and family of the steps that are necessary to obtain approval of the tenancy.

Where the tenancy is not approvable because the unit is not approvable, the family must continue to search for eligible housing within the timeframe of the issued voucher.

If the tenancy is not approvable due to rent affordability or rent reasonableness, NHHFA will attempt to negotiate the rent with the owner. If a new, approvable rent is negotiated, the tenancy will be approved. If the owner is not willing to negotiate an approvable rent, the family must continue to search for eligible housing within the timeframe of the issued voucher.

9-I.H. Hap Contract Execution

[24 CFR 982.305]

The HAP contract is a written agreement between NHHFA and the owner of the dwelling unit. Under the HAP contract, NHHFA agrees to make housing assistance payments to the owner on behalf of the family, and the owner agrees to comply with all program requirements as stated in the HAP contract.

The HAP contract form is prescribed by HUD.

If NHHFA has given approval for the family of the assisted tenancy, the owner and NHHFA must execute the HAP contract.

The term of the HAP contract must be the same as the term of the lease [24 CFR 982.451(a)(2)].

NHHFA is permitted to execute a HAP contract even if the funding currently available does not extend for the full term of the HAP contract.

NHHFA must make a best effort to ensure that the HAP contract is executed before the beginning of the lease term. Regardless, the HAP contract must be executed no later than 60 calendar days from the beginning of the lease term.

NHHFA may not pay any housing assistance payment to the owner until the HAP contract has been executed. If the HAP contract is executed during the period of 60 calendar days from the beginning of the lease term, NHHFA will pay housing assistance payments after execution of the HAP contract (in accordance with the terms of the HAP contract), to cover the portion of the lease term before execution of the HAP contract (a maximum of 60 days).

Any HAP contract executed after the 60-day period is void, and NHHFA may not pay any housing assistance payment to the owner. unless there are extenuating circumstances that prevent or prevented the PHA from meeting the 60-day deadline, in which case the PHA may submit to the HUD field office a request for an extension. The request, which must be submitted no later than two weeks after the 60-day deadline, must include an explanation of the

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extenuating circumstances and any supporting documentation. HUD at its sole discretion will determine if the extension request is approved.

NHHFA Policy

The owner and the assisted family will execute the dwelling lease, and the owner must provide a copy to NHHFA. NHHFA will ensure that both the owner and the assisted family receive copies of the dwelling lease.

The owner and NHHFA will execute the HAP contract. NHHFA will not execute the HAP contract until the owner has submitted IRS form W-9. NHHFA will ensure that the owner receives a copy of the executed HAP contract.

As required under VAWA, once the HAP contract and lease have been executed and the family has been admitted to the program, NHHFA will notify families of their rights under VAWA by providing all families with a copy of the domestic violence certification form (HUD-5382) as well as the VAWA notice of occupancy rights (form HUD-5380).

See Chapter 13 for a discussion of the HAP contract and contract provisions.

9-I.I. Changes in Lease or Rent

[24 CFR 982.308]

If the tenant and the owner agree to any changes in the lease, such changes must be in writing, and the owner must immediately give NHHFA a copy of such changes. The lease, including any changes, must remain in accordance with the requirements of this chapter.

Generally, NHHFA approval of tenancy and execution of a new HAP contract are not required for changes in the lease. However, under certain circumstances, the execution of a new lease and HAP contract are required. These circumstances include:

- Changes in lease requirements governing tenant or owner responsibilities for utilities or appliances
- Changes in lease provisions governing the term of the lease
- The family moves to a new unit, even if the unit is in the same building or complex

Where the owner is changing the amount of the rent to owner, the owner must notify NHHFA at least 60 days before any such changes go into effect [24 CFR 982.308(g)(4)]. NHHFA will agree to such an increase only if the amount of the rent to owner is considered reasonable according to the rent reasonableness standards discussed in Chapter 8. If the requested rent is not found to be reasonable, the owner must either reduce the requested rent increase or terminate the tenancy in accordance with the terms of the lease.

No rent increase is permitted during the initial term of the lease [24 CFR 982.309(a)(3)].

NHHFA Policy

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Where the owner is requesting a rent increase, NHHFA will determine whether the requested increase is reasonable within 10 business days of receiving the request from the owner. The owner will be notified of the determination in writing.

Rent increases will go into effect on the first of the month following the 60-day period after the owner notifies NHHFA of the rent change or on the date specified by the owner, whichever is later.

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Chapter 10 Moving with Continued Assistance and Portability

Introduction
Freedom of housing choice is a hallmark of the housing choice voucher (HCV) program. In general, HUD regulations impose few restrictions on where families may live or move with HCV assistance. This chapter sets forth HUD regulations and NHHFA policies governing moves within or outside NHHFA's jurisdiction in two parts:

Part I: Moving with Continued Assistance. This part covers the general rules that apply to all moves by a family assisted under NHHFA's HCV program, whether the family moves to another unit within NHHFA's jurisdiction or to a unit outside NHHFA's jurisdiction under portability.
Part II: Portability. This part covers the special rules that apply to moves by a family under portability, whether the family moves out of or into NHHFA's jurisdiction. This part also covers the special responsibilities that NHHFA has under portability regulations and procedures.

PART I: Moving With Continued Assistance

10-I.A. Allowable Moves

HUD lists six regulatory conditions under which an assisted family is allowed to move to a new unit with continued assistance. Permission to move is subject to the restrictions set forth in section 10-I.B.

The family has a right to terminate the lease on notice to the owner (for the owner's breach or otherwise) and has given a notice of termination to the owner in accordance with the lease [24 CFR 982.354(b)(3)]. If the family terminates the lease on notice to the owner, the family must give NHHFA a copy of the notice at the same time [24 CFR 982.354(d)(1)].

The lease for the family's unit has been terminated by mutual agreement of the owner and the family [24 CFR 982.354(b)(1)(ii)].

NHHFA Policy

If the family and the owner mutually agree to terminate the lease for the family's unit, the family must give NHHFA a copy of the mutual termination agreement.

- The owner has given the family a notice to vacate, has commenced an action to evict the family, or has obtained a court judgment or other process allowing the owner to evict the family [24 CFR 982.354(b)(2)]. The family must give NHHFA a copy of any owner eviction notice [24 CFR 982.551(g)].

- The family or a member of the family is or has been the victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking, and the move is needed to protect the health or safety of the family or family member [see 24 CFR 982.354(b)(4)]. This condition applies even when the family has moved out of its unit in violation of the lease, with or without prior notification to NHHFA, if the family or family member who is the victim reasonably believed that they were imminently threatened by harm from further violence if they remained in the unit [24 CFR 982.354(b)(4), 24 CFR 982.353(b)]. NHHFA must adopt an emergency transfer plan as required by regulations at 24 CFR 5.20(e).

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NHHFA Policy

If a family requests permission to move with continued assistance or for an external transfer to another covered housing program operated by NHHFA based on a claim that the move is necessary to protect the health or safety of a family member who is or has been the victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking, NHHFA will request that the resident request the emergency transfer using form HUD-5383, and NHHFA will request documentation in accordance with section 16-IX.D of this plan.

NHHFA reserves the right to waive the documentation requirement if it determines that a statement or other corroborating evidence from the family or family member will suffice. In such cases NHHFA will document the waiver in the family's file.

NHHFA may choose to provide a voucher to facilitate an emergency transfer of the victim without first terminating the assistance of the perpetrator.

Before granting an emergency transfer, NHHFA will ensure the victim is eligible to receive continued assistance based on the citizenship or immigration status of the victim.

NHHFA has adopted an emergency transfer plan, which is included as Exhibit 16-3 to this plan and discusses external transfers to other covered housing programs.

NHHFA has terminated the HAP contract for the family's unit for the owner's breach [24 CFR 982.354(b)(1)(i)].

NHHFA determines that the family's current unit does not meet space standards because of an increase in family size or a change in family composition. In such cases, NHHFA must issue the family a new voucher, and the family and NHHFA must try to find an acceptable unit as soon as possible. If an acceptable unit is available for the family, NHHFA must terminate the HAP contract for the family's old unit in accordance with the HAP contract terms and must notify both the family and the owner of the termination. The HAP contract terminates at the end of the calendar month that follows the calendar month in which NHHFA gives notice to the owner. [24 CFR 982.403(a) and (c)]

10-I.B. Restrictions on Moves

A family's right to move is generally contingent upon the family's compliance with program requirements [24 CFR 982.1(b)(2)]. HUD specifies two conditions under which a NHHFA may deny a family permission to move and two ways in which a NHHFA may restrict moves by a family.

Grounds for Denial or Termination of Assistance

NHHFA may deny a family permission to move if it has grounds for denying or terminating the family's assistance [24 CFR 982.354(e)(2)].

NHHFA Policy

If NHHFA has grounds for denying or terminating a family's assistance, NHHFA will act on those grounds in accordance with the regulations and policies set forth in Chapters 3 and 12, respectively. In general, it will not deny a family permission to move for this reason; however, it retains the discretion to do so under special circumstances.

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Restrictions on Elective Moves [24 CFR 982.354(c)]
HUD regulations permit NHHFA to prohibit any elective move by a participant family during the family's initial lease term. They also permit NHHFA to prohibit more than one elective move by a participant family during any 12-month period. However, such prohibitions, if adopted, do not apply when the family or a member of the family is or has been the victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking, and the move is needed to protect the health or safety of the family or family member. (For the policy on documentation of abuse, see section 10-I.A.) In addition, NHHFA may not establish a policy permitting moves only at reexamination [Notice PIH 2016-09].

NHHFA Policy

NHHFA will deny a family permission to make an elective move during the family's initial lease term. This policy applies to moves within NHHFA's jurisdiction or outside it under portability. NHHFA will also deny a family permission to make more than one elective move during any 12-month period. This policy applies to all assisted families residing in NHHFA's jurisdiction.

NHHFA will consider exceptions to these policies for the following reasons: to protect the health or safety of a family member (e.g., lead-based paint hazards, domestic violence, witness protection programs), to accommodate a change in family circumstances (e.g., new employment, school attendance in a distant area), or to address an emergency situation over which a family has no control.

In addition, NHHFA will allow exceptions to these policies for purposes of reasonable accommodation of a family member who is a person with disabilities (see Chapter 2).

10-I.C. Moving Process

Notification

If a family wishes to move to a new unit, the family must notify NHHFA and the owner before moving out of the old unit or terminating the lease on notice to the owner [24 CFR 982.354(d)(2)]. If the family wishes to move to a unit outside NHHFA's jurisdiction under portability, the notice to NHHFA must specify the area where the family wishes to move [24 CFR 982.354(d)(2)]. The notices must be in writing [24 CFR 982.5].

Approval

NHHFA Policy

Upon receipt of a family's notification that it wishes to move, NHHFA will determine whether the move is approvable in accordance with the regulations and policies set forth in sections 10-I.A and 10-I.B.

Voucher Issuance and Briefing

NHHFA Policy

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For families approved to move to a new unit within NHHFA's jurisdiction, NHHFA will issue a new voucher within 10 business days of NHHFA's approval to move. No briefing is required for these families. NHHFA will follow the policies set forth in Chapter 5 on voucher term, extension, and expiration. If a family does not locate a new unit within the term of the voucher and any extensions, the family may remain in its current unit with continued voucher assistance if the owner agrees and NHHFA approves. Otherwise, the family will lose its assistance.

For families moving into or families approved to move out of NHHFA's jurisdiction under portability, NHHFA will follow the policies set forth in Part II of this chapter.

Housing Assistance Payments [24 CFR 982.311(d)]
When a family moves out of an assisted unit, NHHFA may not make any housing assistance payment to the owner for any month after the month the family moves out. The owner may keep the housing assistance payment for the month when the family moves out of the unit.

If a participant family moves from an assisted unit with continued tenant-based assistance, the term of the assisted lease for the new assisted unit may begin during the month the family moves out of the first assisted unit. Overlap of the last housing assistance payment (for the month when the family moves out of the old unit) and the first assistance payment for the new unit, is not considered to constitute a duplicative housing subsidy.

Zero HAP Families Who Wish to Move [24 CFR 982.455]
A participant who is not receiving any subsidy, but whose HAP contract is still in force, may request a voucher to move to a different unit. NHHFA must issue a voucher to move unless it has grounds to deny assistance under the program regulations. However, if NHHFA determines no subsidy would be paid at the new unit, NHHFA may refuse to enter into a HAP contract on behalf of the family.

NHHFA Policy

If a zero HAP family requests to move to a new unit, the family may request a voucher to move. However, if no subsidy will be paid at the unit to which the family requests to move, NHHFA will not enter into a HAP contract on behalf of the family for the new unit.

PART II: Portability

10-II.A. Overview

Within the limitations of the regulations and this plan, a participant family or an applicant family that has been issued a voucher has the right to use tenant-based voucher assistance to lease a unit anywhere in the United States providing that the unit is located within the jurisdiction of a NHHFA administering a tenant-based voucher program [24 CFR 982.353(b)]. The process by which a family obtains a voucher from one PHA and uses it to lease a unit in the jurisdiction of another PHA is known as portability. The PHA that issues the voucher is called the initial PHA. The PHA that has jurisdiction in the area to which the family wants to move is called the receiving PHA.

The receiving PHA has the option of administering the family's voucher for the initial PHA or absorbing the family into its own program. Under the first option, the receiving PHA provides all housing services for the family and bills the initial PHA for the family's housing assistance payments and the fees for administering the family's voucher. Under the second option, the

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receiving PHA pays for the family's assistance with its own program funds, and the initial PHA has no further relationship with the family. The initial PHA must contact the receiving PHA via email or other confirmed delivery method to determine whether the receiving PHA will administer or absorb the initial PHA's voucher. Based on the receiving PHA's response, the initial PHA must determine whether they will approve or deny the portability request [Notice PIH 2016-09].

NHHFA commonly acts as both the initial and receiving PHA because families may move into or out of their jurisdiction under portability. Each role involves different responsibilities. NHHFA will follow the rules and policies in section 10-II.B when it is acting as the initial PHA for a family. It will follow the rules and policies in section 10-II.C when it is acting as the receiving PHA for a family.

In administering portability, the initial PHA and the receiving PHA must comply with financial procedures required by HUD, including the use of HUD-required forms [24 CFR 982.355(e)(5)]. NHHFA must also comply with billing and payment deadlines. HUD may reduce an administrative fee to an initial or receiving PHA if NHHFA does not comply with HUD portability requirements [24 CFR 982.355(e)(7)].

10-II.B. Initial PHA Role

Allowable Moves under Portability

A family may move with voucher assistance only to an area where there is at least one PHA administering a voucher program [24 CFR 982.353(b)]. If there is more than one PHA in the area, the initial PHA provides the family with the contact information for the receiving PHA that serve the area, and the family selects the receiving PHA. The family must inform the initial PHA which receiving PHA it has selected. If the family prefers not to select the receiving PHA, the initial PHA will select the receiving PHA on behalf of the family [24 CFR 982.255(b)].

Applicant families that have been issued vouchers as well as participant families may qualify to lease a unit outside NHHFA's jurisdiction under portability. HUD regulations and NHHFA policy determine whether a family qualifies.

Applicant Families

Under HUD regulations, most applicant families qualify to lease a unit outside NHHFA's jurisdiction under portability. However, HUD gives NHHFA discretion to deny a portability move by an applicant family for the same two reasons that it may deny any move by a participant family: insufficient funding and grounds for denial or termination of assistance. If NHHFA intends to deny a family permission to move under portability due to insufficient funding, NHHFA must notify HUD within 10 business days of the determination to deny the move [24 CFR 982.355(e)].

NHHFA Policy

In determining whether or not to deny an applicant family permission to move under portability because NHHFA lacks sufficient funding or has grounds for denying assistance to the family, NHHFA will follow the policies established in section 10-I.B of this chapter. If NHHFA does deny the move due to insufficient funding, NHHFA will notify HUD in writing within 10 business days of NHHFA's determination to deny the move.

NHHFA Policy

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If neither the head of household nor the spouse/cohead of an applicant family had a domicile (legal residence) in NHHFA's jurisdiction at the time that the family's initial application for assistance was submitted, the family must lease a unit within NHHFA's jurisdiction for at least 12 months before requesting portability.

NHHFA will consider exceptions to this policy for purposes of reasonable accommodation (see Chapter 2) or reasons related to domestic violence, dating violence, sexual assault, stalking, or human trafficking.

Participant Families

The initial PHA must not provide portable assistance for a participant if a family has moved out of its assisted unit in violation of the lease [24 CFR 982.353(b)]. The Violence against Women Act (VAWA) creates an exception to this prohibition for families who are otherwise in compliance with program obligations but have moved to protect the health or safety of a family member who is or has been a victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking, and who reasonably believed they were imminently threatened by harm from further violence if they remained in the unit [see 24 CFR 982.353(b)].

NHHFA Policy

NHHFA will determine whether a participant family may move out of NHHFA's jurisdiction with continued assistance in accordance with the regulations and policies set forth here and in sections 10-I.A and 10-I.B of this chapter. NHHFA will notify the family of its determination in accordance with the approval policy set forth in section 10-I.C of this chapter.

Determining Income Eligibility

Applicant Families

An applicant family may lease a unit in a particular area under portability only if the family is income eligible for admission to the voucher program in that area [24 CFR 982.353(d)(1)]. The family must specify the area to which the family wishes to move [24 CFR 982.355(c)(1)]. NHHFA is responsible for determining whether the family is income eligible in the area to which the family wishes to move [24 CFR 982.353(d)(1), 24 CFR 982.355(9)]. If the applicant family is not income eligible in that area, NHHFA must inform the family that it may not move there and receive voucher assistance [Notice PIH 2016-09].

Participant Families

The income eligibility of a participant family is not redetermined if the family moves to a new jurisdiction under portability [24 CFR 982.353(d)(2)].

Reexamination of Family Income and Composition

No new reexamination of family income and composition is required for an applicant family.

NHHFA Policy

For a participant family approved to move out of its jurisdiction under portability, NHHFA generally will conduct a reexamination of family income and composition only if the family's

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annual reexamination must be completed on or before the initial billing deadline specified on form HUD-52665, Family Portability Information.

NHHFA will make any exceptions to this policy necessary to remain in compliance with HUD regulations.

Briefing

The regulations and policies on briefings set forth in Chapter 5 of this plan require NHHFA to provide information on portability to all applicant families that qualify to lease a unit outside NHHFA's jurisdiction under the portability procedures. Therefore, no special briefing is required for these families.

NHHFA Policy

No formal briefing will be required for a participant family wishing to move outside NHHFA's jurisdiction under portability. However, NHHFA will provide the family with the same oral and written explanation of portability that it provides to applicant families selected for admission to the program (see Chapter 5).

NHHFA will provide the name, address, and phone of the contact for PHA in the jurisdiction to which they wish to move. If there is more than one PHA with jurisdiction over the area to which the family wishes to move, NHHFA will advise the family that the family selects the receiving PHA and notify the initial PHA of which receiving PHA was selected. NHHFA will provide the family with contact information for all of the receiving PHA that serves the area. NHHFA will not provide any additional information about receiving PHA in the area. NHHFA will further inform the family that if the family prefers not to select the receiving PHA, the initial PHA will select the receiving PHA behalf of the family. In this case, NHHFA will not provide the family with information for all receiving PHA in the area.

NHHFA will advise the family that they will be under the receiving NHHFA's policies and procedures, including screening, subsidy standards, voucher extension policies, and payment standards.

Voucher Issuance and Term

An applicant family has no right to portability until after the family has been issued a voucher [24 CFR 982.353(b)]. In issuing vouchers to applicant families, NHHFA will follow the regulations and procedures set forth in Chapter 5.

NHHFA Policy

For participating families approved to move under portability, NHHFA will issue a new voucher within 10 business days of NHHFA's approval to move.

The initial term of the voucher will be 60 days.

Voucher Extensions and Expiration

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The initial PHA will approve no extensions to a voucher issued to an applicant or participant family porting out of NHHFA's jurisdiction except under the following circumstances:

(a) the initial term of the voucher will expire before the portable family will be issued a voucher by the receiving PHA,
(b) the family decides to return to the initial PHA's jurisdiction and search for a unit there, or
(c) the family decides to search for a unit in a third PHA's jurisdiction. In such cases, the policies on voucher extensions set forth in Chapter 5, section 5-II.E, of this plan will apply, including the requirement that the family apply for an extension in writing prior to the expiration of the initial voucher term.

Preapproval Contact with the Receiving NHHFA

Prior to approving a family's request to move under portability, the initial PHA must contact the receiving PHA via email or other confirmed delivery method to determine whether the receiving PHA will administer or absorb the family's voucher. Based on the receiving PHA's response, the initial PHA must determine whether it will approve or deny the move [24 CFR 982.355(c)(3)].

NHHFA Policy

NHHFA will use email, when possible, to contact the receiving PHA regarding whether the receiving PHA will administer or absorb the family's voucher.

Initial Notification to the Receiving PHA

After approving a family's request to move under portability, the initial PHA must promptly notify the receiving PHA via email or other confirmed delivery method to expect the family [24 CFR 982.355(c)(3); 24 CFR 982.355(c)(7)]. The initial PHA must also advise the family how to contact and request assistance from the receiving PHA [24 CFR 982.355(c)(6)].

NHHFA Policy

The portability process is time-sensitive, NHHFA will notify the receiving PHA by phone, fax, or email to expect the family. The initial PHA will also ask the receiving PHA to provide any information the family may need upon arrival, including the name, fax, email address, and telephone number of the staff person responsible for business with incoming portable families and procedures related to appointments for voucher issuance. NHHFA will pass this information along to the family. NHHFA will also ask for the name, address, telephone number, fax and email of the person responsible for processing the billing information.

Sending Documentation to the Receiving PHA

The initial PHA is required to send the receiving PHA the following documents:

- Form HUD-52665, Family Portability Information, with Part I filled out [Notice PIH 2016-09]
- A copy of the family's voucher [Notice PIH 2016-09]
- A copy of the family's most recent form HUD-50058, Family Report, or, if necessary in the case of an applicant family, family and income information in a format similar to that of form HUD-50058 [24 CFR 982.355(c)(7), Notice PIH 2016-09]
- Copies of the income verifications backing up the form HUD-50058, including a copy of the family's current EIV data [24 CFR 982.355(c)(7), Notice PIH 2016-09]

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- In addition to these documents, NHHFA will provide the following information, if available, to the receiving NHHFA:
- Social security numbers (SSNs)
- Documentation of SSNs for all nonexempt household members whose SSNs have not been verified through the EIV system
- Documentation of legal identity
- Documentation of citizenship or eligible immigration status
- Documentation of participation in a family self-sufficiency (FSS) program
- If applicable, information related to the family's health and medical care and disability assistance expense Phased-in hardship exemption, including what stage the family is in and how many months remain in that Phase-in stage

NHHFA will notify the family in writing regarding any information provided to the receiving PHA [HCV GB, p. 13-3].

Initial Billing Deadline [Notice PIH 2016-09]
The deadline for submission of initial billing is 90 days following the expiration date of the voucher issued to the family by the initial PHA. In cases where suspension of the voucher delays the initial billing submission, the receiving PHA must notify the initial PHA of delayed billing before the billing deadline and document the delay is due to the suspension. In this case, the initial PHA must extend the billing deadline by 30 days.

If the initial PHA does not receive a billing notice by the deadline and does not intend to honor a late billing submission, it must notify the receiving PHA in writing. The initial PHA may report to HUD the receiving PHA's failure to comply with the deadline.

If the initial PHA will honor the late billing, no action is required.

NHHFA Policy

The initial PHA's decision as to whether to accept late billing will be based on internal PHA factors, including the initial PHA's leasing or funding status. If NHHFA has not received an initial billing notice from the receiving PHA within the billing deadline and does not intend to honor the late billing, it will contact the receiving PHA to inform them that it will not honor a late billing submission and will return any subsequent billings that it receives on behalf of the family. In this case, NHHFA will send the receiving PHA a written confirmation of its decision by mail.
Among other considerations as to whether to accept late billing will be if the family includes a person with disabilities and the late billing is a result of a reasonable accommodation granted to the family by the receiving PHA.

Monthly Billing Payments [24 CFR 982.355(e), Notice PIH 2016-09]

If the receiving PHA is administering the family's voucher, the receiving PHA bills the initial PHA for housing assistance payments and administrative fees. When reimbursing for administrative fees, the initial PHA must promptly reimburse the receiving PHA for the lesser of 80 percent of the initial PHA ongoing administrative fee or 100 percent of the receiving PHA's ongoing administrative fee for each program unit under contract on the first day of the month for which the receiving PHA is billing the initial PHA under portability. If the administrative fees are prorated for the HCV program, the proration will apply to the amount of the administrative fee for which the receiving PHA may bill [24 CFR 982.355(e)(2)].

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The initial PHA is responsible for making billing payments in a timely manner. The first billing amount is due within 30 calendar days after the initial PHA receives Part II of form HUD-52665 from the receiving PHA. Subsequent payments must be received by the receiving PHA no later than the fifth business day of each month. The payments must be provided in a form and manner that the receiving PHA is able and willing to accept.

The initial PHA may not terminate or delay making payments under existing portability billing arrangements as a result of over leasing or funding shortfalls. The PHA must manage its tenant-based program in a manner that ensures that it has the financial ability to provide assistance for families that move out of its jurisdiction under portability and are not absorbed by receiving PHA's as well as for families that remain within its jurisdiction.

NHHFA Policy

The initial PHA will utilize direct deposit to ensure that the payment is received by the deadline unless the receiving PHA notifies the initial PHA that direct deposit is not acceptable to them. If the initial PHA extends the term of the voucher, the receiving PHA's voucher will expire 30 calendar days from the new expiration date of the initial PHA's voucher.

Annual Updates of Form HUD-50058

If the initial PHA is being billed on behalf of a portable family, it should receive an updated form HUD-50058 each year from the receiving PHA. If the initial PHA fails to receive an updated 50058 by the family's annual reexamination date, the initial PHA should contact the receiving PHA to verify the status of the family. The initial PHA must continue paying the receiving PHA based on the last form HUD-50058 received, unless instructed otherwise by HUD. The initial PHA may seek absorption of the vouchers by following steps outlined in Notice PIH 2016-09.

Denial or Termination of Assistance [24 CFR 982.355(c)(17)]
At any time, either the initial PHA or the receiving PHA may make a determination to deny or terminate assistance with the family in accordance with 24 CFR 982.552 and 24 CFR 982.553. (For PHA policies on denial and termination, see Chapters 3 and 12, respectively.)

10-II.C. Receiving PHA Role

If a family has a right to lease a unit in the receiving PHA's jurisdiction under portability, the receiving PHA must provide assistance for the family [24 CFR 982.355(10)]. HUD may determine in certain instances that a PHA is not required to accept incoming portable families, such as a PHA in a declared disaster area. However, the PHA must have approval in writing from HUD before refusing any incoming portable families [24 CFR 982.355(b)].

Administration of the voucher must be in accordance with the receiving PHA's policies. This requirement also applies to policies of Moving to Work agencies. The receiving PHA procedures and preferences for selection among eligible applicants do not apply to the family, and the receiving PHA waiting list is not used [24 CFR 982.355(c)(10)]. The family's unit, or voucher, size is determined in accordance with the subsidy standards of the receiving PHA [24 CFR 982.355(c)(12)], and the receiving PHA's policies on extensions of the voucher term apply [24 CFR 982.355(c)(14)].

Responding to Initial PHA's Request [24 CFR 982.355(c)]
The receiving PHA must respond via email or other confirmed delivery method to the initial PHA's inquiry to determine whether the family's voucher will be billed or absorbed [24 CFR

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982.355(c)(3)]. If the receiving PHA informs the initial PHA that it will be absorbing the voucher, the receiving PHA cannot reverse its decision at a later date without consent of the initial PHA (24 CFR 982.355(c)(4).

NHHFA Policy

NHHFA will use email, when possible, to notify the initial PHA whether it will administer or absorb the family's voucher.

Initial Contact with Family

When a family moves into NHHFA's jurisdiction under portability, the family is responsible for promptly contacting NHHFA and complying with NHHFA's procedures for incoming portable families. The family's failure to comply may result in denial or termination of the receiving PHA's voucher [24 CFR 982.355(c)(8)].

If the voucher issued to the family by the initial PHA has expired, the receiving PHA must contact the initial PHA to determine if it will extend the voucher [24 CFR 982.355(c)(13)]. An informal hearing is not required when a voucher has expired without the family leasing a unit. If for any reason the receiving PHA refuses to process or provide assistance to a family under the portability procedures, the family must be given the opportunity for an informal review or hearing [Notice PIH 2016-09]. (For more on this topic, see later under "Denial or Termination of Assistance.")

Briefing

HUD allows the receiving PHA to require a briefing for an incoming portable family as long as the requirement does not unduly delay the family's search [Notice PIH 2016-09].

NHHFA Policy

NHHFA will provide the family with a briefing packet (as described in Chapter 5) and, in an individual briefing, will orally inform the family about NHHFA's payment and subsidy standards, procedures for requesting approval of a unit, the unit inspection process, and the leasing process.

Income Eligibility and Reexamination

The receiving PHA does not redetermine eligibility for a portable family that was already receiving assistance in the initial PHA's voucher program [24 CFR 982.355(c)(9)]. If the receiving PHA opts to conduct a new reexamination for a current participant family, the receiving PHA may not delay issuing the family a voucher or otherwise delay approval of a unit [24 CFR 982.355(c)(11)].

NHHFA Policy

For any family moving into its jurisdiction under portability, NHHFA will conduct a new reexamination of family income and composition. However, NHHFA will not delay issuing the family a voucher for this reason. Nor will NHHFA delay approving a unit for the family until the reexamination process is complete unless the family is an applicant and NHHFA cannot otherwise confirm that the family is income eligible for admission to the program in the area where the unit is located.

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In conducting its own reexamination, NHHFA will rely upon any verifications provided by the initial PHA to the extent that they (a) accurately reflect the family's current circumstances and (b) were obtained within the last 120 days. Any new information may be verified by documents provided by the family and adjusted, if necessary, when third party verification is received.

Voucher Issuance

When a family moves into its jurisdiction under portability, the receiving PHA is required to issue the family a voucher [24 CFR 982.355(c)(13)]. The family must submit a request for tenancy approval to the receiving PHA during the term of the receiving PHA's voucher [24 CFR 982.355(c)(15)].

Timing of Voucher Issuance

HUD expects the receiving PHA to issue the voucher within two weeks after receiving the family's paperwork from the initial PHA if the information is in order, the family has contacted the receiving PHA, and the family complies with the receiving PHA's procedures [Notice PIH 2016-09].

NHHFA Policy

When a family ports into its jurisdiction, NHHFA will issue the family a voucher based on the paperwork provided by the initial PHA unless the family's paperwork from the initial PHA is incomplete, the family's voucher from the initial PHA has expired or the family does not comply with NHHFA's procedures. NHHFA will update the family's information when verification has been completed.

Voucher Term

The term of the receiving PHA's voucher may not expire before 30 calendar days from the expiration of the initial PHA A's voucher [24 CFR 982.355(c)(13)]. If the initial PHA extends the term of the voucher, the receiving PHA's voucher may not expire before 30 days from the new expiration date of the initial PHA's voucher [Notice PIH 2016-09].

NHHFA Policy

The receiving PHA's voucher will expire 30 calendars days from the expiration date of the initial PHA's voucher. If the initial PHA extends the term of the voucher, the receiving PHA 's voucher will expire 30 calendar days from the new expiration date of the initial PHA's voucher.

Voucher Extensions [24 CFR 982.355(c)(14), Notice 2016-09]

Once the receiving PHA issues the portable family a voucher, the receiving PHA's policies on extensions of the voucher term apply. The receiving PHA must inform the initial PHA of any extension granted to the term of the voucher. It must also bear in mind the billing deadline provided by the initial PHA. Unless willing and able to absorb the family, the receiving PHA should ensure that any voucher expiration date would leave sufficient time to process a request for tenancy approval, execute a HAP contract, and deliver the initial billing to the initial NHHFA.

NHHFA Policy

NHHFA generally will not extend the term of the voucher that it issues to an incoming portable family unless NHHFA plans to absorb the family into its own program, in which case it will follow the policies on voucher extension set forth in section 5-II.E.

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NHHFA will consider an exception to this policy as a reasonable accommodation to a person with disabilities (see Chapter 2).

Voucher Suspensions [24 CFR 982.303, 24 CFR 982.355(c)(15)]

If the family submits a request for tenancy approval during the term of the receiving PHA's voucher, NHHFA must suspend the term of that voucher. The term of the voucher stops from the date that the family submits a request for NHHFA approval of the tenancy until the date NHHFA notifies the family whether the request has been approved or denied [24 CFR 982.4(b)] (see Section 5-II.E).

Notifying the Initial NHHFA

The receiving PHA must promptly notify the initial PHA if the family has leased an eligible unit under the program or if the family fails to submit a request for tenancy approval for an eligible unit within the term of the receiving PHA's voucher [24 CFR 982.355(c)(16)]. The receiving PHA is required to use Part II of form HUD-52665, Family Portability Information, for this purpose [Notice PIH 2016-09]. (For more on this topic and the deadline for notification, see below under "Administering a Portable Family's Voucher.")

If an incoming portable family ultimately decides not to lease in the jurisdiction of the receiving PHA but instead wishes to return to the initial PHA's jurisdiction or to search in another jurisdiction, the receiving PHA must refer the family back to the initial PHA. In such a case the voucher of record for the family is once again the voucher originally issued by the initial PHA. Any extension of search time provided by the receiving PHA's voucher is only valid for the family's search in the receiving PHA's jurisdiction [Notice PIH 2016-09].

Administering a Portable Family's Voucher

Portability Billing [24 CFR 982.355(e)]

To cover assistance for a portable family that was not absorbed, the receiving PHA bills the initial PHA for housing assistance payments and administrative fees. The amount of the housing assistance payment for a portable family in the receiving PHA's program is determined in the same manner as for other families in the receiving PHA's program.

The receiving PHA may bill the initial PHA for the lesser of 80 percent of the initial PHA's ongoing administrative fee or 100 percent of the receiving PHA's ongoing administrative fee for each program unit under contract on the first day of the month for which the receiving PHA is billing the initial PHA under portability. If the administrative fees are prorated for the HCV program, the proration will apply to the amount of the administrative fee for which the receiving PHA may bill (i.e., the receiving PHA A may bill for the lesser of 80 percent of the initial PHA's prorated ongoing administrative fee or 100 percent of the receiving PHA's ongoing administrative fee).

If both PHAs agree, the PHA may negotiate a different amount of reimbursement.

NHHFA Policy

Unless NHHFA negotiates a different amount of reimbursement with the initial PHA, NHHFA will bill the initial PHA the maximum amount of administrative fees allowed, ensuring any administrative fee proration has been properly applied.

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Initial Billing Deadline

If a portable family's search for a unit is successful and the receiving PHA intends to administer the family's voucher, the receiving PHA must submit its initial billing notice (Part II of form HUD-52665) in time that the notice will be received no later than 90 days following the expiration date of the family's voucher issued by the initial NHHFA [Notice PIH 2016-09]. This deadline may be extended for 30 additional days if the delay is due to suspension of the voucher's term (see Initial Billing Section). A copy of the family's form HUD-50058, Family Report, completed by the receiving PHA must be attached to the initial billing notice. The receiving PHA may send these documents by mail, fax, or email.

NHHFA Policy

NHHFA will send its initial billing notice by fax or email, if necessary, to meet the billing deadline but will also send the notice by regular mail.

If the receiving PHA fails to send the initial billing by the deadline, it is required to absorb the family into its own program unless (a) the initial PHA is willing to accept the late submission or (b) HUD requires the initial PHA to honor the late submission (e.g., because the receiving NHHFA is over leased) [Notice PIH 2016-09].

Ongoing Notification Responsibilities [Notice PIH 2016-09, HUD-52665]
Annual Reexamination. The receiving PHA must send the initial PHA a copy of a portable family's updated form HUD-50058 after each annual reexamination for the duration of time the receiving PHA is billing the initial PHA on behalf of the family, regardless of whether there is a change in the billing amount.

NHHFA Policy

NHHFA will send a copy of the updated HUD-50058 by regular mail or fax no later than 10 business days after the effective date of the reexamination.

Change in Billing Amount. The receiving PHA is required to notify the initial PHA, using form HUD-52665, of any change in the billing amount for the family as a result of:

- A change in the HAP amount (because of a reexamination, a change in the applicable payment standard, a move to another unit, etc.)
- An abatement or subsequent resumption of the HAP payments
- Termination of the HAP contract
- Payment of a damage/vacancy loss claim for the family
- Termination of the family from the program

The timing of the notice of the change in the billing amount should correspond with the notification to the owner and the family in order to provide the initial PHA with advance notice of the change. Under no circumstances should the notification be later than 10 business days following the effective date of the change in the billing amount. If the receiving PHA fails to send Form HUD-52665 within 10 days of effective date of billing changes, the initial PHA is not responsible for any increase prior to notification. If the change resulted in a decrease in the monthly billing amount, the initial PHA will offset future monthly payments until the difference is reconciled.

Late Payments [Notice PIH 2016-09]

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If the initial PHA fails to make a monthly payment for a portable family by the fifth business day of the month, the receiving PHA must promptly notify the initial PHA in writing of the deficiency. The notice must identify the family, the amount of the billing payment, the date the billing payment was due, and the date the billing payment was received (if it arrived late). The receiving PHA must send a copy of the notification to the Office of Public Housing (OPH) in the HUD area office with jurisdiction over the receiving PHA. If the initial PHA fails to correct the problem by the second month following the notification, the receiving NHHFA may request by memorandum to the director of the OPH with jurisdiction over the receiving PHA that HUD transfer the unit in question. A copy of the initial notification and any subsequent correspondence between NHHFA on the matter must be attached. The receiving PHA must send a copy of the memorandum to the initial PHA. If the OPH decides to grant the transfer, the billing arrangement on behalf of the family ceases with the transfer, but the initial PHA is still responsible for any outstanding payments due to the receiving PHA.

Overpayments [Notice PIH 2016-09]
In all cases where the receiving PHA has received billing payments for billing arrangements no longer in effect, the receiving PHA is responsible for returning the full amount of the overpayment (including the portion provided for administrative fees) to the initial PHA.
In the event that HUD determines billing payments have continued for at least three months because the receiving PHA failed to notify the initial PHA that the billing arrangement was terminated, the receiving PHA must take the following steps:

- Return the full amount of the overpayment, including the portion provided for administrative fees, to the initial NHHFA.
- Once full payment has been returned, notify the Office of Public Housing in the HUD area office with jurisdiction over the receiving NHHFA of the date and the amount of reimbursement to the initial NHHFA.

At HUD's discretion, the receiving NHHFA will be subject to the sanctions spelled out in Notice PIH 2016-09.

Denial or Termination of Assistance

At any time, the receiving PHA may make a determination to deny or terminate assistance to a portable family for family action or inaction [24 CFR 982.355(c)(17)].
In the case of a termination, NHHFA should provide adequate notice of the effective date to the initial PHA to avoid having to return a payment. In no event should the receiving PHA fail to notify the initial PHA later than 10 business days following the effective date of the termination of the billing arrangement [HUD-52665; Notice PIH 2016-09].

NHHFA Policy

If NHHFA elects to deny or terminate assistance for a portable family, NHHFA will notify the initial PHA within 10 business days after the informal review or hearing if the denial or termination is upheld. NHHFA will base its denial or termination decision on the policies set forth in Chapter 3 or Chapter 12, respectively. The informal review or hearing will be held in accordance with the policies in Chapter 16. The receiving NHHFA will furnish the initial PHA with a copy of the review or hearing decision.

Absorbing a Portable Family

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The receiving PHA may absorb an incoming portable family into its own program when NHHFA executes a HAP contract on behalf of the family or at any time thereafter providing that NHHFA has funding available under its annual contributions contract (ACC) [24 CFR 982.355(d)(1), Notice PIH 2016-09].

If the receiving PHA absorbs a family from the point of admission, the admission will be counted against the income targeting obligation of the receiving PHA [24 CFR 982.201(b)(2)(vii)].

If the receiving PHA absorbs a family after providing assistance for the family under a billing arrangement with the initial PHA, the receiving PHA must send an updated form HUD-52665 to the initial PHA no later than 10 business days following the effective date of the termination of the billing arrangement [Notice PIH 2016-09].

NHHFA Policy

If NHHFA decides to absorb a portable family upon the execution of a HAP contract on behalf of the family, NHHFA will notify the initial PHA by the initial billing deadline specified on form HUD-52665. The effective date of the HAP contract will be the effective date of the absorption.
If NHHFA decides to absorb a family after that, it will provide the initial PHA with 30 days' advance notice, but no later than 10 business days following the effective date of the termination of the billing arrangement.

Following the absorption of an incoming portable family, the family is assisted with funds available under the consolidated ACC for the receiving PHA's voucher program [24 CFR 982.355(d)], and the receiving PHA becomes the initial PHA in any subsequent moves by the family under portability [24 CFR 982.355(e)(4)].

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Chapter 11 Reexaminations

Introduction

NHHFA is required to reexamine each family's income and composition at least triennially, and to adjust the family's level of assistance accordingly. Interim reexaminations are also needed in certain situations. This chapter discusses annual/biennial/triennial and interim reexaminations, and the recalculation of family share and subsidy that occurs as a result. HUD regulations and NHHFA policies concerning reexaminations are presented in three parts:

Part I: Annual Reexaminations. This part discusses the process for conducting annual reexaminations.

Part II: Interim Reexaminations. This part details the requirements for families to report changes in family income and composition between annual reexaminations.

Part III: Recalculating Family Share and Subsidy Amount. This part discusses the recalculation of family share and subsidy amounts based on the results of annual and interim reexaminations.

Part IV: Recalculating Family Share and Subsidy Amount. This part discusses the recalculation of family share and subsidy amounts based on the results of annual and interim reexaminations.Policies governing reasonable accommodation, family privacy, required family cooperation, and program abuse, as described elsewhere in this plan, apply to both regular and interim reexaminations.

Part I: Annual Reexaminations

[24 CFR 982.516]

11-I.A. Overview

NHHFA must conduct a reexamination of family income and composition at least triennially. This includes gathering and verifying current information about family composition, income, and expenses. Based on this updated information, the family's income and rent must be recalculated. This part discusses the schedule for reexaminations, the information to be collected and verified, and reexamination effective dates.

Unlike when performing an interim reexamination or at intake, at reexamination, NHHFA must determine the income of the family for the previous 12-month period, except where NHHFA uses a streamlined income determination. Income from assets, however, is always anticipated, irrespective of the income examination type [Notice PIH 2023-27].

11-I.B. Scheduling Annual Reexaminations

NHHFA must establish a policy to ensure that the reexamination for each family is completed within a 24/36-month period and may require reexaminations more frequently [HCV GB p. 12-1].

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NHHFA Policy

NHHFA will begin the reexamination process 120 days in advance of its scheduled effective date.

Notification of and Participation in the Reexamination Process

NHHFA is required to obtain the information needed to conduct reexaminations. How that information will be collected is left to the discretion of NHHFA.

NHHFA Policy

Recert Guidelines

- Send recert letters on the 20th of the month prior to the 120 days
- Send second notice on the first of the following month
- Last chance letters go out on the 16th of the month
- Reach out via email, text, or phone in addition to completing the above steps.
- If the participant has not reached out or started their recertification, termination of assistance will begin following the steps in Chapter 12

11-I.C. Conducting Annual Reexaminations

As part of the reexamination process, families are required to provide updated information to NHHFA regarding the family's income, expenses, and composition [24 CFR 982.551(b)].

NHHFA Policy

The preferred method of completing recertifications is through the online tenant portal in Yardi. The client can complete all documents, sign all forms and upload any supporting documents needed. The required information will include a NHHFA-designated reexamination form as well as supporting documents or forms related to the family's income, expenses, and family composition.

Any required documents or information that the family is unable to provide at the time of the review must be provided within 10 business days of the request. If the family is unable to obtain the information or materials within the required time frame, the family may request an extension.

If the family does not provide the required documents or information within the required time period (plus any extensions), the family will be sent a notice of termination (See Chapter 12).

Additionally, HUD recommends that at reexaminations NHHFA ask whether the tenant, or any member of the tenant's household, is subject to a lifetime sex offender registration requirement in any state [Notice PIH 2012-28].

NHHFA Policy

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At the reexamination, NHHFA will ask whether the tenant, or any member of the tenant's household, is subject to a lifetime sex offender registration requirement in any state. NHHFA will use the Dru Sjodin National Sex Offender database to verify the information provided by the tenant.

If NHHFA proposes to terminate assistance based on lifetime sex offender registration information, NHHFA must notify the household of the proposed action and must provide the subject of the record and the tenant a copy of the record and an opportunity to dispute the accuracy and relevance of the information prior to termination. [24 CFR 5.903(f) and 5.905(d)]. (See Chapter 12.)

The information provided by the family generally must be verified in accordance with the policies in Chapter 7. Unless the family reports a change, or NHHFA has reason to believe a change has occurred in information previously reported by the family, certain types of information that are verified at admission typically do not need to be re-verified. These include:

- Legal identity
- Age
- Social security numbers
- A person's disability status
- Citizenship or immigration status

If adding a new family member to the unit causes overcrowding according to space standards (see Chapter 8), NHHFA must issue the family a new voucher, and the family and NHHFA must try to find an acceptable unit as soon as possible. If an acceptable unit is available for rental by the family, NHHFA must terminate the HAP contract in accordance with its terms [24 CFR 982.403].

11-I.D. Determining Ongoing Eligibility of Certain Students

[24 CFR 982.552(b)(5)]

Section 327 of Public Law 109-115 established restrictions on the ongoing eligibility of certain students (both part- and full-time) who are enrolled in institutions of higher education.

If a student enrolled in an institution of higher education is under the age of 24, is not a veteran, is not married, does not have a dependent child, and is not a person with disabilities receiving HCV assistance as of November 30, 2005, the student's eligibility must be reexamined along with the income eligibility of the student's parents at reexamination. In these cases, both the student and the student's parents must be income eligible for the student to continue to receive HCV assistance. If, however, a student in these circumstances is determined independent from their parents or is considered a vulnerable youth in accordance with NHHFA policy, the income of the student's parents will not be considered in determining the student's ongoing eligibility.

Students who reside with parents in an HCV assisted unit are not subject to this provision. It is limited to students who are receiving assistance on their own, separately from their parents.

NHHFA Policy

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During the reexamination process, NHHFA will determine the ongoing eligibility of each student who is subject to the eligibility restrictions in 24 CFR 5.612 by reviewing the student's individual income as well as the income of the student's parents. If the student has been determined "independent" from their parents or is considered a vulnerable youth based on the policies in Sections 3-II.E and 7-II.E, the parents' income will not be reviewed.

If the student is no longer income eligible based on their own income or the income of their parents, the student's assistance will be terminated in accordance with the policies in Section 12-I.D.

If the student continues to be income eligible based on their own income and the income of their parents (if applicable), NHHFA will process a reexamination in accordance with the policies in this chapter.

11-I.E. Calculating Income at Reexamination

[24 CFR 5.609(c)(2) and Notice PIH 2023-27]

NHHFA must determine the income of the family for the previous 12-month period and use this amount as the family income for reexaminations, except where NHHFA uses a streamlined income determination as indicated in Chapter 7 of this policy

Determining the income of the family for the previous 12-month period, any change of income since the family's last reexamination, including those that did not meet the threshold to process an interim reexamination in accordance with NHHFA policies and 24 CFR 5.657(c) or 960.257(b) must be considered.

Income from assets is always anticipated, irrespective of the income examination type.

A change in income may be a loss of income or the addition of a new source of income. Changing to a different employer in the prior year does not necessarily constitute a change if the income earned from either employer is substantially the same. NHHFA should look at the entirety of the family's unearned income and earned income from the prior year in which earned income may have been one constant job or many different jobs that start and stop.

Cost of Living Adjustments (COLA) to Social Security income and Social Security disability income are always considered changes to income because the COLA is an adjustment that automatically occurs annually by law. See Chapter 6 for NHHFA policies on when the COLA is applied and Chapter 7 on streamlined determination of income for inflationary adjustments.

Notice PIH 2023-27 lists the following steps to calculate both earned and unearned income at reexamination.

Step 1: NHHFA determines annual income for the previous 12-month period by reviewing the following information:

- The EIV Income Report pulled within 120 days of the effective date of the reexamination.
- The income reported on the most recent HUD–50058; and

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- The amount of prior-year income reported by the family on NHHFA's reexamination paperwork.

Step 2: NHHFA takes into consideration any interim reexamination of family income completed since the last reexamination.

If there was an interim reexamination performed, NHHFA must use the annual income from the interim to determine the family's total annual income, provided there are no additional changes.

If NHHFA did not perform an interim or there have been changes since the last reexamination, NHHFA moves to Step 3.

Step 3: If there were changes in annual income not processed by NHHFA since the last reexamination, NHHFA must use current income. The family will be required to report their income for the prior year and whether there have been permanent changes.

If there are no reported changes to an income source, NHHFA may use documentation of prior-year income to calculate the annual income. For example, NHHFA may use the following documentation:

- EIV + self-certification (wages, Supplemental Security Income (SSI), Social Security, and unemployment)
- Current written third-party verification from the source verifying prior-year income that is dated within 120 days of receipt by NHHFA, for example:
- Year-end statements
- Paycheck with year-to-date amounts
- Tax forms (Form 1040, W2, 1099, etc.)
- If there are reported changes by the family or NHHFA notes discrepancies between EIV and what the family reports, NHHFA must follow the verification hierarchy (described in Chapter 7) to document and verify income. Exhibit 11-1 provides detailed examples of how NHHFA calculates income from different sources at annual reexamination using the above method.

NHHFA Policy

When income is calculated using a Safe Harbor determination from a means-tested federal public assistance program in accordance with NHHFA policies in Chapter 7, the above is not applicable. However, where the family disagrees with NHHFA or other agency's determination of income or NHHFA has other reason to use third-party verification in these circumstances, then the above will apply.

11-I.F. Effective Dates

NHHFA must establish policies concerning the effective date of changes that result from a reexamination [24 CFR 982.516].

NHHFA Policy

In general, an increase in the family share of the rent that results from a reexamination will take effect on the family's anniversary date, and the family will be notified at least 30 days in advance.

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If less than 30 days remain before the scheduled effective date, the increase will take effect on the first of the month following the end of the 30-day notice period.

If a family moves to a new unit, the increase will take effect on the effective date of the new lease and HAP contract, and no 30-day notice is required.

If NHHFA chooses to schedule a reexamination for completion prior to the family's anniversary date for administrative purposes, the effective date will be determined by NHHFA but will always allow for the 30-day notice period.

If the family causes a delay in processing the reexamination, increases in the family share of the rent will be applied retroactively to the scheduled effective date of the annual reexamination.

In general, a decrease in the family share of the rent that results from a reexamination will take effect on the family's anniversary date.

If a family moves to a new unit, the decrease will take effect on the effective date of the new lease and HAP contract.

If NHHFA chooses to schedule a reexamination for completion prior to the family's anniversary date for administrative purposes, the effective date will be determined by NHHFA.

If the family causes a delay in processing the annual reexamination, decreases in the family share of the rent will be applied prospectively, from the first day of the month following completion of the reexamination processing.

Delays in reexamination processing are considered to be caused by the family if the family fails to provide information requested by NHHFA by the date specified, and this delay prevents NHHFA from completing the reexamination as scheduled.

Part II: Interim Reexaminations

[24 CFR 982.516; Notice PIH 2023-27]

11-II.A. Overview

Family circumstances may change between reexaminations. HUD and NHHFA policies dictate what kinds of information about changes in family circumstances must be reported, and under what circumstances NHHFA must process interim reexaminations to reflect those changes.

A family may request an interim determination of family income or composition because of any changes since the last determination. NHHFA must conduct any interim reexamination within a reasonable period of time after the family request or when NHHFA becomes aware of a change in the family's adjusted income that must be processed in accordance with HUD regulations. What qualifies as a "reasonable time" may vary based on the amount of time it takes to verify information, but NHHFA generally should conduct the interim reexamination not longer than 30 days after NHHFA becomes aware of changes in income.

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Notice PIH 2023-27 changes the conditions under which interim reexaminations must be conducted, codifies when interim reexaminations should be processed and made effective, and requires related changes for annual reexaminations and streamlined income determinations. When NHHFA determines that an interim reexamination of income is necessary, they must ask the family to report changes in all aspects of adjusted income.

11-II.B. Changes in Family and Household Composition

Reporting

NHHFA must require families to report household composition changes; however, NHHFA determines the timeframe in which reporting happens [Notice PIH 2023-27]. NHHFA must adopt policies prescribing when and under what conditions the family must report changes in income and family composition [24 CFR 960.257(b)(5)].

NHHFA Policy

All families must report all changes in family and household composition that occur between reexaminations within 10 business days of the change.

New Family Members Not Requiring NHHFA Approval

The addition of a family member as a result of birth, adoption, or court-awarded custody does not require NHHFA approval. However, the family is required to promptly notify NHHFA of the addition [24 CFR 982.551(h)(2)].

New Family and Household Members Requiring Approval

With the exception of children who join the family as a result of birth, adoption, or court-awarded custody, a family must request NHHFA approval to add a new family member [24 CFR 982.551(h)(2)] or other household member (live-in aide or foster child) [24 CFR 982.551(h)(4)]. Although NHHFA must verify aspects of program eligibility when any new family member is added, the Streamlining Final Rule removed the requirement that NHHFAs conduct a reexamination of income whenever a new family member is added. NHHFA may state in policy that an income reexamination will be conducted.

If a change in family size causes a violation of space standards (see Chapter 8), NHHFA must issue the family a new voucher, and the family and NHHFA must try to find an acceptable unit as soon as possible. If an acceptable unit is available for rental by the family, NHHFA must terminate the family's HAP contract in accordance with its terms [24 CFR 982.403].

NHHFA Policy

Families must request NHHFA and landlord approval to add a new family member, live-in aide, foster child, or foster adult. This includes any person not on the lease who is expected to stay in the unit for more than 30 consecutive days or 90 cumulative days within a 12-month period and therefore no longer qualifies as a "guest." Requests must be made in writing and approved by NHHFA prior to the individual moving into the unit.

NHHFA will not approve the addition of a new family or household member unless the individual meets NHHFA's eligibility criteria and documentation requirements.

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If NHHFA determines an individual meets NHHFA's eligibility criteria and documentation requirements, NHHFA will provide written approval to the family. If the approval of a new family member or live-in aide will cause overcrowding according to space standards, the approval letter will explain that the family will be issued a voucher and will be required to move.

The PHA will not approve the addition of a foster child or foster adult if it would result in overcrowding of the existing unit. If the authorized placement agency (e.g., public child welfare agency) requires that the foster child have a separate bedroom, the PHA will provide the subsidy standard for one additional bedroom, in accordance with 5-II.B.

If NHHFA determines that an individual does not meet NHHFA's eligibility criteria or documentation requirements, NHHFA will notify the family in writing of its decision to deny approval of the new family or household member and the reasons for the denial.
The PHA will not approve the addition of a foster child or foster adult if it would result in overcrowding of the existing unit. If the authorized placement agency (e.g., public child welfare agency) requires that the foster child have a separate bedroom, the PHA will provide the subsidy standard for one additional bedroom, in accordance with 5-II.B.

NHHFA will make its determination within 10 business days of receiving all information required to verify the individual's eligibility.

Departure of a Family or Household Member

Families must promptly notify NHHFA if any household member no longer lives in the unit [24 CFR 982.551(h)(3)]. Because household members are considered when determining the family unit (voucher) size [24 CFR 982.402], NHHFA also needs to know when any live-in aide, foster child, or foster adult ceases to reside in the unit. NHHFA must process an interim for all decreases in adjusted income when a family member permanently moves out of the unit.

NHHFA Policy

If a household member ceases to reside in the unit, the family must inform NHHFA within 10 business days. This requirement also applies to a family member who has been considered temporarily absent at the point that the family concludes the individual is permanently absent.

11-II.C. Changes Affecting Income or Expenses

Overview

Interim reexaminations for changes in income or expenses may be scheduled either because NHHFA has reason to believe that changes in income or expenses may have occurred, or because the family reports a change.

NHHFA must estimate the income of the family for the upcoming 12-month period to determine family income for an interim reexamination [24 CFR 5.609(c)(1)]. Policies for projecting income are found in Chapter 6.

Interim Decreases

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[24 CFR 982.516(c)(2) and Notice PIH 2023-27]

A family may request an interim determination of family income for any change since the last determination. However, NHHFA may decline to conduct an interim reexamination if NHHFA estimates the family's adjusted income will decrease by an amount that is less than 10 percent of the family's adjusted income. NHHFA may set a lower threshold in NHHFA policy such as performing an interim for any decreases in adjusted income, although HUD prohibits NHHFA from setting a dollar-figure threshold.

However, while NHHFA has some discretion, HUD requires that NHHFA perform an interim reexamination for a decrease in adjusted income of any amount in two circumstances:
When there is a decrease in family size attributed to the death of a family member; or
When a family member permanently moves out of the assisted unit during the period since the family's last reexamination.

In the above circumstances, NHHFA must perform an interim reexamination for any decrease in adjusted income.

If the net effect of the changes in adjusted income due to a decrease in family size results in no change or an increase in annual adjusted income, then NHHFA must process the removal of the household member(s) as a non-interim reexamination transaction without making changes to the family's annual adjusted income.

NHHFA Policy

NHHFA will conduct an interim reexamination any time the family's adjusted income has decreased by any amount.

This section is applicable prior to NHHFA's HOTMA 102/104 compliance date. After this date, NHHFA will follow policies as outlined in Interim Increases Post HOTMA. of the model policy.

NHHFA Policy

When a family reports an increase in their earned income between reexaminations, NHHFA will conduct an interim reexamination, regardless of the amount of the increase, and regardless of whether there was a previous decrease since the family's last annual reexamination.

NHHFA will not perform an interim reexamination when a family reports an increase in income (whether earned or unearned income) within three months of their reexamination effective date. However, families who delay reporting income increases until the last three months of their certification period may be subject to retroactive rent increases.in accordance with NHHFA policies in Chapter 14.

Interim Increases Post HOTMA

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Increases Less than 10 Percent

NHHFA must not process interim reexaminations for income increases that result in less than a 10 percent increase in annual adjusted income.

Increases 10 Percent or Greater

NHHFA must conduct an interim reexamination of family income when NHHFA becomes aware that the family's adjusted income has changed by an amount that NHHFA estimates will result in an increase of 10 percent or more in adjusted income, with the following exceptions:

NHHFA may not consider any increases in earned income when estimating or calculating whether the family's adjusted income has increased, unless the family has previously received an interim reduction during the same reexamination cycle; and

NHHFA may choose not to conduct an interim reexamination during the last three months of a certification period if a family reports an increase in income within three months of the next annual reexamination effective date.

When the family previously received an interim reexamination for a decrease to adjusted income during the same annual reexamination cycle, NHHFA has the discretion whether to consider a subsequent increase in earned income.

NHHFA Policy

When a family reports an increase in their earned income between reexaminations, NHHFA will not conduct an interim reexamination, regardless of the amount of the increase, and regardless of whether there was a previous decrease since the family's last annual reexamination. NHHFA will process an interim reexamination for any increases in unearned income of 10 percent or more in adjusted income.

NHHFA will not perform an interim reexamination when a family reports an increase in income (whether earned or unearned income) within three months of their reexamination effective date. However, families who delay reporting income increases until the last three months of their certification period may be subject to retroactive rent increases.in accordance with NHHFA policies in Chapter 14.

Concurrent Increases in Earned and Unearned Income

[Notice PIH 2023-27]

When the family reports an increase in both earned and unearned income at the same time, NHHFA must look at the earned and unearned income changes independently of each other to determine if an interim reexamination is performed. NHHFA will only conduct an interim reexamination when the increase independently meets the 10 percent threshold and all other requirements for performing interim reexaminations. For example, if a family reported increases in both earned and unearned income that overall resulted in a 12 percent increase in their adjusted income, but the change in earned income represented a 7 percent increase and the change in unearned income represented a 5 percent increase, NHHFA may not perform an interim for either change since neither change meets the 10 percent threshold amount

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independently. If the change in unearned income met the 10 percent threshold in this case, NHHFA would be required to perform an interim. If the change in earned income met the 10 percent threshold in this case, NHHFA would refer to NHHFA policy to determine whether an interim was required.

Cumulative Increases

[Notice PIH 2023-27]

A series of smaller reported increases in adjusted income may cumulatively meet or exceed the 10-percent increase threshold, at which point NHHFA must conduct an interim reexamination in accordance with NHHFA policy.

Family Reporting

NHHFA must adopt policies consistent with HUD regulations prescribing when and under what conditions the family must report a change in family income or composition [24 CFR 982.516(d)].

NHHFA policy may require families to report only changes that the family estimates meet the threshold for an interim reexamination or NHHFA may establish policies requiring that families report all changes in income and household composition, and NHHFA will subsequently determine if the change requires an interim reexamination [Notice PIH 2023-27].

When NHHFA determines that an interim reexamination of income is necessary, they must ask the family to report changes in all aspects of adjusted income. For example, if the family is reporting a decrease in adjusted income that is more than 10 percent, but the family also had a change in assets that would result in a change in income, the change in assets must also be reviewed [Notice PIH 2023-27].

NHHFA Policy

The family will be required to report all changes in income regardless of the amount of the change, whether the change is to earned or unearned income, or if the change occurred during the last three months of the certification period. Families must report changes in income within 5 business days of the date the change takes effect. The family may notify NHHFA of changes either by phone, via email or through the online portal. If the family provides oral notice, NHHFA may also require the family to submit the changes in writing.

Within 5 business days of the family reporting the change, NHHFA will determine whether the change will require an interim reexamination.

If the change will not result in an interim reexamination, NHHFA will note the information in the tenant file but will not conduct an interim reexamination. NHHFA will send the family written notification within 5 business days of making this determination informing the family that NHHFA will not conduct an interim reexamination.

If the change will result in an interim reexamination, NHHFA will determine the documentation the family will be required to submit based on the type of change reported and NHHFA policies

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in Chapter 7. NHHFA will ask the family to report changes in all aspects of adjusted income at this time. The family must submit any required information or documents within 5 business days of receiving a request from NHHFA. This time frame may be extended for good cause with NHHFA approval. NHHFA will accept required documentation online or by mail, email, fax, or in person. NHHFA will conduct the interim within a reasonable time period based on the amount of time it takes to verify the information.

11-II.D. Effective Dates

[24 CFR 982.516(e) and Notice 2023-27]

Changes Reported Timely

[Notice PIH 2023-27]

If the family reports a change in family income or composition timely in accordance with NHHFA policies:

For rent increases, NHHFA must provide the family with 30 days advance written notice. The rent increase is effective the first of the month after the end of that 30-day notice period.

Rent decreases are effective on the first of the month after the date of the actual change leading to the interim reexamination of family income. This means the decrease will be applied retroactively.

Changes Not Reported Timely

[Notice PIH 2023-27]

If the family failed to report a change in family income or composition timely in accordance with NHHFA policies:

For rent increases, NHHFA must implement any resulting rent increases retroactively to the first of the month following the date of the change leading to the interim reexamination of family income.

For rent decreases, NHHFA must implement the change no later than the first rent period following completion of the interim reexamination.

However, NHHFA may choose to adopt a policy that would make the effective date of the rent decrease retroactive to the first of the month following completion of the reexamination. NHHFA may choose to establish conditions or requirements for when such a retroactive application would apply. NHHFA that choose to adopt such policies must ensure the earliest date that the retroactive decrease is applied is the later of:

The first of the month following the date of the change that led to the interim reexamination; or

The first of the month following the most recent previous income examination.

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In applying a retroactive change in rent as the result of an interim reexamination, NHHFA must clearly communicate the effect of the retroactive adjustment to the family so that there is no confusion over the amount of the rent that is the family's responsibility.

NHHFA Policy

In general, when the family fails to report a change in income or family composition timely, and the change would lead to a rent decrease, NHHFA will apply the decrease the first of the month following completion of the interim reexamination.

However, NHHFA will apply the results of the interim reexamination retroactively where a family's ability to report a change in income promptly may have been hampered due to extenuating circumstances such as a natural disaster or disruptions to NHHFA management operations. NHHFA will decide to apply decreases retroactively on a case-by-case basis.

When NHHFA applies the results of interim decreases retroactively, NHHFA will clearly communicate the effect of the retroactive adjustment to the family and may enter into a repayment agreement in accordance with NHHFA policies.

Part III: Non-Interim Reexamination Transactions

[Notice PIH 2023-27]
Families may experience changes within the household that do not trigger an interim reexamination under PHA policy and HUD regulations, but which HUD still requires the PHA to report to HUD via Form HUD-50058. These are known as *non-interim reexamination transactions*. In these cases, PHAs will submit a separate, new action code on Form HUD-50058. The following is a list of non-interim reexamination transactions:
Adding or removing a hardship exemption for the childcare expense deduction;
Updating or removing the phased-in hardship relief for the health and medical care expense deduction and/or reasonable attendant care and auxiliary apparatus expense deduction (families will begin receiving a 24-month phased-in relief at their next annual or interim reexamination, whichever occurs first);

- Adding or removing general hardship relief for the health and medical care expense deduction and/or reasonable attendant care and auxiliary apparatus expense deduction;
- Adding or removing a minimum rent hardship;
- Adding or removing a non-family member (i.e., live-in aide, foster child, foster adult);
- Ending a family's EID or excluding 50 percent (decreased from 100 percent) of a family member's increase in employment income at the start of the second 12- month EID period.
- Adding a family member and the increase in adjusted income does not trigger an interim reexamination under the final rule;
- Removing a family member and the increase in adjusted income does not trigger an interim reexamination under the final rule;
- Adding/updating a family or household member's Social Security number;

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- Updating a family member's citizenship status from eligible to ineligible or vice versa, resulting in a change to the family's rent and/or utility reimbursement, if applicable (i.e., family begins receiving prorated assistance or previously prorated assistance becomes full assistance), or updating the prorated rent calculation due to the addition or removal of family members in household with an ineligible noncitizen(s); and
- Rent increases
- PHAs must make all other changes to assets, income, and deductions at the next annual or interim reexamination of income, whichever is sooner.

Part IV: Recalculating Family Share and Subsidy Amount

11-IV.A. Overview

After gathering and verifying required information for a regular or interim reexamination, NHHFA must recalculate the family share of the rent and the subsidy amount and notify the family and owner of the changes [24 CFR 982.516(d)(2), HCV 12-6 and 12-10]. While the basic policies that govern these calculations are provided in Chapter 6, this part lays out policies that affect these calculations during a reexamination.

11-IV.B. Changes in Payment Standards and Utility Allowances

In order to calculate the family share of the rent and HAP amount correctly, changes in payment standards, subsidy standards, or utility allowances may need to be updated and included in NHHFA's calculations.

Specific policies governing how subsidy standards, payment standards, and utility allowances are applied are discussed below.

Payment Standards

[24 CFR 982.505]

The family share of the rent and HAP calculations must use the correct payment standard for the family, taking into consideration the family unit size, the size of unit, and the area in which the unit is located [HCV GB, p. 12-5]. See Chapter 6 for information on how to select the appropriate payment standard.

When NHHFA changes its payment standards or the family's situation changes, new payment standards are applied at the following times:

If NHHFA's payment standard amount changes during the term of the HAP contract, the date on which the new standard is applied depends on whether the standard has increased or decreased:

If the payment standard amount has increased, the increased payment standard will be applied at the first action following the effective date of the increase in the payment standard.

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If the payment standard amount has decreased, during the term of a HAP contract, NHHFA is not required to reduce the payment standard as the HAP contract remains in effect. At the family's second annual reexamination, NHHFA may, but is not required to, apply the decreased payment standard or may gradually implement the reduced payment standard (See Chapter 6 for NHHFA's policy on decreases in the payment standard).

If the family moves to a new unit, or a new HAP contract is executed due to changes in the lease (even if the family remains in place) the current payment standard applicable to the family will be used when the new HAP contract is processed.

Subsidy Standards

[24 CFR 982.505(c)(4)]

If there is a change in the family unit size that would apply to a family during the HAP contract term, either due to a change in family composition, or a change in NHHFA's subsidy standards (see Chapter 5), the new family unit size must be used to determine the payment standard amount for the family at the family's first action following the change in family unit size.

Utility Allowances

[24 CFR 982.517(d)]

The family share of the rent and HAP calculations must reflect any changes in the family's utility arrangement with the owner, or in NHHFA's utility allowance schedule [HCV GB, p. 12-5]. Chapter 16 discusses how utility allowance schedules are established.

When there are changes in the utility arrangement with the owner, NHHFA must use the utility allowances in effect at the time the new lease and HAP contract are executed.

At reexamination or change in voucher size, NHHFA must use NHHFA current utility allowance schedule [HCV GB, p. 18-8].

NHHFA Policy

Revised utility allowances will be applied to a family's rent and subsidy calculations at the first reexamination after the allowance is adopted.

11-IV.C. Notification of New Family Share and Hap Amount

NHHFA must notify the owner and family of any changes in the amount of the HAP payment [HUD-52641, HAP Contract]. The notice must include the following information [HCV GB, p. 12-6]:

- The amount and effective date of the new HAP payment
- The amount and effective date of the new family share of the rent
- The amount and effective date of the new tenant rent to owner
- The family must be given an opportunity for an informal hearing regarding NHHFA's determination of their annual or adjusted income, and the use of such income to compute the housing assistance payment [24 CFR 982.555(a)(1)(i)] (see Chapter 16).

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NHHFA Policy

The notice to the family will include the annual and adjusted income amounts that were used to calculate the family share of the rent and the housing assistance payment.

The notice will state the family has the right to request an explanation of how the assistance was calculated and if the family disagrees, they have the right to informal hearing. The notice will include the procedures for requesting an informal hearing.

11-IV.D. Discrepancies

During a regular or interim reexamination, NHHFA may discover that information previously reported by the family was in error, or that the family intentionally misrepresented information. In addition, NHHFA may discover errors made by NHHFA. When errors resulting in the overpayment or underpayment of subsidy are discovered, corrections will be made in accordance with the policies in Chapter 13.

Exhibit 11-1: Calculating Income at Reexamination

Example 1: Calculating Annual Income at Annual Reexamination Using EIV

Staff are processing the March 1 reexamination for Ruby Myers and her minor daughter, Georgia. No interim reexaminations have been processed, and Ruby has not reported any changes to annual income to NHHFA since the last reexamination. The SSA published COLA is 7 percent.	
Last reexamination – Annual Reexamination	
Ruby:	Georgia:
Wages: $30,000	SSI: $10,980 ($915 monthly)

The EIV report pulled on 12/15

Ruby:	Georgia:
Wages Total: $33,651	SSI Total: $10,980
Quarter 3 of 2023: $8,859 (City Public School)	2023 benefit $915 monthly
Quarter 2 of 2023: $8,616 (City Public School)	
Quarter 1 of 2023: $8,823 (City Public School)	

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Quarter 4 of 2022: $7,353 (City Public School)

Income Reported on Reexamination Application	
Ruby: Wages at City Public School: $32,000 (switched jobs but no permanent change to amount)	Georgia: SSI benefits: $10,980 (no changes)
Calculating Ruby's wages: Step 1: Determine prior annual income from EIV (i.e., Q4 2022 through Q3 of: $33,651). Step 2: Take into consideration any interim reexamination of family income completed since the last annual reexamination (in this case, there have been no interim reexaminations processed since the last annual reexamination). Step 3: Ruby certifies that the $33,651 of wages in EIV is accurate and reflects her current annual income, so NHHFA will use $33,651 for annual wages for the 3/1 annual reexamination given there have been no additional changes to annual income.	Calculating Georgia's SSI benefit: Step 1: Determine the prior annual income from EIV (i.e., $915 x 12 months: $10,980). Step 2: Take into consideration any interim reexamination of family income completed since the last annual reexamination (in this case, there have been no interim reexaminations processed since the last annual reexamination). Step 3: Ruby certifies the SSI income in EIV is accurate and reflects Georgia's current annual income. NHHFA must adjust the prior-year income (2023 SSI benefit) by the 7- percent COLA and will use this amount to calculate annual SSI income for the 3/1/2024 annual reexamination: COLA: $64.05 ($915 x 0.07) New gross SSI benefit: $11,748.60 ($979.05 x 12 months)
If Ruby did not agree with the annual wages reported in EIV, NHHFA/MFH Owner would be required to verify her current income in accordance with HUD's verification hierarchy.	
Summary of Annual Income (as reported on the HUD-50058)	
Ruby (Head of Household): Other Wage: $33,651	Georgia (Other Youth Under 18): SSI: $11,748

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Myers Family Total Annual Income: $45,399

Example 2: Calculating Annual Income at Annual Reexamination Using EIV:

Family Disagrees with EIV

Staff are processing Paul Hewson's 5/1 annual reexamination. Since the last annual reexamination, Paul reported a decrease in annual income that exceeded 10 percent. Last year, Paul reported a decrease in earned income because he transferred from a full-time job at Sasha's Sweets to a part-time job at Viking Bakery. Following HUD's EIV verification hierarchy, staff confirmed Paul was no longer employed at Sasha's Sweets and decreased his anticipated annual income from $28,000 to $7,500 resulting from his new part-time employment at Viking Bakery; an interim reexamination was processed effective 7/1. After the 7/1 interim, Paul worked briefly at two different jobs, but he says he is no longer working and is not planning to work.
5/1 Annual Reexamination
Wages: $28,000

The EIV report pulled on 1/15

Wages Total: $18,271

Quarter 3 of last year: $2,500 (Viking Bakery)

Quarter 3 of last year: $796 (Sweet Tooth Candy Bar)

Quarter 2 of last year: $1,300 (Sasha's Sweets)

Quarter 2 of last year: $584 (Larry's Concessions)

Quarter 2 of last year: $2,401 (Viking Bakery)

Quarter 1 of last year: $6,500 (Sasha's Sweets)

Quarter 4 of last year: $600 (Sasha's Sweets)

SS/SSI: No history of benefits

Income Reported on Reexamination Application Wages: $0 (permanent change; no longer receiving)

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Social Security: $14,400 ($1,200 monthly)

Paul certified on NHHFA's annual reexamination paperwork that he does not agree with the annual wages of $18,271 reported in EIV and it is not reflective of his current anticipated annual income. He reported he is currently unemployed, and provided a copy of an award letter from the Social Security Administration to document that he will begin receiving a monthly disability benefit of $1,200 effective 3/1.

Calculating Wages and SS Benefit

Step 1: Determine prior annual income taking into consideration the 7/1/ interim reexamination (i.e., EIV wages reflected Q4 through Q3: $18,271)

Step 2: Take into consideration any interim reexamination of family income completed since the last annual reexamination. In this case, there was a 7/1 interim that reduced wages to $7,500.

Step 3: Obtain documentation to verify current income and confirm Paul is no longer employed at Viking Bakery or The Sweet Tooth Candy Bar (the employers reported in the most recent quarter of EIV). This step is necessary, because Paul did not agree with the EIV income report or income reported on the last interim reexamination. Paul reported that he is no longer working at all.

Process the annual reexamination effective 5/1 using annual SS income of $14,400 and $0 wages.

Summary of Annual Income (as reported on the HUD-50058)

Paul (Head of Household): $14,400 (SS)

Hewson Family Total Annual Income: $14,400

Example 3: Calculating Annual Income at Annual Reexamination

Staff are processing the 11/1 annual reexamination for Samantha and Fergus Pool, head of household and spouse. On 2/14 Samantha reported her monthly child support payment was reduced from $200 to $100 per month, but an interim reexamination was not processed because the reduction in child support income for Samantha's daughter, Hailey, did not result in a decrease of 10 percent or more in annual adjusted income, and NHHFA did not establish a lower threshold. Samantha did not report any additional changes to NHHFA.

Last reexamination – 11/1 Annual Reexamination

Samantha:	Fergus:
Business income: $28,000	Wages: $8,250
VA disability pension: $12,000	

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Child support: $2,400	Other non-wage income: $3,000 (Go Fund Me online fundraiser)

The EIV report pulled on 9/16

Samantha:	Fergus:
Wages Total: $0 (no wage data reported since Q1 2023)	Wages Total: $8,600 Quarter 1 of last year: $2,100 (Ian's Fish 'n' Chips) Quarter 1 of last year: $500 (Claire's Healthcare Supplies) Quarter 4 of last year: $1,000 (Claire's Healthcare Supplies) Quarter 3 of previous year: $1,800 (The Onion Garden Shop) Quarter 2 of previous year: $3,200 (Ivar's Fish Haus)

Current Family Circumstances: Income Reported on Reexamination Application

Samantha and Fergus reported how much income was earned/received in the previous 12-month period and noted permanent changes, where applicable, for each source of their income on NHHFA's annual reexamination form. However, no information was reported by the family concerning other non-wage income. Fergus reported only wages and his current employment at Ian's Fish 'n' Chips for the annual reexamination. The family supplied the supporting documentation noted below to NHHFA for the 11/1 annual reexamination.

Samantha:	Fergus:
Business income: $28,750 (last year); has decreased to $18,000 (permanent change) VA disability benefit: $12,000 (last year); has increased to $12,300 (permanent change) Child support: $2,400 (last year); has decreased to $1,200 (permanent change)	Wages: $6,000

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Calculating Samantha's Net Business Income

Step 1: Determine prior annual net business income (i.e., $28,000 on last HUD–50058).

Step 2: Take into consideration any interim reexamination of family income completed since the last annual reexamination. In this case, there have been no interim reexaminations processed since the last annual reexamination.

Step 3: Adjust to reflect current net business income. Samantha reported on the annual reexamination application that business income permanently decreased to $18,000. NHHFA must obtain supporting documentation from Samantha that demonstrates current net business income. Samantha provided documentation that supported the current annual net business income is $18,000. Process the annual reexamination effective 11/1 using annual net business income determined in Step 3.

Calculating Samantha's VA Pension Income

Step 1: Determine prior annual VA pension income (i.e., $12,000 supported by a VA award letter Samantha supplied that documents the prior year monthly VA pension was $1,000).

Step 2: Take into consideration any interim reexamination of family income completed since the last annual reexamination. In this case, there have been no interim reexaminations processed since the last annual reexamination.

Step 3: NHHFA needs to adjust to reflect current VA pension income. Samantha supplies a VA award letter showing a monthly pension of $1,025, or $12,300 annually. Process the annual reexamination effective 11/1 using annual VA pension income determined in Step 3 ($12,300 in this example).

Calculating Samantha's Child Support Income

Step 1: Determine prior annual child support income (i.e., $2,400 on the last HUD–50058).

Step 2: Take into consideration any interim reexamination of family income completed since the last annual reexamination. In this case, there have been no interim reexaminations processed since the last annual reexamination. The family reported a decrease from $200 to $100 monthly, but the change was not processed because it did not meet the threshold.

Step 3: The family reported changes, so NHHFA must adjust to reflect current child support income. In this example, the family submitted a child support history report from the local child support office that documents regular $100 monthly child supports payments beginning 3/1/2024 through the current month. Process the annual reexamination effective 11/1/2024 using current annual child support income determined in Step 3 ($1,200 in this example).

Calculating Fergus' Wages

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Step 1: Determine prior annual income from wages in EIV (i.e., Q2 2023 through Q1 of 2024: $8,600).

Step 2: Take into consideration any interim reexamination of family income completed since the last annual reexamination. In this case, there have been no interim reexaminations processed since the last annual reexamination.

Step 3: There is a discrepancy between what the family reported and EIV, so NHHFA must verify and adjust to reflect current annual income from wages. Fergus reported $6,000 in annual income from wages on the annual reexamination from a single employer, Ian's Fish 'n' Chips. NHHFA projected annual income of $7,800 based on the two paystubs for this employer, and EIV shows $8,600 earned in the most recent four quarters in EIV. To complete Step 3, NHHFA must do the following:

Resolve the discrepancy between EIV wages, the $6,000 annual income Fergus reported, and the $7,800 projected based on the paystubs he provided, and

Verify he is no longer employed at Claire's Healthcare Supplies in accordance with HUD's verification hierarchy and local policies.

NHHFA determined that Fergus reported his net vs. gross annual income from wages, which he corrected on the annual reexamination form to reflect his current gross annual income of $9,000. NHHFA verified Fergus was no longer employed at Claire's Healthcare Supplies and obtained two additional paystubs. Based on four current and consecutive paystubs, Fergus is now projected to earn $9,360 annually. Process the annual reexamination effective 11/1/2024 using income from wages determined in Step 3 ($9,360 in this example).

Calculating Fergus' Other Non-Wage Income

Step 1: Determine prior annual income from other non-wage income (i.e., $3,000 on the last HUD– 50058).

Step 2: Take into consideration any interim reexamination of family income completed since the last annual reexamination. In this case, there have been no interim reexaminations processed since the last annual reexamination.

Step 3: The family did not report any non-wage income on the annual reexamination form, but it was included on the last HUD–50058. NHHFA must verify and adjust to reflect current non-wage income. NHHFA must verify no income was received through a "Go Fund Me" online fundraiser so that it may be excluded. Fergus provided a self-certification that he hasn't solicited funds online and doesn't plan to in the following year; he also provided records from the account that documented no fundraising activity in the prior 12-month period. Process the annual reexamination effective 11/1/2024 using annual non-wage income of $0 determined in Step 3.

Summary of Annual Income (as reported on the HUD-50058)

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Samantha (Head of Household): Own business: $18,000 Pension: $12,300 Child support: $1,200	Fergus (Co-head): Wages: $9,360
Poole Family Total Annual Income: $40,860	

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Chapter 12 Termination of Assistance and Tenancy

HUD regulations specify mandatory and optional grounds for which a NHHFA can terminate a family's assistance. They also specify the circumstances under which an owner may terminate the tenancy of an assisted family. This chapter describes the policies that govern mandatory and optional terminations of assistance, and termination of tenancy by the owner. It is presented in three parts:

Part I: Grounds for Termination of Assistance. This part describes the various circumstances under which assistance under the program can be terminated by the family or by NHHFA.

Part II: Approach to Termination of Assistance. This part describes the policies and the process that NHHFA will use in evaluating decisions on whether to terminate assistance due to actions or inactions of the family where termination is an option. It specifies the alternatives that NHHFA may consider in lieu of termination, the criteria NHHFA will use when deciding what action to take, and the steps NHHFA must take when terminating a family's assistance.

Part III: Termination of Tenancy by the Owner. This part describes the HUD policies that govern the owner's right to terminate an assisted tenancy.

Part I: Grounds For Termination of Assistance

12-I.A. Overview

HUD requires NHHFA to terminate assistance for certain actions and inactions of the family and when the family no longer requires assistance due to increases in family income. HUD permits NHHFA to terminate assistance for certain other actions or inactions of the family. In addition, a family may decide to withdraw from the program and terminate their HCV assistance at any time by notifying NHHFA.

12-I.B. Family No Longer Requires Assistance

[24 CFR 982.455]

As a family's income increases, the amount of the housing assistance payment decreases. If the amount of assistance provided by NHHFA is reduced to zero, the family's assistance terminates automatically 180 days after the last HAP payment.

NHHFA Policy

If a participating family receiving zero assistance experiences a change in circumstances that would result in a HAP payment to the owner, the family must notify NHHFA of the change and request an interim reexamination before the expiration of the 180-day period.

12-I.C. Family Chooses to Terminate Assistance

The family may request that NHHFA terminate housing assistance payments on behalf of the family at any time.

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NHHFA Policy

The request to terminate assistance should be made in writing and signed by the head of household, and spouse or cohead if applicable. Before terminating the family's assistance, NHHFA will follow the notice requirements in Section 12-II.F.

12-I.D. Mandatory Termination of Assistance

HUD requires NHHFA to terminate assistance in the following circumstances.

Eviction [24 CFR 982.552(b)(2), 24 CFR 5.2005(c)(1)]

NHHFA must terminate assistance whenever a family is evicted from a unit assisted under the HCV program for a serious violation of the lease. As discussed further in section 12-II.E, incidents of actual or threatened domestic violence, dating violence, sexual assault, stalking, or human trafficking may not be construed as serious or repeated violations of the lease by the victim or threatened victim of such violence or stalking.

NHHFA Policy

A family will be considered evicted if the family moves after a legal eviction order has been issued, whether or not physical enforcement of the order was necessary.

If a family moves after the owner has given the family an eviction notice for serious lease violations but before a legal eviction order has been issued, termination of assistance is not mandatory. In such cases NHHFA will determine whether the family has committed serious violations of the lease based on available evidence and may terminate assistance or take any of the alternative measures described in section 12-II.C. In making its decision, NHHFA will consider the factors described in sections 12-II.D and 12-II.E. Upon consideration of such factors, NHHFA may, on a case-by-case basis, choose not to terminate assistance.

Serious violations of the lease are defined as:

- As evidenced by the owner's report of disposition of security deposit in accordance with New Hampshire State law, a participant who causes total damage, after applying the security deposit, in excess of $1,500 to the unit during their tenancy and does not make arrangements with the owner for payment or who later breaches any such payment arrangement. If there is disagreement regarding disposition of security deposit, the owner and participant would be advised to pursue their claims by filing an action in court.
- As evidenced by the owner's report of disposition of security deposit in accordance with New Hampshire State law, a participant who owes three or more months of their portion of the rent to the owner and does not make payment arrangements with the owner (arrangements can include applying the security deposit) or who later breaches any such payment arrangement.
- A court determines that the participant has committed serious violations of the lease as stated in the court documents. VAWA protections will be considered when evaluating any of these examples. Examples of situations that allow an owner to evict and are considered serious violations of the lease are:
    - Disturbance of neighbors.
    - Destruction of property which exceeds the limits stated above.

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- Living or housekeeping habits that cause damage to the unit or premises.
- Criminal activity or alcohol abuse that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents or by persons residing in the immediate vicinity of the premises.
- Violent criminal activity on or near the premises.
- Any drug-related criminal activity on or near the premises.
- Violation of federal, state, or local law that imposes obligations on the participant in connection with the occupancy or use of the unit and the premises.
- Non-payment of rent or other amounts owed to the owner.
- Reasons cited in NH State law in relation to bed bugs.

Failure to Provide Consent [24 CFR 982.552(b)(3)]

NHHFA must terminate assistance if any family member fails to sign and submit any consent form, they are required to sign for a regular or interim reexamination. See Chapter 7 for a complete discussion of consent requirements.

NHHFA Policy

The PHA will also terminate assistance if the family revokes consent for the PHA to collect information from financial institutions.

Failure to Document Citizenship [24 CFR 982.552(b)(4) and [24 CFR 5.514(c)]

NHHFA must terminate assistance if

(1) a family fails to submit required documentation within the required timeframe concerning any family member's citizenship or immigration status.
(2) a family submits evidence of citizenship and eligible immigration status in a timely manner, but United States Citizenship and Immigration Services (USCIS) primary and secondary verification does not verify eligible immigration status of the family; or
(3) a family member, as determined by NHHFA, has knowingly permitted another individual who is not eligible for assistance to reside (on a permanent basis) in the unit.

Failure to Disclose and Document Social Security Numbers [24 CFR 5.218(c), Notice PIH 2018-24]

NHHFA must terminate assistance if a participant family fails to disclose the complete and accurate social security numbers of each household member and the documentation necessary to verify each social security number.

However, if the family is otherwise eligible for continued program assistance, and NHHFA determines that the family's failure to meet the SSN disclosure and documentation requirements was due to circumstances that could not have been foreseen and were outside of the family's control, NHHFA may defer the family's termination and provide the opportunity to comply with the requirement within a period not to exceed 90 calendar days from the date NHHFA determined the family to be noncompliant.

NHHFA Policy

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NHHFA will defer the family's termination and provide the family with the opportunity to comply with the requirement for a period of 90 calendar days for circumstances beyond the participant's control such as delayed processing of the SSN application by the SSA, natural disaster, fire, death in the family, or other emergency, if there is a reasonable likelihood that the participant will be able to disclose an SSN by the deadline.

Methamphetamine Manufacture or Production [24 CFR 982.553(b)(1)(ii)]

NHHFA must terminate assistance if any household member has ever been convicted of the manufacture or production of methamphetamine on the premises of federally assisted housing.

Lifetime Registered Sex Offenders [Notice PIH 2012-28]

Should NHHFA discover that a member of an assisted household was subject to a lifetime registration requirement at admission and was erroneously admitted after June 25, 2001, NHHFA must immediately terminate assistance for the household member.

In this situation, NHHFA must offer the family the opportunity to remove the ineligible family member from the household. If the family is unwilling to remove that individual from the household, NHHFA must terminate assistance for the household.

Failure of Students to Meet Ongoing Eligibility Requirements [24 CFR 982.552(b)(5) and FR 4/10/06]

If a student enrolled at an institution of higher education is under the age of 24, is not a veteran, is not married, does not have dependent children, is not residing with their parents in an HCV assisted household, and is not a person with disabilities receiving HCV assistance as of November 30, 2005.

If a participant household consists of both eligible and ineligible students, the eligible students shall not be terminated but must be issued a voucher to move with continued assistance in accordance with program regulations and NHHFA policies or must be given the opportunity to lease in place if the terminated ineligible student members elect to move out of the assisted unit.

Death of the Sole Family Member [24 CFR 982.311(d) and Notice PIH 2010-9]

NHHFA must immediately terminate program assistance for deceased single member households.

12-I.E. Mandatory Policies and Other Authorized Terminations

Mandatory Policies [24 CFR 982.553(b) and 982.551(l)]

HUD requires NHHFA to establish policies that permit NHHFA to terminate assistance if NHHFA determines that:

Any household member is currently engaged in any illegal use of a drug, or has a pattern of illegal drug use that interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents

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Any household member's abuse or pattern of abuse of alcohol may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents

Any household member has violated the family's obligation not to engage in any drug-related criminal activity

Any household member has violated the family's obligation not to engage in violent criminal activity

Use of Illegal Drugs and Alcohol Abuse

NHHFA Policy

NHHFA will terminate a family's assistance if any household member is currently engaged in any illegal use of a drug or has a pattern of illegal drug use that interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents.

NHHFA will terminate assistance if any household member's abuse or pattern of abuse of alcohol threatens the health, safety, or right to peaceful enjoyment of the premises by other residents.

Currently engaged in is defined as any use of illegal drugs during the previous three months.

NHHFA will consider all credible evidence, including but not limited to, any record of arrests, convictions, or eviction of household members related to the use of illegal drugs or abuse of alcohol.

A record or records of arrest will not be used as the sole basis for the termination or proof that the participant engaged in disqualifying criminal activity.

In making its decision to terminate assistance, NHHFA will consider alternatives as described in Section 12-II.C and other factors described in Sections 12-II.D and 12-II.E. Upon consideration of such alternatives and factors, NHHFA may, on a case-by-case basis, choose not to terminate assistance.

Drug-Related and Violent Criminal Activity [24 CFR 5.100]

Drug means a controlled substance as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802).

Drug-related criminal activity is defined by HUD as the illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell, distribute or use the drug.

Violent criminal activity means any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage.

NHHFA Policy

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NHHFA will terminate a family's assistance if any household member has violated the family's obligation not to engage in any drug-related or violent criminal activity during participation in the HCV program.

- Applicants may be denied assistance for the use or possession of a controlled substance, if such use or possession, as evidenced by conviction, occurred within one year from the date that NHHFA provides notice to deny participation. NHHFA will use the arrest date when determining eligibility but will only deny assistance based on a conviction. This prohibition includes the use of medical marijuana which is permitted in some states but is prohibited by Federal law. HUD has determined that users of medical marijuana shall not be admitted to the program, irrespective of state law allowing its use.

- Participant's assistance may be terminated for the use or possession of a controlled substance, if such use or possession, as evidenced by conviction occurred within one year from the date that NHHFA provides notice to terminate assistance or if a pattern of illegal use of a drug by any household member interferes with the health, safety, or right to peaceful enjoyment to the premises by other residents. This prohibition includes the use of medical marijuana. NHHFA will use arrest date for determining eligibility but will only terminate assistance based on a conviction.
- NHHFA will use the arrest date to determine eligibility but will only deny or terminate assistance based on a conviction.
- For applicants, NHHFA may, at its sole discretion, waive the prohibition on participation by a person who has been convicted of a drug related criminal act which included the intent to manufacture, sell or distribute a controlled substance, if there has not been any drug related criminal activity which included the intent to manufacture, sell or distribute a controlled substance in the three years prior to application for assistance and either of the following two conditions are met:
    - The applicant can demonstrate by a preponderance of the evidence that the drug related criminal act was an isolated incident and there is no pattern of drug related behavior; or
    - The applicant is under parole or probation supervision and the relevant parole or probation authority requests that the applicant be provided assistance as a part of that rehabilitation/supervision program.

NHHFA will review whether the household's record of drug related criminal behavior poses a direct threat to other participants and in considering requests for reasonable accommodation, will consider whether there is a link between the disability and the criminal behavior. If NHHFA determines that there is a link between the disability and the criminal behavior, it will look at whether or not the behavior is now under control, by medication or some other method.

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NHHFA will consider all credible evidence, including but not limited to, convictions of household members related to drug-related or violent criminal activity.

In making its decision to terminate assistance, NHHFA will consider alternatives as described in Section 12-II.C and other factors described in Sections 12-II.D and 12-II.E. Upon consideration of such alternatives and factors, NHHFA may, on a case-by-case basis, choose not to terminate assistance.

Other Authorized Reasons for Termination of Assistance
[24 CFR 982.552(c), 24 CFR 5.2005(c), 24 CFR 984.101(d)]

HUD permits NHHFA to terminate assistance under a number of other circumstances. It is left to the discretion of NHHFA whether such circumstances in general warrant consideration for the termination of assistance. As discussed further in section 12-II.E, the Violence against Women Act prohibits NHHFA from considering incidents of, or criminal activity directly related to, domestic violence, dating violence, sexual assault, stalking, or human trafficking as reasons for terminating the assistance of a victim of such abuse.

Additionally, per 24 CFR 984.101(d), NHHFA is no longer permitted to terminate assistance to a family due to the family's failure to meet its obligations under the Family Self-Sufficiency (FSS) contract of participation.

NHHFA Policy

NHHFA will terminate a family's assistance if:

The family has failed to comply with any family obligations under the program. See Exhibit 12-1 for a listing of family obligations and related NHHFA policies.

- Any family member has been evicted from federally assisted housing in the last three years.
- Any family member has committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program.
- The family currently owes rent or other amounts to any PHA in connection with Section 8 or public housing assistance under the 1937 Act.
- The family has not reimbursed any NHHFA for amounts NHHFA paid to an owner under a HAP contract for rent, damages to the unit, or other amounts owed by the family under the lease.
- The family has breached the terms of a repayment agreement entered into with NHHFA.
- A family member has engaged in or threatened violent or abusive behavior toward NHHFA personnel.
    - Abusive or violent behavior towards NHHFA personnel includes verbal as well as physical abuse or violence. Use of racial epithets, or other language, written or oral, that is customarily used to intimidate may be considered abusive or violent behavior.
    - Threatening refers to oral or written threats or physical gestures that communicate intent to abuse or commit violence.
- The family was evicted for repeated violation(s) of the lease.
    - Repeated lease violations will include, but not be limited to, nonpayment of rent, disturbance of neighbors, destruction of property, or living or housekeeping

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habits that cause damage to the unit or premises, and criminal activity. Generally, the criterion to be used will be whether or not the reason for the eviction was the fault of the tenant or guests.

In making its decision to terminate assistance, NHHFA will consider alternatives as described in Section 12-II.C and other factors described in Sections 12-II.D and 12-II.E. Upon consideration of such alternatives and factors, NHHFA may, on a case-by-case basis, choose not to terminate assistance.

Family Absence from the Unit [24 CFR 982.312]

The family may be absent from the unit for brief periods. NHHFA must establish a policy on how long the family may be absent from the assisted unit. However, the family may not be absent from the unit for a period of more than 180 consecutive calendar days for any reason. Absence in this context means that no member of the family is residing in the unit.

NHHFA Policy

Program participants' absence from a leased unit may not exceed a maximum of 90 consecutive days and the absence should not exceed a total of 90 days per year. Notice should be sent in writing to NHHFA prior to the absence if the participant anticipates being absent for a period of 30 days or more. Absence due to hospitalization, commitment to a short-term drug or alcohol treatment program, verifiable medical or other family emergencies, or other reason to be determined by NHHFA shall have an exception not to exceed a maximum or 180 consecutive days. Imprisonment is not a valid reason for an absence of more than 90 days. Notice of termination will be sent in accordance with Section 12-II.F.

Participant responsibilities

To obtain NHHFA approval, the participant must:

- Satisfy notice requirements, unless qualified under the VAWA law and if so, the requirement to notify prior to absence does not apply.
- Provide documentation acceptable to NHHFA regarding the length of absence and the reason for the absence.
- Affirm their intent to return to the unit at the end of the leave period.
- Agree to be responsible for receiving and responding to all notices sent by NHHFA to the unit during periods of absence.
- Pay rent to the owner and pay for utilities while they are absent.
- Arrange for the unit to be available for NHHFA inspections as necessary.

If the above procedure is not followed, the unit will be considered abandoned and NHHFA will terminate housing assistance payments and terminate the family's participation in the program.

Insufficient Funding [24 CFR 982.454]

NHHFA may terminate HAP contracts if NHHFA determines, in accordance with HUD requirements, that funding under the consolidated ACC is insufficient to support continued assistance for families in the program.

NHHFA Policy

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NHHFA will determine whether there is sufficient funding to pay for currently assisted families according to the policies in Part VIII of Chapter 16. If NHHFA determines there is a shortage of funding, prior to terminating any HAP contracts, NHHFA will determine if any other actions can be taken to reduce program costs.

In the event that NHHFA decides to stop issuing vouchers as a result of a funding shortfall, and NHHFA is not assisting the required number of special purpose vouchers, when NHHFA resumes issuing vouchers, NHHFA will issue vouchers first to the special purpose voucher families on its waiting list until it has reached the required number of special purpose vouchers, when applicable.

If after implementing all reasonable cost cutting measures there is not enough funding available to provide continued assistance for current participants, NHHFA will terminate HAP contracts as a last resort.

Prior to terminating any HAP contracts, NHHFA will inform the local HUD field office. NHHFA will terminate the minimum number needed in order to reduce HAP costs to a level within NHHFA's annual budget authority.

If NHHFA must terminate HAP contracts due to insufficient funding, NHHFA will do so in accordance with the following criteria and instructions:

In the event of a funding shortfall, NHHFA shall terminate assistance to those families who were most recently admitted to the program (last in-first out) and the following participants will be last to be terminated after all other contracts have been terminated in the following order:

- Project-based voucher participants.
- Homeownership voucher participants.
- HUD requires these to be next to last: VASH participants (PBV and regular).
- HUD requires these to be terminated last: Non-elderly disabled (NED vouchers) made up of CERTAIN, ACCESS, as well as Mainstream participants and FUP families that comprise the required number of families served.

Participants who have been affected by this action will have their name placed back on the waiting list with a preference for "terminated for funding shortfall"

Part II: Approach To Termination of Assistance

12-II.A. Overview

NHHFA is required by regulation to terminate a family's assistance for certain actions or inactions of the family. For other types of actions or inactions of the family, the regulations give NHHFA the authority to either terminate the family's assistance or to take another action. This part discusses the various actions NHHFA may choose to take when it has discretion and outlines the criteria NHHFA will use to make its decision about whether or not to terminate assistance. It also specifies the requirements for the notification to the family of NHHFA's intent to terminate assistance.

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12-II.B. Method of Termination

[24 CFR 982.552(a)(3)]

Termination of assistance for a participant may include any or all of the following:

- Terminating housing assistance payments under a current HAP contract,
- Refusing to enter into a new HAP contract or approve a lease, or
- Refusing to process a request for or to provide assistance under portability procedures.

12-II.C. Alternatives to Termination of Assistance

Change in Household Composition

As a condition of continued assistance, NHHFA may require that any household member who participated in or was responsible for an offense no longer resides in the unit [24 CFR 982.552(c)(2)(ii)].

NHHFA Policy

As a condition of continued assistance, the head of household must certify that the culpable family member has vacated the unit and will not be permitted to visit or to stay as a guest in the assisted unit. The family must present evidence of the former family member's current address upon NHHFA request.

Repayment of Family Debts

NHHFA Policy

If a family owes amounts to NHHFA, as a condition of continued assistance, NHHFA will require the family to repay the full amount or to enter into a repayment agreement, within 30 days of receiving notice from NHHFA of the amount owed. See Chapter 16 for policies on repayment agreements.

12-II.D. Criteria for Deciding to Terminate Assistance

Evidence

For criminal activity, HUD permits NHHFA to terminate assistance if a preponderance of the evidence indicates that a household member has engaged in the activity, regardless of whether the household member has been arrested or convicted [24 CFR 982.553(c)].

NHHFA Policy

NHHFA will use a conviction as the standard for making all drug related and criminal activity termination decisions.

Preponderance of the evidence is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which shows that the fact sought to be proved is more probable than not. Preponderance of the evidence may not be determined by the number of witnesses, but by the greater weight of all evidence

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Use of Criminal Conviction Records after Admission [24 CFR 5.903]

The regulation at 24 CFR 5.903 governs NHHFA's access to and use of criminal conviction records obtained from a "law enforcement agency" such as the National Crime Information Center (NCIC), police departments, and other law enforcement agencies that hold criminal conviction records for the purpose of PHA screening of applicants for admission to the program. There is no prohibition that bars a PHA from using non-federal sources to conduct criminal background checks of program participants.

Consideration of Circumstances [24 CFR 982.552(c)(2)(i)]

NHHFA is permitted, but not required, to consider all relevant circumstances when determining whether a family's assistance should be terminated.

NHHFA Policy

NHHFA will consider the following facts and circumstances when making its decision to terminate assistance:

- The seriousness of the case, especially with respect to how it would affect other residents' safety or property
- The effects that termination of assistance may have on other members of the family who were not involved in the action or failure to act
- The extent of participation or culpability of individual family members, including whether the culpable family member is a minor or a person with disabilities or (as discussed further in section 12-II.E) a victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking
- The length of time since the violation occurred, including the age of the individual at the time of the conduct, as well as the family's recent history and the likelihood of favorable conduct in the future
- When there is a record of arrest, the PHA may obtain a copy of the police report associated with the arrest and consider the circumstances of the arrest, including:
    - Any statements made by witnesses or the participant not included in the police report
    - Whether criminal charges were filed
    - Whether, if filed, criminal charges were abandoned, dismissed, not prosecuted, or ultimately resulted in an acquittal
    - Any other evidence relevant to determining whether or not the participant engaged in disqualifying activity
    - The conviction records of the participant.
- Evidence of criminal conduct will be considered if it indicates a demonstrable risk to safety and/or property
- In the case of drug or alcohol abuse, whether the culpable household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program or has otherwise been rehabilitated successfully
- The PHA will require the participant to submit evidence of the household member's current participation in or successful completion of a supervised drug or alcohol rehabilitation program, or evidence of otherwise having been rehabilitated successfully.

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- In the case of program abuse, the dollar amount of the overpaid assistance and whether or not a false certification was signed by the family (See Chapter 16-IV.B. Repayment Policy, Criminal Prosecution for Program Fraud/Abuse).

Reasonable Accommodation [24 CFR 982.552(c)(2)(iv)]

If the family includes a person with disabilities, NHHFA's decision to terminate the family's assistance is subject to consideration of reasonable accommodation in accordance with 24 CFR Part 8.

NHHFA Policy

If a family indicates that the behavior of a family member with a disability is the reason for a proposed termination of assistance, NHHFA will determine whether the behavior is related to the disability. If so, upon the family's request, NHHFA will determine whether alternative measures are appropriate as a reasonable accommodation. NHHFA will only consider accommodations that can reasonably be expected to address the behavior that is the basis of the proposed termination of assistance. See Chapter 2 for a discussion of reasonable accommodation.

12-II.E. Terminations Related to Domestic Violence, Dating Violence, Sexual Assault, Stalking, Or Human Trafficking

This section describes the protections against termination of assistance that the Violence against Women Act (VAWA) provides for victims of domestic violence, dating violence, sexual assault, stalking, and human trafficking. For general VAWA requirements, key VAWA definitions, and NHHFA policies pertaining to notification, documentation, and confidentiality, see section 16-IX of this plan.

VAWA Protections Against Termination

VAWA provides four specific protections against termination of HCV assistance for victims of domestic violence, dating violence, sexual assault or stalking. (Note: The second, third, and fourth protections also apply to terminations of tenancy or occupancy by owners participating in the HCV program, as do the limitations discussed under the next heading.)

Although the VAWA 2022 statute does not specifically include human trafficking in the list of victims protected under VAWA, in 2022 HUD began including human trafficking as part of the list of victims protected under VAWA (as seen in Notices PIH 2022-06, PIH 2022-22, and PIH 2022-24). In the absence of a final rule implementing VAWA 2022 and to mirror HUD's recent usage, this policy includes human trafficking in addition to domestic violence, dating violence, sexual assault, and stalking anywhere such a list appears.

First, VAWA provides that NHHFA may not terminate assistance to a family that moves out of an assisted unit in violation of the lease, with or without prior notification to NHHFA, if the move occurred to protect the health or safety of a family member who is or has been the victim of domestic violence, dating violence, sexual assault stalking, or human trafficking, and who reasonably believed they were imminently threatened by harm from further violence if they remained in the unit [see 24 CFR 982.354(b)(4)].

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Second, it provides that an incident or incidents of actual or threatened domestic violence, dating violence, sexual assault, stalking, or human trafficking may not be construed either as a serious or repeated lease violation by the victim or as good cause to terminate the assistance of the victim [see 24 CFR 5.2005(c)(1)]. Additionally, property damage and noise complaints due to abuse cannot be used as the basis for eviction [Form HUD-5380].

Third, it provides that criminal activity directly related to domestic violence, dating violence, sexual assault, stalking, or human trafficking may not be construed as cause for terminating the assistance of a tenant if a member of the tenant's household, a guest, or another person under the tenant's control is the one engaging in the criminal activity and the tenant or affiliated individual or other individual is the actual or threatened victim of the domestic violence, dating violence, sexual assault, stalking, or human trafficking [see 24 CFR 5.2005(c)(2)].

Fourth, it gives NHHFA the authority to terminate assistance to any tenant or lawful occupant who engages in criminal acts of physical violence against family members or others without terminating assistance to, or otherwise penalizing, the victim of the violence [24 CFR 5.2009(a)].

NHHFA and owners may not coerce, intimidate, threaten, interfere with, or retaliate against any person who exercises or assists or encourages a person to exercise any rights or protections under VAWA [FR Notice 1/4/23].

Limitations on VAWA Protections [24 CFR 5.2005(d) and (e)]

VAWA does not limit the authority of NHHFA to terminate the assistance of a victim of abuse for reasons unrelated to domestic violence, dating violence, sexual assault, stalking, or human trafficking so long as NHHFA does not subject the victim to a more demanding standard than it applies to other program participants [24 CFR 5.2005(d)(1)].

Likewise, VAWA does not limit the authority of NHHFA to terminate the assistance of a victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking if NHHFA can demonstrate an actual and imminent threat to other tenants or those employed at or providing service to the assisted property if the victim is not terminated from assistance [24 CFR 5.2005(d)(2)].

HUD regulations define actual and imminent threat to mean words, gestures, actions, or other indicators of a physical threat that (a) is real, (b) would occur within an immediate time frame, and (c) could result in death or serious bodily harm [24 CFR 5.2005(d)(2) and (e)]. In determining whether an individual would pose an actual and imminent threat, the factors to be considered include:

- The duration of the risk
- The nature and severity of the potential harm
- The likelihood that the potential harm will occur
- The length of time before the potential harm would occur [24 CFR 5.2005(e)]

In order to demonstrate an actual and imminent threat, NHHFA must have objective evidence of words, gestures, actions, or other indicators. Even when a victim poses an actual and imminent threat, however, HUD regulations authorize NHHFA to terminate the victim's assistance "only when there are no other actions that could be taken to reduce or eliminate the threat" [24 CFR 5.2005(d)(3)].

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NHHFA Policy

In determining whether a program participant who is a victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking is an actual and imminent threat to other tenants or those employed at or providing service to a property, NHHFA will consider the following, and any other relevant, factors:

- Whether the threat is toward an employee or tenant other than the victim of domestic violence, dating violence, sexual assault, stalking or human trafficking
- Whether the threat is a physical danger beyond a speculative threat
- Whether the threat is likely to happen within an immediate time frame
- Whether the threat to other tenants or employees can be eliminated in some other way, such as by helping the victim relocate to a confidential location or seeking a legal remedy to prevent the perpetrator from acting on the threat

If the participant wishes to contest NHHFA's determination that they are an actual and imminent threat to other tenants or employees, the participant may do so as part of the informal hearing.

Documentation of Abuse [24 CFR 5.2007]

NHHFA Policy

When an individual facing termination of assistance for reasons related to domestic violence, dating violence, sexual assault, stalking, or human trafficking claims protection under VAWA, NHHFA will request that the individual provide documentation supporting the claim in accordance with the policies in section 16-IX.D of this plan.

NHHFA reserves the right to waive the documentation requirement if it determines that a statement or other corroborating evidence from the individual will suffice. In such cases NHHFA will document the waiver in the individual's file.

Terminating the Assistance of a Domestic Violence Perpetrator

Although VAWA provides protection against termination of assistance for victims of domestic violence, it does not provide such protection for perpetrators. VAWA gives NHHFA the explicit authority to "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" without terminating assistance to "or otherwise penalizing the victim of such violence who is also a tenant or lawful occupant" [24 CFR 5.2009(a)]. This authority is not dependent on a bifurcated lease or other eviction action by an owner against an individual family member. Further, this authority supersedes any local, state, or other federal law to the contrary. However, if NHHFA chooses to exercise this authority, it must follow any procedures prescribed by HUD or by applicable local, state, or federal law regarding termination of assistance. This means that NHHFA must follow the same rules when terminating assistance to an individual as it would when terminating the assistance of an entire family [FR Notice 3/16/07].

If the perpetrator remains in the unit, NHHFA continues to pay the owner until NHHFA terminates the perpetrator from the program. NHHFA must not stop paying HAP until 30 days after the owner bifurcates the lease to evict the perpetrator. NHHFA may pay HAP for the full month if the 30-day period will end mid-month [Notice PIH 2017-08].

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If the perpetrator is the only participant eligible to receive assistance, NHHFA will provide any remaining participant a chance to establish eligibility for the program. If the remaining participant cannot do so, NHHFA will provide them with 30 days to establish eligibility for another housing program prior to termination of the HAP contract.

NHHFA Policy

NHHFA will terminate assistance to a family member if NHHFA determines that the family member has committed criminal acts of physical violence against other family members or others. This action will not affect the assistance of the remaining, nonculpable family members.

In making its decision, NHHFA will consider all credible evidence, including, but not limited to, a signed certification (form HUD-5382) or other documentation of abuse submitted to NHHFA by the victim in accordance with this section and section 16-IX.D. NHHFA will also consider the factors in section 12-II.D. Upon such consideration, NHHFA may, on a case-by-case basis, choose not to terminate the assistance of the culpable family member.

If NHHFA does terminate the assistance of the culpable family member, it will do so in accordance with applicable law, HUD regulations, and the policies in this plan.

12-II.F. Termination Notice

HUD regulations require NHHFA to provide written notice of termination of assistance to a family only when the family is entitled to an informal hearing. However, since the family's HAP contract and lease will also terminate when the family's assistance terminates [form HUD-52641], it is a good business practice to provide written notification to both owner and family anytime assistance will be terminated, whether voluntarily or involuntarily.

NHHFA Policy

Whenever a family's assistance will be terminated, NHHFA will send a written notice of termination to the family and to the owner. NHHFA will also send a form HUD-5382 and form HUD-5380 to the family with the termination notice. The notice will state the date on which the termination will become effective. This date generally will be at least 30 calendar days following the date of the termination notice, but exceptions will be made whenever HUD rules, other NHHFA policies, or the circumstances surrounding the termination require.

When NHHFA notifies an owner that a family's assistance will be terminated, NHHFA will, if appropriate, advise the owner of their right to offer the family a separate, unassisted lease.

If a family whose assistance is being terminated is entitled to an informal hearing, the notice of termination that NHHFA sends to the family must meet the additional HUD and NHHFA notice requirements discussed in section 16-III.C of this plan. VAWA requires NHHFA to provide notice of VAWA rights and the HUD 5382 form when a NHHFA terminates a household's housing benefits.

NHHFA Policy

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Whenever NHHFA decides to terminate a family's assistance because of the family's action or failure to act, NHHFA will include in its termination notice the VAWA information described in section 16-IX.C of this plan and a form HUD-5382 and form HUD-5380. NHHFA will request in writing that a family member wishing to claim protection under VAWA notify NHHFA within 14 business days.

Still other notice requirements apply in two situations:

- If a criminal record is the basis of a family's termination, NHHFA must provide a copy of the record to the subject of the record and the tenant so that they have an opportunity to dispute the accuracy and relevance of the record [24 CFR 982.553(d)(2)].
- If immigration status is the basis of a family's termination, as discussed in section 12-I.D, the special notice requirements in section 16-III.D must be followed.

PART III: Termination Of Tenancy by The Owner

12-III.A. Overview

Termination of an assisted tenancy is a matter between the owner and the family; NHHFA is not directly involved. However, the owner is under some constraints when terminating an assisted tenancy. Termination of tenancy for certain reasons will also result in termination of assistance as discussed in this section.

12-III.B. Grounds for Owner Termination of Tenancy

[24 CFR 982.310, 24 CFR 5.2005(c), and Form HUD-52641-A, Tenancy Addendum]

During the term of the lease, the owner is not permitted to terminate the tenancy except for serious or repeated violations of the lease, certain violations of state or local law, or other good cause.

Serious or Repeated Lease Violations

The owner is permitted to terminate the family's tenancy for serious or repeated violations of the terms and conditions of the lease, except when the violations are related to incidents of actual or threatened domestic violence, dating violence, sexual assault, stalking, and human trafficking and the victim is protected from eviction by the Violence against Women Act of 2013 (see section 12-II.E). A serious lease violation includes failure to pay rent or other amounts due under the lease. However, NHHFA's failure to make a HAP payment to the owner is not a violation of the lease between the family and the owner.

Violation of Federal, State, or Local Law

The owner is permitted to terminate the tenancy if a family member violates federal, state, or local law that imposes obligations in connection with the occupancy or use of the premises.

Criminal Activity or Alcohol Abuse

The owner may terminate tenancy during the term of the lease if any covered person—meaning any member of the household, a guest, or another person under the tenant's control—commits any of the following types of criminal activity (for applicable definitions see 24 CFR 5.100):

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- Any criminal activity that threatens the health or safety of, or the right to peaceful enjoyment of the premises by, other residents (including property management staff residing on the premises)
- Any criminal activity that threatens the health or safety of, or the right to peaceful enjoyment of their residences by, persons residing in the immediate vicinity of the premises
- Any violent criminal activity on or near the premises
- Any drug-related criminal activity on or near the premises

However, in the case of criminal activity directly related to domestic violence, dating violence, sexual assault, stalking, or human trafficking if the tenant or an affiliated individual is the victim, the criminal activity may not be construed as cause for terminating the victim's tenancy (see section 12-II.E).

The owner may terminate tenancy during the term of the lease if any member of the household is:

- Fleeing to avoid prosecution, custody, or confinement after conviction for a crime or an attempt to commit a crime that is a felony under the laws of the place from which the individual flees, or
- Violating a condition of probation or parole imposed under federal or state law.
- The owner may terminate tenancy during the term of the lease if any member of the household has engaged in abuse of alcohol that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents.

Evidence of Criminal Activity

The owner may terminate tenancy and evict by judicial action a family for criminal activity by a covered person if the owner determines the covered person has engaged in the criminal activity, regardless of whether the covered person has been arrested or convicted for such activity and without satisfying the standard of proof used for a criminal conviction. This is the case except in certain incidents where the criminal activity directly relates to domestic violence, dating violence, sexual assault, stalking, or human trafficking, and the tenant or an affiliated individual is the victim or threatened victim of the domestic violence, dating violence, sexual assault, stalking, or human trafficking.

Other Good Cause

During the initial lease term, the owner may not terminate the tenancy for "other good cause" unless the owner is terminating the tenancy because of something the family did or failed to do. During the initial lease term or during any extension term, other good cause includes the disturbance of neighbors, destruction of property, or living or housekeeping habits that cause damage to the unit or premises.

After the initial lease term, "other good cause" for termination of tenancy by the owner includes:

- Failure by the family to accept the offer of a new lease or revision
- The owner's desire to use the unit for personal or family use, or for a purpose other than as a residential rental unit
- A business or economic reason for termination of the tenancy (such as sale of the property, renovation of the unit, or desire to lease the unit at a higher rent)

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- After the initial lease term, the owner may give the family notice at any time, in accordance with the terms of the lease.
- If a property is subject to foreclosure, during the term of the lease, the new owner of the property does not have good cause to terminate the tenant's lease, unless the new owner will occupy the unit as their primary residence and has provided the tenant with at least a 90-day notice. In that case, the lease may be terminated effective on the date of sale, although the tenant is still entitled to a 90-day notice to vacate. See Section 13-II.G for a discussion of NHHFA policies relating to units in foreclosure.

12-III.C. Eviction

[24 CFR 982.310(e) and (f) and Form HUD-52641-A, Tenancy Addendum]

The owner must give the tenant a written notice that specifies the grounds for termination of tenancy during the term of the lease. The tenancy does not terminate before the owner has given this notice, and the notice must be given at or before commencement of the eviction action.

The notice of grounds may be included in, or may be combined with, any owner eviction notices to the tenant.

Owner eviction notice means a notice to vacate, or a complaint or other initial pleading used under state or local law to commence an eviction action. The owner may only evict the tenant from the unit by instituting a court action. The owner must give NHHFA a copy of any eviction notices at the same time the owner notifies the family. The family is also required to give NHHFA a copy of any eviction notice (see Chapter 5).

NHHFA Policy

If the eviction action is finalized in court, the owner must provide NHHFA with documentation related to the eviction, including notice of the eviction date, as soon as possible, but no later than 5 business days following the court-ordered eviction.

12-III.D. Deciding Whether to Terminate Tenancy

[24 CFR 982.310(h), 24 CFR 982.310(h)(4)]

An owner who has grounds to terminate a tenancy is not required to do so and may consider all of the circumstances relevant to a particular case before making a decision. These might include:

- The nature of the offending action
- The seriousness of the offending action.
- The effect on the community of the termination, or of the owner's failure to terminate the tenancy.
- The extent of participation by the leaseholder in the offending action.
- The effect of termination of tenancy on household members not involved in the offending activity.
- The demand for assisted housing by families who will adhere to lease responsibilities.
- The extent to which the leaseholder has shown personal responsibility and taken all

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reasonable steps to prevent or mitigate the offending action.
- The effect of the owner's action on the integrity of the program.

The owner may require a family to exclude a household member in order to continue to reside in the assisted unit, where that household member has participated in or been culpable for action or failure to act that warrants termination.

In determining whether to terminate tenancy for illegal use of drugs or alcohol abuse by a household member who is no longer engaged in such behavior, the owner may consider whether such household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program or has otherwise been rehabilitated successfully (42 U.S.C. 13661). For this purpose, the owner may require the tenant to submit evidence of the household member's current participation in, or successful completion of, a supervised drug or alcohol rehabilitation program or evidence of otherwise having been rehabilitated successfully.

The owner's termination of tenancy actions must be consistent with the fair housing and equal opportunity provisions in 24 CFR 5.105.

An owner's decision to terminate tenancy for incidents related to domestic violence, dating violence, sexual assault, stalking, or human trafficking is limited by the Violence against Women Act (VAWA) and the conforming regulations in 24 CFR Part 5, Subpart L. (See section 12-II.E.)

12-III.E. Effect of Tenancy Termination on The Family's Assistance

If a termination is not due to a serious or repeated violation of the lease, and if NHHFA has no other grounds for termination of assistance, NHHFA may issue a new voucher so that the family can move with continued assistance (see Chapter 10).

Exhibit 12-1: Statement Of Family Obligations

Following is a listing of a participant family's obligations under the HCV program:

- The family must supply any information that NHHFA or HUD determines to be necessary, including submission of required evidence of citizenship or eligible immigration status.
- The family must supply any information requested by NHHFA or HUD for use in a regularly scheduled reexamination or interim reexamination of family income and composition.
- The family must disclose and verify social security numbers and sign and submit consent forms for obtaining information.
- Any information supplied by the family must be true and complete.
- The family is responsible for any deficiencies under the National Standards for the Physical Inspection of Real Estate (NSPIRE) by the family caused by failure to pay tenant-provided utilities or appliances, or damages to the dwelling unit or premises beyond ordinary wear and tear caused by any member of the household or guest.

NHHFA Policy

Damages beyond ordinary wear and tear will be considered to be damages which could be assessed against the security deposit under state law or in court practice.

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- As evidenced by the owner's report of disposition of security deposit in accordance with New Hampshire State law, a participant who causes total damage, after applying the security deposit, in excess of $1,500 to the unit during their tenancy and does not make arrangements with the owner for payment or who later breaches any such payment arrangement. If there is disagreement regarding disposition of security deposit, the owner and participant would be advised to pursue their claims by filing an action in court.

The family must allow NHHFA to inspect the unit at reasonable times and after reasonable notice, as described in Chapter 8 of this plan.

The family must not commit any serious or repeated violation of the lease.

NHHFA Policy

NHHFA will determine if a family has committed serious or repeated violations of the lease based on available evidence, including but not limited to, a court-ordered eviction or an owner's notice to evict.

Serious and repeated lease violations will include, but not be limited to, nonpayment of rent, disturbance of neighbors, destruction of property, living or housekeeping habits that cause damage to the unit or premises, and criminal activity. Generally, the criterion to be used will be whether or not the reason for the eviction was the fault of the tenant or guests. Any incidents of, or criminal activity related to, domestic violence, dating violence, sexual assault, stalking, or human trafficking will not be construed as serious or repeated lease violations by the victim [see 24 CFR 5.2005(c)(1)].

The family must notify NHHFA and the owner before moving out of the unit or terminating the lease.

NHHFA Policy

The family must comply with lease requirements regarding written notice to the owner. The family must provide written notice to NHHFA at the same time the owner is notified.

The family must promptly give NHHFA a copy of any owner eviction notice.

The family must use the assisted unit for residence by the family. The unit must be the family's only residence.

The composition of the assisted family residing in the unit must be approved by NHHFA. The family must promptly notify NHHFA in writing of the birth, adoption, or court-awarded custody of a child. The family must request NHHFA approval to add any other family member as an occupant of the unit.

NHHFA Policy

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The request to add a family member must be submitted in writing, online or via email and approved prior to the person moving into the unit. NHHFA will determine eligibility of the new member in accordance with the policies in Chapter 3.

The family must promptly notify NHHFA in writing if any family member no longer lives in the unit.

If NHHFA has given approval, a foster child or a live-in aide may reside in the unit. NHHFA has the discretion to adopt reasonable policies concerning residency by a foster child or a live-in aide, and to define when NHHFA consent may be given or denied. For policies related to the request and approval/disapproval of foster children, foster adults, and live-in aides, see Chapter 3 (Sections I.K and I.M), and Chapter 11 (Section II.B).

The family must not sublease the unit, assign the lease, or transfer the unit.

NHHFA Policy

Subleasing includes receiving payment to cover rent and utility costs by a person living in the unit who is not listed as a family member.

The family must supply any information requested by NHHFA to verify that the family is living in the unit or information related to family absence from the unit.

The family must promptly notify NHHFA when the family is absent from the unit.

NHHFA Policy

Notice is required under this provision only when all family members will be absent from the unit for an extended period. An extended period is defined as any period greater than 30 calendar days. Written notice must be provided to NHHFA at the start of the extended absence.

The family must pay utility bills and provide and maintain any appliances that the owner is not required to provide under the lease [Form HUD-52646, Voucher].

The family must not own or have any interest in the unit, (other than in a cooperative and owners of a manufactured home leasing a manufactured home space).

Family members must not commit fraud, bribery, or any other corrupt or criminal act in connection with the program. (See Chapter 14, Program Integrity for additional information).

Family members must not engage in drug-related criminal activity or violent criminal activity or other criminal activity that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises. See Chapter 12 for HUD and NHHFA policies related to drug-related and violent criminal activity.

Members of the household must not engage in abuse of alcohol in a way that threatens the health, safety or right to peaceful enjoyment of the other residents and persons residing in the immediate vicinity of the premises. See Chapter 12 for a discussion of HUD and NHHFA policies related to alcohol abuse.

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An assisted family or member of the family must not receive HCV program assistance while receiving another housing subsidy, for the same unit or a different unit under any other federal, state or local housing assistance program.

A family must not receive HCV program assistance while residing in a unit owned by a parent, child, grandparent, grandchild, sister or brother of any member of the family, unless NHHFA has determined (and has notified the owner and the family of such determination) that approving rental of the unit, notwithstanding such relationship, would provide reasonable accommodation for a family member who is a person with disabilities. [Form HUD-52646, Voucher]

12-III.F. Permissive Prohibitions: NHHFA

NHHFA may deny admission or terminate assistance to anyone if it is determined, based on information provided in a criminal record report, court record or other credible information, that a household member has been convicted of any of the following violent criminal acts occurring within 15 years of the request for admission or continued assistance. NHHFA will use the arrest date when determining eligibility for any of the following offenses:

- Homicide, including, but not limited to Capital murder, first degree murder, second degree murder, or Manslaughter as defined in NH RSA 630.
- Offenders who commit sexual offenses against children, where the victim is under the age of 18, including, but not limited to aggravated sexual assault, felonious sexual assault or sexual assault as defined in NH RSA 651-B:1, VII.

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Chapter 13 Owners

Introduction

Owners play a major role in the HCV program by supplying safe, and habitable housing for participating families.

The term “owner” refers to any person or entity with the legal right to lease or sublease a unit to a participant in the HCV program [24 CFR 982.4(b)]. The term “owner” includes a principal or other interested party [24 CFR 982.453; 24 CFR 982.306(f)], such as a designated agent of the owner.

Owners have numerous responsibilities under the program, including screening and leasing to families, maintaining the dwelling unit, enforcing the lease, and complying with various contractual obligations.

The chapter is organized in two parts:

Part I: Owners in the HCV Program. This part discusses the role of an owner in NHHFA’s HCV program and highlights key owner rights and responsibilities.

Part II: HAP Contracts. This part explains provisions of the HAP contract and the relationship between NHHFA, and the owner as expressed in the HAP contract.

For detailed information about HCV program responsibilities and processes, including NHHFA policies in key areas, owners will need to refer to several other chapters in this plan. Where appropriate, Chapter 13 will reference the other chapters.

PART I. Owners in The HCV Program

13-I.A. Owner Recruitment and Retention

[HCV GB, pp. 2-4 to 2-6; HCV Landlord Strategy Guidebook for NHHFA]

Recruitment

NHHFA is responsible for ensuring that very low-income families have access to all types and ranges of affordable housing in NHHFA’s jurisdiction, particularly housing outside areas of poverty or minority concentration. A critical element in fulfilling this responsibility is for NHHFA to ensure that a sufficient number of owners, representing all types and ranges of affordable housing in NHHFA’s jurisdiction, are willing to participate in the HCV program.

To accomplish this objective, NHHFA must identify and recruit new owners to participate in the program.

If NHHFA will be conducting outreach events, NHHFA must ensure that notices and communications during outreach events are provided in a manner that is effective for persons with hearing, visual, and other communications-related disabilities. NHHFA must also take

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reasonable steps to ensure meaningful access to programs to persons with limited English proficiency.

NHHFA Policy

NHHFA will conduct owner outreach to ensure that owners are familiar with the program and its advantages. NHHFA will actively recruit property owners with property located outside areas of poverty and minority concentration. These outreach strategies will include:

- Distributing printed material about the program to property owners and managers
- Contacting property owners and managers by phone or in-person
- Participating in community-based organizations comprised of private property and apartment owners and managers
- Developing working relationships with owners, apartment associations, industry investor groups, and real estate brokers associations
- To the extent practical, partnering with and attending events hosted by other area agencies to deliver information about the HCV program
- Outreach strategies will be monitored for effectiveness and adapted accordingly.

Retention

In addition to recruiting owners to participate in the HCV program, NHHFA must also provide the kind of customer service that will encourage participating owners to remain active in the program.

NHHFA Policy

All NHHFA activities that may affect an owner's ability to lease a unit will be processed as rapidly as possible, in order to minimize vacancy losses for owners.

NHHFA will provide owners with a handbook that explains the program, including HUD and NHHFA policies and procedures, in easy-to-understand language.

NHHFA will give special attention to helping new owners succeed through activities such as:

- Providing the owner with a designated NHHFA contact person.
- Coordinating inspection and leasing activities between NHHFA, the owner, and the family.
- Initiating telephone contact with the owner to explain the inspection process and providing an inspection booklet and other resource materials about HUD housing quality standards/NSPIRE.
- Providing other written information about how the program operates through a landlord handbook, including answers to frequently asked questions.
- Contacting owners via emails or texts to disseminate information.
- Additional services may be undertaken on an as-needed basis, and as resources permit.

Owner Incentive/Retention Payments

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- The PHA may utilize its Unrestricted Net Position (UNP, or administrative fee reserve) or ongoing administrative fees to make owner incentive payments (e.g., signing bonuses) or retention payments to owners that agree to initially lease their unit to an HCV family and/or renew the lease of an HCV family. If a PHA chooses to offer incentive or retention payments, it must adopt a policy that governs when the offer of such payments is appropriate. Owner incentive payments are not housing assistance payments, nor can they effectively serve to supplement ongoing, monthly housing assistance payments. Owner incentive payments are not part of the rent to owner, nor are they taken into consideration when determining whether the rent for the unit is reasonable.
- NHHFA Policy
- NHHFA will not provide owner incentive or retention payments.

13-I.B. Basic HCV Program Requirements

HUD requires NHHFA to assist families in their housing search by providing the family with a list of landlords or other parties known to NHHFA who may be willing to lease a unit to the family, or to help the family find a unit. Although NHHFA cannot maintain a list of owners that are pre-qualified to participate in the program, owners may indicate to NHHFA their willingness to lease a unit to an eligible HCV family, or to help the HCV family find a unit [24 CFR 982.301(b)(11)].

NHHFA Policy

Owners that wish to indicate their willingness to lease a unit to an eligible HCV family or to help the HCV family find a unit must notify NHHFA via email or through affordablehousing.com. NHHFA will maintain a listing of such owners and provide this listing to the HCV family as part of the informational briefing packet.

When a family approaches an owner to apply for tenancy, the owner is responsible for screening the family and deciding whether to lease to the family, just as the owner would with any potential unassisted tenant. NHHFA has no liability or responsibility to the owner or other persons for the family's behavior or suitability for tenancy. See chapters 3 and 9 for more detail on tenant family screening policies and process.

If the owner is willing, the family and the owner must jointly complete a Request for Tenancy Approval (RFTA, Form HUD 52517), which constitutes the family's request for assistance in the specified unit, and which documents the owner's willingness to lease to the family and to follow the program's requirements. When submitted to NHHFA, this document is the first step in the process of obtaining approval for the family to receive the financial assistance it will need in order to occupy the unit.

HUD regulations stipulate requirements for the approval of an assisted tenancy.

The owner must be qualified to participate in the program [24 CFR 982.306]. Some owners are precluded from participating in the program, or from renting to a particular family, either because of their past history with this or another federal housing program, or because of certain conflicts of interest. Owner qualifications are discussed later in this chapter.

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The selected unit must be of a type that is eligible for the program [24 CFR 982.305(a)]. Certain types of dwelling units cannot be assisted under the HCV program. Other types may be assisted under certain conditions. See chapter 9 for more detail on unit eligibility policies and process.

The selected unit must meet HUD's National Standards for the Physical Inspection of Real Estate (NSPIRE) and/or equivalent state or local standards approved by HUD [24 CFR 982.305(a)]. NHHFA will inspect the owner's dwelling unit at least biennially to ensure that the unit continues to meet inspection requirements. See Chapter 8 for a discussion of the NSPIRE standards and policies for inspections at initial lease-up and throughout the family's tenancy.

NHHFA must determine that the proposed rent for the unit is reasonable [24 CFR 982.305(a)]. The rent must be reasonable in relation to comparable unassisted units in the area and must not be in excess of rents charged by the owner for comparable, unassisted units on the premises. See chapter 8 for a discussion of requirements and policies on rent reasonableness, rent comparability and the rent reasonableness determination process.

At initial lease-up of a unit, if the gross rent exceeds the applicable payment standard, NHHFA must ensure that the family share does not exceed 45 percent of the family's monthly adjusted income [24 CFR 982.305(a)]. See chapter 6 for a discussion of the calculation of family income, family share of rent and HAP.

The dwelling lease must comply with all program requirements [24 CFR 982.308]. Owners are encouraged to use their standard leases when renting to an assisted family. The HUD Tenancy Addendum includes the HUD requirements governing the tenancy and must be added word-for-word to the owner's lease. See chapter 9 for a discussion of the dwelling lease and tenancy addendum, including lease terms and provisions.

NHHFA and the owner must execute a Housing Assistance Payment (HAP) Contract (Form HUD-52641). The HAP contract format is prescribed by HUD. See chapter 9 for a discussion of the HUD requirements for execution of the HAP contract.

13-I.C. Owner Responsibilities

[24 CFR 982.452]

The basic owner responsibilities in the HCV program are outlined in the regulations as follows:

- Complying with all of the owner's obligations under the housing assistance payments (HAP) contract and the lease
- Performing all management and rental functions for the assisted unit, including selecting a voucher-holder to lease the unit, and deciding if the family is suitable for tenancy of the unit
- Maintaining the unit in accordance with the National Standards for the Physical Inspection of Real Estate (NSPIRE), including performance of ordinary and extraordinary maintenance
- Complying with equal opportunity requirements
- Preparing and furnishing to NHHFA information required under the HAP contract
- Collecting the security deposit, the tenant rent, and any charges for unit damage by

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the family.
- Enforcing tenant obligations under the dwelling lease
- Paying for utilities and services that are not the responsibility of the family as specified in the lease
- Allowing reasonable modifications to a dwelling unit occupied or to be occupied by a disabled person [24 CFR 100.203]
- Complying with the Violence against Women Act (VAWA) when screening prospective HCV tenants or terminating the tenancy of an HCV family [see 24 CFR Part 5, Subpart L; 24 CFR 982.310(h)(4); 24 CFR 982.452(b)(1); and FR Notice 1/4/23]

13-I.D. Owner Qualifications

NHHFA does not formally approve an owner to participate in the HCV program. However, there are a number of criteria where NHHFA may deny approval of an assisted tenancy based on past owner behavior, conflict of interest, or other owner-related issues. No owner has a right to participate in the HCV program [24 CFR 982.306(e)].

Owners Barred from Participation [24 CFR 982.306(a) and (b)]

NHHFA must not approve the assisted tenancy if NHHFA has been informed that the owner has been debarred, suspended, or subject to a limited denial of participation under 24 CFR part 24. HUD may direct NHHFA not to approve a tenancy request if a court or administrative agency has determined that the owner violated the Fair Housing Act or other federal equal opportunity requirements, or if such an action is pending.

Leasing to Relatives [24 CFR 982.306(d), HCV GB p. 11-2]

NHHFA must not approve a tenancy if the owner is the parent, child, grandparent, grandchild, sister, or brother of any member of the family. NHHFA may make an exception as a reasonable accommodation for a family member with a disability. The owner is required to certify that no such relationship exists. This restriction applies at the time that the family receives assistance under the HCV program for occupancy of a particular unit. Current contracts on behalf of owners and families that are related may continue, but any new leases or contracts for these families may not be approved.

Conflict of Interest [24 CFR 982.161; HCV GB p. 8-19; Form HUD-52641, Section 13]

NHHFA must not approve a tenancy in which any of the following classes of persons has any interest, direct or indirect, during tenure or for one year thereafter:

- Any present or former member or officer of NHHFA (except a participant commissioner)
- Any employee of NHHFA, or any contractor, subcontractor or agent of NHHFA, who formulates policy or who influences decisions with respect to the programs
- Any public official, member of a governing body, or State or local legislator, who exercises functions or responsibilities with respect to the programs
- Any member of the Congress of the United States

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Such “covered individual” may not have any direct or indirect interest in the HAP contract or in any benefits or payments under the contract (including the interest of an immediate family member of such covered individual) while such person is a covered individual or for one year thereafter.

Immediate family member means the spouse, parent (including a stepparent), child (including a stepchild), grandparent, grandchild, sister, or brother (including a stepsister or stepbrother) of any covered individual.

HUD may waive the conflict-of-interest requirements, except for members of Congress, for good cause. NHHFA must submit a waiver request to the appropriate HUD Field Office for determination.

Any waiver request submitted by NHHFA must include the following [HCV Guidebook pp.11-2 and 11-3]:

- Complete statement of the facts of the case.
- Analysis of the specific conflict of interest provision of the HAP contract and justification as to why the provision should be waived.
- Analysis of and statement of consistency with state and local laws. The local HUD office, NHHFA, or both parties may conduct this analysis. Where appropriate, an opinion by the state’s attorney general should be obtained.
- Opinion by the local HUD office as to whether there would be an appearance of impropriety if the waiver were granted.
- Statement regarding alternative existing housing available for lease under the HCV program or other assisted housing if the waiver is denied.
- If the case involves a hardship for a particular family, statement of the circumstances and discussion of possible alternatives.
- If the case involves a public official or member of the governing body, explanation of their duties under state or local law, including reference to any responsibilities involving the HCV program.
- If the case involves employment of a family member by NHHFA or assistance under the HCV program for an eligible NHHFA employee, explanation of the responsibilities and duties of the position, including any related to the HCV program.
- If the case involves an investment on the part of a member, officer, or employee of NHHFA, description of the nature of the investment, including disclosure/divestiture plans.
- Where NHHFA has requested a conflict-of-interest waiver, NHHFA may not execute the HAP contract until HUD has made a decision on the waiver request.

NHHFA Policy

In considering whether to request a conflict of interest waiver from HUD, NHHFA will consider certain factors such as consistency of the waiver with state and local laws, the existence of alternative housing available to families, the individual circumstances of a particular family, the specific duties of individuals whose positions present a possible conflict of interest, the nature of

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any financial investment in the property and plans for disclosure/divestiture, and the possible appearance of impropriety.

Owner Actions That May Result in Disapproval of a Tenancy Request [24 CFR 982.306(c)]

HUD regulations permit NHHFA to disapprove a request for tenancy for various actions and inactions of the owner.

If NHHFA disapproves a request for tenancy because an owner is not qualified, it may not terminate the HAP contract for any assisted families that are already living in the owner's properties unless the owner has violated the HAP contract for those units [HCV GB p. 11-4].

NHHFA Policy

NHHFA will refuse to approve a request for tenancy if NHHFA becomes aware that any of the following are true:

- The owner has violated obligations under a HAP contract under Section 8 of the 1937 Act (42 U.S.C. 1437f).
- The owner has committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing program.
- The owner has engaged in any drug-related criminal activity or any violent criminal activity.
- The owner has a history or practice of noncompliance with inspection standards for units leased under the tenant-based programs, or with applicable housing standards for units leased with project-based Section 8 assistance or leased under any other federal housing program.
- The owner has a history or practice of failing to terminate tenancy of tenants of units assisted under Section 8 or any other federally assisted housing program for activity engaged in by the tenant, any member of the household, a guest or another person under the control of any member of the household that:
- Threatens the right to peaceful enjoyment of the premises by other residents.
- Threatens the health or safety of other residents, of employees of NHHFA, or of owner employees or other persons engaged in management of the housing.
- Threatens the health or safety of, or the right to peaceful enjoyment of their residences, by persons residing in the immediate vicinity of the premises; or
- Is drug-related criminal activity or violent criminal activity;
- The owner has a history or practice of renting units that fail to meet state or local housing codes; or
- The owner has not paid state or local real estate taxes, fines, or assessment.

In considering whether to disapprove owners for any of the discretionary reasons listed above, NHHFA will consider any mitigating factors. Such factors may include, but are not limited to, the seriousness of the violation in relation to program requirements, the impact on the ability of families to lease units under the program, health and safety of participating families, among others. Upon consideration of such circumstances, NHHFA may, on a case-by-case basis, choose to approve an owner.

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13-I.E. Non-Discrimination

[HAP Contract – Form HUD-52641]

The owner must not discriminate against any person because of race, color, religion, sex, national origin, age, familial status, or disability, in connection with any actions or responsibilities under the HCV program and the HAP contract with NHHFA.

The owner must cooperate with NHHFA and with HUD in conducting any equal opportunity compliance reviews and complaint investigations in connection with the HCV program and the HAP contract with NHHFA.

See Chapter 2 for a more thorough discussion of Fair Housing and Equal Opportunity requirements in the HCV program.

Part II. HAP Contracts

13-II.A. Overview

The HAP contract represents a written agreement between NHHFA, and the owner of the dwelling unit occupied by a HCV assisted family. The contract spells out the owner's responsibilities under the program, as well as NHHFA's obligations. Under the HAP contract, NHHFA agrees to make housing assistance payments to the owner on behalf of the family approved by NHHFA to occupy the unit.

The HAP contract is used for all HCV tenant-based program tenancies except for assistance under the Section 8 homeownership program, and assistance to families that own a manufactured home and use their assistance to lease the space for the manufactured home. See chapter 15 for a discussion of any special housing types included in NHHFA's HCV program.

When NHHFA has determined that the unit meets program requirements and the tenancy is approvable, NHHFA and owner must execute the HAP contract. See chapter 9 for a discussion of the leasing process, including provisions for execution of the HAP contract.

13-II.B. HAP Contract Contents

The HAP contract format is required by HUD, specifically Housing Assistance Payment (HAP) Contract, Form HUD-52641.

The HAP contract contains three parts.

Part A of the contract includes basic contract information: the names of the tenant and all household members, the address of the contract unit, start and end dates of initial lease term, the amount of initial monthly rent to owner, the amount of initial housing assistance payment, the utilities and appliances to be supplied by owner and tenant, and the signatures of NHHFA representative and owner [HCV Guidebook, pp. 11-10 and 11-11].

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In general, the HAP contract cannot be modified. However, NHHFA does have the discretion to add language to Part A of the HAP contract which prohibits the owner from collecting a security deposit in excess of private market practices or in excess of amounts charged to unassisted tenants. NHHFA policy on the amount of security deposit an owner may collect is found in Chapter 9.

NHHFA also has the discretion to add language to Part A of the HAP contract that defines when the housing assistance payment by NHHFA is deemed received by the owner (e.g., upon mailing by NHHFA or actual receipt by the owner).

NHHFA Policy

NHHFA has not adopted a policy that defines when the housing assistance payment by NHHFA is deemed received by the owner. Therefore, no modifications to the HAP contract will be necessary.

Part B is the body of the contract. It describes in detail program requirements affecting the owner and owner roles and responsibilities under the HCV program. Most of the requirements contained in Part B of the HAP contract are outlined elsewhere in this plan. Topics addressed in Part B include:

- Lease of Contract Unit
- Maintenance, Utilities, and Other Services
- Term of HAP Contract
- Provision and Payment of Utilities and Appliances
- Rent to Owner: Reasonable Rent
- NHHFA Payment to Owner
- Prohibition of Discrimination
- Owner's Breach of HAP Contract
- NHHFA and HUD Access to Premises and Owner's Records
- Exclusion of Third-Party Rights
- Conflict of Interest
- Assignment of the HAP Contract
- Written Notices
- Entire Agreement Interpretation

Part C of the contract includes the Tenancy Addendum (Form HUD-52641-A). The addendum sets forth the tenancy requirements for the program and the composition of the household, as approved by NHHFA. The tenant has the right to enforce the Tenancy Addendum against the owner. The terms of the Tenancy Addendum prevail over any other provisions of the lease.

13-II.C. HAP Contract Payments

General

During the term of the HAP contract, and subject to the provisions of the HAP contract, NHHFA must make monthly HAP payments to the owner on behalf of the family at the beginning of each

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month. If a lease term begins after the first of the month, the HAP payment for the first month is prorated for a partial month.

The amount of the HAP payment is determined according to the policies described in Chapter 6 and is subject to change during the term of the HAP contract. NHHFA must notify the owner and the family in writing of any changes in the HAP payment.

HAP payments can be made only during the lease term, and only while the family is residing in the unit.

The monthly HAP payment by NHHFA is credited toward the monthly rent to owner under the family's lease. The total of the rent paid by the tenant and the HAP payment is equal to the rent to owner as specified in the lease.

The family is not responsible for payment of the HAP payment, and NHHFA is not responsible for payment of the family share of rent.

The family's share of the rent cannot be more than the difference between the rent to owner and the HAP payment. The owner may not demand or accept any rent payment from the tenant in excess of this maximum [24 CFR 982.451(b)(4)]. The owner may not charge the tenant extra amounts for items customarily included in rent in the locality or provided at no additional cost to unsubsidized tenants in the premises [24 CFR 982.510(c)]. See chapter 9 for a discussion of separate, non-lease agreements for services, appliances and other items that are not included in the lease.

If the owner receives any excess HAP from NHHFA, the excess amount must be returned immediately. If NHHFA determines that the owner is not entitled to all or a portion of the HAP, NHHFA may deduct the amount of overpayment from any amounts due to the owner, including amounts due under any other Section 8 HCV contract. See Chapter 16 for additional detail on owner reimbursement of HAP overpayments.

Owner Certification of Compliance

Unless the owner complies with all provisions of the HAP contract, the owner is not entitled to receive housing assistance payments under the HAP contract [HAP Contract – Form HUD-52641].

By accepting the monthly check from NHHFA, the owner certifies to compliance with the terms of the HAP contract. This includes certification that the owner is maintaining the unit and premises in accordance with NSPIRE standards; that the contract unit is leased to the tenant family and, to the best of the owner's knowledge, the family resides in the unit as the family's only residence; the rent to owner does not exceed rents charged by the owner for comparable unassisted units on the premises; and that the owner does not receive (other than rent to owner) any additional payments or other consideration for rent of the contract unit during the HAP term.

Late HAP Payments [24 CFR 982.451(a)(5)]

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NHHFA is responsible for making HAP payments promptly when due to the owner, in accordance with the terms of the HAP contract. After the first two calendar months of the HAP contract term, the HAP contract provides for late penalties if NHHFA fails to make the HAP payment on time.

Penalties for late HAP payments can only be imposed if 1) the penalties are in accordance with generally accepted local rental market practices and law governing penalties for late payment by tenants; 2) it is the owner's normal business practice to charge late payment penalties for both assisted and unassisted families; and 3) the owner charges the assisted family for late payment of the family's share of the rent.

NHHFA is not required to pay a late payment penalty if HUD determines that the payment is late for reasons beyond NHHFA's control. In addition, late payment penalties are not required if NHHFA intentionally delays or denies payment as a remedy to an owner breach of the HAP contract [HCV Guidebook p. 11-7].

Termination of HAP Payments [24 CFR 982.311(b)]

NHHFA must continue making housing assistance payments to the owner in accordance with the HAP contract as long as the tenant continues to occupy the unit, and the HAP contract is not violated.

HAP payments terminate when the HAP contract terminates or when the tenancy is terminated in accordance with the terms of the lease.

If the owner has initiated eviction proceedings against the family and the family continues to reside in the unit, NHHFA must continue to make housing assistance payments to the owner until the owner has obtained a court judgment or other process allowing the owner to evict the tenant.

NHHFA Policy

The owner must inform NHHFA when the owner has initiated eviction proceedings against the family and the family continues to reside in the unit.

The owner must inform NHHFA when the owner has obtained a court judgment or other process allowing the owner to evict the tenant and provide NHHFA with a copy of such judgment or determination.

After the owner has obtained a court judgment or other process allowing the owner to evict the tenant, NHHFA will continue to make HAP payments to the owner until the family actually moves from the unit or until the family is physically evicted from the unit, whichever is earlier. The owner must inform NHHFA of the date when the family actually moves from the unit, or the family is physically evicted from the unit.

13-II.D. Breach of Hap Contract

[24 CFR 982.453]

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Any of the following actions by the owner constitutes a breach of the HAP contract:

- If the owner violates any obligations under the HAP contract including failure to maintain the unit in accordance with NSPIRE standards.
- If the owner has violated any obligation under any other HAP contract under Section 8 of the 1937 Act.
- If the owner has committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing program.
- For projects with mortgages insured by HUD or loans made by HUD, if the owner has failed to comply with the regulation for the applicable program; or if the owner has committed fraud, bribery or any other corrupt or criminal act in connection with the mortgage or loan.
- If the owner has engaged in drug-related criminal activity.
- If the owner has committed any violent criminal activity.
- If NHHFA determines that a breach of the HAP contract has occurred, it may exercise any of its rights and remedies under the HAP contract.

NHHFA rights and remedies against the owner under the HAP contract include recovery of any HAP overpayment, suspension of housing assistance payments, abatement or reduction of the housing assistance payment, termination of the payment or termination of the HAP contract. NHHFA may also obtain additional relief by judicial order or action.

NHHFA must notify the owner of its determination and provide in writing the reasons for the determination. The notice may require the owner to take corrective action by an established deadline. NHHFA must provide the owner with written notice of any reduction in housing assistance payments or the termination of the HAP contract.

NHHFA Policy

Before NHHFA invokes a remedy against an owner, NHHFA will evaluate all information and documents available to determine if the contract has been breached.

If relevant, NHHFA will conduct an audit of the owner's records pertaining to the tenancy or unit.

If it is determined that the owner has breached the contract, NHHFA will consider all of the relevant factors including the seriousness of the breach, the effect on the family, the owner's record of compliance and the number and seriousness of any prior HAP contract violations.

13-II.E. HAP Contract Term and Terminations

The term of the HAP contract runs concurrently with the term of the dwelling lease [24 CFR 982.451(a)(2)], beginning on the first day of the initial term of the lease and terminating on the last day of the term of the lease, including any lease term extensions.

The HAP contract and the housing assistance payments made under the HAP contract terminate if [HCV Guidebook pp.11-4 and 11-5, pg. 15-3]:

- The owner or the family terminates the lease.

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- The lease expires.
- NHHFA terminates the HAP contract.
- NHHFA terminates assistance for the family.
- The family moves from the assisted unit. In this situation, the owner is entitled to keep the housing assistance payment for the month when the family moves out of the unit.
- 180 calendar days have elapsed since NHHFA made the last housing assistance payment to the owner.
- The family is absent from the unit for longer than the maximum period permitted by NHHFA.
- The Annual Contributions Contract (ACC) between NHHFA and HUD expires.
- NHHFA elects to terminate the HAP contract.

NHHFA Policy

NHHFA may elect to terminate the HAP contract in each of the following situations:

- Available program funding is not sufficient to support continued assistance for families in the program [24 CFR 982.454];
- The unit does not meet size requirements due to change in family composition [24 CFR 982.403] – see Chapter 8;
- The unit does not meet NSPIRE standards [24 CFR 982.404] – see Chapter 8;
- The family breaks up [HUD Form 52641] – see Chapter 3;
- The owner breaches the HAP contract [24 CFR 982.453(b)] – see Section 13-II.D.

If NHHFA terminates the HAP contract, NHHFA must give the owner and the family written notice. The notice must specify the reasons for the termination and the effective date of the termination. Once a HAP contract is terminated, no further HAP payments may be made under that contract [HCV Guidebook pg.15-4].

NHHFA Policy

Generally, the HAP contract terminates at the end of the calendar month that follows the calendar month in which NHHFA gives written notice to the owner.

NHHFA cannot make any HAP payment for any month after the month the family vacates the unit.

The owner is not entitled to any housing assistance payment after this period and must return to NHHFA any housing assistance payment received after this period.

If the family moves from the assisted unit into a new unit, even if the new unit is in the same building or complex as the assisted unit, the HAP contract for the assisted unit terminates. A new HAP contract would be required [HCV GB, p. 11-17].

When the family moves from an assisted unit into a new unit, the term of the HAP contract for the new unit may begin in the same month in which the family moves out of its old unit. This is not considered a duplicative subsidy [HCV GB, p. 8-22].

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13-II.F. Change in Ownership / Assignment of The Hap Contract

[HUD-52641]

The HAP contract cannot be assigned to a new owner without the prior written consent of NHHFA.

An owner under a HAP contract must notify NHHFA in writing prior to a change in the legal ownership of the unit. The owner must supply all information as requested by NHHFA.

Prior to approval of assignment to a new owner, the new owner must agree to be bound by and comply with the HAP contract. The agreement between the new owner and the former owner must be in writing and in a form that NHHFA finds acceptable. The new owner must provide NHHFA with a copy of the executed agreement.

NHHFA Policy

Assignment of the HAP contract will be approved only if the new owner is qualified to become an owner under the HCV program according to the policies in Section 13-I.D. of this chapter.

The new owner must provide a written certification to NHHFA that includes:

- A copy of the escrow statement or other document showing the transfer of title and recorded deed.
- A copy of the owner's IRS Form W-9, Request for Taxpayer Identification Number and Certification, or the social security number of the new owner.
- The effective date of the HAP contract assignment.
- Assignment of Lease and contract to comply with the terms of the HAP contract; and
- A certification that the new owner is not a prohibited relative.

If the new owner does not agree to an assignment of the HAP contract, or fails to provide the necessary documents, NHHFA will terminate the HAP contract with the old owner. If the new owner wants to offer the family a new lease, and the family elects to stay with continued assistance, NHHFA will process the leasing in accordance with the policies in Chapter 9.

13-II.G. Foreclosure

[Notice PIH 2010-49]

Families receiving HCV assistance are entitled to certain protections set forth under the Protecting Tenants at Foreclosure Act (PTFA). During the term of the lease, the new owner of the property does not have good cause to terminate the tenant's lease, unless the new owner will occupy the unit as their primary residence and has provided the tenant with at least a 90-day notice. In that case, the lease may be terminated effective on the date of sale, although the tenant is still entitled to a 90-day notice to vacate. Further, the new owner assumes interest in the lease between the prior owner and the tenant and to the HAP contract.

Any state or local law that provides longer time periods or other additional protections for tenants also applies.

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NHHFA Policy

If a property is in foreclosure, NHHFA will make all reasonable efforts to determine the status of the foreclosure and ownership of the property and will continue to make payments to the original owner until ownership legally transfers in accordance with the HAP contract.

NHHFA will attempt to obtain a written acknowledgement of the assignment of the HAP contract from the successor in interest. This will include a request for owner information, including a tax identification number and payment instructions from the new owner. Even if the new owner does not acknowledge the assignment of the HAP contract in writing, the assignment is still effective by operation of law.

NHHFA will inform the tenant that they must continue to pay rent in accordance with the lease, and if the new owner refuses to accept payment or cannot be identified, the tenant should pay rent into escrow. Failure to pay rent may constitute an independent ground for eviction.

In the event that NHHFA is unable to make HAP payments to the new owner due to an action or inaction by the new owner that prevents such payments (e.g., rejection of payments or failure to maintain the property according to NSPIRE standards), or due to an inability to identify the new owner, NHHFA will either use the funds to pay:

- The utilities that are the owner's responsibility after taking reasonable steps to notify the owner; except that if the unit has been or will be rendered uninhabitable due to termination or threat of termination of service, prior notice is not required. In the latter case, NHHFA shall notify the owner within a reasonable time after making the utility payment; or
- For the family's reasonable moving costs, including security deposit costs.

NHHFA will also refer the tenant, as needed, to the local legal aid office in order to ensure adequate protection of the tenant's rights and enforcement of the successor in interest's performance under the HAP contract.

See Section 12-III.B for a discussion of foreclosure as it pertains to owner termination of tenancy.

Chapter 14 Program Integrity

Introduction

NHHFA is committed to ensuring that subsidy funds made available are spent in accordance with HUD requirements.

This chapter covers HUD and NHHFA policies designed to prevent, detect, investigate, and resolve instances of program abuse or fraud. It also describes the actions that will be taken in the case of unintentional errors and omissions.

Part I: Preventing, Detecting, and Investigating Errors and Program Abuse. This part presents NHHFA policies related to preventing, detecting, and investigating errors and program abuse.

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Part II: Corrective Measures and Penalties. This part describes the corrective measures NHHFA must and may take when errors or program abuses are found.

PART I: Preventing, Detecting, and Investigating Errors and Program Abuse

14-I.A. Preventing Errors and Program Abuse

HUD created the Enterprise Income Verification (EIV) system to provide NHHFA with a powerful tool for preventing errors and detecting program abuse. NHHFA is required to use the EIV system at reexamination in accordance with HUD administrative guidance [24 CFR 5.233]. NHHFA is further required to:

- Provide applicants and participants with form HUD-52675, "Debts Owed to NHHFA and Terminations"
- Require all adult members of an applicant or participant family to acknowledge receipt of form HUD-52675 by signing a copy of the form for retention in the family file

NHHFA Policy

- To ensure that NHHFA's HCV program is administered according to the highest ethical and legal standards, NHHFA will employ a variety of techniques to ensure that both errors and intentional program abuse are rare.
- NHHFA will discuss program compliance and integrity issues during the voucher briefing sessions described in Chapter 5.
- NHHFA will provide each applicant and participant with a copy of "Is Fraud Worth It?" (form HUD-1141-OIG), which explains the types of actions a family must avoid and the penalties for program abuse.
- NHHFA will provide each applicant and participant with a copy of "What You Should Know about EIV," a guide to the Enterprise Income Verification (EIV) system published by HUD as an attachment to Notice PIH 2017-12.
- NHHFA will place a warning statement about the penalties for fraud (as described in 18 U.S.C. 1001 and 1010) on key NHHFA forms and form letters that request information from a family or owner.
- NHHFA staff will be required to review and explain the contents of all HUD and NHHFA required forms prior to requesting family member signatures.
- At every regular reexamination, NHHFA staff will explain any changes in HUD regulations or NHHFA policy that affect program participants.
- NHHFA will provide owners with ongoing information about the program, with an emphasis on actions and situations to avoid.
- NHHFA will provide each NHHFA employee with the necessary training on program rules and the organization's standards of conduct and ethics.

For purposes of this chapter the term error refers to an unintentional error or omission. Program abuse or fraud refers to a single act or pattern of actions that constitute a false statement, omission, or concealment of a substantial fact, made with the intent to deceive or mislead.

14-I.B. Detecting Errors and Program Abuse

In addition to taking steps to prevent errors and program abuse, NHHFA will use a variety of activities to detect errors and program abuse.

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Quality Control and Analysis of Data

Under the Section 8 Management Assessment Program (SEMAP), HUD requires NHHFA to review a random sample of tenant records annually to determine if the records conform to program requirements and to conduct quality control inspections of a sample of units to ensure compliance with applicable housing quality standards [24 CFR, Part 985]. (See Chapter 16 for additional information about SEMAP requirements). As a MTW agency NHHFA is exempt from SEMAP, however, NHHFA does review a random sample of tenant records annually to determine if the records conform to program requirements and to conduct quality control inspections of a sample of units to ensure compliance with applicable housing quality standards

NHHFA Policy

NHHFA will employ a variety of methods to detect errors and program abuse.

NHHFA routinely will use HUD and other non-HUD sources of up-front income verification. This includes any other private or public databases available to NHHFA.

At each reexamination, current information provided by the family will be compared to information provided at the last reexamination to identify inconsistencies and incomplete information.

NHHFA will compare family-reported income and expenditures to detect possible unreported income.

Independent Audits and HUD Monitoring

CFR Part 200 requires all PHA's that expends $1,000,000 or more in federal awards annually to have an independent audit (IPA). In addition, HUD conducts periodic on-site and automated monitoring of NHHFA activities and notifies NHHFA of errors and potential cases of program abuse.

NHHFA Policy

NHHFA will use the results reported in any IPA or HUD monitoring reports to identify potential program abuses as well as to assess the effectiveness of NHHFA's error detection and abuse prevention efforts.

Individual Reporting of Possible Errors and Program Abuse

NHHFA Policy

NHHFA will encourage staff, program participants, and the public to report possible program abuse.

14-I.C. Investigating Errors and Program Abuse

When NHHFA Will Investigate

NHHFA Policy

NHHFA will review all referrals, specific allegations, complaints, and tips from any source including other agencies, companies, and individuals, to determine if they warrant investigation.

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In order for NHHFA to investigate, the allegation must contain at least one independently verifiable item of information, such as the name of an employer or the name of an unauthorized household member.

NHHFA will investigate when inconsistent or contradictory information is detected through file reviews and the verification process.

Consent to Release of Information [24 CFR 982.516]

NHHFA may investigate possible instances of error or abuse using all available NHHFA and public records. If necessary, NHHFA will require HCV families to sign consent forms for the release of additional information.

Analysis and Findings

NHHFA Policy

NHHFA will base its evaluation on a preponderance of the evidence collected during its investigation.

Preponderance of the evidence is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence that as a whole shows that the fact sought to be proved is more probable than not. Preponderance of evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

For each investigation

NHHFA will determine (1) whether an error or program abuse has occurred, (2) whether any amount of money is owed NHHFA, and (3) what corrective measures or penalties will be assessed.

Consideration of Remedies

All errors and instances of program abuse must be corrected prospectively. Whether NHHFA will enforce other corrective actions and penalties depends upon the nature of the error or program abuse.

NHHFA Policy

In the case of family-caused errors or program abuse, NHHFA will take into consideration (1) the seriousness of the offense and the extent of participation or culpability of individual family members, (2) any special circumstances surrounding the case, (3) any mitigating circumstances related to the disability of a family member, (4) the effects of a particular remedy on family members who were not involved in the offense.

In the case of owner-caused errors or program abuse, NHHFA will take into consideration (1) the seriousness of the offense, (2) the length of time since the violation has occurred, and (3) the effects of a particular remedy on family members who were not involved in the offense.

Notice and Appeals

NHHFA Policy

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NHHFA will inform the relevant party in writing of its findings and remedies within 10 business days of the conclusion of the investigation. The notice will include (1) a description of the error or program abuse, (2) the basis on which NHHFA determined the error or program abuses, (3) the remedies to be employed, and (4) the family's right to appeal the results through the informal review or hearing process, if applicable (see Chapter 16).

PART II: Corrective Measures and Penalties

14-II.A. Subsidy Under- or Overpayments

A subsidy under- or overpayment includes (1) an incorrect housing assistance payment to the owner, (2) an incorrect family share established for the family, and (3) an incorrect utility reimbursement to a family.

Corrections

Whether the incorrect subsidy determination is an overpayment or underpayment of subsidy, NHHFA must promptly correct the HAP, family share, and any utility reimbursement prospectively.

NHHFA Policy

Increases in the family share will be implemented on the first of the month following a written 30-day notice.

Any decreases in family share will become effective the first of the month following the discovery of the error.

Reimbursement

Policies regarding reimbursement are discussed in the three sections that follow.

4-II.B. Family-Caused Errors and Program Abuse

Family obligations and general administrative requirements for participating in the program are discussed throughout this plan. This section deals specifically with errors and program abuse by family members.

An incorrect subsidy determination caused by a family generally would be the result of incorrect reporting of family composition, income, assets, or expenses, but also would include instances in which the family knowingly allows NHHFA to use incorrect information provided by a third party.

Family Reimbursement to NHHFA [HCV GB pp. 22-12 to 22-13]

NHHFA Policy

In the case of family-caused errors or program abuse, the family will be required to repay any excess subsidy received. NHHFA may, but is not required to, offer the family a repayment agreement in accordance with Chapter 16. If the family fails to repay the excess subsidy, NHHFA will terminate the family's assistance in accordance with the policies in Chapter 12.

NHHFA Reimbursement to Family [HCV GB p. 22-12]

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NHHFA will not reimburse the family for any underpayment of assistance when the underpayment clearly is caused by the family.

Prohibited Actions

An applicant or participant in the HCV program must not knowingly:

- Make a false statement to NHHFA [Title 18 U.S.C. Section 1001].
- Commit fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program [24 CFR 982.552(c)(iv)].

NHHFA Policy

Any of the following will be considered evidence of family program abuse:

- Payment to the owner in excess of amounts authorized by NHHFA for rent, security deposit, and additional services
- Offering bribes or illegal gratuities to NHHFA Board of Directors, employees, contractors, or other NHHFA representatives
- Offering payments or other incentives to the owner or a third party as an inducement for the third party to make false or misleading statements to NHHFA on the family's behalf
- Use of a false name or the use of falsified, forged, or altered documents
- Intentional misreporting of family information or circumstances (e.g. income, family composition)
- Omitted facts that were obviously known by a family member (e.g., not reporting employment income)
- Admission of program abuse by an adult family member
- NHHFA may determine other actions to be program abuse based upon a preponderance of the evidence, as defined earlier in this chapter.

Penalties for Program Abuse

In the case of program abuse caused by a family NHHFA may, at its discretion, impose any of the following remedies.

- NHHFA may require the family to repay excess subsidy amounts paid by NHHFA, as described earlier in this section.
- NHHFA may require, as a condition of receiving or continuing assistance, that a culpable family member not reside in the unit. See policies in Chapter 3 (for applicants) and Chapter 12 (for participants).
- NHHFA may deny or terminate the family's assistance following the policies set forth in Chapter 3 and Chapter 12 respectively.
- NHHFA may refer the family for state or federal criminal prosecution as described in section 14-II.E.

14-II.C. Owner-Caused Error or Program Abuse

Owner requirements that are part of the regular process of offering, leasing, and maintaining a unit (e.g., housing quality standards compliance, fair housing) are addressed in the appropriate chapters of this plan. This section focuses on errors and program abuse by owners.

An incorrect subsidy determination caused by an owner generally would be the result of an incorrect owner statement about the characteristics of the assisted unit (e.g., the number of bedrooms, which utilities are paid by the family). It also includes accepting duplicate housing

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assistance payments for the same unit in the same month, or after a family no longer resides in the unit.

Owner Reimbursement to NHHFA

In all cases of overpayment of subsidy caused by the owner, the owner must repay to NHHFA any excess subsidy received. NHHFA may recover overpaid amounts by withholding housing assistance payments due for subsequent months, or if the debt is large, NHHFA may allow the owner to pay in installments over a period of time [HCV GB p. 22-13].

NHHFA Policy

In cases where the owner has received excess subsidy, NHHFA will require the owner to repay the amount owed in accordance with the policies in Section 16-IV.B.

Prohibited Owner Actions

An owner participating in the HCV program must not:

- Make any false statement to NHHFA [Title 18 U.S.C. Section 1001].
- Commit fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program [24 CFR 982.453(a)(3)] including:

NHHFA Policy

Any of the following will be considered evidence of owner program abuse:

- Charging the family rent above or below the amount specified by NHHFA
- Charging a security deposit other than that specified in the family's lease
- Charging the family for services that are provided to unassisted tenants at no extra charge
- Knowingly accepting housing assistance payments for any month(s) after the family has vacated the unit
- Knowingly accepting incorrect or excess housing assistance payments
- Offering bribes or illegal gratuities to NHHFA Board of Commissioners, employees, contractors, or other NHHFA representatives
- Offering payments or other incentives to an HCV family as an inducement for the family to make false or misleading statements to NHHFA
- Residing in the unit with an assisted family
- Committing sexual or other harassment, either quid pro quo or hostile environment, based on the protected classes defined in Chapter 2
- Retaliating against any applicant or participant reporting/alleging sexual or other harassment, either quid pro quo or hostile environment, based on the protected classes defined in Chapter 2

Remedies and Penalties

When NHHFA determines that the owner has committed program abuse, NHHFA may take any of the following actions:

- Require the owner to repay excess housing assistance payments, as discussed earlier in this section and in accordance with the policies in Chapter 16.
- Terminate the HAP contract (See Chapter 13).
- Bar the owner from future participation in any NHHFA programs.
- Refer the case to state or federal officials for criminal prosecution as described in section 14-II.E.

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- Amounts owed that are greater than $5,000 will be pursued in small claims court. Amounts greater than $10,000 will be pursued in superior court and the Chief Program Officer will be notified of this action.

14-II.D. NHHFA-Caused Errors or Program Abuse

The responsibilities and expectations of NHHFA staff with respect to normal program administration are discussed throughout this plan. This section specifically addresses actions of a NHHFA staff member that are considered errors or program abuse related to the HCV program. Additional standards of conduct may be provided in NHHFA personnel policy. NHHFA-caused incorrect subsidy determinations include (1) failing to correctly apply HCV rules regarding family composition, income, assets, and expenses, (2) assigning the incorrect voucher size to a family, and (3) errors in calculation.

The following policy is effective upon NHHFA's HOTMA compliance date:

De Minimis Errors [24 CFR 5.609(c)(4)]
NHHFA will not be considered out of compliance when making annual income determinations solely due to de minimis errors in calculating family income. A de minimis error is an error where NHHFA determination of family income deviates from the correct income determination by no more than $30 per month in monthly adjusted income ($360 in annual adjusted income) per family.

NHHFA must take corrective action to credit or repay a family if the family was overcharged rent, including when NHHFA make de minimis errors in the income determination. Families will not be required to repay NHHFA in instances where NHHFA miscalculated income resulting in a family being undercharged for rent. NHHFA state in their policies how they will repay or credit a family the amount they were overcharged as a result of NHHFA's de minimis error in income determination.

NHHFA Policy

NHHFA will reimburse a family for any family overpayment of rent, regardless of whether the overpayment was the result of staff-caused error, staff program abuse, or a de minimis error.

Prohibited Activities

NHHFA Policy

Any of the following will be considered evidence of program abuse by NHHFA staff:

- Failing to comply with any HCV program requirements for personal gain
- Failing to comply with any HCV program requirements as a result of a conflict-of-interest relationship with any applicant, participant, or owner
- Seeking or accepting anything of material value from applicants, participating families, vendors, owners, contractors, or other persons who provide services or materials to NHHFA
- Disclosing confidential or proprietary information to outside parties
- Gaining profit as a result of insider knowledge of NHHFA activities, policies, or practices
- Misappropriating or misusing HCV funds
- Destroying, concealing, removing, or inappropriately using any records related to the HCV program

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- Committing any other corrupt or criminal act in connection with any federal housing program

14-II.E. Criminal Prosecution

NHHFA Policy

When NHHFA determines that program abuse by an owner, family, or NHHFA staff member has occurred and the amount of overpaid subsidy meets or exceeds $10,000 for prosecution under local or state law, NHHFA will refer the matter to the appropriate entity for prosecution. When the amount of overpaid assistance meets or exceeds the federal threshold, the case will also be referred to the HUD Office of Inspector General (OIG).

Other criminal violations related to the HCV program will be referred to the appropriate local, state, or federal entity.

14-II.F. Fraud and Program Abuse Recoveries

NHHFA may retain a portion of program fraud losses that NHHFA recovers from a family or owner through litigation, court order, or a repayment agreement [24 CFR 982.163].

NHHFA must be the principal party initiating or sustaining the action to recover amounts due from tenants that are due as a result of fraud and abuse. 24 CFR 792.202 permits NHHFA to retain the greater of:

50 percent of the amount it actually collects from a judgment, litigation (including settlement of a lawsuit) or an administrative repayment agreement, or

Reasonable and necessary costs that NHHFA incurs related to the collection including costs of investigation, legal fees, and agency collection fees.

The family must be afforded the opportunity for an informal hearing in accordance with requirements in 24 CFR 982.555.

If HUD incurs costs on behalf of NHHFA related to the collection, these costs must be deducted from the amount retained by NHHFA.

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Chapter 15 Special Housing Types

[24 CFR 982 Subpart M; New HCV GB, Special Housing Types]

Introduction

The PHA may permit a family to use any of the special housing types discussed in this chapter. However, the PHA is not required to permit families receiving assistance in its jurisdiction to use these housing types, except that PHAs must permit use of any special housing type if needed as a reasonable accommodation for a person with a disability, and the PHA must permit a family to lease a manufactured home and space with assistance under the program. The PHA also may limit the number of families who receive HCV assistance in these housing types and cannot require families to use a particular housing type. No special funding is provided for special housing types. Unless specifically modified by the regulations, housing quality standards apply to special housing types (Single Room Occupancy, Congregate Housing, Group Homes, Shared Housing, Manufactured Homes, Homeownership units) [Notice PIH 2023-28].

NHHFA Policy

NHHFA will permit a family to use any of the special housing types discussed in this chapter.

Special housing types include single room occupancy (SRO), congregate housing, group homes, shared housing, cooperative housing, manufactured homes where the family owns the home and leases the space, and homeownership [24 CFR 982.601]. A single unit cannot be designated as more than one type of special housing. The PHA cannot give preference to households that wish to live in any of these types of housing and cannot require households to select any of these types of housing [New HCV GB, *Special Housing Types,* p. 3].

This chapter consists of the following seven parts. Each part contains a description of the housing type and any special requirements associated with it. Except as modified by this chapter, the general requirements of the HCV program apply to special housing types.

Part I: Single Room Occupancy

Part II: Congregate Housing

Part III: Group Homes

Part IV: Shared Housing

Part V: Cooperative Housing

Part VI: Manufactured Homes (including manufactured home space rental)

Part VII: Homeownership

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PART I: Single Room Occupancy

[24 CFR 982.602 through 982.605; Form HUD-52641; New HCV GB, Special Housing Types, p. 4]

15-I.A. Overview

A single room occupancy (SRO) unit provides living and sleeping space for the exclusive use of the occupant but requires the occupant to share sanitary and/or food preparation facilities with others. More than one person may not occupy an SRO unit. HCV regulations do not limit the number of units in an SRO facility, but the size of a facility may be limited by local ordinances.

When providing HCV assistance in an SRO unit, a separate lease and HAP contract are executed for each assisted person. The standard form of the HAP contract is used (Form HUD-52641) with the special housing type specified in Part A of the HAP contract, as follows: "This HAP contract is used for the following special housing type under HUD regulations for the Section 8 voucher program: Single room occupancy (SRO) housing."

15-I.B. Payment Standard, Utility Allowance, and Hap Calculation

- The payment standard for SRO housing is 75 percent of the zero-bedroom payment standard amount on NHHFA's payment standard schedule.
- The utility allowance for an assisted person residing in SRO housing is 75 percent of the zero-bedroom utility allowance.
- The HAP for an assisted occupant in an SRO facility is the lower of the SRO payment standard amount minus the TTP or the gross rent for the unit minus the TTP.

15-I.C. SRO: Housing Quality Standards [24 CFR 982.605(a)]

Housing quality standards requirements described in the applicable portions of Chapter 8 apply to SRO housing except that sanitary facilities, and space and security characteristics must meet local code standards for SRO housing. In the absence of applicable local code standards for

SRO housing, the following standards apply:

- Access: Access doors to the SRO unit must have working locks for privacy. The occupant must be able to access the unit without going through any other unit. Each unit must have immediate access to two or more approved means of exit from the building, appropriately marked and leading to safe and open space at ground level. The SRO unit must also have any other means of exit required by State or local law.
- Fire Safety: All SRO facilities must have a sprinkler system that protects major spaces. "Major spaces" are defined as hallways, large common areas, and any other areas specified in local fire, building, or safety codes. SROs must also have hard-wired smoke detectors, and any other fire and safety equipment required by state or local law.
- Sanitary facilities and space and security standards must meet local code requirements for SRO housing. In the absence of local code standards, the requirements discussed below apply [24 CFR 982.605].
- Sanitary Facilities: At least one flush toilet that can be used in privacy, a lavatory basin, and a bathtub or shower in proper operating condition must be provided for each six persons (or fewer) residing in the SRO facility. If the SRO units are leased only to males, flush urinals may be substituted for up to one half of the required number of toilets.

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Sanitary facilities must be reasonably accessible from a common hall or passageway to all persons sharing them and may not be located more than one floor above or below the SRO unit. They may not be located below grade unless the SRO units are located on that level.

- Space and Security: An SRO unit must contain at least 110 square feet of floor space, and at least four-square feet of closet space with an unobstructed height of at least five feet, for use by the occupant. If the closet space is less than four square feet, the habitable floor space in the SRO unit must be increased by the amount of the deficiency. Exterior doors and windows accessible from outside the SRO unit must be lockable.
- For SRO housing, 24 CFR 5.703(d) only applies to the extent that the SRO unit contains the room or facility referenced in 24 CFR 5.703(d). Because no children live in SRO housing, the housing quality standards applicable to lead-based paint do not apply.

PART II: Congregate Housing

[24 CFR 982.606 through 982.609; Form HUD-52641; New HCV GB, Special Housing Types, p. 6]

15-II.A. Overview

Congregate housing is intended for use by elderly persons or persons with disabilities. A congregate housing facility contains a shared central kitchen and dining area and a private living area for the individual household that includes at least a living room, bedroom and bathroom. Food service for residents must be provided.

If approved by NHHFA, a family member or live-in aide may reside with the elderly person or person with disabilities. NHHFA must approve a live-in aide if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities.

When providing HCV assistance in congregate housing, a separate lease and HAP contract are executed for each assisted family. The standard form of the HAP contract is used (Form HUD-52641) with the special housing type specified in Part A of the HAP contract, as follows: “This HAP contract is used for the following special housing type under HUD regulations for the Section 8 voucher program: Congregate housing.”

15-II.B. Payment Standard, Utility Allowance, and Hap Calculation

The payment standard for an individual unit in a congregate housing facility is based on the number of rooms in the private living area for the assisted family.

If there is only one room in the unit (not including the bathroom or the kitchen, if a kitchen is provided), NHHFA must use the payment standard for a zero-bedroom unit. If the unit has two or more rooms (other than the bathroom and the kitchen), NHHFA must use the one-bedroom payment standard.

The HAP for an assisted occupant in a congregate housing facility is the lower of the applicable payment standard minus the TTP or the gross rent for the unit minus the TTP.

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The gross rent for the unit for the purpose of calculating HCV assistance is the shelter portion (including utilities) of the resident's monthly housing expense only. The residents' costs for food service should not be included in the rent for a congregate housing unit.

15-II.C. Congregate: Housing Quality Standards

Housing quality standards requirements as described in Chapter 8 apply to congregate housing except for the requirements stated below.

Congregate housing is not subject to the requirement that the dwelling unit must have a kitchen area. In place of the housing quality standards related to food preparation and refuse disposal, congregate housing must have a refrigerator of appropriate size in the private living area of each resident, a central kitchen and dining facilities located within the premises and accessible to the residents, and food service for the residents, that is not provided by the residents themselves.

The congregate housing must contain adequate facilities and services for the sanitary disposal of food waste and refuse, including facilities for temporary storage where necessary.

The housing quality standards applicable to lead-based paint do not apply unless a child under the age of six is expected to reside in the unit.

PART III: Group Home

[24 CFR 982.610 through 982.614; Form HUD-52641; New HCV GB, Special Housing Types, p. 8]

15-III.A. Overview

A group home is a state-approved (licensed, certified, or otherwise approved in writing by the state) facility intended for occupancy by elderly persons and/or persons with disabilities. Except for live-in aides, all persons living in a group home, whether assisted or not, must be elderly persons or persons with disabilities. Persons living in a group home must not require continuous medical or nursing care.

A group home consists of bedrooms for residents, which can be shared by no more than two people, and a living room, kitchen, dining area, bathroom, and other appropriate social, recreational, or community space that may be shared with other residents. No more than 12 persons may reside in a group home including assisted and unassisted residents and any live-in aides.

If approved by NHHFA, a live-in aide may live in the group home with a person with disabilities. NHHFA must approve a live-in aide if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities.

When providing HCV assistance in a group home, a separate lease and HAP contract is executed for each assisted family. The standard form of the HAP contract is used (Form HUD-52641) with the special housing type specified in Part A of the HAP contract, as follows: "This

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HAP contract is used for the following special housing type under HUD regulations for the Section 8 voucher program: Group home."

15-III.B. Payment Standard, Utility Allowance, and Hap Calculation

Unless there is a live-in aide, the family unit size (voucher size) for an assisted occupant of a group home must be zero- or one-bedroom. If there is a live-in aide, the aide must be counted in determining the household's unit size.

The payment standard used to calculate the HAP is the lower of the payment standard for the family unit size or the pro rata share of the payment standard for the group home size. The pro rata share is calculated by dividing the number of persons in the assisted household by the number of persons (assisted and unassisted) living in the group home. The number of persons in the assisted household equals one assisted person plus any NHHFA-approved live-in aide.

The HAP for an assisted occupant in a group home is the lower of the payment standard minus the TTP or the gross rent minus the TTP.

The utility allowance for an assisted occupant in a group home is the pro rata share of the family unit size to the utility allowance for the group home.

The rents paid for participants residing in group homes are subject to generally applicable standards for rent reasonableness. The rent for an assisted person must not exceed the pro rata portion of the reasonable rent for the group home. In determining reasonable rent, NHHFA must consider whether sanitary facilities and facilities for food preparation and service are common facilities or private facilities.

15-III.C. Group Home: Housing Quality Standards

The entire unit must comply with housing quality requirements described in Chapter 8, except for the standards that relate to sanitary facilities, food preparation and refuse disposal, space and security, structure and materials, and site and neighborhood as stated below.

Sanitary Facilities: A group home must have at least one bathroom in the facility, with a flush toilet that can be used in privacy, a fixed basin with hot and cold running water, and a shower or bathtub with hot and cold running water. A group home may contain private or common bathrooms. However, no more than four residents can be required to share a bathroom.

Food Preparation and Service: Group home units must contain a kitchen and dining area with adequate space to store, prepare, and serve food. The facilities for food preparation and service may be private or may be shared by the residents. The kitchen must contain a range, an oven, a refrigerator, and a sink with hot and cold running water. The sink must drain into an approvable public or private disposal system.

Space and Security: Group homes must contain at least one bedroom of appropriate size for every two people, and a living room, kitchen, dining area, bathroom, and other appropriate social, recreational, or community space that may be shared with other residents. Doors and windows accessible from outside the unit must be lockable.

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Structure and Material: To avoid any threat to the health and safety of the residents, group homes must be structurally sound. Elevators must be in good condition. Group homes must be accessible to and usable by residents with disabilities.

Site and Neighborhood: Group homes must be located in a residential setting. The site and neighborhood should be reasonably free from disturbing noises and reverberations, and other hazards to the health, safety, and general welfare of the residents, and should not be subject to serious adverse conditions, such as:

- Dangerous walks or steps
- Instability
- Flooding, poor drainage
- Septic tank back-ups, sewage hazards
- Mud slides
- Abnormal air pollution
- Smoke or dust
- Excessive noise
- Vibrations or vehicular traffic
- Excessive accumulations of trash
- Vermin or rodent infestation, and
- Fire hazards.
- The housing quality standards applicable to lead-based paint do not apply unless a child under the age of six is expected to reside in the unit.

PART IV: Shared Housing

[24 CFR 982.615 through 982.618; Form HUD-52641; Notice PIH 2021-05;
New HCV GB, Special Housing Types, p. 11]

15-IV.A. Overview

Families in markets with tight rental conditions or with a prevalence of single-family housing may determine a shared housing living arrangement to be a useful way to secure affordable housing. NHHFA offering shared housing as a housing solution may also experience some reduction in the average per-unit-cost (PUC) paid on behalf of assisted families.

Shared housing is a single housing unit occupied by an assisted family and another resident or residents. The unit may be a house or an apartment. The shared unit consists of both common space for use by the occupants of the unit and separate private space for each assisted family.

An assisted family may share a unit with other persons assisted under the HCV program or with other unassisted persons.

Shared housing may be offered in a number of ways, including for-profit co-living (such as a boarding house, single bedroom with common living room/kitchen/dining room) run by a private company [Notice PIH 2021-05].

The owner of a shared housing unit may reside in the unit, but housing assistance may not be paid on behalf of the owner. The resident owner may not be related by blood or marriage to the assisted family.

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If approved by NHHFA, a live-in aide may reside with the family to care for a person with disabilities. NHHFA must approve a live-in aide if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities.

When shared housing is offered as a housing option, HUD encourages NHHFA to consider ways in which the families may be assisted in finding shared housing, including for-profit shared housing matching (such as roommates or single-family homes) and online sites that charge a fee for their matching services, or nonprofit shared housing matching services. HUD further encourages NHHFA to include information about this housing possibility in the family's voucher briefing.

NHHFA Policy

NHHFA will provide information to families regarding the shared housing option. Families will be cautioned to not enter into any rental agreement or pay any deposit or rental payment until the tenancy is approved by NHHFA.

NHHFA should be aware of potential local legal barriers to HCV participants using shared housing, which can create additional obstacles for shared housing:

- Municipalities may have occupancy limits for the number of unrelated persons who may share a housing unit.
- Local zoning codes for single family housing may restrict occupancy in certain areas to households whose family members are related by blood.
- NHHFA should work with local jurisdictions to find solutions that encourage affordable housing and are consistent with the Fair Housing Act, Title VI, and other federal, state, and local fair housing laws. NHHFA should inform HUD if they encounter barriers to shared housing that may conflict with fair housing laws.

NHHFA Policy

NHHFA will work with local jurisdictions as necessary to identify solutions consistent with fair housing laws and will inform HUD if NHHFA encounters barriers to shared housing that conflict with fair housing laws.

When providing HCV assistance in shared housing, a separate lease and HAP contract are executed for each assisted family. The standard form of the HAP contract is used (Form HUD-52641) with the special housing type specified in Part A of the HAP contract, as follows: "This HAP contract is used for the following special housing type under HUD regulations for the Section 8 voucher program: Shared housing."

15-IV.B. Payment Standard, Utility Allowance and Hap Calculation

The payment standard for a family in shared housing is the lower of the payment standard for the family unit size (voucher size) or the pro rata share of the payment standard for the shared housing unit size.

The pro rata share is calculated by dividing the number of bedrooms available for occupancy by the assisted family in the private, non-shared space by the total number of bedrooms in the unit.

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Example: Family holds a two-bedroom voucher.

Shared housing unit size: bedrooms available to assisted family = 2

Total bedrooms in the unit: 3

2 Bedrooms for assisted family

÷ 3 Bedrooms in the unit

.667 pro rata share

2 BR payment standard: $1200

3 BR payment standard: $1695 $1695 x .667 (pro rata share) = $1131 $1131 is lower than the $1200 payment standard for the 2 BR family unit size $1131 is the payment standard used to calculate the HAP

The HAP for a family in shared housing is the lower of the payment standard minus the TTP or the gross rent minus the TTP.

The utility allowance for an assisted family living in shared housing is the pro rata share of the utility allowance for the shared housing unit.

Example: A family holds a 2-bedroom voucher. The family decides to occupy 3 out of 4 bedrooms available in the unit.

The utility allowance for a 4-bedroom unit equals $200

The utility allowance for a 2-bedroom unit equals $100

The pro rata share of the utility allowance is $150 (3/4 of $200)

NHHFA will use the pro rata share utility allowance of $150.

The rents paid for families living in shared housing are subject to generally applicable standards for rent reasonableness. The rent paid to the owner for the assisted family must not exceed the pro rata portion of the reasonable rent for the shared unit. In determining reasonable rent, NHHFA may consider whether sanitary and food preparation areas are private or shared.

Use of Exception Payment Standards [Notice PIH 2025-12]

If a PHA determines that an exception payment standard higher than 120 percent of the FMR/SAFMR for the unit size may be necessary as a reasonable accommodation, the PHA must submit a request to the appropriate HUD field office. For shared housing, the threshold for requiring HUD approval of an exception payment standard as a reasonable accommodation is based on the FMR of the voucher size approved for the family. The pro-rata calculation required

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for shared housing only applies to the payment standard and utility allowance. The pro-rata calculation should not be applied to the FMR. The payment standard for a family that resides in shared housing is the lower of: (1) the payment standard amount on the PHA payment standard schedule for the family unit size; or (2) the pro-rata portion of the payment standard amount on the PHA payment standard schedule for the size of the shared housing unit. See Appendix A of Notice PIH 2025-12 for an example of the shared housing calculation.

15-IV.C. Shared Housing: Housing Quality Standards

NHHFA may not give approval to reside in shared housing unless the entire unit, including the portion of the unit available for use by the assisted family under its lease, meets the housing quality standards.

Housing quality standards requirements described in Chapter 8 apply to shared housing except for the requirements stated below.

Facilities Available for the Family: Facilities available to the assisted family, whether shared or private, must include a living room, a bathroom, and food preparation and refuse disposal facilities.

Space and Security: The entire unit must provide adequate space and security for all assisted and unassisted residents. The private space for each assisted family must contain at least one bedroom for each two persons in the family. The number of bedrooms in the private space of an assisted family must not be less than the family unit size (voucher size). A zero-bedroom or one-bedroom unit may not be used for shared housing.

PART V: Cooperative Housing

[24 CFR 982.619; New HCV GB, Special Housing Types, p. 14]

15-V.A. Overview

This part applies to rental assistance for a cooperative member residing in cooperative housing. It does not apply to assistance for a cooperative member who has purchased membership under the HCV homeownership option, or to rental assistance for a family that leases a cooperative housing unit from a cooperative member.

A cooperative is a form of ownership (nonprofit corporation or association) in which the residents purchase memberships in the ownership entity. Rather than being charged “rent” a cooperative member is charged a “carrying charge.” The monthly carrying charge includes the member’s share of the cooperative debt service, operating expenses, and necessary payments to cooperative reserve funds. It does not include down payments or other payments to purchase the cooperative unit or to amortize a loan made to the family for this purpose.

The occupancy agreement or lease and other appropriate documents must provide that the monthly carrying charge is subject to Section 8 limitations on rent to owner, and the rent must be reasonable as compared to comparable unassisted units.

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When providing HCV assistance in cooperative housing, the standard form of the HAP contract is used with the special housing type specified in Part A of the HAP contract, as follows: “This HAP contract is used for the following special housing type under HUD regulations for the Section 8 voucher program: Cooperative housing.”

15-V.B. Payment Standard, Utility Allowance and Hap Calculation

The payment standard and utility allowance are determined according to regular HCV program requirements.

The HAP for a cooperative housing unit is the lower of the payment standard minus the TTP or the gross rent (monthly carrying charge for the unit, plus any utility allowance) minus the TTP. The monthly carrying charge includes the member’s share of the cooperative debt service, operating expenses, and necessary payments to cooperative reserve funds. The carrying charge does not include down payments or other payments to purchase the cooperative unit or to amortize a loan made to the family for this purpose.

15-V.C. Cooperative: Housing Quality Standards

All housing quality standard requirements apply to cooperative housing units. There are no additional requirements. NHHFA remedies described in 24 CFR 982.404 do not apply. Rather, if the unit and premises are not maintained in accordance with housing quality standards, NHHFA may exercise all available remedies regardless of whether the family or cooperative is responsible for the breach of housing quality standards.

No housing assistance payment can be made unless unit meets housing quality standards, and the defect is corrected within the period as specified by NHHFA and NHHFA verifies correction (see Chapter 8).

In addition to regular deficiencies, breaches of housing quality standards by the family include failure to perform any maintenance for which the family is responsible in accordance with the terms of the cooperative occupancy agreement [HCV GB].

PART VI: Manufactured Homes

[24 CFR 982.620 through 982.624; FR Notice 1/18/17; New HCV GB, Special Housing Types, p. 15;]

15-VI.A. Overview

A manufactured home is a manufactured structure, transportable in one or more parts, that is built on a permanent chassis and designed for use as a principal place of residence. HCV-assisted families may occupy manufactured homes in three different ways.

A family may choose to rent a manufactured home already installed on a space and NHHFA must permit it. In this instance program rules are the same as when a family rents any other residential housing, except that there is special housing quality requirements as provided in 15-VI.D. below.

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A family can purchase a manufactured home under the Housing Choice Voucher Homeownership program.

HUD also permits an otherwise eligible family that owns a manufactured home to rent a space for the manufactured home and receive HCV assistance with the rent for the space as well as certain other housing expenses. NHHFA may, but are not required to, provide assistance for such families.

15-VI.B. Special Requirements for Manufactured Homeowners Who Lease A Space

Family Income

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.

Lease and HAP Contract

There is a designated HAP Contract (Form HUD-52642) and designated Tenancy Addendum (Form HUD-52642-A) for this special housing type.

15-VI.C. Payment Standard, Utility Allowance and Hap Calculation

Payment Standards

NHHFA payment standard for manufactured homes is determined in accordance with 24 CFR 982.505 and is the payment standard used for NHHFA's HCV program. It is based on the applicable FMR for the area in which the manufactured home space is located.

The payment standard for the family is the lower of the family unit size (voucher size) or the payment standard for the number of bedrooms in the manufactured home.

Utility Allowance [24 CFR 982.624]

NHHFA must establish utility allowances for manufactured home space rental. For the first 12 months of the initial lease term only, the allowance must include a reasonable amount for a utility hook-up charge if the family actually incurred a hook-up charge because of a move. This allowance will not be given to a family that leases in place. Utility allowances for manufactured home space must not include the costs of digging a well or installing a septic system.

Space Rent [24 CFR 982.622]

Rent to owner for rental of a manufactured home space includes payment for maintenance and services that the owner must provide to the tenant under the lease for the space. Rent to owner does not include the costs of utilities and trash collection for the manufactured home. However, the owner may charge the family a separate fee for the cost of utilities or trash collection provided by the owner.

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Amortization Costs

The monthly payment made by the family to amortize the cost of purchasing the manufactured home is the debt service established at the time of application to a lender for financing the purchase of the manufactured home if monthly payments are still being made. Any increase in debt service due to refinancing after purchase of the home may not be included in the amortization cost. Debt service for set-up charges incurred by a family may be included in the monthly amortization payments made by the family. In addition, set-up charges incurred before the family became an assisted family may be included in the amortization cost if monthly payments are still being made to amortize the charges.

Housing Assistance Payment [24 CFR 982.623(a)]

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 family's eligible housing expenses minus the TTP.

Eligible Housing Expenses [24 CFR 982.623(b)]

The family's eligible housing expenses are the total of:

- The rent charged by the owner for the manufactured home space.
- Charges for the maintenance and management the space owner must provide under the lease.
- The monthly payments made by the family to amortize the cost of purchasing the manufactured home established at the time of application to a lender for financing the purchase of the manufactured home if monthly payments are still being made, including any required insurance and property taxes included in the loan payment to the lender.
- Any increase in debt service or term due to refinancing after purchase of the home may not be included in the amortization cost.
- Debt service for installation charges incurred by a family may be included in the monthly amortization payments. Installation charges incurred before the family became an assisted family may be included in the amortization cost if monthly payments are still being made to amortize the charges.
- The applicable allowances for tenant-paid utilities, as determined under 24 CFR 982.517 and 982.624.

Rent Reasonableness [24 CFR 982.622(b)]

During the assisted tenancy, the rent to owner for the manufactured home space may not exceed a reasonable rent. NHHFA will use the gross rent as a comparable to other gross rents in the area. By accepting the monthly housing assistance payment, the owner of the manufactured home space certifies that the rent does not exceed rents charged by the owner for comparable unassisted spaces in the same manufactured home park or elsewhere.

If requested by NHHFA, the owner must give NHHFA information on rents charged by the owner for other manufactured home spaces.

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Distribution of HAP [24 CFR 982.623(c)]

NHHFA pays the owner of the space the lesser of the housing assistance payment or the portion of the monthly rent due to the owner. The portion of the monthly rent due to the owner is the total of:

The actual rent charged by the owner for the manufactured home space; and

Charges for the maintenance and management the space owner must provide under the lease.

If the housing assistance payment exceeds the portion of the monthly rent due to the owner, NHHFA may pay the balance of the housing assistance payment to the family. Alternatively, NHHFA may pay the balance to the lender or utility company, in an amount no greater than the amount due for the month to each, respectively, subject to the lender's or utility company's willingness to accept NHHFA's payment on behalf of the family.

NHHFA Policy

If the housing assistance payment exceeds the portion of the monthly rent due to the owner, NHHFA will pay the balance to the family.

Single HAP to Family [24 CFR 982.623.(d)]

If the owner of the manufactured home space agrees, NHHFA may make the entire housing assistance payment to the family, and the family is responsible for paying the owner directly for the full amount of rent of the manufactured home space due to the owner, including owner maintenance and management charges.

NHHFA Policy

NHHFA will not exercise the option to pay a single HAP and will pay HAP directly to the owner.

15-VI.D. Manufactured Homes: Housing Quality Standards

[24 CFR 982.621]

Under either type of occupancy described in 15-VI.A. above, the manufactured home must meet all housing quality standards performance requirements and acceptability criteria discussed in Chapter 8 of this plan. In addition, the following requirements apply:

Performance Requirement: 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.

Acceptability Criteria: 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.

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PART VII: Homeownership

[24 CFR 982.625 through 982.643]

15-VII.A. Overview

[24 CFR 982.625]

The homeownership option is used to assist a family residing in a home purchased and owned by one or more members of the family. A family assisted under this option may be newly admitted or an existing participant in the HCV program. NHHFA must have the capacity to operate a successful HCV homeownership program as defined by the regulations.

NHHFA Policy

There are two forms of homeownership assistance described in the regulations: monthly homeownership assistance payments and single down payment assistance grants. However, NHHFA may not offer down payment assistance until and unless funding is allocated by Congress. Since this has not yet happened, only monthly homeownership assistance may be offered.

NHHFA Policy

NHHFA will offer the monthly homeownership assistance payments to qualified families.

NHHFA must approve a live-in aide if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities.

15-VII.B. Family Eligibility

[24 CFR 982.627]

If NHHFA offers the homeownership option, participation by the family is optional. However, the family must meet all of the requirements listed below before the commencement of homeownership assistance. NHHFA may also establish additional initial requirements as long as they are described in NHHFA administrative plan.

- The family must have been admitted to the Housing Choice Voucher program.
- The family must qualify as a first-time, homeowner, or may be a cooperative member.
- The family must meet the Federal minimum income requirement. The family must have a gross annual income equal to the Federal minimum wage multiplied by 2000, based on the income of adult family members who will own the home. NHHFA may establish a higher income standard for families. However, a family that meets the federal minimum income requirement (but not NHHFA's requirement) will be considered to meet the minimum income requirement if it can demonstrate that it has been pre-qualified or pre-approved for financing that is sufficient to purchase an eligible unit.

NHHFA Policy

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NHHFA will not establish a higher minimum income standard for disabled and/or non-disabled families.

For disabled families, the minimum income requirement is equal to the current SSI monthly payment for an individual living alone, multiplied by 12.

For elderly or disabled families, welfare assistance payments for adult family members who will own the home will be included in determining whether the family meets the minimum income requirement. It will not be included for other families.

The family must satisfy the employment requirements by demonstrating that one or more adult members of the family who will own the home at commencement of homeownership assistance is currently employed on a full-time basis (the term full-time employment means not less than an average of 30 hours per week); and has been continuously so employed during the year before commencement of homeownership assistance for the family.

NHHFA Policy

Families will be considered “continuously employed” if the break in employment does not exceed four months.

NHHFA will count self-employment in a business when determining whether the family meets the employment requirement.

The employment requirement does not apply to elderly and disabled families. In addition, if a family, other than an elderly or disabled family includes a person with disabilities, NHHFA must grant an exemption from the employment requirement if NHHFA determines that it is needed as a reasonable accommodation.

The family has not defaulted on a mortgage securing debt to purchase a home under the homeownership option.

Except for cooperative members who have acquired cooperative membership shares prior to commencement of homeownership assistance, no family member has a present ownership interest in a residence at the commencement of homeownership assistance for the purchase of any home.

Except for cooperative members who have acquired cooperative membership shares prior to the commencement of homeownership assistance, the family has entered into a contract of sale in accordance with 24 CFR 982.631(c).

NHHFA Policy

NHHFA will impose additional eligibility requirements. To be eligible to participate in the homeownership option, families must meet the following criteria:

- The family has had no family-caused violations of housing quality standards within the past year.
- The family is not within the initial one-year period of a HAP Contract.

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- The family owes no money to NHHFA.
- The family has not committed any serious or repeated violations of a NHHFA-assisted lease within the past year.

15-VII.C. Selection of Families

[24 CFR 982.626]

Unless otherwise provided (under the homeownership option), NHHFA may limit homeownership assistance to families or purposes defined by NHHFA and may prescribe additional requirements for commencement of homeownership assistance for a family. Any such limits or additional requirements must be described in NHHFA administrative plan.

If NHHFA limits the number of families that may participate in the homeownership option, NHHFA must establish a system by which to select families to participate.

NHHFA Policy

NHHFA does not have a cap on the number of homeownership units.

15-VII.D. Eligible Units

[24 CFR 982.628]

In order for a unit to be eligible, NHHFA must determine that the unit satisfies all of the following requirements:

The unit must meet HUD's "eligible housing" requirements. The unit may not be any of the following:

- A public housing or Indian housing unit.
- A unit receiving Section 8 project-based assistance.
- A nursing home, board and care home, or facility providing continual psychiatric, medical or nursing services.
- A college or other school dormitory.
- On the grounds of penal, reformatory, medical, mental, or similar public or private institutions.

The unit must be a one-unit property or a single dwelling unit in a cooperative or condominium.

The unit must have been inspected by NHHFA and by an independent inspector designated by the family.

The unit must meet housing quality standards (see Chapter 8).

For a unit where the family will not own fee title to the real property (such as a manufactured home), the home must have a permanent foundation, and the family must have the right to occupy the site for at least 40 years.

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Families may enter into contracts of sale for units not yet under construction. However, NHHFA will not commence homeownership assistance for the family for that unit until:

- Either the responsible entity completes the environmental review as required by 24 CFR part 58 and HUD approved the environmental certification and request for release of funds prior to commencement of construction or HUD performed an environmental review under 24 CFR part 50 and notified NHHFA in writing of environmental approval of the site prior to construction commencement; and
- Construction of the unit has been completed and the unit has passed the required inspection and independent inspection as addressed elsewhere in this chapter.

For NHHFA-owned units (as defined in 24 CFR 982.4), all of the following conditions must be satisfied:

- NHHFA informs the family, both orally and in writing, that the family has the right to purchase any eligible unit, and a NHHFA-owned unit is freely selected by the family without NHHFA pressure or steering;
- The unit is not ineligible housing.
- NHHFA obtains the services of an independent entity (as defined in 24 CFR 982.4) to inspect the unit, review the independent inspection report, review the contract of sale, determine the reasonableness of the sales price and any NHHFA provided financing. All of these actions must be completed in accordance with program requirements.
- NHHFA must not approve the unit if NHHFA has been informed that the seller is debarred, suspended, or subject to a limited denial of participation.

15-VII.E. Additional NHHFA Requirements for Search and Purchase [24 CFR 982.629]

It is the family's responsibility to find a home that meets the criteria for voucher homeownership assistance. NHHFA may establish the maximum time that will be allowed for a family to locate and purchase a home and may require the family to report on their progress in finding and purchasing a home. If the family is unable to purchase a home within the maximum time established by NHHFA, NHHFA may issue the family a voucher to lease a unit or place the family's name on the waiting list for a voucher.

NHHFA Policy

The family will be allowed 120 days to identify a unit and submit a sales contract to NHHFA for review. The family will be allowed an additional 120 days to close on the home. NHHFA may grant extensions to either of these periods for good cause. The length of the extension(s) will be determined on a case-by-case, but in no case will an extension exceed a total of 125 days. The maximum amount of time a family will be given to locate and complete the purchase of a home under the homeownership option is 365 days.

During these periods, the family will continue to receive HCV rental assistance in accordance with any active lease and HAP contract until the family vacates the rental unit for its purchased home.

All requests for extensions must be submitted in writing to NHHFA prior to the expiration of the period for which the extension is being requested. NHHFA will approve or disapprove the extension request within 10 business days. The family will be notified of NHHFA's decision in writing.

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The family will be required to report their progress on locating and purchasing a home to NHHFA every 30 days until the home is purchased.

If the family cannot complete the purchase of a unit within the maximum required time frame and is not receiving rental assistance under a HAP contract at the time the search and purchase time period expires, the family will be issued a voucher to lease a unit.

15-VII.F. Homeownership Counseling

[24 CFR 982.630]

Before commencement of homeownership assistance for a family, the family must attend and satisfactorily complete the pre-assistance homeownership and housing counseling program required by NHHFA. HUD suggests the following topics for NHHFA-required pre-assistance counseling:

Home maintenance (including care of the grounds);

- Budgeting and money management.
- Credit counseling.
- How to negotiate the purchase price of a home.
- How to obtain homeownership financing and loan pre-approvals, including a description of types of financing that may be available, and the pros and cons of different types of financing.
- How to find a home, including information about homeownership opportunities, schools, and transportation in NHHFA jurisdiction.
- Advantages of purchasing a home in an area that does not have a high concentration of low-income families and how to locate homes in such areas.
- Information on fair housing, including fair housing lending and local fair housing enforcement agencies; and
- Information about the Real Estate Settlement Procedures Act (12 U.S.C. 2601 et seq.) (RESPA), state and Federal truth-in-lending laws, and how to identify and avoid loans with oppressive terms and conditions.
- NHHFA may adapt the subjects covered in pre-assistance counseling (as listed) to local circumstances and the needs of individual families.
- NHHFA may also offer additional counseling after commencement of homeownership assistance (ongoing counseling). If NHHFA offers a program of ongoing counseling for participants in the homeownership option, NHHFA shall have discretion to determine whether the family is required to participate in the ongoing counseling.
- Any homeownership counseling provided to families in connection with this section must be conducted by a HUD certified housing counselor working for an agency approved to participate in HUD's Housing Counseling Program.

NHHFA Policy

Families will not be required to participate in ongoing counseling after commencement of homeownership assistance.

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15-VII.G. Home Inspections, Contract of Sale, And NHHFA Disapproval Of Seller

[24 CFR 982.631]

Home Inspections

NHHFA may not commence monthly homeownership assistance payments for a family until NHHFA has inspected the unit and has determined that the unit meets housing quality standards.

NHHFA Policy

An independent professional inspector selected by and paid for by the family must also inspect the unit. The independent inspection must cover major building systems and components, including foundation and structure, housing interior and exterior, and the roofing, plumbing, electrical, and heating systems. The independent inspector must be qualified to report on property conditions, including major building systems and components.

When the family locates a home, they wish to purchase and submits a copy of their purchase offer/contract, NHHFA will conduct an inspection after the independent inspector has completed their inspection. Any items found not to meet housing quality standards must be repaired before the unit can be determined eligible for the homeownership program.

NHHFA may not require the family to use an independent inspector selected by NHHFA. The independent inspector may not be a NHHFA employee or contractor, or other person under control of NHHFA. However, NHHFA may establish standards for qualification of inspectors selected by families under the homeownership option.

NHHFA Policy

The family must hire an independent professional inspector, whose report must be submitted to NHHFA for review. This inspector must be a member of the American Society of Home Inspectors (ASHI) or other recognized professional society, or a licensed engineer. The inspector cannot be an NHHFA employee or contractor.

NHHFA may disapprove a unit for assistance based on information in the independent inspector's report, even if the unit was found to comply with housing quality standards.

NHHFA Policy

NHHFA will review the professional report in a timely fashion and based on the presence of major physical problems, may disapprove the purchase of the home.

If NHHFA disapproves the purchase of a home, the family will be notified in writing of the reasons for the disapproval.

While the family is receiving homeownership assistance, NHHFA will not conduct any further inspections of the property.

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Contract of Sale

Before commencement of monthly homeownership assistance payments, a member or members of the family must enter into a contract of sale with the seller of the unit to be acquired by the family. The family must give NHHFA a copy of the contract of sale. The contract of sale must:

- Specify the price and other terms of sale by the seller to the purchaser.
- Provide that the purchaser will arrange for a pre-purchase inspection of the dwelling unit by an independent inspector selected by the purchaser.
- Provide that the purchaser is not obligated to purchase the unit unless the inspection is satisfactory to the purchaser.
- Provide that the purchaser is not obligated to pay for any necessary repairs; and
- Contain a certification from the seller that the seller has not been debarred, suspended, or subject to a limited denial of participation under 24 CFR part 24.
- A contract for the sale of a unit not yet under construction must meet all above requirements, and requirements below. Commencement of construction in violation of the below requirements voids the purchase contract.
- The purchaser is not obligated to purchase the unit unless an environmental review has been performed and the site received environmental approval prior to commencement of construction in accordance with 24 CFR 982.628; and
- The construction will not commence until the environmental review has been completed and the seller has received written notice from NHHFA that environmental approval has been obtained. Environmental approval may be conditioned on the contracting parties' agreement to modification to the unit design or to mitigation actions.

Disapproval of a Seller

In its administrative discretion, NHHFA may deny approval of a seller for the same reasons a NHHFA may disapprove an owner under the regular HCV program [see 24 CFR 982.306(c)].

15-VII.H. Financing

[24 CFR 982.632]

NHHFA may establish requirements for financing purchase of a home under the homeownership option. This may include requirements concerning qualification of lenders, terms of financing, restrictions concerning debt secured by the home, lender qualifications, loan terms, and affordability of the debt. NHHFA must establish policies describing these requirements in the administrative plan.

NHHFA may not require that families acquire financing from one or more specified lenders, thereby restricting the family's ability to secure favorable financing terms.

NHHFA Policy

As a check against predatory lending, NHHFA will review the financing of each purchase transaction, including estimated closing costs. NHHFA will review the loans for features, such as balloon payments, adjustable-rate mortgages, and unusually high interest rates, all of which are prohibited. NHHFA also will not approve "seller financing" or "owner-held" mortgages. Beyond

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these basic criteria, NHHFA will rely on the lenders to determine that the loan will be affordable to program participants.

The mortgage the family applies for must require a minimum down payment of at least three percent of the sales price with one percent of the down payment coming from the purchaser's personal funds. NHHFA will not require that the family have any more than the minimum of one percent of their own money in the transaction. However, in cases where a lender is requiring a larger amount, the family may be held to the underwriting guidelines set by their lending institution.

NHHFA will approve a family's request to utilize its Family Self-Sufficiency escrow account after final disbursement for down payment and/or closing costs when purchasing a unit under the HCV homeownership option.

15-VII.I. Continued Assistance Requirements; Family Obligations

[24 CFR 982.633]

Homeownership assistance may only be paid while the family is residing in the home. If the family moves out of the home, NHHFA may not continue homeownership assistance after the month when the family moves out. The family or lender is not required to refund to NHHFA the homeownership assistance for the month when the family moves out.

Before commencement of homeownership assistance, the family must execute a statement of family obligations in the form prescribed by HUD [Form HUD-52649]. In the statement, the family agrees to comply with all family obligations under the homeownership option.

The family must comply with the following obligations:

- The family must comply with the terms of the mortgage securing debt incurred to purchase the home, or any refinancing of such debt.
- The family may not convey or transfer ownership of the home, except for purposes of financing, refinancing, or pending settlement of the estate of a deceased family member. Use and occupancy of the home are subject to 24 CFR 982.551 (h) and (i).
- The family must supply information to NHHFA or HUD as specified in 24 CFR 982.551(b). The family must further supply any information required by NHHFA or HUD concerning mortgage financing or refinancing, sale or transfer of any interest in the home, or homeownership expenses.
- The family must notify NHHFA before moving out of the home.
- The family must notify NHHFA if the family defaults on the mortgage used to purchase the home.
- The family must provide NHHFA with information on any satisfaction or payment of the mortgage debt.
- No family member may have any ownership interest in any other residential property.
- The family must comply with the obligations of a participant family described in 24 CFR 982.551, except for the following provisions which do not apply to assistance under the homeownership option: 24 CFR 982.551(c), (d), (e), (f), (g) and (j).

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- Each year at recertification the household must submit a self-certification confirming continued residence in the assisted home and must provide current expenses that will be used to calculate total homeownership costs.
- The family agrees to use the housing assistance payment for the mortgage and utilities only. Failure to do so may result in termination of assistance. If the family fails to pay their mortgage payment it is understood that further payments may be in jeopardy.
- If the family fails to comply with Section 1.L. of this document regarding notification of NHHFA regarding default, the family understands that the lender will notify NHHFA if the family is in default of their mortgage payment and agrees to let NHHFA be contacted. As stated above, further payments may be in jeopardy.
- The family understands that 10 years after the purchase date of the home, the net family assets will be calculated using the value of the home minus the outstanding mortgage and cost of converting the real estate to cash.
- Report in writing any and all changes in family composition, income, assets and allowances within five days of occurrence.

15-VII.J. Maximum Term of Homeowner Assistance

[24 CFR 982.634]

Except in the case of a family that qualifies as an elderly or disabled family, other family members (described below) shall not receive homeownership assistance for more than:

Fifteen years, if the initial mortgage incurred to finance purchase of the home has a term of 20 years or longer; or

Ten years, in all other cases.

The maximum term described above applies to any member of the family who:

- Has an ownership interest in the unit during the time that homeownership payments are made; or
- Is the spouse of any member of the household who has an ownership interest in the unit during the time homeownership payments are made.
- In the case of an elderly family, the exception only applies if the family qualifies as an elderly family at the start of homeownership assistance. In the case of a disabled family, the exception applies if at any time during receipt of homeownership assistance the family qualifies as a disabled family.

If, during the course of homeownership assistance, the family ceases to qualify as a disabled or elderly family, the maximum term becomes applicable from the date homeownership assistance commenced. However, such a family must be provided at least 6 months of homeownership assistance after the maximum term becomes applicable (provided the family is otherwise eligible to receive homeownership assistance).

If the family has received such assistance for different homes, or from a different PHA, the total of such assistance terms is subject to the maximum term described in this part.

15-VII.K. Homeownership Assistance Payments and Homeownership Expenses

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[24 CFR 982.635]

The monthly homeownership assistance payment is the lower of the voucher payment standard minus the total tenant payment, or the monthly homeownership expenses minus the total tenant payment. The payment standard amount may not be lower than what the payment standard amount was at commencement of homeownership assistance.

In determining the amount of the homeownership assistance payment, NHHFA will use the same payment standard schedule, payment standard amounts, and subsidy standards as those described elsewhere in this plan for the Housing Choice Voucher program. The payment standard for a family is the greater of (i) The payment standard as determined at the commencement of homeownership assistance for occupancy of the home, or (ii) the payment standard at the most recent regular reexamination of family income and composition since the commencement of homeownership assistance for occupancy of the home.

NHHFA must adopt policies for determining the amount of homeownership expenses to be allowed by NHHFA in accordance with HUD requirements.

Homeownership expenses (not including cooperatives) must include amounts allowed by NHHFA to cover:

- Principal and interest on initial mortgage debt, any refinancing of such debt, and any mortgage insurance premium incurred to finance purchase of the home.
- Real estate taxes and public assessments on the home.
- Home insurance.
- NHHFA allowance for maintenance expenses.
- NHHFA allowance for costs of major repairs and replacements.
- NHHFA utility allowance for the home.
- Principal and interest on mortgage debt incurred to finance costs for major repairs, replacements or improvements for the home. If a member of the family is a person with disabilities, such debt may include debt incurred by the family to finance costs needed to make the home accessible for such person, if NHHFA determines that allowance of such costs as homeownership expenses is needed as a reasonable accommodation so that the homeownership option is readily accessible to and usable by such person;
- Land lease payments where a family does not own fee title to the real property on which the home is located [see 24 CFR 982.628(b)];
- For a condominium unit, condominium operating charges or maintenance fees assessed by the condominium homeowner association.

NHHFA does not have the discretion to exclude any of the listed homeownership expenses or to add any additional items.

Homeownership expenses for a cooperative member include amounts allowed by NHHFA to cover:

- The cooperative charge under the cooperative occupancy agreement including payment for real estate taxes and public assessments on the home.
- Principal and interest on initial debt incurred to finance purchase of cooperative membership shares and any refinancing of such debt.
- Home insurance.

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- NHHFA allowance for maintenance expenses.
- NHHFA allowance for costs of major repairs and replacements.
- NHHFA utility allowance for the home; and
- Principal and interest on debt incurred to finance major repairs, replacements or improvements for the home. If a member of the family is a person with disabilities, such debt may include debt incurred by the family to finance costs needed to make the home accessible for such person, if NHHFA determines that allowance of such costs as homeownership expenses is needed as a reasonable accommodation so that the homeownership option is readily accessible to and usable by such person.
- Cooperative operating charges or maintenance fees assessed by the cooperative homeowner association.

NHHFA Policy

NHHFA will use the following amounts for homeownership expenses:

- Monthly homeownership payment. This includes principal and interest on initial mortgage debt, taxes and insurance, public assessments, and any mortgage insurance premium, if applicable.
- Utility allowance. NHHFA's utility allowance for the unit, based on the current HCV utility allowance schedule.
- Monthly maintenance/major repair/replacement allowance. A single monthly maintenance/repair/replacement allowance will be provided at $120 per month.
- Monthly co-op/condominium assessments. If applicable, the monthly amount of co-op or condominium association operation and maintenance assessments.
- Monthly principal and interest on debt for improvements. Principal and interest for major home repair, replacements, or improvements, if applicable.
- Land lease payments. Land lease payments where a family does not own fee title to the real property on which the home is located.

NHHFA may pay the homeownership assistance payments directly to the family, or at NHHFA's discretion, to a lender on behalf of the family. If the assistance payment exceeds the amount due to the lender, NHHFA must pay the excess directly to the family.

NHHFA Policy

NHHFA's housing assistance may be paid directly to the lender, if this arrangement is acceptable to the mortgage company. If the assistance payment exceeds the amount due to the lender, NHHFA must pay the excess directly to the family.

15-VII.L. Portability

[24 CFR 982.636, 982.637, 982.353(b) and (c), 982.552, 982.553]

Subject to the restrictions on portability included in HUD regulations and NHHFA policies, a family may exercise portability if the receiving PHA is administering a voucher homeownership program and accepting new homeownership families. The receiving PHA may absorb the family into its voucher program or bill the initial PHA.

The family must attend the briefing and counseling sessions required by the receiving PHA. The receiving PHA will determine whether the financing for, and the physical condition of the unit,

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are acceptable. The receiving PHA must promptly notify the initial PHA if the family has purchased an eligible unit under the program, or if the family is unable to purchase a home within the maximum time established by NHHFA.

15-VII.M. Moving with Continued Assistance

[24 CFR 982.637]

A family receiving homeownership assistance may move with continued tenant-based assistance or with voucher homeownership assistance.

NHHFA must determine that all initial requirements have been satisfied if a family that has received homeownership assistance wants to move with continued homeownership assistance.

However, the following do not apply:

- The requirement that a family must be a first-time homeowner is not applicable.
- The requirement for pre-assistance counseling is not applicable. However, NHHFA may require that the family complete additional counseling (before or after moving to a new unit with continued homeownership assistance).
- Continued tenant-based assistance for a new unit cannot begin so long as any family member holds title to the prior home. However, when the family or a member of the family is or has been the victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking, and the move is needed to protect the health or safety of the family or family member (or any family member has been the victim of a sexual assault that occurred on the premises during the 90-calendar-day period preceding the family's request to move), such family or family member may be assisted with continued tenant-based assistance even if they own any title or other interest in the prior home.
- NHHFA may deny permission to move to a new unit with continued voucher assistance:
    - If NHHFA has insufficient funding to provide continued assistance.
    - In accordance with 24 CFR 982.638, regarding denial or termination of assistance.
    - In accordance with NHHFA's policy regarding number of moves within a 12-month period.
    - NHHFA must deny the family permission to move to a new unit with continued voucher rental assistance if:
        - The family defaulted on an FHA-insured mortgage; and
        - The family fails to demonstrate that the family has conveyed, or will convey, title to the home, as required by HUD, to HUD or HUD's designee; and
        - The family has moved, or will move, from the home within the period established or approved by HUD.

NHHFA Policy

For families participating in the homeownership option, requests to move will be approved and/or denied in accordance with NHHFA policies in Chapter 10.

NHHFA will not require additional counseling of any families who move with continued assistance.

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15-VII.N. Denial or Termination of Assistance

[24 CFR 982.638]

At any time, NHHFA may deny or terminate homeownership assistance in accordance with HCV program requirements in 24 CFR 982.552 (Grounds for denial or termination of assistance) or 24 CFR 982.553 (Crime by family members).

NHHFA may also deny or terminate assistance for violation of participant obligations described in 24 CFR Parts 982.551 or 982.633 and in accordance with its own policy, with the exception of failure to meet obligations under the Family Self-Sufficiency program as prohibited under the alternative requirements set forth in FR Notice 12/29/14.

Homeownership assistance for a family automatically terminates 180 calendar days after the last homeownership assistance payment on behalf of the family. However, a NHHFA may grant relief from this requirement in those cases where automatic termination would result in extreme hardship for the family.

NHHFA Policy

In order for NHHFA to consider granting relief from the requirement to automatically terminate homeownership assistance 180 days following NHHFA's last housing assistance payment on behalf of the family, the family must submit a written request to NHHFA at least 30 days prior to the date of automatic termination. The request must include an explanation of the circumstances that will cause an extreme hardship for the family (e.g., the imminent loss of income or employment) as well as documentation supporting the request. NHHFA will determine on a case-by-case basis whether to grant relief from the requirement and for what period of time. In no case will NHHFA postpone termination beyond an additional 90 days.

NHHFA must terminate voucher homeownership assistance for any member of family receiving homeownership assistance that is dispossessed from the home pursuant to a judgment or order of foreclosure on any mortgage (whether FHA insured or non-FHA) securing debt incurred to purchase the home, or any refinancing of such debt.

NHHFA Policy

NHHFA will terminate a family's homeownership assistance if the family violates any of the homeowner obligations listed in Section 1, as well as for any of the reasons listed in Section 2 of Form HUD-52649, Statement of Homeowner Obligations Housing Choice Homeownership Voucher Program.

In making its decision to terminate homeownership assistance, NHHFA will consider alternatives as described in Section 12-II.C and other factors described in Section 12-II.D. Upon consideration of such alternatives and factors, NHHFA may, on a case-by-case basis, choose not to terminate assistance.

Termination notices will be sent in accordance with the requirements and policies set forth in Section 12-II.F.

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Chapter 16 Program Administration

Introduction

This chapter discusses administrative policies and practices that are relevant to the activities covered in this plan. The policies are discussed in seven parts as described below:

Part I: Administrative Fee Reserve. This part describes NHHFA's policies with regard to oversight of expenditures from its administrative fee reserve.

Part II: Setting Program Standards and Schedules. This part describes what payment standards are, and how they are updated, as well as how utility allowances are established and revised.

Part III: Informal Reviews and Hearings. This part outlines the requirements and procedures for informal reviews and hearings, and for informal hearings regarding citizenship status.

Part IV: Owner or Family Debts to NHHFA. This part describes policies for recovery of monies that NHHFA has overpaid on behalf of families, or to owners, and describes the circumstances under which NHHFA will offer repayment agreements to owners and families. Also discussed are the consequences for failure to make payments in accordance with a repayment agreement.

Part V: Section 8 Management Assessment Program (SEMAP). This part describes what the SEMAP scores represent, how they are established, and how those scores affect a NHHFA.

Part VI: Record-Keeping. All aspects of the program involve certain types of record-keeping. This part outlines the privacy rights of applicants and participants and record retention policies NHHFA will follow.

Part VII: Reporting and Record Keeping for Children with Elevated Blood Lead Level. This part describes NHHFA's responsibilities for reporting, data collection, and record keeping relative to children with elevated blood lead levels that are less than six years of age and are receiving HCV assistance.

Part VIII: Determination of Insufficient Funding. This part describes NHHFA's policies for determining if there is sufficient funding to issue vouchers, to approve moves to higher cost units or areas, and to continue assistance for all participant families.

Part IX: Violence against Women Act (VAWA): Notification, Documentation, Confidentiality. This part contains key terms used in VAWA and describes requirements related to notifying families and owners about their rights and responsibilities under VAWA; requesting documentation from victims of domestic violence, dating violence, sexual assault, stalking, and human trafficking; and maintaining the confidentiality of information obtained from victims.

PART I: Administrative Fee Reserve

[24 CFR 982.155]

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NHHFA will maintain administrative fee reserves, or unrestricted net position (UNP) for the program to pay program administrative expenses in excess of administrative fees paid by HUD for a NHHFA fiscal year. HUD appropriations acts beginning with FFY 2004 have specified that administrative fee funding may be used only for activities related to the provision of HCV assistance, including related development activities. Notice PIH 2012-9 cites two examples of related development activities: unit modification for accessibility purposes and development of project-based voucher units. The notice makes clear that other activities may also qualify as related development activities. Administrative fees that remain in the UNP account from funding provided prior to 2004 may be used for "other housing purposes permitted by state and local law," in accordance with 24 CFR 982.155(b)(1).

In addition, as specified in Notice PIH 2022-18, NHHFA may use administrative fee funding for both administrative and "other expenses" needed to employ strategies and undertake activities beyond regular administrative responsibilities to facilitate the successful leasing and use of housing choice vouchers by families, such as through the use of security deposit assistance and landlord recruitment and incentive payments, among other allowable expenses specified in the notice. NHHFA are also permitted to use UNP for these expenses [Notice PIH 2022-18].

If a NHHFA has not adequately administered its HCV program, HUD may prohibit use of funds in the UNP Account and may direct NHHFA to use funds in that account to improve administration of the program, for HCV HAP expenses, or to reimburse ineligible expenses in accordance with the regulation at 24 CFR 982.155(b)(3).

HUD requires NHHFA Board of Directors or other authorized officials to establish the maximum amount that may be charged against the UNP account without specific approval.

NHHFA Policy

Expenditures from the UNP account will be made in accordance with all applicable federal requirements. Expenditures will not exceed $25,000 per occurrence without the prior approval of NHHFA's Board of Directors.

PART II: Setting Program Standards and Schedules

16-II.A. Overview

Although many of the program's requirements are established centrally by HUD, the HCV program's regulations recognize that some flexibility is required to allow NHHFA to adapt the program to local conditions. This part discusses how NHHFA establishes and updates certain schedules and standards that are used to administer the program locally. Details about how these schedules are applied to individual families are provided in other chapters. The schedules and standards discussed here include:

Payment Standards, which dictate the maximum subsidy a family can receive (application of the payment standards is discussed in Chapter 6); and

Utility Allowances, which specify how a family's payment should be adjusted to account for tenant-paid utilities (application of utility allowances is discussed in Chapter 6).

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NHHFA Policy

Copies of the payment standard and utility allowance schedules are available for review in NHHFA's offices during normal business hours and on NHHFA's website.

NHHFA will maintain documentation to support its annual review of payment standards and utility allowance schedules.

16-II.B. Payment Standards

[24 CFR 982.503; HCV GB, Chapter 7; and Notice PIH 2024-34]

The payment standard sets the maximum subsidy payment a family can receive from NHHFA each month [24 CFR 982.505(a)]. Payment standards are based on fair market rents (FMRs) published annually by HUD. FMRs are set at a percentile within the rent distribution of standard quality rental housing units in each FMR area. For most jurisdictions FMRs are set at the 40th percentile of gross rents in the market area.

In the HCV program, the FMR may be established at the ZIP code level, metropolitan market area level, or nonmetropolitan county level. Within each FMR area, the applicable FMR is the HUD-published:

Metropolitan FMR for any other metropolitan area; or

FMR for any other non-metropolitan county.

NHHFA must establish a payment standard schedule that establishes payment standard amounts for each FMR area within NHHFA's jurisdiction and for each unit size within each of the FMR areas. Some PHA's jurisdictions include more than one FMR area. NHHFA's established payment standards within the payment standard area always must be within the basic range of the applicable FMR area, or any HUD-approved exception payment standard. Program regulations and this policy refer to the "applicable FMR."

The Basic Range [24 CFR 982.503(c) and Notice PIH 2024-34]

NHHFA may establish a payment standard within the "basic range" established by HUD—between 90 and 110 percent of the published FMR for each unit size—without HUD approval or prior notification to HUD. For each payment standard area, NHHFA must establish a payment standard amount for each unit size which may be based on the same percentage of the published FMR (for example, all units at 100 percent of FMR), or NHHFA may set different payment standards for different unit sizes (for example, 1-bedrooms at 90 percent and 2-bedrooms at 100 percent of the FMR).

Designated Payment Standard Areas [24 CFR 982.503(a)(3) and Notice PIH 2024-34]

NHHFA may establish designated payment standard areas within each FMR area where NHHFA establishes different payment standards, provided each area is no smaller than a census tract block group. If NHHFA designates payment standard areas, then it must include

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the criteria used to determine the designated areas and the payment standard amounts for those areas in the administrative plan.

NHHFA Policy

NHHFA has not established any designated payment standard areas.

Exception Payment Standards [24 CFR 982.503(d), Notice PIH 2018-01, Notice PIH 2024-34, and FR Notice 9/27/21]

There are several options available to increase payment standards above the basic range. These are known as exception payment standards, which are payment standards that exceed 110 percent of the published FMR. The following are types of exception payment standards:

- Payment standards greater than 110 percent up to 120 percent of the applicable FMR
- Payment standards over 120 percent of the applicable FMR
- Payment standards up to 120 percent of the FMR for Veterans Affairs Supportive Housing (HUD-VASH)
- Payment standards necessary as a reasonable accommodation
- Payment Standards Greater than 110 Percent Up to 120 Percent: Upon notification to HUD, a PHA may establish exception payment standards between 110 percent and 120 percent of the applicable FMR if NHHFA meets one of the following criteria:
- Success rate: Fewer than 75 percent of families to which NHHFA has issued tenant-based vouchers during the most recent 12-month period for which there is success rate data available have become participants on the program; or
- Rent burden: More than 40 percent of families with tenant-based assistance pay more than 30 percent of their adjusted income as their family share.
- NHHFA may revert back to the basic range at any time without notification to HUD.
- NHHFA may combine exception payment standards based on the SAFMR and exception payment standards greater than 110 and up to 120 percent.
- Other Exception Payment Standards: NHHFA may request HUD approval to establish exception payment standards up to 120 percent of the FMR when the above criteria do not apply or in order to establish exception payment standards that exceed 120 percent of the FMR. Requests may be made for an entire FMR area or a designated part of the FMR area.
- Exception Payment Standards for VASH: In addition, HUD allows NHHFA to establish a HUD-Veterans Affairs Supportive Housing (HUD-VASH) exception payment standard. NHHFA may go up to but no higher than 120 percent of the FMR or SAFMR specifically for VASH families. NHHFA who want to establish a VASH exception payment standard over 120 percent must still request a waiver from HUD (See Section 19-III.E.).

Once exception payment standards are adopted, NHHFA may use the exception payment standard for all units, or for only units of a particular size. The exception payment standard may be established for a designated part of the FMR area (called an “exception area”) or for the entire FMR area. Exception areas are typically county, city, town, ZIP code, or census tract

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areas. However, so long as the exception area is no smaller than census tract block group, NHHFA may determine the area for the exception area.

NHHFA Policy

As a MTW agency NHHFA has an approved waiver to set the payment standards between 80-120% of the FMR.

Reasonable Accommodation [24 CFR 982.503(d)(5), Notice PIH 2025-12, and Notice PIH 2010-26]

Unit-by-unit exceptions to NHHFA's payment standards generally are not permitted. However, an exception may be made on a case-by-case basis as a reasonable accommodation for a family that includes a person with disabilities. (See Chapter 2 for a discussion of reasonable accommodations.) When a family requires a unit with specific features or for other disability-related reasons to accommodate a family member with a disability, and the family is unable to find a unit with those features or that otherwise meets the disability-related need within the established payment standard, the family may request an exception to the established payment standard as a reasonable accommodation. This type of exception does not affect the PHA's payment standard schedule.

Examples of circumstances that may qualify for an exception payment standard include, but are not limited to:

- Accessibility features such as accessible bathrooms or larger doorways;
- Access to ground-level units or elevators for wheelchair/mobility devices;
- Units with features to benefit individuals with hearing or visual impairments;
- Proximity to medical providers or other services/supports;
- Accessible parking on the premises;
- Accessible to essential services or daily life activities;
- Proximity to public transit or to other accessible transportation; and
- Location with sidewalks for individuals who use wheelchairs/mobility devices

The PHA must evaluate each request on a case-by-case basis. If required as a reasonable accommodation, the PHA may make an exception to the payment standard without HUD approval if the exception amount does not exceed 120 percent of the applicable FMR/SAFMR for the unit size (or in the case of VASH, up to 140 percent of the FMR/SAFMR). The PHA may request HUD approval in accordance with Notice PIH 2025-12 for an exception to the payment standard for a particular family if the required amount exceeds 120 percent of the FMR/SAFMR.

NHHFA Policy

Unless the disability or the disability-related need is obvious, readily apparent, or already known, the family must document the disability-related need for the exception payment standard. In order to approve an exception, or request an exception from HUD, the PHA must determine that:

- There is a disability-related need for the particular unit (which may include location);
- The gross rent for the unit is above NHHFA's payment standard;

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- The family share would otherwise exceed 40 percent of adjusted monthly income; and
- The rent for the unit is reasonable.

The exception payment standard for the specific dollar amount approved by the PHA or HUD remains effective as long as the family has a disability-related need for the features of the approved unit, and the rent remains reasonable. Requests for a higher exception payment standard for the same unit due to rent increases or changes in the family's income should only be submitted to HUD when the rent is no longer affordable to the family, typically (though not exclusively) when the family share exceeds 40 percent of adjusted monthly income, and if the higher payment standard is above 120 percent of the FMR/SAFMR in effect at the time the PHA determines that the higher payment standard is necessary.

Payment Standard below the Basic Range [24 CFR 982.503(e) and Notice PIH 2024-34]

NHHFA must request HUD approval to establish a payment standard amount that is lower than the basic range. At HUD's sole discretion, HUD may approve establishment of a payment standard lower than the basic range. HUD will consider rent burden on families assisted under the program.

Updating Payment Standards [24 CFR 982.503(c)(3) and Notice PIH 2023-24]

HUD publishes FMRs in the Federal Register and also makes them available on the HUD website with an effective date of October 1. When HUD updates FMRs, NHHFA must revise its payment standard amounts and schedule no later than three months following the effective date of the published FMR if revisions are necessary to stay within the basic range. HUD may require NHHFA to make further adjustments if it determines that rent burdens for assisted families in NHHFA's jurisdiction are unacceptably high [24 CFR 982.503(h)]. NHHFA must include a copy of the payment standard schedule in the voucher briefing materials, and HUD strongly encourages NHHFA to post their payment standard schedule on their website.

NHHFA Policy

NHHFA will review the appropriateness of the payment standards on an annual basis when the new FMR is published, and at other times as determined necessary. In addition to ensuring the payment standards are always within the "basic range," NHHFA will consider the following factors when determining whether an adjustment should be made to the payment standard schedule:

- Funding Availability: NHHFA will review projected HAP expenditures to determine the impact projected subsidy adjustments will have on funding available for the program and the number of families served. NHHFA will compare the number of families who could be served under revised payment standard amounts with the number assisted under current payment standard amounts.
- Rent Burden of Participating Families: Rent burden will be determined by identifying the percentage of families, for each unit size, that are paying more than 30 percent of their monthly adjusted income as the family share. When 40 percent or more of families, for any given unit size, are paying more than 30 percent of adjusted monthly income as the family share, NHHFA will consider increasing the payment standard. In evaluating rent burdens, NHHFA will not include families renting a larger unit than their family unit size.
- Quality of Units Selected: NHHFA may review the quality of units selected by participant

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families when making the determination of the percent of income families are paying for housing, to ensure that payment standard increases are only made when needed to reach the mid-range of the market.

- Changes in Rent to Owner: NHHFA may review a sample of the units to determine how often owners are increasing or decreasing rents and the average percent of increases and decreases by bedroom size.
- Unit Availability: NHHFA may review the availability of units for each unit size, particularly in areas with low concentrations of poor and minority families.
- Lease-up Time and Success Rate: NHHFA may consider the percentage of families that are unable to locate suitable housing before the voucher expires and whether families are leaving the jurisdiction to find affordable housing.
- Effective dates of changes to payment standard amounts will be determined at the time of update. NHHFA will always ensure the payment standards will be within the basic range. NHHFA will post its payment standards schedule on NHHFA's website and include a copy in the voucher briefing materials.

16-II.C. Utility Allowances

[24 CFR 982.517]

A PHA established utility allowance schedule is used in determining family share and subsidy. NHHFA must maintain a utility allowance schedule for (1) all tenant-paid utilities, (2) the cost of tenant-supplied refrigerators and ranges, and (3) other tenant-paid housing services such as trash collection. NHHFA must maintain an area-wide utility allowance schedule. The utility allowance schedule must be determined based on the typical cost of utilities and services paid by energy-conservative households that occupy housing of similar size and type in the same locality. In developing the schedule, NHHFA must use normal patterns of consumption for the community as a whole, and current utility rates.

The utility allowance must include the utilities and services that are necessary in the locality to provide housing that complies with housing quality standards. Costs for telephone, cable/satellite television, and internet services are not included in the utility allowance schedule.

In the utility allowance schedule, NHHFA must classify utilities and other housing services according to the following general categories: space heating; cooking; water heating; other electric; cost of tenant-supplied refrigerator; cost of tenant-supplied range; applicable surcharges; and other specified housing services.

If the tenant is responsible for the water; sewer; trash collection; NHHFA will use the actual expenses incurred by the tenant. The tenant will provide updated information at each recertification and upon initial leasing.

The cost of each utility and housing service must be stated separately by unit size and type. Chapter 18 of the HCV Guidebook provides detailed guidance to NHHFA about establishing utility allowance schedules.

NHHFA must state its policy for utility allowance payments in the administrative plan and apply it consistently to all households.

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NHHFA Policy

NHHFA will not maintain an energy efficient utility allowance schedule.

Reasonable Accommodation and Individual Relief

Upon request from a family that includes a person with disabilities, NHHFA must approve a utility allowance which is higher than the applicable amount on the utility allowance schedule if a higher utility allowance is needed as a reasonable accommodation to make the program accessible and usable by the family member with a disability [24 CFR 982.517(e)]. See Chapter 2 for policies regarding the request and approval of reasonable accommodations.

Further, NHHFA may grant requests for relief from charges in excess of the utility allowance on reasonable grounds, such as special needs of the elderly, or residents with disabilities, or special factors not within control of the resident, as NHHFA deems appropriate. The family must request the higher allowance and provide NHHFA with an explanation of the need for the individual relief and information about the amount of additional allowance required [see HCV GB, p. 18-8].

Utility Allowance Revisions

NHHFA must review its schedule of utility allowances each year and must revise the schedule if there has been a change of 10 percent or more in any utility rate since the last time the allowance for that utility was revised [24 CFR 982.517(c)(1)].

NHHFA must maintain information supporting its annual review of utility allowance and any revisions made in its utility allowance schedule.

PART III: Informal Reviews and Hearings

16-III.A. Overview

Both applicants and participants have the right to disagree with, and appeal, certain decisions of NHHFA that may adversely affect them. NHHFA decisions that may be appealed by applicants and participants are discussed in this section.

The process for applicant appeals of NHHFA decisions is called the “informal review.” For participants (or applicants denied admission because of citizenship issues), the appeal process is called an “informal hearing.” NHHFA are required to include informal review procedures for applicants and informal hearing procedures for participants in their administrative plans [24 CFR 982.54(d)(12) and (13)].

16-III.B. Informal Reviews

Informal reviews are provided for program applicants. An applicant is someone who has applied for admission to the program but is not yet a participant in the program. Informal reviews are intended to provide a “minimum hearing requirement” [24 CFR 982.554] and need not be as elaborate as the informal hearing requirements [Federal Register 60, no. 127 (3 July 1995): 34690].

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Decisions Subject to Informal Review [24 CFR 982.554(a) and (c)]

NHHFA must give an applicant the opportunity for an informal review of a decision denying assistance [24 CFR 982.554(a)]. Denial of assistance may include any or all of the following [24 CFR 982.552(a)(2)]:

- Denying listing on NHHFA waiting list
- Denying or withdrawing a voucher
- Refusing to enter into a HAP contract or approve a lease
- Refusing to process or provide assistance under portability procedures

Informal reviews are not required for the following reasons [24 CFR 982.554(c)]:

- Discretionary administrative determinations by NHHFA
- General policy issues or class grievances
- A determination of the family unit size under NHHFA subsidy standards
- A determination not to approve an extension of a voucher term
- A determination not to grant approval of the tenancy
- A determination that the unit is not in compliance with the housing quality standards
- A determination that the unit does not meet space standards

NHHFA Policy

NHHFA will only offer an informal review to applicants for whom assistance is being denied. Denial of assistance includes denying listing on NHHFA waiting list; denying or withdrawing a voucher; refusing to enter into a HAP contract or approve a lease; refusing to process or provide assistance under portability procedures.

Notice to the Applicant [24 CFR 982.554(a)]

NHHFA must give an applicant prompt notice of a decision denying assistance. The notice must contain a brief statement of the reasons for NHHFA decision and must also state that the applicant may request an informal review of the decision. The notice must describe how to obtain the informal review.

Scheduling an Informal Review

NHHFA Policy

A request for an informal review must be made in writing and delivered to NHHFA either in person or by first class mail, by the close of the business day, no later than 14 business days from the date of NHHFA's denial of assistance.

Informal Review Procedures

[24 CFR 982.554(b)]

The informal review must be conducted by a person other than the one who made or approved the decision under review, or a subordinate of this person.

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The applicant must be provided an opportunity to present written or oral objections to the decision of NHHFA.

Informal Review Decision

[24 CFR 982.554(b)]

NHHFA must notify the applicant of NHHFA's final decision, including a brief statement of the reasons for the final decision.

NHHFA Policy

In rendering a decision, NHHFA will evaluate the following matters:

- Whether or not the grounds for denial were stated factually in the notice to the family.
- The validity of the grounds for denial of assistance. If the grounds for denial are not specified in the regulations, then the decision to deny assistance will be overturned.
- The validity of the evidence. NHHFA will evaluate whether the facts presented prove the grounds for denial of assistance. If the facts prove that there are grounds for denial, and the denial is required by HUD, NHHFA will uphold the decision to deny assistance.
- If the facts prove the grounds for denial, and the denial is discretionary, NHHFA will consider the recommendation of the person conducting the informal review in making the final decision whether to deny assistance.
- NHHFA will notify the applicant of the final decision, including a statement explaining the reason(s) for the decision. The notice will be mailed within 10 business days of the informal review, to the applicant and their representative, if any, along with proof of mailing.
- If the decision to deny is overturned as a result of the informal review, processing for admission will resume.
- If the family fails to appear for their informal review, the denial of admission will stand and the family will be so notified.

16-III.C. Informal Hearings for Participants

[24 CFR 982.555]

NHHFA must offer an informal hearing for certain NHHFA determinations relating to the individual circumstances of a participant family. A participant is defined as a family that has been admitted to NHHFA's HCV program and is currently assisted in the program. The purpose of the informal hearing is to consider whether NHHFA's decisions related to the family's circumstances are in accordance with the law, HUD regulations and NHHFA policies.

NHHFA is not permitted to terminate a family's assistance until the time allowed for the family to request an informal hearing has elapsed, and any requested hearing has been completed. Termination of assistance for a participant may include any or all of the following:

- Refusing to enter into a HAP contract or approve a lease
- Terminating housing assistance payments under an outstanding HAP contract
- Refusing to process or provide assistance under portability procedures
- Decisions Subject to Informal Hearing

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Circumstances for which NHHFA must give a participant family an opportunity for an informal hearing are as follows:

(a) In the cases numbered below (1-4), the participant family may ask for an explanation of the basis of NHHFA's determination and if the family does not agree with the determination, the family may request an informal hearing on the decision.

(1) A determination of the family's annual or adjusted income, and the use of such income to compute the housing assistance payment.

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(2) A determination of the appropriate utility allowance (if any) for participant paid utilities from the NHHFA utility allowance schedule.
(3) A determination of the family unit size under NHHFA subsidy standards.
(4) A determination of minimum total participant payment.

In the cases numbered below (5-7), the participant family may request an informal hearing on the decision.

(5) A determination to terminate assistance for a participant family because of their action or failure to act.
(6) A determination to terminate assistance because the participant family has been absent from the assisted unit for longer than the maximum period permitted under NHHFA policy and HUD rules.
(7) A determination that an adjustment in participant payment will not be made because the participant is being sanctioned by the Department of Health and Human Services for failure to comply.

Circumstances for which an informal hearing is not required are as follows:

- Discretionary administrative determinations by NHHFA
- General policy issues or class grievances
- Establishment of NHHFA schedule of utility allowances for families in the program
- A determination not to approve an extension of a voucher term
- A determination not to approve a unit or tenancy
- A determination that a unit selected by the applicant is not in compliance with housing quality standards
- A determination that the unit is not in accordance with space standards because of family size
- A determination by NHHFA to exercise or not to exercise any right or remedy against an owner under a HAP contract

NHHFA Policy

NHHFA will only offer participants the opportunity for an informal hearing when required to by the regulations, and if NHHFA denies a request for a reasonable accommodation (see Chapter 2).

Remote Informal Hearings

[Notice PIH 2020-32]

There is no requirement that informal hearings be conducted in-person, and as such, HUD allows NHHFA to conduct all or a portion of their informal hearings remotely either over the phone, via video conferencing, or through other virtual platforms. If NHHFA chooses to conduct remote informal hearings, participants may still request an in-person informal hearing, as applicable.

NHHFA Policy

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NHHFA has the sole discretion to require that informal hearings be conducted remotely in case of local, state, or national physical distancing orders, and in cases of inclement weather or natural disaster.

In addition, NHHFA will conduct an informal hearing remotely upon request as a reasonable accommodation for a person with a disability, if a participant does not have childcare or transportation that would enable them to attend the informal hearing, or if the participant believes an in-person hearing would create an undue health risk. NHHFA will consider other reasonable requests for a remote informal hearing on a case-by-case basis.

Ensuring Accessibility for Persons with Disabilities and LEP Individuals

As with in-person informal hearings, the platform for conducting remote informal hearings must be accessible to persons with disabilities and the informal hearings must be conducted in accordance with Section 504 and accessibility requirements. This includes ensuring any information, websites, emails, digital notifications, and other virtual platforms are accessible for persons with vision, hearing, and other disabilities. Further, providing effective communication in a digital context may require the use of individualized auxiliary aids or services, such as audio description, captioning, sign language and other types of interpreters, keyboard accessibility, accessible documents, screen reader support, and transcripts. Auxiliary aids or services must be provided in accessible formats, in a timely manner, and in such a way to protect the privacy and independence of the individual. NHHFA may never request or require that individuals with disabilities provide their own auxiliary aids or services, including for remote informal hearings.

NHHFA is required to make reasonable accommodations in policies, practices, and procedures to ensure persons with disabilities have a full and equal opportunity to participate in and benefit from all aspects of the informal hearing process. See Chapter 2 for a more detailed discussion of reasonable accommodation requirements.

If no method of conducting a remote informal hearing is available that appropriately accommodates an individual's disability, NHHFA may not hold against the individual their inability to participate in the remote informal hearing, and NHHFA should consider whether postponing the remote hearing to a later date is appropriate or whether there is a suitable alternative.

Due to the individualized nature of disability, the appropriate auxiliary aid or service necessary, or reasonable accommodation will depend on the specific circumstances and requirements.

NHHFA Policy

Informal reviews will be conducted in English. For applicants who may require language assistance, the PHA will responsibly use artificial intelligence, a PHA staff person who can interpret, and/or machine translation to communicate. The PHA will also permit families to bring an advocate, family member, friend, or other adult representative to assist in communications.

Conducting Informal Hearings Remotely

NHHFA must ensure that the lack of technology or inability to use technology for remote informal hearings does not pose a disadvantage to families that may not be apparent to

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NHHFA. NHHFA should determine through a survey or other means if these barriers exist prior to conducting the remote informal hearing and, if the family does not have the proper technology to fully participate, either postpone the informal hearing or provide alternative means of access.

As with in-person informal hearings, NHHFA must provide all materials presented, whether paper or electronic, to the family prior to the remote informal hearing. The family must also be provided with an accessible means by which to transmit their own evidence.

NHHFA's essential responsibility is to ensure informal hearings meet the requirements of due process and comply with HUD regulations. Therefore, all NHHFA policies and processes for remote informal hearings will be conducted in accordance with due process requirements and will be in compliance with HUD regulations at 24 CFR 982.555 and the guidance for conducting remote hearings specified in Notice PIH 2020-32.

NHHFA Policy

NHHFA will conduct remote informal hearings via a video conferencing platform, when available. If, after attempting to resolve any barriers, participants are unable to adequately access the video conferencing platform at any point, or upon request, the informal hearing will be conducted by telephone conferencing call-in. If the family is unable to adequately access the telephone conferencing call-in at any point, the remote informal hearing will be postponed, and an in-person alternative will be provided promptly within a reasonable time.

At least five business days prior to the scheduled remote hearing, NHHFA will provide the family with login information and/or conferencing call-in information and an electronic copy of all materials being presented via first class mail and/or email. The notice will advise the family of technological requirements for the hearing and request the family notify NHHFA of any known barriers. NHHFA will resolve any barriers using the guidance in Section 6 of Notice PIH 2020-32, including offering the family the opportunity to attend an in-person hearing.

NHHFA will follow up with a phone call and/or email to the family at least one business day prior to the remote informal hearing to ensure that the family received all information and is comfortable accessing the video conferencing or call-in platform.

NHHFA will ensure that all electronic information stored or transmitted with respect to the informal hearing is secure, including protecting personally identifiable information (PII), and meets the requirements for accessibility for persons with disabilities.

Ensuring Accessibility for Persons with Disabilities and LEP Individuals

As with in-person informal hearings, the platform for conducting remote informal hearings must be accessible to persons with disabilities and the informal hearings must be conducted in accordance with Section 504 and accessibility requirements. This includes ensuring any information, websites, emails, digital notifications, and other virtual platforms are accessible for persons with vision, hearing, and other disabilities. Further, providing effective communication in a digital context may require the use of individualized auxiliary aids or services, such as audio description, captioning, sign language and other types of interpreters, keyboard accessibility, accessible documents, screen reader support, and transcripts. Auxiliary aids or services must be provided in accessible formats, in a timely manner, and in such a way to protect the privacy

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and independence of the individual. PHAs may never request or require that individuals with disabilities provide their own auxiliary aids or services, including for remote informal hearings.

PHAs are required to make reasonable accommodations in policies, practices, and procedures to ensure persons with disabilities have a full and equal opportunity to participate in and benefit from all aspects of the informal hearing process. See Chapter 2 for a more detailed discussion of reasonable accommodation requirements.

If no method of conducting a remote informal hearing is available that appropriately accommodates an individual's disability, the PHA may not hold against the individual their inability to participate in the remote informal hearing, and the PHA should consider whether postponing the remote hearing to a later date is appropriate or whether there is a suitable alternative.

Due to the individualized nature of disability, the appropriate auxiliary aid or service necessary, or reasonable accommodation will depend on the specific circumstances and requirements.

NHHFA Policy

Informal hearings will be conducted in English. For participants who may require language assistance, the PHA will responsibly use artificial intelligence, a PHA staff person who can interpret, and/or machine translation to communicate. The PHA will also permit families to bring an advocate, family member, friend, or other adult representative to assist in communications.

Informal Hearing Procedures

Notice to the Family [24 CFR 982.555(c)]

When NHHFA makes a decision that is subject to informal hearing procedures, NHHFA must inform the family of its right to an informal hearing at the same time that it informs the family of the decision.

For decisions related to the family's annual or adjusted income, the determination of the appropriate utility allowance, and the determination of the family unit size, NHHFA must notify the family that they may ask for an explanation of the basis of the determination, and that if they do not agree with the decision, they may request an informal hearing on the decision.

For decisions related to the termination of the family's assistance, or the denial of a family's request for an exception to NHHFA's subsidy standards, the notice must contain a brief statement of the reasons for the decision, a statement that if the family does not agree with the decision, the family may request an informal hearing on the decision, and a statement of the deadline for the family to request an informal hearing.

NHHFA Policy

In cases where NHHFA makes a decision for which an informal hearing must be offered, the notice to the family will include all of the following:

- The proposed action or decision of NHHFA.

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- A brief statement of the reasons for the decision, including the regulatory reference.
- The date the proposed action will take place.
- A statement of the family's right to an explanation of the basis for NHHFA's decision.
- A statement that if the family does not agree with the decision the family may request an informal hearing of the decision.
- A deadline for the family to request the informal hearing.
- To whom the hearing request should be addressed.
- A copy of NHHFA's hearing procedures.
- That the family may request a remote informal hearing.

Scheduling an Informal Hearing [24 CFR 982.555(d)]

When an informal hearing is required, NHHFA must proceed with the hearing in a reasonably expeditious manner upon the request of the family.

NHHFA Policy

A request for an informal hearing must be made in writing and delivered to NHHFA either in person or by first class mail, by the close of the business day, no later than 14 business days from the date of NHHFA's decision or notice to terminate assistance.

NHHFA must schedule and send written notice of the informal hearing to the family within 14 business days of the family's request.

If NHHFA hearing will be conducted remotely, at the time the notice is sent to the family, the family will be notified:

Regarding the processes involved in a remote informal hearing.

- That NHHFA will provide technical assistance prior to and during the informal hearing, if needed; and
- That if the family or any individual witness has any technological, resource, or accessibility barriers, the family may inform NHHFA and NHHFA will assist the family in either resolving the issue or allow the family to participate in an in-person hearing, as appropriate.
- The family may request to reschedule a hearing for good cause, or if it is needed as a reasonable accommodation for a person with disabilities. Good cause is defined as an unavoidable conflict which seriously affects the health, safety or welfare of the family. Requests to reschedule a hearing must be made orally or in writing prior to the hearing date. At its discretion, NHHFA may request documentation of the "good cause" prior to rescheduling the hearing.
- If the family does not appear within 15 minutes of the scheduled time and was unable to reschedule the hearing in advance due to the nature of the conflict, the family must contact NHHFA within 24 hours of the scheduled hearing date, excluding weekends and holidays. NHHFA will reschedule the hearing only if the family can show good cause for the failure to appear, or if it is needed as a reasonable accommodation for a person with disabilities. If the family cannot show good cause for the failure to appear, or a rescheduling is not needed as a reasonable accommodation, NHHFA's decision will stand.

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Pre-Hearing Right to Discovery [24 CFR 982.555(e)]

Participants and NHHFA are permitted pre-hearing discovery rights. The family must be given the opportunity to examine before the hearing any NHHFA documents that are directly relevant to the hearing. The family must be allowed to copy any such documents at their own expense. If NHHFA does not make the document available for examination on request of the family, NHHFA may not rely on the document at the hearing.

For the purpose of informal hearings, documents include records and regulations.

NHHFA Policy

The family will be allowed to copy any documents related to the hearing at no cost to the family. The family must request discovery of NHHFA documents no later than 12:00 p.m. on the business day prior to the scheduled hearing date.

If the hearing will be conducted remotely, NHHFA will compile a hearing packet, consisting of all documents NHHFA intends to produce at the informal hearing. NHHFA will mail copies of the hearing packet to the family, the family's representatives, if any, and the hearing officer at least three days before the scheduled remote informal hearing. The original hearing packet will be in the possession of NHHFA representative and retained by NHHFA.

Documents will be shared electronically whenever possible.

NHHFA hearing procedures may provide that NHHFA must be given the opportunity to examine at NHHFA offices before the hearing any family documents that are directly relevant to the hearing. NHHFA must be allowed to copy any such document at NHHFA's expense. If the family does not make the document available for examination on request of NHHFA, the family may not rely on the document at the hearing.

NHHFA Policy

For in-person hearings, NHHFA will require the family to provide any documents directly relevant to the informal hearing at least 24 hours before the scheduled hearing through the mail, via email, or text. of family documents directly relevant to the hearing.

If the informal hearing is to be conducted remotely, NHHFA will require the family to provide any documents directly relevant to the informal hearing at least 24 hours before the scheduled hearing through the mail, via email, or text. NHHFA will scan and email copies of these documents to the hearing officer and NHHFA representative the same day.

Documents will be shared electronically whenever possible.

Participant's Right to Bring Counsel [24 CFR 982.555(e)(3)]

At its own expense, the family may be represented by a lawyer or other representative at the informal hearing.

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Informal Hearing Officer [24 CFR 982.555(e)(4)]

Informal hearings will be conducted by a person, or persons approved by NHHFA, other than the person who made or approved the decision or a subordinate of the person who made or approved the decision.

Attendance at the Informal Hearing

NHHFA Policy

Hearings may be attended by a hearing officer and the following people:

- A NHHFA representative(s) and any witnesses for NHHFA
- The participant and any witnesses for the participant
- The participant's counsel or other representative
- Any other person approved by NHHFA as a reasonable accommodation for a person with a disability
- An advocate, family, friend, or other adult representative to assist with communications for individuals who need language assistance
-

Conduct at Hearings

The person who conducts the hearing may regulate the conduct of the hearing in accordance with NHHFA's hearing procedures [24 CFR 982.555(4)(ii)].

NHHFA Policy

The hearing officer is responsible to manage the order of business and to ensure that hearings are conducted in a professional and businesslike manner. Attendees are expected to comply with all hearing procedures established by the hearing officer and guidelines for conduct. Any person demonstrating disruptive, abusive or otherwise inappropriate behavior will be excused from the hearing at the discretion of the hearing officer.

Evidence [24 CFR 982.555(e)(5)]

NHHFA and the family must be given the opportunity to present evidence and question any witnesses. In general, all evidence is admissible at an informal hearing. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

NHHFA Policy

Any evidence to be considered by the hearing officer must be presented at the time of the hearing. There are four categories of evidence.

- Oral evidence: the testimony of witnesses
- Documentary evidence: a writing which is relevant to the case, for example, a letter written to NHHFA. Writings include all forms of recorded communication or

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representation, including letters, words, pictures, sounds, videotapes or symbols or combinations thereof.

- Demonstrative evidence: Evidence created specifically for the hearing and presented as an illustrative aid to assist the hearing officer, such as a model, a chart or other diagram.
- Real evidence: A tangible item relating directly to the case.
- Hearsay Evidence is evidence based not on a witness' personal knowledge. In and of itself, hearsay evidence carries no weight when making a finding of fact. The hearing officer may include hearsay evidence when considering their decision if it is corroborated by other evidence. Even though hearsay evidence is generally admissible in a hearing, the hearing officer will not base a hearing decision on hearsay alone unless there is clear probative value and credibility of the evidence, and the party seeking the change has met the burden of proof.

If either NHHFA (or the family, if required in a remote hearing) fail to comply with the discovery requirements described above, the hearing officer will refuse to admit such evidence.

Other than the failure of a party to comply with discovery, the hearing officer has the authority to overrule any objections to evidence.

Procedures for Rehearing or Further Hearing

NHHFA Policy

The hearing officer may ask the family for additional information and/or might adjourn the hearing in order to reconvene at a later date, before reaching a decision. If the family misses an appointment or deadline ordered by the hearing officer, the action of NHHFA will take effect and another hearing will not be granted.

Hearing Officer's Decision [24 CFR 982.555(e)(6)]

The person who conducts the hearing must issue a written decision, stating briefly the reasons for the decision. Factual determination relating to the individual circumstances of the family must be based on a preponderance of evidence presented at the hearing.

NHHFA Policy

In rendering a decision, the hearing officer will consider the following matters:

- NHHFA Notice to the Family: The hearing officer will determine if the reasons for NHHFA's decision are factually stated in the Notice.
- Discovery: The hearing officer will determine if NHHFA and the family were given the opportunity to examine any relevant documents in accordance with NHHFA policy.
- NHHFA Evidence to Support NHHFA Decision: The evidence consists of the facts presented. Evidence is not conclusion, and it is not argument. The hearing officer will evaluate the facts to determine if they support NHHFA's conclusion.
- Validity of Grounds for Termination of Assistance (when applicable): The hearing officer will determine if the termination of assistance is for one of the grounds specified in the HUD regulations and NHHFA policies. If the grounds for termination are not specified in the regulations or in compliance with NHHFA policies, then the decision of NHHFA will

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be overturned.

The hearing officer will issue a written decision to the family and NHHFA no later than 10 business days after the hearing. The report will contain the following information:

Hearing information:

- Name of the participant.
- Date, time and place of the hearing.
- Name of the hearing officer.
- Name of NHHFA representative; and
- Name of family representative (if any).
- Background: A brief, impartial statement of the reason for the hearing.
- Summary of the Evidence: The hearing officer will summarize the testimony of each witness and identify any documents that a witness produced in support of their testimony and that are admitted into evidence.
- Findings of Fact: The hearing officer will include all findings of fact, based on a preponderance of the evidence. Preponderance of the evidence is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not. Preponderance of the evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.
- Conclusions: The hearing officer will render a conclusion derived from the facts that were found to be true by a preponderance of the evidence. The conclusion will result in a determination of whether these facts uphold NHHFA's decision.
- Order: The hearing report will include a statement of whether NHHFA's decision is upheld or overturned. If it is overturned, the hearing officer will instruct NHHFA to change the decision in accordance with the hearing officer's determination. In the case of termination of assistance, the hearing officer will instruct NHHFA to restore the participant's program status.

Issuance of Decision [24 CFR 982.555(e)(6)]

A copy of the hearing must be furnished promptly to the family.

NHHFA Policy

The hearing officer will mail a "Notice of Hearing Decision" to NHHFA and to the participant on the same day. The notice to the participant will be sent by first-class mail. The participant will be mailed the original "Notice of Hearing Decision" and a copy of the proof of mailing. A copy of the "Notice of Hearing Decision" will be maintained in NHHFA's file.

Effect of Final Decision [24 CFR 982.555(f)]

NHHFA is not bound by the decision of the hearing officer for matters in which NHHFA is not required to provide an opportunity for a hearing, decisions that exceed the authority of the hearing officer, decisions that conflict with or contradict HUD regulations, requirements, or are otherwise contrary to federal, state, or local laws.

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If NHHFA determines it is not bound by the hearing officer's decision in accordance with HUD regulations, NHHFA must promptly notify the family of the determination and the reason for the determination.

NHHFA Policy

The Executive Director has the authority to determine that NHHFA is not bound by the decision of the hearing officer because NHHFA was not required to provide a hearing, the decision exceeded the authority of the hearing officer, the decision conflicted with or contradicted HUD regulations, requirements, or the decision was otherwise contrary to federal, state, or local laws.

In such a case, NHHFA will mail a "Notice of Final Decision" to NHHFA program director and the participant on the same day. The "Notice of Final Decision" will be sent by first-class mail. A copy of this notice will be maintained in NHHFA's file.

16-III.D. Hearing and Appeal Provisions for Noncitizens

[24 CFR 5.514]

Denial or termination of assistance based on immigration status is subject to special hearing and notice rules. Applicants who are denied assistance due to immigration status are entitled to an informal hearing, not an informal review.

Assistance to a family may not be delayed, denied, or terminated on the basis of immigration status at any time prior to a decision under the United States Citizenship and Immigration Services (USCIS) appeal process. Assistance to a family may not be terminated or denied while NHHFA hearing is pending, but assistance to an applicant may be delayed pending the completion of the informal hearing.

A decision against a family member, issued in accordance with the USCIS appeal process or NHHFA informal hearing process, does not preclude the family from exercising the right, that may otherwise be available, to seek redress directly through judicial procedures.

Notice of Denial or Termination of Assistance [24 CFR 5.514(d)]

The notice of denial or termination of assistance for noncitizens must advise the family:

- That financial assistance will be denied or terminated and provide a brief explanation of the reasons for the proposed denial or termination of assistance.
- The family may be eligible for proration of assistance.
- In the case of a participant, the criteria and procedures for obtaining relief under the provisions for preservation of families [24 CFR 5.514 and 5.518].
- That the family has a right to request an appeal to the USCIS of the results of secondary verification of immigration status and to submit additional documentation or explanation in support of the appeal.
- That the family has a right to request an informal hearing with NHHFA either upon completion of the USCIS appeal or in lieu of the USCIS appeal.
- For applicants, assistance may not be delayed until the conclusion of the USCIS appeal process, but assistance may be delayed during the period of the informal hearing

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process.

USCIS Appeal Process [24 CFR 5.514(e)]

When NHHFA receives notification that the USCIS secondary verification failed to confirm eligible immigration status, NHHFA must notify the family of the results of the USCIS verification. The family will have 30 days from the date of the notification to request an appeal of the USCIS results. The request for appeal must be made by the family in writing directly to the USCIS. The family must provide NHHFA with a copy of the written request for appeal and the proof of mailing.

NHHFA Policy

NHHFA will notify the family in writing of the results of the USCIS secondary verification within 10 business days of receiving the results.

The family must provide NHHFA with a copy of the written request for appeal and proof of mailing within 10 business days of sending the request to the USCIS.

The family must forward to the designated USCIS office any additional documentation or written explanation in support of the appeal. This material must include a copy of the USCIS document verification request (used to process the secondary request) or such other form specified by the USCIS, and a letter indicating that the family is requesting an appeal of the USCIS immigration status verification results.

The USCIS will notify the family, with a copy to NHHFA, of its decision. When the USCIS notifies NHHFA of the decision, NHHFA must notify the family of its right to request an informal hearing.

NHHFA Policy

NHHFA will send written notice to the family of its right to request an informal hearing within 10 business days of receiving notice of the USCIS decision regarding the family's immigration status.

Informal Hearing Procedures for Applicants [24 CFR 5.514(f)]

After notification of the USCIS decision on appeal, or in lieu of an appeal to the USCIS, the family may request that NHHFA provide a hearing. The request for a hearing must be made either within 30 days of receipt of NHHFA notice of denial, or within 30 days of receipt of the USCIS appeal decision.

The informal hearing procedures for applicant families are described below.

Informal Hearing Officer

NHHFA must provide an informal hearing before an impartial individual, other than a person who made or approved the decision under review, and other than a person who is a subordinate

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of the person who made or approved the decision. See Section 16-III.C. for a listing of positions that serve as informal hearing officers.

Evidence

The family must be provided the opportunity to examine and copy at the family's expense, at a reasonable time in advance of the hearing, any documents in the possession of NHHFA pertaining to the family's eligibility status, or in the possession of the USCIS (as permitted by USCIS requirements), including any records and regulations that may be relevant to the hearing.

NHHFA Policy

The family will be allowed to copy any documents related to the hearing at no charge. The family must request discovery of PHA documents no later than 12:00 p.m. on the business day prior to the hearing.

The family must be provided with the opportunity to present evidence and arguments in support of eligible status. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

The family must also be provided with the opportunity to refute evidence relied upon by the PHA, and to confront and cross-examine all witnesses on whose testimony or information the PHA relies.

Representation and Interpretive Services

The family is entitled to be represented by an attorney or other designee, at the family's expense, and to have such person make statements on the family's behalf.

NHHFA Policy

The family will be allowed to copy any documents related to the hearing at no charge. The family must request discovery of NHHFA documents no later than 12:00 p.m. on the business day prior to the hearing.

The family must be provided the opportunity to present evidence and arguments in support of eligible status. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

The family must also be provided the opportunity to refute evidence relied upon by NHHFA, and to confront and cross-examine all witnesses on whose testimony or information NHHFA relies.

Representation and Interpretive Services

The family is entitled to be represented by an attorney or other designee, at the family's expense, and to have such person make statements on the family's behalf.

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The family is entitled to request an interpreter. Upon request, NHHFA will provide competent interpretation services, free of charge.

Recording of the Hearing

The family is entitled to have the hearing recorded by audiotape. NHHFA may but is not required to provide a transcript of the hearing.

NHHFA Policy

NHHFA will not provide a transcript of an audio taped hearing.

Hearing Decision

NHHFA must provide the family with a written final decision, based solely on the facts presented at the hearing, within 14 calendar days of the date of the informal hearing. The decision must state the basis for the decision.

Informal Hearing Procedures for Residents [24 CFR 5.514(f)]

After notification of the USCIS decision on appeal, or in lieu of an appeal to the USCIS, the family may request that NHHFA provide a hearing. The request for a hearing must be made either within 30 days of receipt of NHHFA notice of termination, or within 30 days of receipt of the USCIS appeal decision.

For the informal hearing procedures that apply to participant families whose assistance is being terminated based on immigration status, see Section 16-III.C.

Retention of Documents [24 CFR 5.514(h)]

NHHFA must retain for a minimum of 5 years the following documents that may have been submitted to NHHFA by the family, or provided to NHHFA as part of the USCIS appeal or NHHFA informal hearing process:

- The application for assistance
- The form completed by the family for income reexamination
- Photocopies of any original documents, including original USCIS documents
- The signed verification consent form
- The USCIS verification results
- The request for a USCIS appeal
- The final USCIS determination
- The request for an informal hearing
- The final informal hearing decision

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PART IV: Owner Or Family Debts to NHHFA

16-IV.A. Overview

NHHFA is required to include in the administrative plan, policies concerning repayment by a family of amounts owed to NHHFA [24 CFR 982.54]. If the family breaches an agreement with NHHFA to pay amounts owed to NHHFA. NHHFA, at its discretion, may offer a family the opportunity to enter an agreement to pay amounts owed to NHHFA or amounts paid to an owner by NHHFA. NHHFA will prescribe the terms of the agreement [24 CFR 982.552(c)(1)(vii). This part describes NHHFA's policies for recovery of monies owed to NHHFA by families or owners.

NHHFA Policy

When an action or inaction of an owner or participant results in the overpayment of housing assistance, NHHFA holds the owner or participant liable to return any overpayments to NHHFA.

16-IV.B. Repayment Policy

Owner Debts to NHHFA

NHHFA Policy

Any amount due to NHHFA by an owner must be repaid by the owner within 30 days of NHHFA determination of the debt.

If the owner fails to repay the debt within the required time frame and is entitled to future HAP payments, NHHFA will reduce the future HAP payments by the amount owed until the debt is paid in full.

If the owner is not entitled to future HAP payments NHHFA may, in its sole discretion, offer to enter into a repayment agreement on terms prescribed by NHHFA.

If the owner refuses to repay the debt, does not enter into a repayment agreement, or breaches a repayment agreement, NHHFA will ban the owner from future participation in the program and pursue other modes of collection.

When an owner refuses to repay monies owed to NHHFA, NHHFA may utilize other available collection alternatives including, but not limited to, the following:

- Collection agencies
- Small claims court
- Civil lawsuit

Family Debts to NHHFA

Families are required to reimburse NHHFA if they were charged less rent than required because the family either underreported or failed to report income. NHHFA is required to determine

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retroactive rent amounts as far back as they have documentation of family unreported income [Notice PIH 2018-18].

NHHFA Policy

Any amount owed to NHHFA by an HCV family must be repaid by the family. If the family is unable to repay the debt within 30 days, NHHFA will offer to enter into a repayment agreement in accordance with the policies below.

Refusal to Enter into an Agreement

If the family refuses to repay the debt, does not enter into a repayment agreement, or breaches a repayment agreement, NHHFA must terminate assistance [Notice PIH 2018-18].

NHHFA Policy

When a family refuses to repay monies owed to NHHFA, in addition to termination of program assistance, NHHFA may utilize other available collection alternatives including, but not limited to, the following:

- Collection agencies
- Small claims court
- Civil lawsuit

Repayment Agreement [24 CFR 792.103]

The term repayment agreement refers to a formal written document signed by a tenant or owner and provided to NHHFA in which a tenant or owner acknowledges a debt in a specific amount and agrees to repay the amount due at specific time periods.

General Repayment Agreement Guidelines for Families

NHHFA Policy

Repayment agreements will be offered to participants in accordance with CFR 982.552(c) (vii).

- Participants cannot have more than one repayment agreement at a time.
- If the participant owes for an additional repayment, the older debt must be paid in full prior to the offer of a new repayment agreement. A new repayment agreement will not be entered into unless needed for reasonable accommodation.
- If a participant has breached a prior repayment agreement and they wish to return to the HCV program or be placed on the waiting list, the breached repayment agreement amount must be paid in full before they can receive assistance.
- Transfer vouchers will not be issued to any participant who is not current in their repayment agreement unless they qualify for protections under the

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VAWA law. If a participant wishes to port out to another jurisdiction, the repayment agreement must be paid in full before they will be issued a transfer voucher. Exceptions will be granted if the participant qualifies for protections under the VAWA law.

- Requests for exceptions shall be forwarded to the Director, Program Operations.

Monthly bills will be sent to participants by the Finance and Accounting Division. Bills that are 60 days or more delinquent will be sent a pending termination letter. If the participant does not become current or an arrangement for payment is not made, the repayment has been breached and a termination letter will be sent. Defaults over $10,000 may be pursued in court. The Chief Program Officer will be notified when there are defaults that require NHHFA to enter into court action in superior court.

- If a participant files for bankruptcy, a request for forbearance will be accepted until final judgment is entered. If the participant receives a judgment of bankruptcy, the debt with NHHFA is discharged. If the judgment of bankruptcy is denied, the repayment agreement is reinstated.

Payment Thresholds

Notice PIH 2018-18 recommends that the total amount that a family must pay each month—the family's monthly share of rent plus the monthly debt repayment amount—should not exceed 40 percent of the family's monthly adjusted income. However, a family may already be paying 40 per cent or more of its monthly adjusted income in rent. Moreover, Notice PIH 2018-18 acknowledges that NHHFA have the discretion to establish "thresholds and policies" for repayment agreements with families [24 CFR 982.552(c)(1)(vii)].

NHHFA Policy

The maximum length of time allowed and minimum amount due schedule for repayment is as follows:

Minimum	Amount owed	Maximum Time
None allowed	<$100.00	pay in full
$20.00	$101.00 - $500.00	1 year
$30.00	$501.00 - $1,000.00	2 years
$40.00	$1,001.00 - $1,900.00	3 years
$50.00	$1,901.00 - $3,000.00	4 years
$100.00	$3,001.00 and up	5 years

Requests for exceptions will be forwarded to the Supervisor of Rental Assistance. If a family can provide evidence satisfactory to NHHFA that the threshold applicable to the family's debt would

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impose an undue hardship, NHHFA may, in its sole discretion, determine that a lower monthly payment amount is reasonable. In making its determination, NHHFA will consider all relevant information, including the following:

- The amount owed by the family to NHHFA
- The reason for the debt, including whether the debt was the result of family action/inaction or circumstances beyond the family's control
- The family's current and potential income and expenses
- The family's current family share, as calculated under 24 CFR 982.515
- The family's history of meeting its financial responsibilities

Execution of the Agreement

All repayment agreements must be in writing, dated, and signed by both the family and NHHFA [Notice PIH 2018-18].

NHHFA Policy

Any repayment agreement between NHHFA and a family must be signed and dated by NHHFA and by all adult household members over the age of 18.

Due Dates

NHHFA Policy

All payments are due by the close of business on the 15th day of the month. If the 15th does not fall on a business day, the due date is the close of business on the first business day after the 15th.

Late or Missed Payments

NHHFA Policy

If a payment is not received by the end of the business day on the date due, and prior approval for the missed payment has not been given by NHHFA, NHHFA will send the family a delinquency notice giving the family 10 business days to make the late payment. If the payment is not received by the due date of the delinquency notice, it will be considered a breach of the agreement and NHHFA will terminate assistance in accordance with the policies in Chapter 12.

If a family receives three delinquency notices for unexcused late payments in a 12-month period, the repayment agreement will be considered in default, and NHHFA will terminate assistance in accordance with the policies in Chapter 12.

Repayment Agreement Terms

All repayment agreements must be in writing, dated, signed by both the family and NHHFA, include the total retroactive rent amount owed, any amount of lump sum payment made at time of execution, if applicable, and the monthly repayment amount. Notice PIH 2018-18 requires

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certain provisions, at a minimum, be included in any repayment agreement involving amounts owed by a family because it underreported or failed to report income:

A reference to the items in the family briefing packet that state the family's obligation to provide true and complete information at every reexamination and the grounds on which NHHFA may terminate assistance because of a family's action or failure to act

A statement clarifying that each month the family not only must pay to NHHFA the monthly payment amount specified in the agreement but must also pay to the owner the family's monthly share of the rent to owner

A statement that the terms of the repayment agreement may be renegotiated if the family's income decreases or increases

A statement that late or missed payments constitute default of the repayment agreement and may result in termination of assistance

No Offer of Repayment Agreement

NHHFA Policy

NHHFA generally will not enter into a repayment agreement with a family if there is already a repayment agreement in place with the family, if the amount owed exceeds the threshold in this policy, or if the PHA, in consultation with HUD and local law enforcement, determine to pursue criminal charges in connection with the conduct and the amounts owed.

PART VI: Record Keeping

16-VI.A. Overview

NHHFA must maintain complete and accurate accounts and other records for the program in accordance with HUD requirements, in a manner that permits a speedy and effective audit. All such records must be made available to HUD or the Comptroller General of the United States upon request.

In addition, NHHFA must ensure that all applicant and participant files are maintained in a way that protects an individual's privacy rights.

16-VI.B. Record Retention

[24 CFR 982.158; 24 CFR 908.101]

During the term of each assisted lease, and for at least three years thereafter, NHHFA must keep:

- A copy of the executed lease.
- The HAP contract; and
- The application from the family.

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In addition, NHHFA must keep the following records for at least three years:

- Records that provide income, racial, ethnic, gender, and disability status data on program applicants and participants.
- An application from each ineligible family and notice that the applicant is not eligible.
- HUD-required reports.
- Unit inspection reports.
- Lead-based paint records as required by 24 CFR 35, Subpart B.
- Accounts and other records supporting NHHFA budget and financial statements for the program.
- Records to document the basis for NHHFA determination that rent to owner is a reasonable rent (initially and during the term of a HAP contract); and
- Other records specified by HUD.
- NHHFA must keep the last three years of the Form HUD-50058 and supporting documentation during the term of each assisted lease, and for a period of at least three years from the end of participation (EOP) date [24 CFR 908.101].

NHHFA must maintain Enterprise Income Verification (EIV) system Income Reports in the tenant file for the duration of the tenancy but for a period not to exceed three years from the EOP date [Notice PIH 2018-18].

NHHFA Policy

NHHFA will keep for at least three years records of all complaints, investigations, notices, and corrective actions related to violations of the Fair Housing Act, or VAWA.

NHHFA must keep confidential records of all emergency transfer requested by victims of domestic violence, dating violence, sexual assault, stalking, and human trafficking under NHHFA's Emergency Transfer Plan, as well as the outcomes of such requests, and retain the records for a period of three years [see 24 CFR 5.2002(e)(12)].

If an informal hearing to establish a family's citizenship status is held, longer retention requirements apply for some types of documents. For specific requirements, see Section 16-III.D., Retention of Documents.

16-VI.C. Records Management

NHHFA must maintain applicant and participant files and information in accordance with the regulatory requirements described below.

NHHFA Policy

All applicant and participant information will be kept in a secure location and access will be limited to authorized NHHFA staff.

NHHFA staff will not discuss personal family information unless there is a business reason to do so. Inappropriate discussion of family information or improper disclosure of family information by staff will result in disciplinary action.

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Privacy Act Requirements [24 CFR 5.212 and Form-9886-A]

The collection, maintenance, use, and dissemination of social security numbers (SSN), employer identification numbers (EIN), any information derived from these numbers, and income information of applicants and participants must be conducted, to the extent applicable, in compliance with the Privacy Act of 1974, and all other provisions of Federal, State, and local law.

Applicants and participants, including all adults in the household, are required to sign a consent form, HUD-9886-A, Authorization for Release of Information. This form incorporates the Federal Privacy Act Statement and describes how the information collected using the form may be used, and under what conditions HUD or NHHFA may release the information collected.

Upfront Income Verification (UIV) Records

NHHFA that access UIV data through HUD's Enterprise Income Verification (EIV) system are required to adopt and follow specific security procedures to ensure that all EIV data is protected in accordance with federal laws, regardless of the media on which the data is recorded (e.g. electronic, paper). These requirements are contained in the HUD-issued document, Enterprise Income Verification (EIV) System, Security Procedures for Upfront Income Verification data.

NHHFA Policy

Prior to utilizing HUD's EIV system, NHHFA will adopt and implement EIV security procedures required by HUD.

Criminal Records

NHHFA may only disclose the criminal conviction records which NHHFA receives from a law enforcement agency to officers or employees of NHHFA, or to authorized representatives of NHHFA who have a job-related need to have access to the information [24 CFR 5.903(e)].

NHHFA must establish and implement a system of records management that ensures that any criminal record received by NHHFA from a law enforcement agency is maintained confidentially, not misused or improperly disseminated, and destroyed, once the purpose for which the record was requested has been accomplished, including expiration of the period for filing a challenge to NHHFA action without institution of a challenge or final disposition of any such litigation [24 CFR 5.903(g)].

NHHFA must establish and implement a system of records management that ensures that any sex offender registration information received by NHHFA from a State or local agency is maintained confidentially, not misused or improperly disseminated, and destroyed, once the purpose for which the record was requested has been accomplished, including expiration of the period for filing a challenge to NHHFA action without institution of a challenge or final disposition of any such litigation. However, a record of the screening, including the type of screening and the date performed must be retained [Notice PIH 2012-28]. This requirement does not apply to information that is public information or is obtained by a NHHFA other than under 24 CFR 5.905.

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Medical/Disability Records

[Notice PIH 2010-26]

NHHFA is not permitted to inquire about the nature or extent of a person's disability. NHHFA may not inquire about a person's diagnosis or details of treatment for a disability or medical condition. If the PHA receives documentation from a verification source that contains the individual's specific diagnosis, information regarding the individual's treatment, and/or information regarding the nature or severity of the person's disability, the PHA will immediately dispose of this confidential information; this information will never be maintained in the individual's file. If the information needs to be disposed of, the PHA will note in the individual's file that verification was received, the date received, and the name and address of the person/organization that provided the verification. Under no circumstances will the PHA include an applicant's or resident's medical records in the file.

Documentation of Domestic Violence, Dating Violence, Sexual Assault, Stalking, or Human Trafficking

For requirements and NHHFA policies related to management of documentation obtained from victims of domestic violence, dating violence, sexual assault, stalking, or human trafficking see section 16-IX.E.

PART VII: Reporting And Record Keeping for Children with Elevated Blood Lead Level

16-VII.A. Overview

NHHFA has certain responsibilities relative to children with elevated blood lead levels that are receiving HCV assistance. The notification, verification, and hazard reduction requirements are discussed in Chapter 8. This part deals with the reporting requirements, and data collection and record keeping responsibilities that NHHFA is subject to.

16-VII.B. Reporting Requirement

[24 CFR 35.1225(e); Notice PIH 2017-13]

The owner must report the name and address of a child identified as having an elevated blood lead level to the public health department within five business days of being so notified by any other medical health care professional. The owner must also notify the HUD field office and the HUD Office of Lead Hazard Control and Healthy Homes (OLHCHH) of the child's address within five business days. NHHFA may collaborate with the owner on the notification process, such as by agreeing with the owner to provide the required notifications on the owner's behalf.

NHHFA Policy

Upon notification by the owner, NHHFA will provide the public health department written notice of the name and address of any child identified as having an elevated blood lead level within five business days.

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Upon notification by the owner, NHHFA will notify the HUD field office and the HUD Office of Lead Hazard Control and Healthy Homes (OLHCHH) of the child's address within five business days.

16-VII.C. Data Collection and Record Keeping

[24 CFR 35.1225(f)]

At least quarterly, NHHFA must attempt to obtain from the public health department(s) with a similar area of jurisdiction, the names and/or addresses of children less than 6 years old with an elevated blood lead level.

If NHHFA obtains names and addresses of elevated blood lead level children from the public health department(s), NHHFA must match this information with the names and addresses of families receiving HCV assistance, unless the public health department performs such a procedure. If a match occurs, NHHFA must carry out the notification, verification, and hazard reduction requirements discussed in Chapter 8, and the reporting requirement discussed above.

At least quarterly, NHHFA must also report an updated list of the addresses of units receiving assistance under the HCV program to the same public health department(s), unless the public health department(s) states that it does not wish to receive such a report.

NHHFA Policy

The public health department(s) has stated they do not wish to receive a report of an updated list of the addresses of units receiving assistance under the HCV program, on a quarterly basis. Therefore, NHHFA is not providing such a report.

PART VIII: Determination of Insufficient Funding

16-VIII.A. Overview

The HCV regulations allow NHHFA to deny families permission to move and to terminate Housing Assistance Payments (HAP) contracts if funding under the consolidated ACC is insufficient to support continued assistance [24 CFR 982.354(e)(1) and 982.454]. If a PHA denies a family a portability move based on insufficient funding, the PHA is required to notify the local HUD office within 10 business days [24 CFR 982.354]. Insufficient funding may also impact NHHFA's ability to issue vouchers to families on the waiting list. This part discusses the methodology NHHFA will use to determine whether or not NHHFA has sufficient funding to issue vouchers, approve moves, and to continue subsidizing all families currently under a HAP contract. NHHFA must identify in the administrative plan, in the event of insufficient funding, considering any cost saving measures taken by NHHFA, a description of the factors NHHFA will consider when determining which HAP contracts to terminate first. See Chapter 12 for a description of these factors.

16-VIII.B. Methodology

NHHFA Policy

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NHHFA will determine whether there is adequate funding to issue vouchers, approve moves to higher cost units and areas, and continue subsidizing all current participants by comparing NHHFA's annual budget authority to the annual total HAP needs on a monthly basis. The total HAP needs for the calendar year will be projected by establishing the actual HAP costs year to date. To that figure, NHHFA will add anticipated HAP expenditures for the remainder of the calendar year. Projected HAP expenditures will be calculated by multiplying the projected number of units leased per remaining months by the most current month's average HAP. The projected number of units leased per month will take into account the average monthly turnover of participant families. If the total annual HAP needs equal or exceed the annual budget authority and funding reserves, or if NHHFA cannot support the cost of the proposed subsidy commitment (voucher issuance or move) based on the funding analysis, NHHFA will be considered to have insufficient funding.

PART IX: Violence Against Women Act (VAWA): Notification, Documentation, Confidentiality

16-IX.A. Overview

The Violence Against Women Act (VAWA) provides special protections for victims of domestic violence, dating violence, sexual assault, stalking, and human trafficking who are applying for or receiving assistance under the housing choice voucher (HCV) program. If your state or local laws provide greater protection for such victims, those laws apply in conjunction with VAWA.

Although the VAWA 2022 statute does not specifically include human trafficking in the list of victims protected under VAWA, in 2022 HUD began including human trafficking as part of the list of victims protected under VAWA (as seen in Notices PIH 2022-06, PIH 2022-22, and PIH 2022-24). In the absence of a final rule implementing VAWA 2022 and to mirror HUD's recent usage, this policy includes human trafficking in addition to domestic violence, dating violence, sexual assault, and stalking anywhere such a list appears.

In addition to definitions of key terms used in VAWA, this part contains general VAWA requirements and NHHFA policies in three areas: notification, documentation, and confidentiality. Specific VAWA requirements and NHHFA policies are located primarily in the following sections: 3-I.C, "Family Breakup and Remaining Member of Tenant Family"; 3-III.H, "Prohibition against Denial of Assistance to Victims of Domestic Violence, Dating Violence, Sexual Assault, Stalking and Human Trafficking"; 10-I.A, "Allowable Moves"; 10-I.B, "Restrictions on Moves"; 12-II.E, "Terminations Related to Domestic Violence, Dating Violence, Sexual Assault, Stalking, or Human Trafficking"; and 12-II.F, "Termination Notice."

16-IX.B. Definitions

[24 CFR 5.2003, 42 USC 13925]

As used in VAWA:

- The term affiliated person means the tenant's spouse, parent, sibling, or child; or any individual, tenant, or lawful occupant living in the tenant's household; or anyone for whom the tenant acts as parent/guardian
- The term bifurcate means, with respect to a public housing or Section 8 lease, to divide a lease as a matter of law such that certain tenants can be evicted or removed while the

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remaining family members' lease and occupancy rights are allowed to remain intact.

- 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 domestic violence includes felony or misdemeanor crimes committed by a current or former spouse or intimate partner of the victim under the family or domestic violence laws of the jurisdiction receiving grant funding, and in the case of victim services, includes the use or attempted use of physical abuse or sexual abuse, or a pattern of any other coercive behavior committed, enabled, or solicited to gain or maintain power and control over a victim, including verbal, psychological, economic, or technological abuse that may or may not constitute criminal behavior, by a person who is:

- The current or former spouse or intimate partner of the victim, or person similarly situated to a spouse or intimate partner of the victim
- A person who is cohabitating or has cohabitated with the victim as a spouse or intimate partner
- A person with whom the victim shares a child in common
- A person who commits acts against a youth or adult victim who is protected from those acts under the domestic or family violence laws of the jurisdiction

The term economic abuse means behavior that is coercive, deceptive, or unreasonably controls or restrains a person's ability to acquire, use, or maintain economic resources to which they are entitled, including using coercion, fraud, and manipulation to:

- Restrict a person's access to money, assets, credit, or financial information
- Unfairly use a person's personal economic resources, including money, assets, and credit, for one's own advantage
- Exert undue influence over a person's financial and economic behavior or decisions, including forcing default on joint or other financial obligations, exploiting powers of attorney, guardianship, or conservatorship, or to whom one has a fiduciary duty

The term sexual assault means:

- Any nonconsensual sexual act proscribed by federal, tribal, or state law, including when the victim lacks the capacity to consent

The term stalking means:

- To engage in a course of conduct directed at a specific person that would cause a reasonable person to fear for their safety or the safety of others or suffer substantial emotional distress.

The term technological abuse means an act or pattern of behavior that occurs within domestic violence, dating violence, sexual assault, or stalking and is intended to harm, threaten,

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intimidate, control, stalk, harass, impersonate, exploit, extort, or monitor another person, except as otherwise permitted by law, that occurs using any form of technology, including but not limited to:

- Internet enabled devices
- Online spaces and platforms
- Computers
- Mobile devices
- Cameras and imaging programs
- Apps
- Location tracking devices
- Communication technologies
- Any other emergency technologies

The term victim means any victim of VAWA violence/abuse, regardless of actual or perceived sexual orientation, gender identity, sex, or marital status.

16-IX.C. Notification

[24 CFR 5.2005(a)]

Notification to Public

NHHFA adopts the following policy to help ensure that all actual and potential beneficiaries of its HCV program are aware of their rights under VAWA.

NHHFA Policy

NHHFA will post the following information regarding VAWA in its offices and on its website. It will also make the information readily available to anyone who requests it.

A copy of Form HUD-5380, Notice of Occupancy Rights under VAWA, to housing choice voucher program applicants and participants who are or have been victims of domestic violence, dating violence, sexual assault, or stalking (Exhibit 16-1)

A copy of Form HUD-5382, Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking (Exhibit 16-2)

A copy of NHHFA's emergency transfer plan (Exhibit 16-3)

A copy of Form HUD-5383, HUD's Emergency Transfer Request for Certain Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking (Exhibit 16-4)

The National Domestic Violence Hot Line: 1-800-799-SAFE (7233) or 1-800-787-3224 (TTY) (included in Exhibits 16-1 and 16-2)

Contact information for local victim advocacy groups or service providers

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Notification to Program Applicants and Participants [24 CFR 5.2005(a)(1)]

PHAs are required to inform program applicants and participants of their rights under VAWA, including their right to confidentiality and the limits thereof, when they are denied assistance, when they are admitted to the program, and when they are notified of an eviction or termination of housing benefits.

NHHFA Policy

NHHFA will provide all applicants with information about VAWA at the time they request an application for housing assistance, and in the written briefing packet as part of the admission process. The PHA will also include information about VAWA in all notices of denial of assistance (see section 3-III.H).

The PHA will provide all participants with information about VAWA at annual reexamination. The PHA will also include information about VAWA in notices of termination of assistance, as provided in section 12-II.F.

The VAWA information provided to applicants and participants will consist of the notices in Exhibits 16-1 and 16-2.

NHHFA Policy

Whenever NHHFA has reason to suspect that providing information about VAWA to a participant might place a victim of domestic violence at risk, it will attempt to deliver the information by hand directly to the victim or by having the victim come to an office or other space that may be safer for the individual, making reasonable accommodations as necessary and as indicated by the victim on Form HUD-5382 or the emergency transfer request form. For example, the PHA may, based on victim information, determine. For example, NHHFA may decide not to send mail regarding VAWA protections to the victim's unit if NHHFA believes the perpetrator may have access to the victim's mail, unless requested by the victim.

When discussing VAWA with the victim, NHHFA will take reasonable precautions to ensure that no one can overhear the conversation, such as having conversations in a private room.

The victim may, but is not required to, designate an attorney, advocate, or other secure contact for communications regarding VAWA protections.

Notification to Owners and Managers

While PHAs are no longer required by regulation to notify owners and managers participating in the HCV program of their rights and obligations under VAWA, they may still choose to inform them.

NHHFA Policy

The VAWA information provided to owners will be available on NHHFA's website. In Exhibit 16-5 and a copy of Form HUD-5382, Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking and Alternate Documentation.

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16-IX.D. Documentation

[24 CFR 5.2007]

If NHHFA is presented with a claim for initial or continued assistance based on status as a victim of domestic violence, dating violence, sexual assault, stalking, human trafficking, or criminal activity related to any of these forms of abuse may—but is not required to—request that the individual making the claim document the abuse. Any request for documentation must be in writing, and the individual must be allowed at least 14 business days after receipt of the request to submit the documentation. NHHFA may extend this time period at its discretion. [24 CFR 5.2007(a)]

The individual may satisfy NHHFA's request by providing any one of the following three forms of documentation [24 CFR 5.2007(b)]:

- A completed and signed HUD-approved certification form (HUD-5382, Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking), which must include the name of the perpetrator only if the name of the perpetrator is safe to provide and is known to the victim. The form may be filled out and submitted on behalf of the victim.
- A federal, state, tribal, territorial, or local police report or court record, or an administrative record
- Documentation signed by a person who has assisted the victim in addressing domestic violence, dating violence, sexual assault, stalking, human trafficking, or the effects of such abuse. This person may be an employee, agent, or volunteer of a victim service provider; an attorney; a mental health professional; or a medical professional. The person signing the documentation must attest under penalty of perjury to the person's belief that the incidents in question are bona fide incidents of abuse. The victim must also sign the documentation.

Tenants cannot be expected and cannot be asked or required to claim, document, or prove victim status or VAWA violence/abuse other than as stated in the Notice of Occupancy rights [Form HUD-5382]. NHHFA may not require third-party documentation (forms 2 and 3) in addition to certification (form 1), except as specified below under "Conflicting Documentation," nor may it require certification in addition to third-party documentation [FR Notice 11/16/16].

NHHFA Policy

Any request for documentation of domestic violence, dating violence, sexual assault, stalking, or human trafficking will be in writing, will specify a deadline of 14 business days following receipt of the request, will describe the three forms of acceptable documentation, will provide explicit instructions on where and to whom the documentation must be submitted, and will state the consequences for failure to submit the documentation or request an extension in writing by the deadline.

NHHFA may, in its discretion, extend the deadline for 10 business days. In determining whether to extend the deadline, NHHFA will consider factors that may contribute to the victim's inability to provide documentation in a timely manner, including cognitive limitations, disabilities, limited English proficiency, absence from the unit, administrative delays, the danger of further violence,

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and the victim's need to address health or safety issues. Any extension granted by NHHFA will be in writing.

Once the victim provides documentation, NHHFA will acknowledge receipt of the documentation within 10 business days.

Conflicting Documentation [24 CFR 5.2007(e)]

In cases where NHHFA receives conflicting certification documents from two or more members of a household, each claiming to be a victim and naming one or more of the other petitioning household members as the perpetrator, NHHFA may determine which is the true victim by requiring each to provide acceptable third-party documentation, as described above (forms 2 and 3). NHHFA may also request third-party documentation when submitted documentation contains information that conflicts with existing information already available to NHHFA. Individuals have 30 calendar days to return third-party verification to NHHFA. If NHHFA does not receive third-party documentation, and NHHFA will deny or terminate assistance as a result, NHHFA must hold separate hearings for the tenants [Notice PIH 2017-08].

NHHFA must honor any court orders issued to protect the victim or to address the distribution of property.

NHHFA Policy

If presented with conflicting certification documents from members of the same household, NHHFA will attempt to determine which is the true victim by requiring each of them to provide third-party documentation in accordance with 24 CFR 5.2007(e) and by following any HUD guidance on how such determinations should be made.

When requesting third-party documents, NHHFA will provide contact information for local domestic violence and legal aid offices. In such cases, applicants or tenants will be given 30 calendar days from the date of the request to provide such documentation.

If NHHFA does not receive third-party documentation within the required timeframe (and any extensions) NHHFA will deny VAWA protections and will notify the applicant or tenant in writing of the denial. If, as a result, the applicant or tenant is denied or terminated from the program, NHHFA will hold separate hearings for the applicants or tenants.

Discretion to Require No Formal Documentation [24 CFR 5.2007(d)]

NHHFA has the discretion to provide benefits to an individual based solely on the individual's statement or other corroborating evidence—i.e., without requiring formal documentation of abuse in accordance with 24 CFR 5.2007(b). HUD recommends documentation in a confidential manner when a verbal statement or other evidence is accepted.

NHHFA Policy

If NHHFA accepts an individual's statement or other corroborating evidence (as determined by the victim) of domestic violence, dating violence, sexual assault, stalking, or human trafficking, NHHFA will document acceptance of the statement or evidence in the individual's file.

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Failure to Provide Documentation [24 CFR 5.2007(c)]

In order to deny relief for protection under VAWA, NHHFA must provide the individual requesting relief with a written request for documentation of abuse. If the individual fails to provide the documentation within 14 business days from the date of receipt, or such longer time as NHHFA may allow, NHHFA may deny relief for protection under VAWA.

16-IX.E. Confidentiality

[24 CFR 5.2007(b)(4)]

If a tenant inquires or requests any VAWA protections or represents that they or a household member are a victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking, and therefore entitled to VAWA protections, the PHA must keep any information they provide concerning the VAWA violence/abuse strictly confidential, including their or a household member's status as a victim. This information should be securely and separately kept from tenant files. NHHFA (1) may not enter the information into any shared database, (2) may not allow employees or others to access the information unless they are explicitly authorized to do so and have a need to know the information for purposes of their work, and (3) may not provide the information to any other entity or individual, except to the extent that the disclosure is (a) requested or consented to by the individual in writing, (b) required for use in an eviction proceeding, or (c) otherwise required by applicable law.

NHHFA Policy

If disclosure is required for use in an eviction proceeding or is otherwise required by applicable law, NHHFA will inform the victim before disclosure occurs so that safety risks can be identified and addressed.

EXHIBIT 16-1: SAMPLE Notice of Occupancy Rights Under the Violence Against Women Act, Form HUD-5380

New Hampshire Housing Finance Authority Notice of Occupancy Rights under the Violence Against Women Act1

Protections for Victims of Domestic Violence, Dating Violence, Sexual Assault or Stalking

When should I receive this form? A covered housing provider must provide a copy of the Notice of Occupancy Rights Under The Violence Against Women Act (Form HUD-5380) and the Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking (Form HUD-5382) when you are admitted as a tenant, when you receive an eviction or termination notice and prior to termination of tenancy, or when you are denied as an applicant. A covered housing provider may provide these forms at additional times.

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What is the Violence Against Women Act ("VAWA")? This notice describes protections that may apply to you as an applicant or a tenant under a housing program covered by a federal law called the Violence Against Women Act ("VAWA"). VAWA provides housing protections for victims of domestic violence, dating violence, sexual assault or stalking. VAWA protections must be in leases and other program documents, as applicable. VAWA protections may be raised at any time. You do not need to know the type or name of the program you are participating in or applying in order to seek VAWA protections.

What if I require this information in a language other than English? To read this information in Spanish or another language, please contact **Brendan Goodwin bgoodwin@nhhousing.org 603 310-9243;** or go to www.**nhhousing.org** You can read translated VAWA forms at https://www.hud.gov/program_offices/administration/hudclips/forms/hud5a#4. If you speak or read in a language other than English, your covered housing provider must give you language assistance regarding your VAWA protections (for example, oral interpretation and/or written translation).

What do the words in this notice mean?

- VAWA violence/abuse means one or more incidents of domestic violence, dating violence, sexual assault, or stalking.
- Victim means any victim of VAWA violence/abuse, regardless of actual or perceived sexual orientation, gender identity, sex, or marital status.
- Affiliated person means the tenant's spouse, parent, sibling, or child; or any individual, tenant, or lawful occupant living in the tenant's household; or anyone for whom the tenant acts as parent/guardian.
- Covered housing program[2] includes the following HUD programs:
    - Public Housing
    - Tenant-based vouchers (TBV, also known as Housing Choice Vouchers or HCV) and Project-based Vouchers (PBV) Section 8 programs
    - Section 8 Project-Based Rental Assistance (PBRA)
    - Section 8 Moderate Rehabilitation Single Room Occupancy
    - Section 202 Supportive Housing for the Elderly
    - Section 811 Supportive Housing for Persons with Disabilities
    - Section 221(d)(3)/(d)(5) Multifamily Rental Housing
    - Section 236 Multifamily Rental Housing
    - Housing Opportunities for Persons With AIDS (HOPWA) program
    - HOME Investment Partnerships (HOME) program
    - The Housing Trust Fund
    - Emergency Solutions Grants (ESG) program
    - Continuum of Care program
    - Rural Housing Stability Assistance program
- Covered housing provider means the individual or entity under a covered housing program that is responsible for providing or overseeing the VAWA protection in a specific

[2] For information about non-HUD covered housing programs under VAWA, see Interagency Statement on the Violence Against Women Act's Housing Provisions at https://www.hud.gov/sites/dfiles/PA/documents/InteragencyVAWAHousingStmnt092024.pdf.

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situation. The covered housing provider may be a public housing agency, project sponsor, housing owner, mortgagor, housing manager, State or local government, public agency, or a nonprofit or for-profit organization as the lessor.

What if I am an applicant under a program covered by VAWA? You can't be denied housing, housing assistance, or homeless assistance covered by VAWA just because you (or a household member) are or were a victim or just because of problems you (or a household member) had as a direct result of being or having been a victim. For example, if you have a poor rental or credit history or a criminal record, and that history or record is the direct result of you being a victim of VAWA abuse/violence, that history or record cannot be used as a reason to deny you housing or homeless assistance covered by VAWA.

What if I am a tenant under a program covered by VAWA? You cannot lose housing, housing assistance, or homeless assistance covered by VAWA or be evicted just because you (or a household member) are or were a victim of VAWA violence/abuse. You also cannot lose housing, housing assistance, or homeless assistance covered by VAWA or be evicted just because of problems that you (or a household member) have as a direct result of being or having been a victim. For example, if you are a victim of VAWA abuse/violence that directly results in repeated noise complaints and damage to the property, neither the noise complaints nor property damage can be used as a reason for evicting you from housing covered by VAWA. You also cannot be evicted or removed from housing, housing assistance, or homeless assistance covered by VAWA because of someone else's criminal actions that are directly related to VAWA abuse/violence against you, a household member, or another affiliated person.

How can tenants request an emergency transfer? Victims of VAWA violence/abuse have the right to request an emergency transfer from their current unit to another unit for safety reasons related to the VAWA violence/abuse. An emergency transfer cannot be guaranteed, but you can request an emergency transfer when:

1. You (or a household member) are a victim of VAWA violence/abuse;
2. You expressly request the emergency transfer; AND
3. EITHER
    a. you reasonably believe that there is a threat of imminent harm from further violence, including trauma, if you (or a household member) stay in the same dwelling unit; OR
    b. if you (or a household member) are a victim of sexual assault, either you reasonably believe that there is a threat of imminent harm from further violence, including trauma, if you (or a household member) were to stay in the unit, or the sexual assault occurred on the premises and you request an emergency transfer within 90 days (including holidays and weekend days) of when that assault occurred.

You can request an emergency transfer even if you are not lease compliant, for example if you owe rent. If you request an emergency transfer, your request, the information you provided to make the request, and your new unit's location must be kept strictly confidential by the covered housing provider. The covered housing provider is required to maintain a VAWA emergency transfer plan and make it available to you upon request.

To request an emergency transfer or to read the covered housing provider's VAWA emergency transfer plan, **[ENTER SPECIFIC CONTACT INFORMATION, WEBSITE, AND/OR INSTRUCTIONS FOR REQUESTING AN EMERGENCY TRANSFER OR A COPY OF THE APPLICABLE VAWA EMERGENCY TRANSFER PLAN]**. The VAWA emergency transfer plan includes information about what the covered housing provider does to make sure your address and other relevant information are not disclosed to your perpetrator.

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Can the perpetrator be evicted or removed from my lease? Depending on your specific situation, your covered housing provider may be able to divide the lease to evict just the perpetrator. This is called “lease bifurcation.”

What happens if the lease bifurcation ends up removing the perpetrator who was the only tenant who qualified for the housing or assistance? In this situation, the covered housing provider must provide you and other remaining household members an opportunity to establish eligibility or to find other housing. If you cannot or don’t want to establish eligibility, then the covered housing provider must give you a reasonable time to move or establish eligibility for another covered housing program. This amount of time varies, depending on the covered housing program involved. The table below shows the reasonable time provided under each covered housing programs with HUD. Timeframes for covered housing programs operated by other agencies are determined by those agencies.

Covered Housing Program(s)	Reasonable Time for Remaining Household Members to Continue to Receive Assistance, Establish Eligibility, or Move.
HOME and Housing Trust Fund, Continuum of Care Program (except for permanent supportive housing), ESG program, Section 221(d)(3) Program, Section 221(d)(5) Program, Rural Housing Stability Assistance Program	Because these programs do not provide housing or assistance based on just one person’s status or characteristics, the remaining tenant(s), or family member(s) in the CoC program, can keep receiving assistance or living in the assisted housing as applicable.
Permanent supportive housing funded by the Continuum of Care Program	The remaining household member(s) can receive rental assistance until expiration of the lease that is in effect when the qualifying member is evicted.
Housing Choice Voucher, Project-based Voucher, and Public Housing programs (for Special Purpose Vouchers (e.g., HUD-VASH, FUP, FYI, etc.), see also program specific guidance)	If the person removed was the only tenant who established eligible citizenship/immigration status, the remaining household member(s) must be given 30 calendar days from the date of the lease bifurcation to establish program eligibility or find alternative housing. For HUD-VASH, if the veteran is removed, the remaining family member(s) can keep receiving assistance or living in the assisted housing as applicable. If the veteran was the only tenant who established eligible citizenship/immigration status, the remaining household member(s) must be given 30 calendar days to establish program eligibility or find alternative housing.
Section 202/811 PRAC and SPRAC	The remaining household member(s) must be given 90 calendar days from the date of the lease bifurcation or until the lease expires, whichever is first, to establish program eligibility or find alternative housing.

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Section 202/8	The remaining household member(s) must be given 90 calendar days from the date of the lease bifurcation or when the lease expires, whichever is first, to establish program eligibility or find alternative housing. If the person removed was the only tenant who established eligible citizenship/immigration status, the remaining household member(s) must be given 30 calendar days from the date of the lease bifurcation to establish program eligibility or find alternative housing.
Section 236 (including RAP); Project-based Section 8 and Mod Rehab/SRO	The remaining household member(s) must be given 30 calendar days from the date of the lease bifurcation to establish program eligibility or find alternative housing.
HOPWA	The remaining household member(s) must be given no less than 90 calendar days, and not more than one year, from the date of the lease bifurcation to establish program eligibility or find alternative housing. The date is set by the HOPWA Grantee or Project Sponsor.

Are there any reasons that I can be evicted or lose assistance? VAWA does not prevent you from being evicted or losing assistance for a lease violation, program violation, or violation of other requirements that are not due to the VAWA violence/abuse committed against you or an affiliated person. However, a covered housing provider cannot be stricter with you than with other tenants, just because you or an affiliated person experienced VAWA abuse/violence. VAWA also will not prevent eviction, termination, or removal if other tenants or housing staff are shown to be in immediate, physical danger that could lead to serious bodily harm or death if you are not evicted or removed from assistance. **But only if no other action can be taken to reduce or eliminate the threat** should a covered housing provider evict you or end your assistance, if the VAWA abuse/violence happens to you or an affiliated person. A covered housing provider must provide a copy of the Notice of Occupancy Rights Under The Violence Against Women Act (Form HUD-5380) and the Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking (Form HUD-5382) when you receive an eviction or termination notice and prior to termination of tenancy.

What do I need to document that I am a victim of VAWA abuse/violence? If you ask for VAWA protection, the covered housing provider may request documentation showing that you (or a household member) are a victim. BUT the covered housing provider must make this request in writing and must give you at least 14 business days (weekends and holidays do not count) to respond, and you are free to choose any one of the following:

1. A self-certification form (for example, Form-HUD 5382), which the covered housing provider must give you along with this notice. Either you can fill out the form or someone else can complete it for you;
2. A statement from a victim/survivor service provider, attorney, mental health professional or medical professional who has helped you address incidents of VAWA violence/abuse. The professional must state “under penalty of perjury” that he/she/they believes that the incidents of VAWA violence/abuse are real and covered by VAWA. Both you and the professional must sign the statement;

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3. A police, administrative, or court record (such as a protective order) that shows you (or a household member) were a victim of VAWA violence/abuse; OR
4. If allowed by your covered housing provider, any other statement or evidence provided by you.

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It is your choice which documentation to provide and the covered housing provider must accept any one of the above as documentation. The covered housing provider is prohibited from seeking additional documentation of victim status or requiring more than one of these types of documentation, unless the covered housing provider receives conflicting information about the VAWA violence/abuse.

If you do not provide one of these types of documentation by the deadline, the covered housing provider does not have to provide the VAWA protections you requested. If the documentation received by the covered housing provider contains conflicting information about the VAWA violence/abuse, the covered housing provider may require you to provide additional documentation from the list above, but the covered housing provider must give you another 30 calendar days to do so.

Will my information be kept confidential? If you share information with a covered housing provider about why you need VAWA protections, the covered housing provider must keep the information you share strictly confidential. This information should be securely and separately kept from your other tenant files. No one who works for your covered housing provider will have access to this information, unless there is a reason that specifically calls for them to access this information, your covered housing provider explicitly authorizes their access for that reason, and that authorization is consistent to applicable law.

Your information **will not be disclosed** to anyone else or put in a database shared with anyone else, except in the following situations:

1. If you give the covered housing provider written permission to share the information for a limited time;
2. If the covered housing provider needs to use that information in an eviction proceeding or hearing; or
3. If other applicable law requires the covered housing provider to share the information.

How do other laws apply? VAWA does not limit the covered housing provider's duty to honor court orders about access to or control of the property, or civil protection orders issued to protect a victim of VAWA abuse/violence. Additionally, VAWA does not limit the covered housing provider's duty to comply with a court order with respect to the distribution or possession of property among household members during a family break up. The covered housing provider must follow all applicable fair housing and civil rights requirements.

Can I request a reasonable accommodation? If you have a disability, your covered housing provider must provide reasonable accommodations to rules, policies, practices, or services that may be necessary to allow you to equally benefit from VAWA protections (for example, giving you more time to submit documents or assistance with filling out forms). You may request a reasonable accommodation at any time, even for the first time during an eviction. If a provider is denying a specific reasonable accommodation because it is not reasonable, your covered housing provider must first engage in the interactive process with you to identify possible alternative accommodations. To request a reasonable accommodation, please contact **STAFF MEMBER CONTACT INFORMATION Brendan Goodwin bgoodwin@nhhousing.org** Your covered housing provider must also ensure effective communication with individuals with disabilities.

Have your protections under VAWA been denied? If you believe that the covered housing provider has violated these rights, you may seek help by contacting (617) 994-8200You can also find additional information on filing VAWA complaints at https://www.hud.gov/VAWA and https://www.hud.gov/program_offices/fair_housing_equal_opp/VAWA. To file a VAWA complaint, visit https://www.hud.gov/fairhousing/fileacomplaint.

Need further help?

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- For additional information on VAWA and to find help in your area, visit https://www.hud.gov/vawa.
- To talk with a housing advocate, contact **https://www.nhla.org**.

Public reporting burden for this collection of information is estimated to range from 45 to 90 minutes per each covered housing provider's response, depending on the program. This includes time to print and distribute the form. Comments concerning the accuracy of this burden estimate and any suggestions for reducing this burden can be sent to the Reports Management Officer, QDAM, Department of Housing and Urban Development, 451 7th Street, SW, Washington, D.C. 20410. This notice is required for covered housing programs under section 41411 of VAWA and 24 CFR 5.2003. Covered housing providers must give this notice to applicants and tenants to inform them of the VAWA protections as specified in section 41411(d)(2). This is a model notice, and no information is being collected. A Federal agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid Office of Management and Budget control number.

EXHIBIT 16-2: Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking and Alternate Documentation,

CERTIFICATION OF **U.S. Department of Housing** OMB Approval No. 2577-0286

DOMESTIC VIOLENCE, **and Urban Development**

DATING VIOLENCE,

SEXUAL ASSAULT, OR STALKING,

AND ALTERNATE DOCUMENTATION

Purpose of Form: The Violence Against Women Act ("VAWA") protects applicants, tenants, and program participants in certain HUD programs from being evicted, denied housing assistance, or terminated from housing assistance based on acts of domestic violence, dating violence, sexual assault, or stalking against them. Despite the name of this law, VAWA protection is available to victims of domestic violence, dating violence, sexual assault, and stalking, regardless of sex, gender identity, or sexual orientation.

Use of This Optional Form: If you are seeking VAWA protections from your housing provider, your housing provider may give you a written request that asks you to submit documentation about the incident or incidents of domestic violence, dating violence, sexual assault, or stalking.

In response to this request, you or someone on your behalf may complete this optional form and submit it to your housing provider, or you may submit one of the following types of third-party documentation:

(1) A document signed by you and an employee, agent, or volunteer of a victim service provider, an attorney, or medical professional, or a mental health professional (collectively, "professional") from whom you have sought assistance relating to domestic violence, dating violence, sexual assault, or stalking, or the effects of abuse. The document must specify,

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under penalty of perjury, that the professional believes the incident or incidents of domestic violence, dating violence, sexual assault, or stalking occurred and meet the definition of "domestic violence," "dating violence," "sexual assault," or "stalking" in HUD's regulations at 24 CFR 5.2003.

(2) A record of a Federal, State, tribal, territorial or local law enforcement agency, court, or administrative agency; or

(3) At the discretion of the housing provider, a statement or other evidence provided by the applicant or tenant.

Submission of Documentation: The time period to submit documentation is 14 business days from the date that you receive a written request from your housing provider asking that you provide documentation of the occurrence of domestic violence, dating violence, sexual assault, or stalking. Your housing provider may, but is not required to, extend the time period to submit the documentation, if you request an extension of the time period. If the requested information is not received within 14 business days of when you received the request for the documentation, or any extension of the date provided by your housing provider, your housing provider does not need to grant you any of the VAWA protections. Distribution or issuance of this form does not serve as a written request for certification.

Confidentiality: All information provided to your housing provider concerning the incident(s) of domestic violence, dating violence, sexual assault, or stalking shall be kept confidential and such details shall not be entered into any shared database. Employees of your housing provider are not to have access to these details unless to grant or deny VAWA protections to you, and such employees may not disclose this information to any other entity or individual, except to the extent that disclosure is: (i) consented to by you in writing in a time-limited release; (ii) required for use in an eviction proceeding or hearing regarding termination of assistance; or (iii) otherwise required by applicable law.

TO BE COMPLETED BY OR ON BEHALF OF THE VICTIM OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, OR STALKING

1. Date the written request is received by victim:

_____

2. Name of victim:

_____

3. Your name (if different from victim's):_____

4. Name(s) of other family member(s) listed on the lease:_____

_____

_____

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5. Residence of victim:

_____

6. Name of the accused perpetrator (if known and can be safely disclosed):_____

_____

_____

7. Relationship of the accused perpetrator to the victim:_____

8. Date(s) and times(s) of incident(s) (if known):_____

_____

10. Location of incident(s):_____

In your own words, briefly describe the incident(s):

_____

_____

_____

This is to certify that the information provided on this form is true and correct to the best of my knowledge and recollection, and that the individual named above in Item 2 is or has been a victim of domestic violence, dating violence, sexual assault, or stalking. I acknowledge that submission of false information could jeopardize program eligibility and could be the basis for denial of admission, termination of assistance, or eviction.

Signature _____Signed on (Date)

_____

Public Reporting Burden: The public reporting burden for this collection of information is estimated to average 1 hour per response. This includes the time for collecting, reviewing, and reporting the data. The information provided is to be used by the housing provider to request certification that the applicant or tenant is a victim of domestic violence, dating violence, sexual assault, or stalking. The information is subject to the confidentiality requirements of VAWA. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid Office of Management and Budget control number.

EXHIBIT 16-3: Emergency Transfer Plan for Victims of Domestic Violence, Dating Violence, Sexual Assault, Or Stalking

(HCV Version)

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New Hampshire Housing Finance Authority

CERTIFICATION OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, OR STALKING, AND ALTERNATE DOCUMENTATION

U.S. Department of Housing and Urban Development

OMB Approval No. 2577-0286

Exp. 06/30/2017

Purpose of Form: The Violence Against Women Act ("VAWA") protects applicants, tenants, and program participants in certain HUD programs from being evicted, denied housing assistance, or terminated from housing assistance based on acts of domestic violence, dating violence, sexual assault, or stalking against them. Despite the name of this law, VAWA protection is available to victims of domestic violence, dating violence, sexual assault, and stalking, regardless of sex, gender identity, or sexual orientation.

Use of This Optional Form: If you are seeking VAWA protections from your housing provider, your housing provider may give you a written request that asks you to submit documentation about the incident or incidents of domestic violence, dating violence, sexual assault, or stalking. In response to this request, you or someone on your behalf may complete this optional form and submit it to your housing provider, or you may submit one of the following types of third-party documentation:

(1) A document signed by you and an employee, agent, or volunteer of a victim service provider, an attorney, or medical professional, or a mental health professional (collectively, "professional") from whom you have sought assistance relating to domestic violence, dating violence, sexual assault, or stalking, or the effects of abuse. The document must specify, under penalty of perjury, that the professional believes the incident or incidents of domestic violence, dating violence, sexual assault, or stalking occurred and meet the definition of "domestic violence," "dating violence," "sexual assault," or "stalking" in HUD's regulations at 24 CFR 5.2003.

(2) A record of a Federal, State, tribal, territorial or local law enforcement agency, court, or administrative agency; or

(3) At the discretion of the housing provider, a statement or other evidence provided by the applicant or tenant.

Submission of Documentation: The time period to submit documentation is 14 business days from the date that you receive a written request from your housing provider asking that you provide documentation of the occurrence of domestic violence, dating violence, sexual assault, or stalking. Your housing provider may, but is not required to, extend the time period to submit the documentation, if you request an extension of the time period. If the requested information is not received within 14 business days of when you received the request for the documentation, or any extension of the date provided by your housing provider, your housing provider does not need to grant you any of the VAWA protections. Distribution or issuance of this form does not serve as a written request for certification.

Confidentiality: All information provided to your housing provider concerning the incident(s) of domestic violence, dating violence, sexual assault, or stalking shall be kept confidential and such details shall not be entered into any shared database. Employees of your housing

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provider are not to have access to these details unless to grant or deny VAWA protections to you, and such employees may not disclose this information to any other entity or individual, except to the extent that disclosure is: (i) consented to by you in writing in a time-limited release; (ii) required for use in an eviction proceeding or hearing regarding termination of assistance; or (iii) otherwise required by applicable law.

TO BE COMPLETED BY OR ON BEHALF OF THE VICTIM OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, OR STALKING

1. Date the written request is received by victim:

_____

2. Name of victim:

_____

3. Your name (if different from victim's):_____

4. Name(s) of other family member(s) listed on the lease:_____

_____

_____

5. Residence of victim:

_____

6. Name of the accused perpetrator (if known and can be safely disclosed):_____

_____

_____

7. Relationship of the accused perpetrator to the victim:_____

8. Date(s) and times(s) of incident(s) (if known):_____

_____

10. Location of incident(s):_____

U.S. Department of Housing and Urban Development
OMB Approval No. 2577-0286
Exp. 1/31/2028

CERTIFICATION OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, OR STALKING

Confidentiality Note: Any personal information you share in this form will be maintained by your covered housing provider according to the confidentiality provisions below.

Purpose of Form: If you are a tenant of or applicant for housing assisted under a covered housing program, or if you are applying for or receiving transitional housing or rental assistance under a covered housing program, and ask for protection under the Violence Against Women Act ("VAWA"), you may use this form to comply with a covered housing provider's request for written documentation of your status as a "victim". This form is accompanied by a "Notice of

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Occupancy Rights Under the Violence Against Women Act," Form HUD-5380.
VAWA protects individuals and families regardless of a victim's age or actual or perceived sexual orientation, gender identity, sex, or marital status.
You are not expected and cannot be asked or required to claim, document, or prove victim status or VAWA violence/abuse other than as stated in "Notice of Occupancy Rights Under the Violence Against Women Act," Form HUD-5380.
This form is one of your available options for responding to a covered housing provider's written request for documentation of victim status or the incident(s) of VAWA violence/abuse. If you choose, you may submit one of the types of third-party documentation described in Form HUD-5380, in the section titled, "What do I need to document that I am a victim?". Your covered housing provider must give you at least 14 business days (weekends and holidays do not count) to respond to their written request for this documentation.
Will my information be kept confidential? Whenever you ask for or about VAWA protections, your covered housing provider must keep any information you provide about the VAWA violence/abuse or the fact you (or a household member) are a victim, including the information on this form, strictly confidential. This information should be securely and separately kept from your other tenant files. This information can only be accessed by an employee/agent of your covered housing provider if (1) access is required for a specific reason, (2) your covered housing provider explicitly authorizes that person's access for that reason, and (3) the authorization complies with applicable law. This information will not be given to anyone else or put in a database shared with anyone else, unless your covered housing provider (1) gets your written permission to do so for a limited time, (2) is required to do so as part of an eviction or termination hearing, or (3) is required to do so by law.
In addition, your covered housing provider must keep your address strictly confidential to ensure that it is not disclosed to a person who committed or threatened to commit VAWA violence/abuse against you (or a household member).
What if I require this information in a language other than English? To read this in Spanish or another language, please contact Brendan Goodwin bgoodwin@nhhousing.org or go to www.nhhousing.org. You can read translated VAWA forms at https://www.hud.gov/program_offices/administration/hudclips/forms/hud5a#4. If you speak or read in a language other than English, your covered housing provider must give you language assistance regarding your VAWA protections (for example, oral interpretation and/or written translation).
Can I request a reasonable accommodation? If you have a disability, your covered housing provider must provide reasonable accommodations to rules, policies, practices, or services that may be necessary to allow you to equally benefit from VAWA protections (for example, giving you more time to submit documents or assistance with filling out forms). You may request a reasonable accommodation at any time, even for the first time during an eviction. If a provider is denying a specific reasonable accommodation because it is not reasonable, your covered housing provider must first engage in the interactive process with you to identify possible alternative accommodations. Your covered housing provider must also ensure effective communication with individuals with disabilities. Need further help? For additional information on VAWA and to find help in your area, visit https://www.hud.gov/vawa. To speak with a housing advocate, contact Victims of Crime's Stalking Resource Center at

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https://www.victimsofcrime.org/ourprograms/stalking-resource-center.
Tenants may also contact the New Hampshire Coalition Against Domestic and Sexual Violence at 1-866-644-3574, or visit the online hotline at http://www.nhcadsv.org/

TO BE COMPLETED BY OR ON BEHALF OF THE VICTIM OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, OR STALKING

1. Name(s) of victim(s): _____
2. Your name *(if different from victim's)*:_____
3. Name(s) of other member(s) of the household:_____
_____
_____
4. Name of the perpetrator *(if known and can be safely disclosed)*:_____
_____
_____
5. What ist he safest and most secure way to contact you? (You may choose more than one.) If any contact information changes or is no longer a safe contact method, notify your covered housing provider.

☐ Phone Phone Number: _____
Safe to receive a voicemail: ☐ Yes ☐ No
☐ E-mail E-mail address: _____
Safe to receive an e-mail: ☐ Yes ☐ No
☐ Mail Mailing Address: _____
Safe to receive mail from your housing provider: ☐ Yes ☐ No
☐ Other Please List: _____

6. Anything else your housing provider should know to safely communicate with you?_____
_____
_____
_____
_____
_____
_____

Applicable definitions of domestic violence, dating violence, sexual assault, or stalking:
Domestic violence includes felony or misdemeanor crimes of violence committed by a current or former spouse or intimate partner of the victim, by a person with whom the victim shares a child in common, by a person who lives with or has lived with the victim as a spouse or intimate partner, by a person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction, 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.
Spouse or intimate partner of the victim includes a person who is or has been in a social relationship of a romantic or intimate nature with the victim, as determined by the length of the relationship, the type of the relationship, and the frequency of interaction between the persons involved in the relationship.

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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: (i) The length of the relationship; (ii) The type of relationship; and (iii) The frequency of interaction between the persons involved in the relationship.
Sexual assault means any nonconsensual sexual act proscribed by Federal, tribal, or State law, including when the victim lacks capacity to consent.
Stalking means engaging in a course of conduct directed at a specific person that would cause a reasonable person to:
Fear for the person's individual safety or the safety of others or
Suffer substantial emotional distress.
Certification of Applicant or Tenant: By signing below, I am certifying that the information provided on this form is true and correct to the best of my knowledge and recollection, and that one or more members of my household is or has been a victim of domestic violence, dating violence, sexual assault, or stalking as described in the applicable definitions above.
Signature _____ Date _____

Public Reporting Burden for this collection of information is estimated to average 20 minutes per response. This includes the time for collecting, reviewing, and reporting. Comments concerning the accuracy of this burden estimate and any suggestions for reducing this burden can be sent to the Reports Management Officer, QDAM, Department of Housing and Urban Development, 451 7th Street, SW, Washington, DC 20410. Housing providers in programs covered by VAWA may request certification that the applicant or tenant is a victim of VAWA violence/abuse. A Federal agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid Office of Management and Budget control number.

In your own words, briefly describe the incident(s): _____ _____

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This is to certify that the information provided on this form is true and correct to the best of my knowledge and recollection, and that the individual named above in Item 2 is or has been a victim of domestic violence, dating violence, sexual assault, or stalking. I acknowledge that submission of false information could jeopardize program eligibility and could be the basis for denial of admission, termination of assistance, or eviction.

Signature _____Signed on (Date)

_____

Public Reporting Burden: The public reporting burden for this collection of information is estimated to average 1 hour per response. This includes the time for collecting, reviewing, and reporting the data. The information provided is to be used by the housing provider to request certification that the applicant or tenant is a victim of domestic violence, dating violence, sexual assault, or stalking. The information is subject to the confidentiality requirements of VAWA. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid Office of Management and Budget control number.

Emergency Transfer Plan for Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking

U.S. Department of Housing and Urban Development

OMB Approval No. 2577-0286

Exp. 1/31/2028

CERTIFICATION OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, OR STALKING

Confidentiality Note: Any personal information you share in this form will be maintained by your covered housing provider according to the confidentiality provisions below.

Purpose of Form: If you are a tenant of or applicant for housing assisted under a covered housing program, or if you are applying for or receiving transitional housing or rental assistance under a covered housing program, and ask for protection under the Violence Against Women Act (“VAWA”), you may use this form to comply with a covered housing provider's request for written documentation of your status as a "victim”. This form is accompanied by a “Notice of Occupancy Rights Under the Violence Against Women Act,” Form HUD-5380.

VAWA protects individuals and families regardless of a victim’s age or actual or perceived sexual orientation, gender identity, sex, or marital status.

You are not expected and cannot be asked or required to claim, document, or prove victim status or VAWA violence/abuse other than as stated in “Notice of Occupancy Rights Under the Violence Against Women Act,” Form HUD-5380.

This form is one of your available options for responding to a covered housing provider’s written request for documentation of victim status or the incident(s) of VAWA violence/abuse. If you choose, you may submit one of the types of third-party documentation described in Form HUD-5380, in the section titled, “What do I need to document that I am a victim?”. Your covered housing provider must give you at least 14 business days (weekends and holidays do not count) to respond to their written request for this documentation.

Will my information be kept confidential? Whenever you ask for or about VAWA protections, your covered housing provider must keep any information you provide about the VAWA violence/abuse or the fact you (or a household member) are a victim, including the information

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on this form, strictly confidential. This information should be securely and separately kept from your other tenant files. This information can only be accessed by an employee/agent of your covered housing provider if (1) access is required for a specific reason, (2) your covered housing provider explicitly authorizes that person's access for that reason, and (3) the authorization complies with applicable law. This information will not be given to anyone else or put in a database shared with anyone else, unless your covered housing provider (1) gets your written permission to do so for a limited time, (2) is required to do so as part of an eviction or termination hearing, or (3) is required to do so by law.

In addition, your covered housing provider must keep your address strictly confidential to ensure that it is not disclosed to a person who committed or threatened to commit VAWA violence/abuse against you (or a household member).

What if I require this information in a language other than English? To read this in Spanish or another language, please contact [Brendan Goodwin **bgoodwin@nhhousing.org** or go to www.nhhousing.org. You can read translated VAWA forms at https://www.hud.gov/program_offices/administration/hudclips/forms/hud5a#4. If you speak or read in a language other than English, your covered housing provider must give you language assistance regarding your VAWA protections (for example, oral interpretation and/or written translation).

Can I request a reasonable accommodation? If you have a disability, your covered housing provider must provide reasonable accommodations to rules, policies, practices, or services that may be necessary to allow you to equally benefit from VAWA protections (for example, giving you more time to submit documents or assistance with filling out forms). You may request a reasonable accommodation at any time, even for the first time during an eviction. If a provider is denying a specific reasonable accommodation because it is not reasonable, your covered housing provider must first engage in the interactive process with you to identify possible alternative accommodations. Your covered housing provider must also ensure effective communication with individuals with disabilities. Need further help? For additional information on VAWA and to find help in your area, visit https://www.hud.gov/vawa. To speak with a housing advocate, contact Victims of Crime's Stalking Resource Center at https://www.victimsofcrime.org/ourprograms/stalking-resource-center.

Tenants may also contact the New Hampshire Coalition Against Domestic and Sexual Violence at 1-866-644-3574, or visit the online hotline at http://www.nhcadsv.org/

TO BE COMPLETED BY OR ON BEHALF OF THE VICTIM OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, OR STALKING

1. Name(s) of victim(s): _____

2. Your name *(if different from victim's)*:_____

3. Name(s) of other member(s) of the household:_____

_____

4. Name of the perpetrator *(if known and can be safely disclosed)*:_____

_____

_____

5. What is the safest and most secure way to contact you? (You may choose more than one.)

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If any contact information changes or is no longer a safe contact method, notify your covered housing provider.

☐ Phone Phone Number: _____

Safe to receive a voicemail: ☐ Yes ☐ No

☐ E-mail E-mail address: _____

Safe to receive an e-mail: ☐ Yes ☐ No

☐ Mail Mailing Address: _____

Safe to receive mail from your housing provider: ☐ Yes ☐ No

☐ Other Please List: _____

6. Anything else your housing provider should know to safely communicate with you?

_____

_____

_____

_____

_____

_____

_____

Applicable definitions of domestic violence, dating violence, sexual assault, or stalking:

Domestic violence includes felony or misdemeanor crimes of violence committed by a current or former spouse or intimate partner of the victim, by a person with whom the victim shares a child in common, by a person who lives with or has lived with the victim as a spouse or intimate partner, by a person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction, 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.

Spouse or intimate partner of the victim includes a person who is or has been in a social relationship of a romantic or intimate nature with the victim, as determined by the length of the relationship, the type of the relationship, and the frequency of interaction between the persons involved in the relationship.

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: (i) The length of the relationship; (ii) The type of relationship; and (iii) The frequency of interaction between the persons involved in the relationship.

Sexual assault means any nonconsensual sexual act proscribed by Federal, tribal, or State law, including when the victim lacks capacity to consent.

Stalking means engaging in a course of conduct directed at a specific person that would cause a reasonable person to:

Fear for the person’s individual safety or the safety of others or

Suffer substantial emotional distress.

Certification of Applicant or Tenant: By signing below, I am certifying that the information provided on this form is true and correct to the best of my knowledge and recollection, and that one or more members of my household is or has been a victim of domestic violence, dating violence, sexual assault, or stalking as described in the applicable definitions above.

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Signature _____ Date_____

Public Reporting Burden for this collection of information is estimated to average 20 minutes per response. This includes the time for collecting, reviewing, and reporting. Comments concerning the accuracy of this burden estimate and any suggestions for reducing this burden can be sent to the Reports Management Officer, QDAM, Department of Housing and Urban Development, 451 7th Street, SW, Washington, DC 20410. Housing providers in programs covered by VAWA may request certification that the applicant or tenant is a victim of VAWA violence/abuse. A Federal agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid Office of Management and Budget control number.

EXHIBIT 16-4: EMERGENCY TRANSFER REQUEST FOR CERTAIN VICTIMS OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, OR STALKING, FORM HUD-5383

U.S. Department of Housing and Urban Development
OMB Approval No. 2577-0286
Exp. 1/31/2028

CERTIFICATION OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, OR STALKING

Confidentiality Note: Any personal information you share in this form will be maintained by your covered housing provider according to the confidentiality provisions below.

Purpose of Form: If you are a tenant of housing assisted under a covered housing program, or if you are receiving transitional housing or rental assistance under a covered housing program, you may use this form to request an emergency transfer and certify that you qualify for an emergency transfer under the Violence Against Women Act ("VAWA"). This form refers to domestic violence, dating violence, sexual assault, or stalking as "VAWA violence/abuse." VAWA protects individuals and families regardless of a victim's age or actual or perceived sexual orientation, gender identity, sex, or marital status.

You may request an emergency transfer when:

You (or a household member) are a victim of VAWA violence/abuse;

You expressly request the emergency transfer; AND

EITHER

you reasonably believe that there is a threat of imminent harm from further violence, including trauma, if you (or a household member) stay in the same dwelling unit; or

if you (or a household member) are a victim of sexual assault, either you reasonably believe there is a threat of imminent harm from further violence, including trauma, if you (or a household member) stay in the unit, or the sexual assault occurred on the premises and you request an emergency transfer within 90 days (including holidays and weekend days) of when that assault occurred.

A covered housing provider, in response to an emergency transfer request, should not evaluate whether you are in good standing as part of the assessment or provision of an emergency transfer. Whether or not you are in good standing does not impact your ability to request an emergency transfer under VAWA. However, submitting this form does not necessarily mean that you will receive an emergency transfer. See your covered housing provider's VAWA Emergency Transfer Plan for more information about

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VAWA emergency transfers and see "Notice of Occupancy Rights Under the Violence Against Women Act," Form HUD-5380, for additional housing rights you may be entitled to.

Am I required to submit any documentation to my covered housing provider? Your covered housing provider may request documentation proving that you, or a household member, are a victim of VAWA violence/abuse, in addition to completing this emergency transfer request form. The request can be met by completing and submitting the VAWA Self-certification Form (Form HUD-5382), unless the covered housing provider receives conflicting information about the VAWA violence/abuse. If you have third-party documentation that demonstrates why you are eligible for an emergency transfer, you may, instead, choose to submit that documentation to your covered housing provider. See "Notice of Occupancy Rights Under the Violence Against Women Act," Form HUD-5380, for more information.

Will my information be kept confidential? Whenever you ask for or about VAWA protections, your covered housing provider must keep any information you provide about the VAWA violence/abuse or the fact you (or a household member) are a victim, including the information on this form, strictly confidential. This information should be securely and separately kept from your other tenant files. This information can only be accessed by an employee/agent of your covered housing provider if (1) access is required for a specific reason, (2) your covered housing provider explicitly authorizes that person's access for that reason, and (3) the authorization complies with applicable law. This information will not be given to anyone else or put in a database shared with anyone else, unless your covered housing provider (1) gets your written permission to do so for a limited time, (2) is required to do so as part of an eviction or termination hearing, or (3) is required to do so by law.

In addition, your covered housing provider must keep your address strictly confidential to ensure that it is not disclosed to a person who committed or threatened to commit VAWA violence/abuse against you (or a household member).

What if I need this information in a language other than English? To read this in Spanish or another language, please contact Brendan Goodwin bgoodwin@nhhousing.org or go to www.nhhousing.org You can read translated VAWA forms at https://www.hud.gov/program_offices/administration/hudclips/forms/hud5a#4. If you speak or read in a language other than English, your covered housing provider must give you language assistance regarding your VAWA protections (for example, oral interpretation and/or written translation).

Can I request a reasonable accommodation? If you have a disability, your covered housing provider must provide reasonable accommodations to rules, policies, practices, or services that may be necessary to allow you to equally benefit from VAWA protections (for example, giving you more time to submit documents or assistance with filling out forms). You may request a reasonable accommodation at any time, even for the first time during an eviction. If a provider is denying a specific reasonable accommodation because it is not reasonable, your covered housing provider must first engage in the interactive process with you to identify possible alternative accommodations. Your covered housing provider must also ensure effective communication with individuals with disabilities. Need further help? For additional information on VAWA and to find help in your area, visit https://www.hud.gov/vawa. To speak with a housing advocate, contact **https://www.nhla.org/**

TO BE COMPLETED BY OR ON BEHALF OF THE TENANT REQUESTING AN EMERGENCY TRANSFER

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1. Name(s) of victim(s):

_____

2. Your name *(if different from victim's)*:_____

3. Name(s) of other household member(s):_____

_____

4. Name(s) of other household member(s) who would transfer with the victim:

_____

_____

5. Name of the perpetrator *(if known and can be safely disclosed)*:_____

_____

6. Address of location from which the victim seeks to transfer:_____

_____

_____

7. Current Unit Size (# of bedrooms):_____

8. What is the safest and most secure way to contact you? (You may choose more than one.) If any contact information changes or is no longer a safe contact method, notify your covered housing provider.

☐ Phone Phone Number: _____

Safe to receive a voicemail: ☐ Yes ☐ No

☐ E-mail E-mail address: _____

Safe to receive an e-mail: ☐ Yes ☐ No

☐ Mail Mailing Address: _____

Safe to receive mail from your housing provider: ☐ Yes ☐ No

☐ Other Please List: _____

9. Anything else your housing provider should know to safely communicate with you?

_____

_____

_____

_____

10. What features are requested for a safe unit? You may list here any information that would facilitate a suitable transfer, such as accessibility needs, and a description of where it is safe or unsafe for you to live.

(Please note that the ability to provide an emergency transfer is based on unit availability.)

☐ New Neighborhood ☐ New Building

☐ First Floor Unit ☐ Second Floor Unit (and above)

☐ Near an Exit ☐ Well-lit hallways/walkways

☐ 24-hour Security ☐ Accessible unit

☐ Other

_____

_____

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11. To approve your request for an emergency transfer, your covered housing provider may require that you provide written documentation that you (or a household member) are a victim of VAWA violence/abuse. Your covered housing provider must make this request for documentation in writing. You can choose to submit any one of the following types of documentation:

Form HUD-5382 Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking, and Alternate Documentation, which asks your name and the perpetrator's name (if known and safe to provide);

A document signed by a victim service provider, attorney, mental health professional, or medical professional who has helped you address the VAWA violence/abuse. The professional must state "under penalty of perjury" that he/she/they believe in the occurrence of the incident of VAWA violence/abuse and that it is covered by VAWA. Both you and the professional must sign the statement;

A police, administrative, or court record (such as a protective order) that shows you (or a household member) are a victim of VAWA violence/abuse; OR

If permitted by your covered housing provider, a statement or other evidence provided by you.

Certification of Tenant: By signing below, I am certifying that the information provided on this form is true and correct to the best of my knowledge and recollection, and that I meet the conditions described on this form to qualify for an emergency transfer.

Signature _____ Date

_____

Public reporting burden for this collection of information is estimated to average 20 minutes per response. This includes the time for collecting, reviewing, and reporting. Comments concerning the accuracy of this burden estimate and any suggestions for reducing this burden can be sent to the Reports Management Officer, QDAM, Department of Housing and Urban Development, 451 7th Street, SW, Washington, DC 20410. Covered housing providers in programs covered by VAWA may ask for a written request for an emergency transfer for a tenant who is a victim of domestic violence, dating violence, sexual assault, or stalking. Housing providers may distribute this form to tenants and tenants may use it to request an emergency transfer. The information is subject to the confidentiality requirements of VAWA. A Federal agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid Office of Management and Budget control number.

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EXHIBIT 16-5: MODEL OWNER NOTIFICATION OF RIGHTS AND OBLIGATIONS

[Insert Name of Housing Provider]

NOTIFICATION OF YOUR RIGHTS AND OBLIGATIONS

UNDER THE VIOLENCE AGAINST WOMEN ACT (VAWA)

VAWA provides protections for Section 8 Housing Choice Voucher (HCV) and PBV applicants, tenants, and participants from being denied assistance on the basis or as a direct result of being a victim of domestic violence, dating violence, sexual assault, stalking and human trafficking.

Purpose

Many of VAWA's protections to victims of domestic violence, dating violence, sexual assault stalking, and human trafficking involve action by the public housing agency (PHA), but some situations involve action by owners of assisted housing. The purpose of this notice (herein called "Notice") is to explain your rights and obligations under VAWA, as an owner of housing assisted through **[insert name of housing provider]** HCV program. Each component of this Notice also provides citations to HUD's applicable regulations.

Denial of Tenancy

Protections for applicants: Owners cannot deny tenancy based on the applicant having been or currently being a victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking. However, the applicant must be otherwise eligible for tenancy. (See 24 Code of Federal Regulations (CFR) 982.452(b)(1).)

Eviction

*Protections for HCV participants***:** Incidents or threats of domestic violence, dating violence, sexual assault, stalking, or human trafficking will not be considered a serious or repeated lease violation by the victim, or good cause to terminate the tenancy of the victim (see 24 CFR 5.2005(c)). Protection also applies to criminal activity related directly to domestic violence, dating violence, sexual assault, stalking, or human trafficking, conducted by a member of a tenant's household or any guest or other person under the tenant's control, if the tenant or an affiliated individual of the tenant is the victim or threatened victim of such domestic violence, dating violence, sexual assault, stalking, or human trafficking (24 CFR 5.2005(b)(2)).

Limitations of VAWA protections:

a. Nothing in VAWA limits the authority of an owner, when notified of a court order, to comply with a court order with respect to (24 CFR 5.2005(d)(1)):

1) The rights of access or control of property, including civil protection orders issued to protect a victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking; or

2) The distribution or possession of property among members of a household in a case.

b. Nothing in VAWA limits an owner from evicting a victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking for a lease violation that is not premised on an act of domestic violence, dating violence, sexual assault, stalking, or human

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trafficking, as long as the owner does not subject the victim to more demanding standards than other tenants when deciding whether to evict. (See 24 CFR 5.2005(d)(2).)

c. Nothing in VAWA limits an owner from evicting a tenant (including the victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking) if the owner can demonstrate an actual and imminent threat to other tenants or those employed at or providing services to the HCV property would be present if the tenant or lawful occupant is not evicted. (See 24 CFR 5.2005(d)(3).)

i. In this context, words, gestures, actions, or other indicators will be considered an "actual and imminent threat" if they meet the following standards: An actual and imminent threat consists of a physical danger that is real, would occur within an immediate time frame, and could result in death or serious bodily harm. In determining whether an individual would pose an actual and imminent threat, the factors to be considered include: the duration of the risk, the nature and severity of the potential harm, the likelihood that the potential harm will occur, and the length of time before the potential harm would occur. (See 24 CFR 5.2003.)

ii. Any eviction due to "actual and imminent threat" should be utilized by an owner only when there are no other actions that could be taken to reduce or eliminate the threat, including, but not limited to, transferring the victim to a different unit, barring the perpetrator from the property, contacting law enforcement to increase police presence or develop other plans to keep the property safe, or seeking other legal remedies to prevent the perpetrator from acting on a threat. Restrictions predicated on public safety cannot be based on stereotypes, but must be tailored to particularized concerns about individual residents. (See 24 CFR 5.2005(d)(4).)

Documentation of Domestic Violence, Dating Violence, Sexual Assault, Stalking, or Human Trafficking

If an applicant or tenant requests VAWA protection based on status as a victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking, the owner has the option to request that the victim document or provide written evidence to demonstrate that the violence occurred. However, nothing in HUD's regulation requires a covered housing provider to request this documentation. (See 24 CFR 5.2007(b)(3).)

If the owner chooses to request this documentation, the owner must make such request in writing. The individual may satisfy this request by providing any one document type listed under 24 CFR 5.2007(b)(1):

a. Form HUD-55383 (Self-Certification Form); or

b. A document: 1) Signed by an employee, agent, or volunteer of a victim service provider, an attorney, or medical professional or a mental health professional (collectively, "professional") from whom the victim has sought assistance relating to domestic violence, dating violence, sexual assault, stalking, or human trafficking, or the effects of abuse:

2) Signed by the applicant or tenant; and

3) That specifies, under penalty of perjury, that the professional believes in the occurrence of the incident of domestic violence, dating violence, sexual assault, stalking, or human trafficking that is the ground for protection and remedies under 24 CFR part 5, subpart L, and that the incident meets the applicable definition of domestic violence, dating violence, sexual assault, stalking, or human trafficking under 24 CFR 5.2003; or

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c. A record of a Federal, State, tribal, territorial or local law enforcement agency, court, or administrative agency; or

d. At the discretion of a covered housing provider, a statement or other evidence provided by the applicant or tenant.

The owner must accept any of the above items (a – c). The owner has discretion to accept a statement or other evidence (d).

The owner is prohibited from requiring third-party documentation of the domestic violence, dating violence, sexual assault, stalking, or human trafficking, unless the submitted documentation contains conflicting information.

If the owner makes a written request for documentation, the owner may require submission of that documentation within 14 business days after the date that the individual received the written request for documentation. (24 CFR 5.2007(a)(2)). The owner may extend this time period at its discretion. During the 14 business day period and any granted extensions of that time, no adverse actions, such as evictions or terminations, can be taken against the individual requesting VAWA protection.

Once a victim provides documentation of domestic violence, dating violence, sexual assault, stalking, or human trafficking, the owner is encouraged to acknowledge receipt of the documentation in a timely manner.

If the applicant or tenant fails to provide documentation that meets the criteria in 24 CFR 5.2007 within 14 business days after receiving the written request for that documentation or within the designated extension period, nothing in VAWA may be construed to limit the authority of the covered housing provider to:

a. Deny admission by the applicant or tenant to the housing or program;

b. Deny assistance under the covered housing program to the applicant or tenant;

c. Terminate the participation of the tenant in the covered housing program; or

d. Evict the tenant, or a lawful occupant that commits a violation of a lease.

An individual's failure to timely provide documentation of domestic violence, dating violence, sexual assault, stalking, or human trafficking does not result in a waiver of the individual's right to challenge the denial of assistance or termination, nor does it preclude the individual's ability to raise an incident of domestic violence, dating violence, sexual assault, stalking, or human trafficking at eviction or termination proceedings.

Owners may not coerce, intimidate, threaten, interfere with, or retaliate against any person who exercises or assists or encourages a person to exercise any rights or protections under VAWAs (See FR Notice 1/4/23.)

Moves

A victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking may move in violation of their lease if the move is required to protect their safety. If a move results in the termination of the Housing Assistance Payment Contract, the lease is automatically terminated.

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Lease Bifurcation

Owners may choose to bifurcate a lease, or remove a household member from a lease in order to evict, remove, terminate occupancy rights, or terminate assistance to such member who engages in criminal activity directly relating to domestic violence, dating violence, sexual assault, stalking, or human trafficking against an affiliated individual or other individual. (See 24 CFR 5.2009(a).) If an owner chooses to bifurcate the lease, the owner must comply with the reasonable time to establish eligibility under the covered housing program or find alternative housing following lease bifurcation provision in 24 CFR 5.2009(b). VAWA protections, including bifurcation, do not apply to guests or unreported members of a household or anyone else residing in a household who is not a tenant.

Eviction, removal, termination of occupancy rights, or termination of assistance must be effected in accordance with the procedures prescribed by federal, state, or local law for termination of leases.

To avoid unnecessary delay in the bifurcation process, HUD recommends that owners seek court-ordered eviction of the perpetrator pursuant to applicable laws. This process results in the underlying lease becoming null and void once the owner regains possession of the unit. The owner would then execute a new lease with the victim.

Evictions Due to "Actual and Imminent Threat" or Violations Not Premised on Abuse

VAWA generally prohibits eviction on the basis or as a direct result of the fact that the applicant or tenant is or has been a victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking, if the applicant or tenant otherwise qualifies for assistance, participation or occupancy. (See 24 CFR 5.2005.)

However, VAWA does not prohibit an owner from evicting a tenant for any violation not premised on an act of domestic violence, dating violence, sexual assault, stalking, or human trafficking that is in question against the tenant or an affiliated individual of the tenant. Nor does VAWA prohibit an owner from evicting a tenant if the owner can demonstrate an actual and imminent threat to other tenants or those employed at or providing services to property of the owner would be present if that tenant or lawful occupant is not evicted or terminated from assistance. (See 5.2005(d)(2) and (3).)

In order to demonstrate an actual and imminent threat to other tenants or employees at the property, the covered housing provider must have objective evidence of words, gestures, actions, or other indicators that meet the standards in the following definition:

Actual and imminent threat refers to a physical danger that is real, would occur within an immediate time frame, and could result in death or serious bodily harm. In determining whether an individual would pose an actual and imminent threat, the factors to be considered include:

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- The duration of the risk;
- The nature and severity of the potential harm;
- The likelihood that the potential harm will occur; and
- The length of time before the potential harm would occur.

(See 24 CFR 5.2003 and 5.2005(d)(2).)

Confidentiality

Any information submitted to a covered housing provider under 24 CFR 5.2007, including the fact that an individual is a victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking, must be maintained in strict confidence by the covered housing provider. (See 24 CFR 5.2007(c).)

Employees of the owner (or those within their employ, e.g., contractors) must not have access to the information unless explicitly authorized by the owner for reasons that specifically call for these individuals to have access to this information under applicable federal, state, or local law (e.g., the information is needed by an employee to provide the VAWA protections to the victim).

The owner must not enter this information into any shared database, or disclose this information to any other entity or individual, except to the extent that disclosure is:

a. Requested or consented to in writing by the individual (victim) in a time-limited release;

b. Required for use in an eviction proceeding or hearing regarding termination of assistance from the covered program; or

c. Otherwise required by applicable law.

When communicating with the victim, owners must take precautions to ensure compliance with these confidentiality requirements.

Service Providers

Victims of Crime's Stalking Resource Center at https://www.victimsofcrime.org/ourprograms/stalking-resource-center.

Tenants may also contact the New Hampshire Coalition Against Domestic and Sexual Violence at 1-866-644-3574, or visit the online hotline at http://www.nhcadsv.org/

has extensive relationships with local service providers. Victims of Crime's Stalking Resource Center at https://www.victimsofcrime.org/ourprograms/stalking-resource-center.

Tenants may also contact the New Hampshire Coalition Against Domestic and Sexual Violence at 1-866-644-3574, or visit the online hotline at http://www.nhcadsv.org/

staff are available to provide referrals to shelters, counselors, and advocates. These resources are also provided in **New Hampshire Housing Finance Authority** Annual and 5-Year Plan, Administrative Plan, VAWA Notice of Occupancy Rights,

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and Emergency Transfer Plan. A list of local service providers is attached to this Notice.

Definitions

Actual and imminent threat refers to a physical danger that is real, would occur within an immediate time frame, and could result in death or serious bodily harm. In determining whether an individual would pose an actual and imminent threat, the factors to be considered include: the duration of the risk, the nature and severity of the potential harm, the likelihood that the potential harm will occur, and the length of time before the potential harm would occur.

Affiliated individual, with respect to an individual, means:

(1) A spouse, parent, brother, sister, or child of that individual, or a person to whom that individual stands in the place of a parent or guardian (for example, the affiliated individual is a person in the care, custody, or control of that individual); or
(2) Any individual, tenant, or lawful occupant living in the household of that individual.

Bifurcate means to divide a lease as a matter of law, subject to the permissibility of such process under the requirements of the applicable HUD-covered program and State or local law, such that certain tenants or lawful occupants can be evicted or removed and the remaining tenants or lawful occupants can continue to reside in the unit under the same lease requirements or as may be revised depending upon the eligibility for continued occupancy of the remaining tenants and lawful occupants.

Dating violence means violence committed by a person:

(1) Who is or has been in a social relationship of a romantic or intimate nature with the victim; and

(2) Where the existence of such a relationship shall be determined based on a consideration of the following factors:

(i) The length of the relationship;

(ii) The type of relationship; and

(iii) The frequency of interaction between the persons involved in the relationship.

Domestic violence includes felony or misdemeanor crimes of committed by a current or former spouse or intimate partner of the victim under the family or domestic violence laws of the jurisdiction receiving grant funding, and in the case of victim services, includes the user or attempted use of physical abuse or sexual abuse, or a pattern of any other coercive behavior committed, enabled, or solicited to gain or maintain power and control over a victim, including verbal, psychological, economic, or technological abuse that may or may not constitute criminal behavior, by a person who is:

- The current or former spouse or intimate partner of the victim, or person similarly situated to a spouse or intimate partner of the victim

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- A person who is cohabitating or has cohabitated with the victim as a spouse or intimate partner
- A person with whom the victim shares a child in common
- A person who commits acts against an youth or adult victim who is protected from those acts under the domestic or family violence laws of the jurisdiction

Sexual assault means any nonconsensual sexual act proscribed by Federal, tribal, or State law, including when the victim lacks capacity to consent.

Stalking means engaging in a course of conduct directed at a specific person that would cause a reasonable person to:

(1) Fear for the person's individual safety or the safety of others; or
(2) Suffer substantial emotional distress.

VAWA means the Violence Against Women Act of 1994, as amended (42 U.S.C. 13925 and 42 U.S.C. 14043e et seq.).

Attached:

Legal services and the domestic violence resources for the Metro area
Form HUD-5382 Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking
New Hampshire Housing Finance Authority VAWA Notice of Occupancy Rights

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Chapter 17 Project-Based Vouchers

Introduction

This chapter describes HUD regulations and NHHFA policies related to the project-based voucher (PBV) program in nine parts:

Part I: General Requirements. This part describes general provisions of the PBV program including maximum budget authority requirements, the cap on the number of assisted units in each project, relocation requirements, and equal opportunity requirements.

Part II: PBV Owner Proposals. This part includes policies related to the submission and selection of owner proposals for PBV assistance. It describes the factors NHHFA will consider when selecting proposals, the type of housing that is eligible to receive PBV assistance, subsidy layering requirements, site selection standards, and environmental review requirements.

Part III: Dwelling Units. This part describes requirements related to inspections, the type and frequency of inspections, and housing accessibility for persons with disabilities.

Part IV: Rehabilitated and Newly Constructed Units. This part describes requirements and policies related to the development and completion of rehabilitated and newly constructed housing units that will be receiving PBV assistance.

Part V: Housing Assistance Payments Contract. This part discusses HAP contract requirements and policies including the execution, term, and termination of the HAP contract. In addition, it describes how the HAP contract may be amended and identifies provisions that may be added to the HAP contract at NHHFA's discretion.

Part VI: Selection of PBV Program Participants. This part describes the requirements and policies governing how NHHFA and the owner will select a family to receive PBV assistance.

Part VII: Occupancy. This part discusses occupancy requirements related to the lease and describes under what conditions families are allowed or required to move.

Part VIII: Determining Rent to Owner. This part describes how the initial rent to owner is determined, and how rent will be redetermined throughout the life of the HAP contract. Rent reasonableness requirements are also discussed.

Part IX: Payments to Owner. This part describes the types of payments owners may receive under this program.

PART I: General Requirements

17-I.A. Overview

[24 CFR 983.5]

The project-based voucher (PBV) program allows a PHA that already administers a tenant-based voucher program under an annual contributions contract (ACC) with HUD to take up to 20 percent of its authorized units (plus an additional 10 percent for units meeting certain criteria) and attach the funding to specific units rather than using it for tenant-based assistance [24 CFR 983.6]. Assistance may be tied to a multifamily building or a single-family building. NHHFA may only operate a PBV program if doing so is consistent with NHHFA's Annual Plan, and the goal of deconcentrating poverty and expanding housing and economic opportunities [42 U.S.C. 1437f(o)(13)]. NHHFA has discretion whether to operate a PBV program. HUD approval is not

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required, except that NHHFA must notify HUD of its intent to project-base its vouchers and when NHHFA executes, amends, or extends a HAP contract. NHHFA must also state in its administrative plan that it will engage in project-basing and must amend its administrative plan to include all PBV-related matters over which NHHFA is exercising its discretion.

NHHFA Policy

NHHFA will operate a project-based voucher program.
NHHFA may enter into a HAP contract for existing housing, newly constructed or rehabilitated housing (see definitions below). During the term of the HAP contract, NHHFA makes housing assistance payments to the owner for units leased and occupied by eligible families.

17-I.B. PBV Definitions

[24 CFR 983.3]
The following terms apply to the PBV program and are used throughout this chapter:
Excepted units are units in a project not counted toward the project cap because they exclusively serve or are made available to certain families in accordance with 24 CFR 983.54(c)(2).

Excluded units are units in a project not counted toward the program cap or project cap because they meet certain criteria in accordance with 24 CFR 983.59.
Existing housing is a project that meets the following criteria:

All the proposed contract units in the project either fully comply or substantially comply with Housing Quality Standards (HQS) on the proposal or project selection date, as determined per 24 CFR 983.103(a). (The units must fully comply with HQS at the time required by 24 CFR 983.103(c). The units substantially comply with HQS if:

- The units only require repairs to current components or replacement of equipment and/or materials by items of substantially the same kind to correct deficiencies; and
- NHHFA determines all deficiencies can reasonably be corrected within a 30-day period, taking into consideration the totality of the deficiencies in the project.
- NHHFA determines the project is not reasonably expected to require substantial improvement and the owner certifies it has no plans to undertake substantial improvement from the proposal submission date (for projects subject to competitive selection) or the project selection date (for projects excepted from competitive selection) through the first two years of the HAP contract.

The following units do not qualify as existing housing:

- Units for which rehabilitation or new construction began after proposal submission or the date of board resolution but prior to the effective date of an AHAP (if applicable); and
- Units that were newly constructed or rehabilitated in violation of program requirements.

An independent entity is either:

- The unit of general local government; however, if the PHA itself is the unit of general local government or an agency of such government, then only the next level of general local government (or an agency of such government) or higher may serve as the independent entity; or

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- A HUD-approved entity that is autonomous and recognized under state law as a separate legal entity from the PHA. The entity must not be connected financially (except regarding compensation for services performed for PHA-owned units) or in any other manner that could result in the PHA improperly influencing the entity.

An in-place family is a family residing in a proposed contract unit on the proposal or project selection date.

A legacy non-RAD PBV unit is PBV assistance in a covered project that prior to December 31, 2024, replaced public housing at the time of conversion and that is subject to a non-RAD PBV HAP contract.

Newly constructed housing is a project containing housing units that do not exist on the proposal or project selection date and are developed after the date of selection for use under the PBV program.

A project can be a single building, multiple contiguous buildings, or multiple buildings on contiguous parcels of land. “Contiguous” in this definition includes “adjacent to,” as well as touching along a boundary or a point. A PHA may, in its administrative plan, establish the circumstances under which it will define a project as only one of the following: a single building, multiple contiguous buildings, or multiple buildings on contiguous parcels of land.

NHHFA Policy

NHHFA will not define circumstances that limit the definition of the term *project*.
Rehabilitated housing is a project which is developed for use under the PBV program, in which all proposed contract units exist on the proposal or project selection date, but which does not qualify as existing housing.

A qualified census tract is any census tract (or equivalent geographic area defined by the Bureau of the Census) in which at least 50 percent of households have an income of less than 60 percent of Area Median Income (AMI), or where the poverty rate is at least 25 percent and where the census tract is designated as a qualified census tract by HUD.

Substantial improvement is one of the following activities undertaken at a time beginning from the proposal submission date (for projects subject to competitive selection) or from the project selection date (for projects excepted from competitive selection), or undertaken during the term of the PBV HAP contract:

- Remodeling that alters the nature or type of housing units in a project.
- Reconstruction; or
- A substantial improvement in the quality or kind of equipment and materials. The replacement of equipment and/or materials rendered unsatisfactory because of normal wear and tear by items of substantially the same kind does not constitute substantial improvement.

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17-I.C. Maximum Number of PBV Units (Percentage Limitation)

[24 CFR 983.6]

Program Cap

NHHFA's PBV program is funded with a portion of appropriated funding (budget authority) available under NHHFA's voucher Annual Contributions Contract (ACC). NHHFA is responsible for determining the amount of budget authority that is available for project-based vouchers and for ensuring that the amount of assistance that is attached to units is within the amounts available under the ACC. Appendix I of Notice PIH 2017-21 contains a sample PBV program cap calculation worksheet. If PBV units are already selected for project-based assistance either under an AHAP or a HAP contract, NHHFA is not required to reduce the number of units if the number of authorized units is subsequently reduced.

NHHFA Policy

As an MTW agency, NHHFA has received a waiver and will increase the number of authorized units that it can project-base to not more than 50% of the lower of either the total authorized units or annual budget authority.

17-I.D. Cap on Number of PBV Units in Each Project

[24 CFR 983.54]

Project Cap

[24 CFR 983.54(a)]
In general, NHHFA may not select a proposal for units in a project or enter into an AHAP or a HAP contract to provide PBV assistance for units in a project if the total number of dwelling units in the project that will receive PBV assistance is more than the greater of 25 units or 25 percent of the number of dwelling units (assisted or unassisted, as adjusted) in the project.

NHHFA Policy

As an MTW agency, NHHFA has a waiver and may raise the PBV cap within a project up 100%. The intent of increasing the PBV cap is to increase safe, affordable housing options to communities across the state. NHHFA will use Public and Indian Housing (PIH) notice 2013-27 where applicable or its successor.

17-I.G. Tenant-based vs. Project-based Voucher Assistance

[24 CFR 983.2]
Much of the tenant-based voucher program regulations also apply to the PBV program. Consequently, many of NHHFA policies related to tenant-based assistance also apply to PBV assistance. The provisions of the tenant-based voucher regulations that do not apply to the PBV program are listed at 24 CFR 983.2(c).

NHHFA Policy

Except as otherwise noted in this chapter, or unless specifically prohibited by PBV program regulations, NHHFA policies for the tenant-based voucher program contained in this administrative plan also apply to the PBV program.

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17-I.H. Relocation Requirements

[24 CFR 983.7]
Any persons displaced as a result of implementation of the PBV program must be provided relocation assistance in accordance with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA)[42 U.S.C. 4201-4655] and implementing regulations at 49 CFR part 24.

The cost of required relocation assistance may be paid with funds provided by the owner, local public funds, or funds available from other sources. NHHFA may not use voucher program funds to cover relocation costs, except that NHHFA may use their administrative fee reserve to pay for relocation expenses after all other program administrative expenses are satisfied, and provided that payment of the relocation benefits is consistent with state and local law. Use of the administrative fee for these purposes must also be consistent with other legal and regulatory requirements, including the requirement in 24 CFR 982.155 and other official HUD issuances.

The acquisition of real property for a PBV project is subject to the URA and 49 CFR part 24, subpart B. It is the responsibility of NHHFA to ensure the owner complies with these requirements.

17-I.I. Equal Opportunity Requirements

[24 CFR 983.8]
NHHFA must comply with all equal opportunity requirements under federal law and regulations in its implementation of the PBV program. This includes the requirements and authorities cited at 24 CFR 5.105(a). In addition, NHHFA must comply with NHHFA Plan certification on civil rights and affirmatively furthering fair housing, submitted in accordance with 24 CFR 903.7(o).

PART II: Proposal And Project Selection

17-II.A. Overview

NHHFA must include a description of the circumstances under which NHHFA will use noncompetitive selection for PBV projects and competitive selection for PBV proposals, including the procedures for submission and selection of such proposals, in the administrative plan [24 CFR 983.10(b)(3)].

Before selecting a PBV proposal, NHHFA must determine that the PBV proposal complies with HUD program regulations and requirements, including a determination that the property is eligible housing [24 CFR 983.52 and 983.53], complies with the cap on the number of PBV units per project [24 CFR 983.54], and meets the site selection standards [24 CFR 983.55]. NHHFA may not commit PBVs until or unless it has followed the proposal selection requirements defined in 24 CFR 983.51.

NHHFA may allow for entities that have site control to submit proposals provided the entity will be the owner prior to entering into the AHAP or HAP contract. An owner may submit, and NHHFA may select, a single proposal covering multiple projects where each project consists of

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a single-family building, provided all projects are the same housing type (existing, rehabilitated, or newly constructed) [24 CFR 983.51(a)].

NHHFA may not commit project-based assistance to a project if the owner or any principal or interested party is debarred, suspended subject to a limited denial of participation, or otherwise excluded under 2 CFR Part 2424 or is listed on the U.S. General Services Administration list of parties excluded from federal procurement or non-procurement programs. HUD approval of specific projects or owners is not required. For example, owner proposal selection does not require submission of form HUD-2530 (Previous Participation Certification) or other HUD previous participation clearance.

17-II.B. Competitive Selection of Proposals

[24 CFR 983.51(b)]

Solicitation and Selection of PBV Proposals

[24 CFR 983.51(d)]

NHHFA must select PBV proposals in accordance with the selection procedures in NHHFA's administrative plan. NHHFA must select PBV proposals by either of the following two methods:

- NHHFA request for PBV Proposals. NHHFA may solicit proposals by using an RFP to select proposals on a competitive basis in response to NHHFA request. NHHFA may not limit proposals to a single site or impose restrictions that explicitly or practically preclude owner submission of proposals for PBV housing on different sites. NHHFA may establish selection procedures that combine or are in conjunction with other federal, state, or local government housing assistance, community development, or supportive services competitive selection processes. If NHHFA's selection process is combined and administered in conjunction with another RFP process, NHHFA remains responsible for complying with proposal selection procedures as described in 24 CFR 983.51.
- NHHFA may select, without issuing an RFP, proposals that were previously selected based on a competition. This may include selection of a proposal for housing assisted under a federal, state, or local government housing assistance, community development, or supportive services program that was subject to a competition in accordance with the requirements of the applicable program where the proposal has been selected in accordance with such program's competitive selection requirements within three years of the PBV proposal selection date, and the earlier competition did not involve any consideration that the project would receive PBV assistance.

NHHFA procedures for selecting PBV proposals must be designed and actually operated to provide broad public notice of the opportunity to offer PBV proposals for consideration by NHHFA. The public notice procedures may include publication of the public notice in a local newspaper of general circulation and other means designed and actually operated to provide broad public notice. NHHFA will post the RFP and proposal submission procedures on its website. The public notice request for PBV proposals must specify the submission deadline. Detailed application and selection information must be provided at the request of interested

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parties.

NHHFA Policy

NHHFA Request for Proposals for Rehabilitated and Newly Constructed Units
NHHFA will advertise its request for proposals (RFP) for rehabilitated and newly constructed housing in newspapers of general circulation (to be identified at the time of publication).
In addition, NHHFA will post the RFP and proposal submission and rating and ranking procedures on its website. The advertisement will remain on NHHFA's website until such time as the application period is closed.

The advertisement will state the number of vouchers available to be project-based, the type of units that will be considered, the submission deadline, and will note how to obtain the full RFP with information on the application and selection process. Advertisements will also contain a statement that participation in the PBV program requires compliance with Fair Housing and Equal Opportunity (FHEO) requirements and that the Federal Labor Standard provisions may be applicable for new and rehabilitation projects.

NHHFA will publish its advertisement in the newspaper of general circulation and on its website. The advertisement will specify the number of units NHHFA estimates that it will be able to assist under the funding made available. Proposals will be due to NHHFA by close of business on the specified date. NHHFA will date and time stamp all applications upon receipt. Applications received after the published deadline date will not be accepted for consideration under the RFP process. Postmarks are not acceptable.

In order for the proposal to be considered, the owner must submit the proposal to NHHFA by the published deadline date, and the proposal must respond to all requirements as outlined in the RFP and be in compliance with all HUD program requirements. Incomplete proposals will not be reviewed. NHHFA reserves the right to reject applications at any time for misinformation, errors, or omissions of any kind.

NHHFA will rate and rank proposals for rehabilitated and newly constructed housing using the following criteria:

- Owner experience and capability to build or rehabilitate housing as identified in the RFP;
- Extent to which the project furthers the goal of deconcentrating poverty and expanding housing and economic opportunities;
- If applicable, the extent to which services for special populations are provided on site or in the immediate area for occupants of the property.

NHHFA Requests for Proposals for Existing Housing Units

NHHFA will advertise its request for proposals (RFP) for existing housing in newspapers of general circulation (to be identified at the time of publication).
In addition, NHHFA will post the notice inviting such proposal submission and the rating and ranking procedures on its website.

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The advertisement will state the number of vouchers available to be project-based, the type of units that will be considered, the submission deadline, and will note how to obtain the full RFP with information on the application and selection process. Advertisements will also contain a statement that participation in the PBV program requires compliance with Fair Housing and Equal Opportunity (FHEO) requirements.

NHHFA will publish its advertisement in the newspaper of general circulation and on its website. The advertisement will specify the number of units NHHFA estimates will be able to assist under the funding made available. Owner proposals will be accepted on a first-come first-served basis and will be evaluated using the following criteria:

- Experience as an owner in the tenant-based voucher program and owner compliance with the owner's obligations under the tenant-based program;
- Extent to which the project furthers NHHFA goal of deconcentrating poverty and expanding housing and economic opportunities;
- If applicable, extent to which services for special populations are provided on site or in the immediate area for occupants of the property; and
- Extent to which units are occupied by families that are eligible to participate in the PBV program.

NHHFA Selection of Proposals Subject to a Previous Competition under a Federal, State, or Local Housing Assistance Program

NHHFA will accept proposals for PBV assistance from owners that were competitively selected under another federal, state or local housing assistance program, including projects that were competitively awarded Low-Income Housing Tax Credits (if the earlier competition did not involve any consideration that the project would receive PBV assistance).
NHHFA may periodically advertise that it is accepting proposals, in newspapers of general circulation (to be identified at the time of publication).

The advertisement will state the number of vouchers available to be project-based, the type of units that will be considered, the submission deadline, and will note how to obtain the full RFP with information on the application and selection process. Advertisements will also contain a statement that participation in the PBV program requires compliance with Fair Housing and Equal Opportunity (FHEO) requirements and that the Federal Labor Standard provisions may be applicable for new and rehabilitation projects.

In addition to, or in place of advertising, NHHFA may also directly contact specific owners that have already been selected for Federal, state, or local housing assistance based on a previously held competition, to inform them of available PBV assistance.

Proposals will be reviewed on a first-come first-served basis. NHHFA will evaluate each proposal on its merits using the following factors:

- Extent to which the project furthers NHHFA goal of deconcentrating poverty and expanding housing and economic opportunities; and

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- Extent to which the proposal complements other local activities such as the redevelopment of a public housing site under the HOPE VI program, the HOME program, CDBG activities, other development activities in a HUD-designated Enterprise Zone, Economic Community, Choice Neighborhood, or Renewal Community.

17-II.D. Project or Proposal Selection

[24 CFR 983.51(f) and 24 CFR 983.153(c)(3)]
Inspections Required Prior to Project or Proposal Selection [24 CFR 983.51(e)]

NHHFA must examine the proposed site before the proposal or project selection date to determine whether the site complies with the site selection standards outlined in 24 CFR 983.55.
NHHFA may execute a HAP contract for existing housing if:

- All proposed contract units in the project fully or substantially comply with housing quality standards on the proposal or project selection date, which NHHFA must determine via inspection;
- The project meets the environmental review requirements at 24 CFR 983.56, if applicable; and
- The project meets the initial inspection requirements in accordance with 24 CFR 983.103(c).

NHHFA Written Notice of Proposal or Project Selection [24 CFR 983.51(f) and (h) and 24 CFR 983.153(c)(3)]

Regardless of the method of selection, NHHFA is required to provide written notice of proposal or project selection, which must include:

- If the project contains NHHFA-owned units, NHHFA must provide the written notice of proposal or project selection to the responsible NHHFA official, and that official must certify in writing that NHHFA accepts the terms and requirements stated in the notice. NHHFA must make documentation available for public inspection regarding the basis for NHHFA selection of a PBV proposal.
- When an environmental review is required, if the review has not been conducted prior to the project or proposal selection date, NHHFA's written notice that the selection is subject to completion of a favorable environmental review and that the project or proposal may be rejected based on the results of the environmental review.
- For newly constructed housing and rehabilitated housing in projects to which labor standards apply, NHHFA's written notice to the party that submitted the selected proposal or board resolution approving project-basing of assistance at the specific project must state that any construction contracts must incorporate a Davis-Bacon contract clause and the current applicable prevailing wage determination [24 CFR 983.153(c)(3)].

In addition to the requirements above, for selection of proposals through competitive methods, NHHFA must give prompt written notice to the party that submitted a selected proposal and

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must also give prompt public notice of such selection. Public notice procedures may include publication of the public notice on NHHFA's website. The proposal selection date is the date on which NHHFA provides written notice to the party that submitted the selected proposal. The written notice of proposal selection must require the owner or party that submitted the selected proposal to provide a written response to NHHFA accepting the terms and requirements stated in the notice. NHHFA must make documentation available for public inspection regarding the basis for NHHFA selection of a PBV proposal.

NHHFA Policy

If the project does not contain NHHFA-owned units, NHHFA will notify the selected owner in writing of the owner's selection for the PBV program within 10 business days of NHHFA making the selection. NHHFA will also notify in writing all owners that submitted proposals that were not selected.

If the project contains NHHFA-owned units, within 10 business days of NHHFA making the selection, NHHFA will provide the written notice of proposal selection to the responsible NHHFA official, and that official must certify in writing that NHHFA accepts the terms and requirements stated in the notice within 10 business days of receiving NHHFA's written notice.
When an environmental review is required, if the review has not been conducted prior to the proposal selection date, NHHFA's written notice of proposal selection will state that the selection is subject to completion of a favorable environmental review and that the proposal may be rejected based on the results of the environmental review.

For any project to which labor standards apply, NHHFA's written notice will state that any construction contracts must incorporate a Davis-Bacon contract clause and the current applicable prevailing wage determination.

NHHFA will publish its notice for selection of PBV proposals on its website. The announcement will include the name of the owner that was selected for the PBV program.
NHHFA will make available to any interested party its rating and ranking sheets and documents that identify NHHFA basis for selecting the proposal. These documents will be available for review by the public and other interested parties for one month after publication of the notice of owner selection. NHHFA will not make available sensitive owner information that is privileged, such as financial statements and similar information about the owner.

NHHFA will make these documents available for review at NHHFA during normal business hours. The cost for reproduction of allowable documents will be $.25 per page.
The owner must submit a written response to NHHFA accepting the terms and requirements stated in the notice within 10 business days of NHHFA's written notification to the owner.

NHHFA Policy

If the project contains NHHFA-owned units, within 10 business days of the board's resolution approving the project-basing of assistance at a specific project, NHHFA will provide the written notice of project selection to the responsible NHHFA official, and that official must certify in

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writing that NHHFA accepts the terms and requirements stated in the notice within 10 business days of receiving NHHFA's written notice.
If the project does not contain NHHFA-owned units, within 10 business days of the board's resolution approving the project-basing of assistance at a specific project, NHHFA will notify the owner in writing of the project's selection. The owner must submit a written response to NHHFA accepting the terms and requirements stated in the notice within 10 business days of NHHFA's written notification to the owner.

In addition, when an environmental review is required, if the review has not been conducted prior to the project selection date, NHHFA's written notice of project selection will state that the selection is subject to completion of a favorable environmental review and that the project may be rejected based on the results of the environmental review.

Further, for any project to which labor standards apply, NHHFA's written notice will state that any construction contracts must incorporate a Davis-Bacon contract clause and the current applicable prevailing wage determination.

17-II.E. Housing Type

[24 CFR 983.52]
NHHFA must decide what housing type, new construction, rehabilitation, or existing housing, will be used to develop project-based housing. NHHFA's choice of housing type must be reflected in its solicitation for proposals. With certain exceptions, NHHFA may not execute a HAP contract for units:

- On which construction or rehabilitation commenced after the date of proposal submission (for housing subject to competitive selection) or the date of NHHFA's board resolution approving the project-basing of assistance at the project (for housing excepted from competitive selection); and
- Prior to the effective date of an AHAP.

However, HUD makes an exception in the following circumstances:

- NHHFA has exercised its discretion under 24 CFR 983.154(f) to undertake development activity without an AHAP; or
- NHHFA has executed an AHAP after construction or rehabilitation that complied with applicable requirements of 24 CFR 983.153 has commenced; or
- NHHFA will undertake development activity after execution of the HAP contract as authorized under 24 CFR 983.157.
- At HUD's sole discretion, HUD may approve a NHHFA's request for additional exceptions to this prohibition.

17-II.F. Prohibition of Assistance For Certain Units

Ineligible Units

[24 CFR 983.52]
A HAP contract must not be effective and no PBV assistance may be provided for any of the following: shared housing units; units on the grounds of a penal reformatory, medical, mental, or

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similar public or private institution; nursing homes or facilities providing continuous psychiatric, medical, nursing services, board and care, or intermediate care (except that assistance may be provided in assisted living facilities); units that are owned or controlled by an educational institution or its affiliate and are designated for occupancy by students; and transitional housing. Manufactured homes are ineligible only if the manufactured home is not permanently affixed to a permanent foundation or the owner does not own fee title to the real property (land) on which the manufactured home is located.

In addition, NHHFA may not attach or pay PBV assistance for a unit occupied by an owner of the housing. A member of a cooperative who owns shares in the project assisted under the PBV program is not considered an owner for purposes of participation in the PBV program.
Before NHHFA places a specific unit under a HAP contract, NHHFA must determine whether the unit is occupied and, if occupied, whether the unit's occupants are eligible for assistance in accordance with 24 CFR 982.201. For a family to be eligible for assistance in the specific unit, the unit must be appropriate for the size of the family under NHHFA's subsidy standards and the total tenant payment (TTP) for the family must be less than the gross rent for the unit. NHHFA must not enter into a HAP contract for a unit occupied by a family ineligible for participation in the PBV program.

However, unlike in the regular PBV program, NHHFA may opt to select an occupied unit or admit a family to a unit if such unit is made exclusively available to VASH families if the PBV project is either on the grounds of a VA facility or there are VASH supportive services provided on-site at the project. See Chapter 19 for more information.

Subsidized Housing

[24 CFR 983.53]
A HAP contract must not be effective and no PBV assistance may be provided in any of the following types of subsidized housing:

- A public housing unit;
- A unit subsidized with any other form of Section 8 assistance;
- A unit subsidized with any governmental rent subsidy (a subsidy that pays all or any part of the rent);
- A unit subsidized with any governmental subsidy that covers all or any part of the operating costs of the housing;
- A unit subsidized with rental assistance payments under Section 521 of the Housing Act of 1949, 42 U.S.C. 1490a (a Rural Housing Service Program). However, NHHFA may attach assistance for a unit subsidized with Section 515 interest reduction payments (42 U.S.C. 1485);
- A Section 202 project for non-elderly with disabilities;
- Section 811 project-based supportive housing for persons with disabilities;
- Section 202 supportive housing for the elderly;
- A Section 101 rent supplement project;
- A unit subsidized with any form of tenant-based rental assistance; or

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- A unit with any other duplicative federal, state, or local housing subsidy, as determined by HUD or NHHFA in accordance with HUD requirements. For this purpose, housing subsidy does not include the housing component of a welfare payment; a social security payment; or a federal, state, or local tax concession (such as relief from local real property taxes).

17-II.G. Subsidy Layering Requirements

[24 CFR 983.11, 24 CFR 983.153(b), 24 CFR 4.13, Notice PIH 2013-11, and FR Notice 3/13/23]
Development Activity Before HAP Contract [24 CFR 983.153(b)]

As part of the PBV project or proposal selection process, the project owner must disclose information regarding all HUD and/or other federal, state, or local governmental assistance committed to the project, as well as other governmental assistance, using Form HUD-2880 (even if no other governmental assistance is received or anticipated) [FR Notice 3/3/23].

HUD requires a subsidy layering review (SLR) be conducted when new construction or rehabilitation housing will include PBVs in combination with other governmental housing assistance from federal, state, or local agencies, including assistance such as tax concessions or tax credits. The SLR must occur before NHHFA attaches PBV assistance to a project. This means when an SLR is required, NHHFA may not execute an AHAP or HAP contract until HUD or a HUD-approved housing credit agency (HCA) has conducted the required subsidy layering review and determined the project compliance with 24 CFR 4.13 and other related regulation requirements with regards to attaching PBV assistance. Subsidy layering requirements also do not apply to existing housing when PBV is the only governmental assistance.

Conducting the SLR [FR Notice 3/3/23 and Notice PIH 2023-15]

NHHFA is a participating HCA. NHHFA is responsible for collecting all required documentation for the SLR from the project owner. Appendix A of FR Notice 3/23/23 contains a list of all required documentation. The owner must inform NHHFA if any information changes during or after the application process. If new information becomes available after initial submission, NHHFA is responsible for submitting updated information to HUD or the HCA.

If HUD completes the SLR and determines the PBV assistance complies with all requirements, HUD will notify NHHFA in writing. If the SLR request is submitted to an approved HCA, and the proposed project-based voucher assistance meets HUD subsidy layering requirements, the HCA must submit a certification to HUD and notify NHHFA. NHHFA may proceed to execute an AHAP at that time if the environmental approval is received.

Additional Assistance after HAP Contract [24 CFR 983.11(d)]

The HAP contract must contain the owner's certification that the project has not received and will not receive (before or during the term of the HAP contract) any public assistance for acquisition, development, or operation of the housing other than assistance disclosed in the subsidy layering review in accordance with HUD requirements, unless the owner discloses additional assistance in accordance with HUD requirements [24 CFR 983.11(d)].

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For newly constructed or rehabilitated housing under a HAP contract, the owner must disclose to NHHFA information regarding any additional related assistance from the federal government, a state, or a unit of general local government, or any agency or instrumentality thereof. Related assistance includes but is not limited to any loan, grant, guarantee, insurance, payment, rebate, subsidy, credit, tax benefit, or any other form of direct or indirect assistance. If the additional related assistance meets certain threshold and other requirements established by HUD, a subsidy layering review may be required to determine if it would result in excess public assistance to the project. NHHFA must adjust the amount of the housing assistance payments to the owner to compensate in whole or in part for such related assistance.

17-II.H. Site Selection Standards

Compliance with PBV Goals, Civil Rights Requirements, and Site and Neighborhood Standards [24 CFR 983.55(b)]

NHHFA may not select a project or proposal for existing, newly constructed, or rehabilitated PBV housing on a site or enter into an AHAP or HAP contract for units on the site, unless NHHFA has determined that PBV assistance for housing at the selected site is consistent with the goal of deconcentrating poverty and expanding housing and economic opportunities. The standard for deconcentrating poverty and expanding housing and economic opportunities must be consistent with NHHFA Plan under 24 CFR 903 and NHHFA administrative plan.

In addition, prior to selecting a proposal, NHHFA must determine that the site is suitable from the standpoint of facilitating and furthering full compliance with the applicable Civil Rights Laws, regulations, and Executive Orders, and that the site meets the housing quality standards and neighborhood standards at 24 CFR 5.703.

NHHFA Policy

It is NHHFA goal to select sites for PBV housing that provide for deconcentrating poverty and expanding housing and economic opportunities. In complying with this goal NHHFA will limit approval of sites for PBV housing in census tracts that have poverty concentrations of 20 percent or less.

However, NHHFA will grant exceptions to the 20 percent standard where NHHFA determines that the PBV assistance will complement other local redevelopment activities designed to deconcentrate poverty and expand housing and economic opportunities in census tracts with poverty concentrations greater than 20 percent, such as sites in:

- A census tract in which the proposed PBV development will be located in a HUD-designated Enterprise Zone, Economic Community, Choice Neighborhood, or Renewal Community.
- A census tract where the concentration of assisted units will be or has decreased as a result of public housing demolition and HOPE VI redevelopment.
- A census tract in which the proposed PBV development will be located is undergoing significant revitalization as a result of state, local, or federal dollars invested in the area.

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- A census tract where new market rate units are being developed where such market rate units will positively impact the poverty rate in the area;
- A census tract where there has been an overall decline in the poverty rate within the past five years; or
- A census tract where there are meaningful opportunities for educational and economic advancement.

NHHFA will also consider whether the site is suitable from the standpoint of facilitating and furthering full compliance with the applicable provisions of Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000d(4)) and HUD's implementing regulations at 24 CFR Part 1; Title VIII of the Civil Rights Act of 1968 (42 U.S.C. 3601-3629) and HUD's implementing regulations at 24 CFR Parts 100 through 199; Executive Order 11063 (27 FR 11527; 3 CFR, 1959-1963 Comp., p. 652), and HUD's implementing regulations at 24 CFR Part 107.

The site must also be suitable from the standpoint of facilitating and furthering full compliance with the applicable provisions of the Americans with Disabilities Act (42 U.S.C. 12131-12134) and implementing regulations (28 CFR Part 35), and Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and HUD's implementing regulations at 24 CFR Part 8, including meeting the Section 504 site selection requirements described in 24 CFR 8.4(b)(5).

NHHFA will also consider whether the site and neighborhood are reasonably free from disturbing noises and reverberations and other dangers to the health, safety, and general welfare of the occupants. The site and neighborhood may not be subject to serious adverse environmental conditions, natural or manmade, that could affect the health or safety of the project occupants, such as dangerous walks or steps; contamination; instability; flooding, poor drainage, septic tank back-ups or sewage hazards; mudslides; abnormal air pollution, smoke or dust; excessive noise, vibration or vehicular traffic; excessive accumulations of trash; vermin or rodent infestation; or fire hazards.

Existing and Rehabilitated Housing Site and Neighborhood Standards

[24 CFR 983.55(d)]

NHHFA may not enter into an AHAP or HAP contract for existing or rehabilitated housing until it has determined that the site complies with the HUD required site and neighborhood standards. The site must:

- Be adequate in size, exposure, and contour to accommodate the number and type of units proposed.
- Have adequate utilities and streets available to service the site.
- Promote a greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons.
- Be accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services equivalent to those found in neighborhoods consisting largely of unassisted similar units; and
- Be located so that travel time and cost via public transportation or private automobile from the neighborhood to places of employment is not excessive.

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New Construction Site and Neighborhood Standards

[24 CFR 983.55(e)]
In order to be selected for PBV assistance, a site for newly constructed housing must meet the following HUD required site and neighborhood standards:

- The site must be adequate in size, exposure, and contour to accommodate the number and type of units proposed;
- The site must have adequate utilities and streets available to service the site;
- The site must not be located in an area of minority concentration unless NHHFA determines that sufficient, comparable opportunities exist for housing for minority families in the income range to be served by the proposed project outside areas of minority concentration or that the project is necessary to meet overriding housing needs that cannot be met in that housing market area;
- The site must not be located in a racially mixed area if the project will cause a significant increase in the proportion of minority to non-minority residents in the area.
- The site must promote a greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons;
- The neighborhood must not be one that is seriously detrimental to family life or in which substandard dwellings or other undesirable conditions predominate, unless there is actively in progress a concerted program to remedy the undesirable conditions;
- The housing must be accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services equivalent to those found in neighborhoods consisting largely of unassisted similar units; and
- Except for housing designed for elderly persons, the housing must be located so that travel time and cost via public transportation or private automobile from the neighborhood to places of employment is not excessive.

17-II.I. Environmental Review

[24 CFR 983.56]
NHHFA activities under the PBV program are subject to HUD environmental regulations in 24 CFR parts 50 and 58, other than where exceptions are provided in the PBV regulations.
For projects or proposals that were selected in accordance with the site selection standards at 24 CFR 983.55 in effect on or after June 6, 2024, no environmental review is required to be undertaken before entering into a HAP contract for existing housing, except to the extent a Federal environmental review is required by law or regulation relating to funding other than PBV.

When an environmental review is required, the responsible entity is responsible for performing the federal environmental review under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.). If the review has not been conducted prior to the proposal or project selection date, then NHHFA's written notice of proposal or project selection must state that the selection is subject to completion of a favorable environmental review and that the project may be rejected based on the results of the environmental review. NHHFA may not enter into an

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AHAP or HAP contract until the responsible entity has complied with the environmental review requirements.

NHHFA may not enter into an AHAP or a HAP contract with an owner, and NHHFA, the owner, and its contractors may not acquire, rehabilitate, convert, lease, repair, dispose of, demolish, or construct real property or commit or expend program or local funds for PBV activities under this part, until one of the following occurs:

- The responsible entity has determined that the activities to be undertaken are exempt under 24 CFR 85.34(a) or categorically excluded and not subject to compliance with environmental laws under 24 CFR 58.35(b);
- The responsible entity has completed the environmental review procedures required by 24 CFR Part 58, and HUD has approved NHHFA's Request for Release of Funds and Certification (form HUD-7015.15)
- HUD approves the Request for Release of Funds and Certification by issuing a Letter to Proceed or form HUD-7015.16, thereby authorizing NHHFA to execute an AHAP or HAP contract, as applicable; or
- HUD has performed an environmental review under 24 CFR Part 50 and has notified NHHFA in writing of environmental clearance.

NHHFA must supply all available, relevant information necessary for the responsible entity to perform any required environmental review for any site. NHHFA must require the owner to carry out mitigating measures required by the responsible entity (or HUD, if applicable) as a result of the environmental review.

PART III: Dwelling Units

17-III.A. Overview

This part identifies the special housing quality standards that apply to the PBV program, housing accessibility for persons with disabilities, and special procedures for conducting inspections.

17-III.B. Housing Quality Standards

[24 CFR 983.101]
Housing quality standards for the tenant-based program, including those for special housing types, generally apply to the PBV program. Housing quality standards requirements for shared housing, and the homeownership option do not apply because these housing types are not assisted under the PBV program.

The owner is required to maintain and operate the contract units and premises in accordance with housing quality standards, including performance of ordinary and extraordinary maintenance. The owner must provide all the services, maintenance, equipment, and utilities specified in the HAP contract with NHHFA and in the lease with each assisted family. In addition, maintenance, replacement and redecoration must be in accordance with the standard practice for the building as established by the owner.

Lead-based Paint

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[24 CFR 983.101(c)]
The lead-based paint requirements for the tenant-based voucher program do not apply to the PBV program. Instead, the Lead-based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations at 24 CFR Part 35, Subparts A, B, H, and R, and 40 CFR 745.227, apply to the PBV program.

Housing Quality and Design Requirements [24 CFR 983.101(e) and 983.208(a)]

NHHFA may elect to establish additional requirements for quality, architecture, or design of PBV housing. Any such additional requirements must be specified in the AHAP and the HAP contract. These requirements must be in addition to, not in place of, compliance with housing quality standards. NHHFA must specify the conditions under which it will require additional housing quality requirements in the administrative plan.

NHHFA Policy

NHHFA will identify the need for any special features on a case-by-case basis depending on the intended occupancy of the PBV project. NHHFA will specify any special design standards or additional requirements in the invitation for PBV proposals (if applicable), the AHAP, and the HAP contract.

17-III.C. Housing Accessibility for Persons with Disabilities

[24 CFR 983.102]
The housing must comply with program accessibility requirements of section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR part 8. NHHFA must ensure that the percentage of accessible dwelling units complies with the requirements of section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), as implemented by HUD's regulations at 24 CFR 8, subpart C.

Housing first occupied after March 13, 1991, must comply with design and construction requirements of the Fair Housing Amendments Act of 1988 and implementing regulations at 24 CFR 100.205, as applicable. (24 CFR 983.102)

17-III.D. Inspecting Units

[24 CFR 983.103]
NHHFA must inspect contract units whenever needed to determine that the contract units comply with housing quality standards and that the owner is providing maintenance, utilities, and other services in accordance with the HAP contract. NHHFA must take into account complaints and any other information coming to its attention in scheduling inspections.

Pre-selection Inspection

[24 CFR 983.103(a)]
If the units to be assisted already exist, NHHFA must inspect all the units before the proposal selection date and must determine if the project meets the definition of existing housing. If the project is existing housing, NHHFA may not execute the HAP contract until the units meet the initial inspection requirements in accordance with 24 CFR 983.103(c).

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Initial Inspection: Newly Constructed and Rehabilitated Projects That Underwent Substantial Improvement [24 CFR 983.103(b)]

Following completion of work pursuant to 24 CFR 983.155, NHHFA must complete the following inspections, as applicable:

- For rehabilitated housing that is developed prior to the HAP contract term or newly constructed housing, NHHFA must inspect each proposed newly constructed and rehabilitated PBV unit before execution of the HAP contract. Each proposed PBV unit must fully comply with housing quality standards prior to HAP contract execution.
- For rehabilitated housing that will undergo development activity after HAP contract execution, NHHFA must conduct unit inspections in accordance with the requirements of 24 CFR 983.157.
- For units that underwent substantial improvement pursuant to 24 CFR 983.207(d) or 983.212, inspect each unit. Each PBV unit that underwent substantial improvement must fully comply with housing quality standards prior to NHHFA adding the unit to the HAP contract, returning the unit temporarily removed to the HAP contract, allowing re-occupancy of the unit, and resuming housing assistance payments, as applicable.

Initial Inspection: Existing Housing

[24 CFR 983.103(c)]

NHHFA must inspect and determine that all of the proposed PBV units fully comply with housing quality standards before entering into the HAP contract, unless NHHFA has adopted a policy to enter into a HAP contract for units that fail the initial inspection as a result of only non-life-threatening conditions (NLT option), or if the unit passed an alternative inspection, or both. NHHFA must establish in its administrative plan the amount of time that may elapse between the initial inspection of existing housing and execution of a HAP contract for that unit.

NHHFA Policy

NHHFA will not provide assistance on behalf of the family until the unit fully complies with housing quality standards.

NHHFA will not rely on alternative inspections for initial inspections.

The HAP contract for existing housing must be executed within 45 calendar days of the initial inspection.

Turnover Inspections

[24 CFR 983.103(d)]

Before providing assistance to a new family in a contract unit, NHHFA must inspect the unit. NHHFA may not provide assistance on behalf of the family until the unit fully complies with housing quality standards.

Periodic Inspections

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[24 CFR 983.103(e); FR Notice 6/25/14]
At least once every 36 months during the term of the HAP contract (or at least triennially for MTW agencies), NHHFA must inspect a random sample consisting of at least 20 percent of the contract units in each building to determine if the contract units and the premises are maintained in accordance with housing quality standards. Turnover inspections are not counted toward meeting this inspection requirement.

NHHFA Policy

NHHFA will inspect a random sample consisting of at least 20 percent of the contract units in each building to determine if the contract units and the premises are maintained in accordance with housing quality standards.

If more than 20 percent of the sample of inspected contract units in a building fail the initial inspection, NHHFA must reinspect 100 percent of the contract units in the building.
This requirement also applies in the case of a HAP contract that is undergoing development activity after HAP contract execution; however, if the periodic inspection occurs during the period of development activity covered by the rider and fewer than 20 percent of contract units in each building are designated in the rider as available for occupancy, NHHFA is only required to inspect the units in that building that are designated as available for occupancy.

Alternative Inspections for Periodic Inspections

[24 CFR 983.103(g); Notice PIH 2016-05]
In the case of mixed finance properties that are subject to alternative inspections, NHHFA may rely upon an alternative inspection conducted at least triennially to demonstrate compliance with inspection requirements.

NHHFA Policy

NHHFA will not rely on alternative inspection standards.

Interim Inspections

[24 CFR 983.103(f)]
If a participant or government official notifies NHHFA of a potential deficiency in a PBV unit or development, the following applies:

If the reported deficiency is life-threatening, NHHFA must, within 24 hours of notification, both inspect the housing unit and notify the owner if the life-threatening deficiency is confirmed. The owner must then make the repairs within 24 hours of NHHFA notification.

If the reported deficiency is non-life-threatening, NHHFA must, within 15 days of notification, both inspect the unit and notify the owner if the deficiency is confirmed. The owner must then make the repairs within 30 days of notification from NHHFA or within any NHHFA-approved extension.

NHHFA Policy

During an interim inspection, NHHFA generally will inspect only those deficiencies that were

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reported. However, the inspector will record any additional deficiencies that are observed and will require the responsible party to make the necessary repairs.

If the periodic inspection has been scheduled or is due within 90 days of the date the special inspection is scheduled NHHFA may elect to conduct a full inspection.

Follow Up Inspections

[24 CFR 983103(f)(2)]
NHHFA must conduct follow-up inspections needed to determine if the owner (or, if applicable, the family) has corrected a housing quality standards violation and must conduct inspections to determine the basis for exercise of contractual and other remedies for owner or family violations of housing quality standards.

Supervisory Quality Control Inspections

[24 CFR 983.103(f)(3)]
In conducting NHHFA supervisory quality control inspections, NHHFA should include a representative sample of both tenant-based and project-based units.

PART IV: Rehabilitated and Newly Constructed Units

17-IV.A. Overview

[24 CFR 983.151 and 983.152]
There are specific requirements that apply to PBV assistance for newly constructed or rehabilitated housing that do not apply to PBV assistance in existing housing. This part describes the requirements unique to this type of assistance. Housing selected for this type of assistance may not at a later date be selected for PBV assistance as existing housing.

17-IV.B. Agreement to Enter into Hap Contract (AHAP)

[24 CFR 983.154]
Except where NHHFA decides not to use an AHAP or chooses to execute an AHAP after construction or rehabilitation has commenced, NHHFA and the owner must enter into an AHAP that will govern development activity. In the AHAP, the owner agrees to develop the PBV contract units to comply with housing quality standards, and NHHFA agrees that upon timely completion of development in accordance with the terms of the AHAP, NHHFA will enter into a HAP contract with the owner for the contract units. The AHAP must cover a single project, except one AHAP may cover multiple projects that each consist of a single-family building.

The effective date of the AHAP must be on or after the date the AHAP is executed. The AHAP must be executed and effective prior to the commencement of development activity as described in 24 CFR 983.154(d), except where NHHFA decides not to use an AHAP or chooses to execute an AHAP after construction or rehabilitation has commenced. The AHAP must be in the form required by HUD.

NHHFA and owner may agree to amend the contents of the AHAP by executing an addendum,

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so long as such amendments are consistent with all PBV requirements. NHHFA and owner may only execute an addendum affecting a unit prior to NHHFA accepting the completed unit.

Development activity must not commence after the date of proposal submission (for housing subject to competitive selection) or the date of NHHFA's board resolution approving the project-basing of assistance at the project (for housing excepted from competitive selection) and before the effective date of the AHAP, except where NHHFA decides not to use an AHAP or chooses to execute an AHAP after construction or rehabilitation has commenced. In the case of new construction, development activity begins with excavation or site preparation (including clearing of the land). Rehabilitation begins with the physical commencement of rehabilitation activity on the housing.

NHHFA Discretion Not to Use an AHAP [24 CFR 983.154(f)]

NHHFA may decide not to use an AHAP or may choose to execute an AHAP after construction or rehabilitation that complied with applicable requirements of 24 CFR 983.153 has commenced. To do so, NHHFA must explain the circumstances (if any) under which NHHFA will enter into a PBV HAP contract for newly constructed or rehabilitated housing without first entering into an AHAP and under which NHHFA will enter into an AHAP after construction or rehabilitation has commenced.

NHHFA Policy

NHHFA will not exercise its discretion to not use an AHAP or to execute an AHAP after construction or rehabilitation.

Content of the AHAP [24 CFR 983.154(e)]

At a minimum, the AHAP must describe the following features of the housing to be developed and assisted under the PBV program:

- Site and the location of the contract units;
- Number of contract units by area (square footage) and number of bedrooms and bathrooms;
- Services, maintenance, or equipment to be supplied by the owner without charges in addition to the rent to owner;
- Utilities available to the contract units, including a specification of utility services to be paid by the owner (without charges in addition to rent) and utility services to be paid by the tenant;
- An indication of whether or not the design and construction requirements of the Fair Housing Act and section 504 of the Rehabilitation Act of 1973 apply to units under the AHAP. If applicable, any required work item resulting from these requirements must be included in the description of work to be performed under the AHAP;
- A description of any required work item if the requirement to install broadband infrastructure applies;
- Estimated initial rents to owner for the contract units;
- Description of the work to be performed under the AHAP.
- For rehabilitated units, the description must include the rehabilitation work write up and,

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where determined necessary by NHHFA, specifications and plans.

- For new construction units, the description must include the working drawings and specifications.
- The deadline for completion of the work to be performed under the AHAP; and
- Any additional requirements for quality, architecture, or design over and above housing quality standards. NHHFA must specify the conditions under which it will require additional housing quality requirements in the administrative plan.

Execution of the AHAP

[FR Notice 11/24/08]
The AHAP must be executed promptly after NHHFA's notice of proposal selection to the selected owner.

NHHFA Policy

NH Housing affirmatively adopts flexibility by stating that it may use its discretion to conduct development activities before execution of an AHAP. NH Housing's policy is that it will allow a post-construction start AHAP to be signed when

(1) NH Housing determines the pre-AHAP development activity is in the best interests of NH Housing and the housing project, and
(2) NH Housing complies with 24 CFR 983.154(f) (or 983.154(g), when effective).

NHHFA will enter into the AHAP with the owner within a reasonable time of receiving both environmental approval and notice that subsidy layering requirements have been met.

17-IV.C. Development Requirements

Labor Standards

[24 CFR 983.153(c)]
If an AHAP covers the development of nine or more contract units (whether or not completed in stages), the owner and the owner's contractors and subcontractors must pay Davis-Bacon wages to laborers and mechanics employed in the development of housing.

Further, these Davis-Bacon requirements apply to existing PBV units when the nature of any work to be performed either before the execution of the HAP contract or within 18-months after execution constitutes project development. Any development initiated on existing units within 18-months after the effective date of the HAP contract on projects with nine or more contract units triggers Davis-Bacon requirements.

When NHHFA exercises its discretion at 24 CFR 983.154(f) or 983.157(a) to allow the owner to conduct some or all development activity while the proposed PBV units are not under an AHAP or HAP contract, the applicable parties must comply with the labor standards outlined above from the date of proposal submission (for housing subject to competitive selection) or from the date of NHHFA's board resolution approving the project-basing of assistance at the project (for housing excepted from competitive selection).

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The AHAP will include the labor standards clauses required by HUD, such as those involving Davis-Bacon wage rates.

The owner, contractors, and subcontractors must also comply with the Contract Work Hours and Safety Standards Act, Department of Labor regulations in 29 CFR part 5, and other applicable federal labor relations laws and regulations. NHHFA must monitor compliance with labor standards.

For any project to which labor standards apply, NHHFA's written notice to the party that submitted the selected proposal or board resolution approving project-basing of assistance at the specific project must state that any construction contracts must incorporate a Davis-Bacon contract clause and the current applicable prevailing wage determination.

Development activity is also subject to the federal equal employment opportunity requirements of Executive Orders 11246 as amended (3 CFR, 1964-1965 Comp., p. 339), 11625 (3 CFR, 1971-1975 Comp., p. 616), 12432 (3 CFR, 1983 Comp., p. 198), and 12138 (3 CFR, 1977 Comp., p. 393).

Accessibility

[24 CFR 983.153(e)]
As applicable, the design and construction requirements of the Fair Housing Act and implementing regulations at 24 CFR 100.205; the accessibility requirements of Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR Part 8, including 8.22 and 8.23; and Title II of the Americans with Disabilities Act (42 U.S.C. 12131-12134) and implementing regulations at 28 CFR Part 35, including 24 CFR 35.150 and 35.151, apply to development activity.

A description of any required work item resulting from these requirements must be included in the AHAP (if applicable) or HAP contract (if applicable).

Broadband Infrastructure

[24 CFR 983.153(f)]
Any development activity that constitutes substantial rehabilitation (as defined by 24 CFR 5.100) of a building with more than four rental units and where the proposal or project selection date or the start of the development activity while under a HAP contract is after January 19, 2017, must include installation of broadband infrastructure, as defined in 24 CFR 5.100, except where the owner determines and documents the determination that:

- The location of the new construction or substantial rehabilitation makes installation of broadband infrastructure infeasible;
- The cost of installing broadband infrastructure would result in a fundamental alteration in the nature of its program or activity or in an undue financial burden; or
- The structure of the housing to be substantially rehabilitated makes installation of broadband infrastructure infeasible.

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- A description of any required work item resulting from this requirement must be included in the AHAP (if applicable) or HAP contract (if applicable).

Owner Disclosure

[24 CFR 983.153(g)]
The AHAP and HAP contract must include a certification by the owner that the owner and other project principals are not on the U.S. General Services Administration list of parties excluded from federal procurement and non-procurement programs.

The owner must also disclose any possible conflict of interest that would be a violation of the AHAP, the HAP contract, or HUD regulations.

17-IV.D. Completion of Work

[24 CFR 983.155]

Evidence of Completion

[24 CFR 983.155]
The owner must submit evidence and certify to NHHFA, in the form and manner required by NHHFA's administrative plan, that development activity or substantial improvement has been completed, and that all such work was completed in accordance with the applicable requirements. NHHFA must review the evidence to determine whether the development activity or substantial improvement was completed in accordance with the applicable requirements.

NHHFA Policy

At a minimum, the owner must submit the following evidence of completion to NHHFA or independent entity, as applicable:

Owner certification that the work has been completed in accordance with housing quality standards and all requirements of the AHAP; and

Owner certification that the owner has complied with labor standards and equal opportunity requirements in development of the housing; and

A certificate of occupancy or other evidence that the units comply with local requirements (such as code and zoning requirements).

NHHFA will determine the need for the owner to submit additional documentation as evidence of housing completion on a case-by-case basis depending on the nature of the PBV project.

NHHFA will specify any additional documentation requirements in the AHAP.

NHHFA Acceptance of Completed Units

[24 CFR 983.156(a) and (b)]
After NHHFA has received all required evidence of completion and the owner's certification that all work was completed in accordance with the applicable requirements, NHHFA must inspect to

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determine if the housing has been completed in accordance with the AHAP, including compliance with housing quality standards and any additional design, architecture, or quality requirements imposed under the AHAP.

If the work has not been completed in accordance with the AHAP, NHHFA must not enter into the HAP contract.

If NHHFA determines the work has been completed in accordance with the AHAP and all applicable requirements and that the owner has submitted all required evidence of completion, NHHFA must:

- For units which will not undergo development activity after HAP contract execution, submit the HAP contract for execution by the owner and then execute the HAP contract.
- For rehabilitated housing projects for which development activity has commenced prior to HAP contract execution under 24 CFR 983.157(b), submit the HAP contract for execution by the owner and then execute the HAP contract.
- For development activity after the HAP contract execution, amend the HAP contract rider to designate the completed units as available for occupancy, or if the owner has completed all development activity as provided in the rider, amend the HAP contract to delete the rider; or
- For units that underwent substantial improvement in order to be added to the HAP contract, amend the HAP contract to add the units to the HAP contract.

Staged Completion of Contract Units

[24 CFR 983.156(c)]
Contract units that will not undergo development activity after HAP contract execution may be placed under the HAP contract in stages commencing on different dates. In such a case, NHHFA must determine separately for each stage whether the development activity was completed in accordance with the applicable requirements and that the units meet housing quality standards, and any additional design, architecture, or quality requirements specified by NHHFA. If the first stage is determined compliant, then NHHFA must submit the HAP contract for execution by the owner and must execute the HAP contract for PBV rehabilitated housing and newly constructed housing projects. As each subsequent stage is determined to be compliant, NHHFA and owner must amend the HAP contract to add the units to the HAP contract.

PART V: Housing Assistance Payments (HAP) Contract

17-V.A. Overview

[24 CFR 983.202(a)]
NHHFA must enter into a HAP contract with an owner for units that are receiving PBV assistance. The purpose of the HAP contract is to provide housing assistance payments for eligible families leasing PBV units during the term of the HAP contract. With some exceptions, a HAP contract must cover a single project. If multiple projects exist, each project is covered by a separate HAP contract. However, a PHA and owner may agree to place multiple projects, each

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consisting of a single-family building, under one HAP contract. The HAP contract must be in the form required by HUD.

17-V.B. HAP Contract Requirements

Contract Information

[24 CFR 983.203]
The HAP contract must specify the following information:

- The total number of contract units by number of bedrooms.
- The project's name, street address, city or county, state and ZIP code, block and lot number (if known), and any other information necessary to clearly identify the site and the building.
- The number of contract units in each building, the location of each contract unit, the area of each contract unit, and the number of bedrooms and bathrooms in each contract unit.
- Services, maintenance, and equipment to be supplied by the owner and included in the rent to owner.
- Utilities available to the contract units, including a specification of utility services to be paid by the owner (included in rent) and utility services to be paid by the tenant.
- Features provided to comply with program accessibility requirements of Section 504 of the Rehabilitation Act of 1973 and implementing regulations at 24 CFR part 8 and the Americans with Disabilities Act, as applicable.
- The HAP contract term.
- The number of units under the increased program cap or excepted from the project cap that will be set aside for occupancy by families who qualify for such a unit.
- The initial rent to owner for the first 12 months of the HAP contract term; and
- Whether NHHFA has elected not to reduce rents below the initial rent to owner.

Execution of the HAP Contract

[24 CFR 983.204]
Before execution of the HAP contract, NHHFA must determine that applicable pre-HAP contract housing quality standards requirements have been met in accordance with 24 CFR 983.103(b) or (c) as applicable. NHHFA may not execute the HAP contract for any contract unit that does not meet the pre-HAP contract housing quality standards requirements. For existing housing, the HAP contract must be executed promptly after NHHFA selects the owner proposal and NHHFA determines that applicable pre-HAP contract housing quality standards requirements have been met. For newly constructed or rehabilitated housing that will not undergo development activity after HAP contract execution, the HAP contract must be executed promptly after NHHFA has inspected the completed units and has determined that the units have been completed in accordance with the AHAP, and the owner furnishes all required evidence of completion. For rehabilitated housing that will undergo development activity after HAP contract execution, the HAP contract must be executed and effective promptly after all proposed PBV units are added to the contract at this time, including units that do not comply with HQS or that will undergo development activity.

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NHHFA Policy

For existing housing, the HAP contract will be executed within 10 business days of NHHFA determining that all units pass inspection.

For rehabilitated or newly constructed housing, the HAP contract will be executed within 10 business days of NHHFA determining that the units have been completed in accordance with the AHAP, all units meet housing quality standards, and the owner has submitted all required evidence of completion.

Effective Date of the HAP Contract [24 CFR 983.204(d)]

The effective date of the HAP contract must be on or after the date the HAP contract is executed. The HAP contract must be effective before the effective date of the first lease covering a contract unit occupied by an assisted family, and NHHFA may not pay any housing assistance payment to the owner until the HAP contract is effective.

Term of HAP Contract [24 CFR 983.205, FR Notice 1/18/17, and Notice PIH 2017-21]

NHHFA may enter into a HAP contract with an owner for an initial term of no less than one year and no more than 20 years for each contract unit. The length of the term of the HAP contract for any contract unit may not be less than one year, nor more than 20 years.

NHHFA Policy

The term of all PBV HAP contracts will be negotiated with the owner on a case-by-case basis.

NHHFA and owner may agree at any time before expiration of the HAP contract to execute one or more extensions of the HAP contract term, but the following conditions apply:

- Each extension executed must have a term that does not exceed 20 years.
- At no time may the total remaining term of the HAP contract, with extensions, exceed 40 years.
- Before agreeing to an extension, NHHFA must determine that the extension is appropriate to continue providing affordable housing for low-income families or to expand housing opportunities; and
- Each extension must be on the form and subject to the conditions prescribed by HUD at the time of the extension.

NHHFA Policy

When determining whether or not to extend an expiring PBV contract, NHHFA will consider several factors including, but not limited to:

- The cost of extending the contract and the amount of available budget authority.
- The condition of the contract units.
- The owner's record of compliance with obligations under the HAP contract and leases.
- Whether the location of the units continues to support the goals of deconcentrating poverty and expanding housing opportunities; and
- Whether the funding could be used more appropriately for tenant-based assistance.

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17-V.C. Termination of The HAP Contract

Termination by Agreement of NHHFA and Owner

[24 CFR 983.206(e)]
NHHFA and owner may agree to terminate the HAP contract prior to the end of the term. The owner is required to give notice in accordance 24 CFR 983.206(a) prior to termination, and families must be provided tenant-based assistance and may elect to remain in the project.

Termination by NHHFA

[24 CFR 983.205(c)]
The HAP contract must provide that NHHFA may terminate the contract for insufficient funding, subject to HUD requirements. NHHFA has the option of terminating a PBV HAP contract based on "insufficient funding" only if:

- NHHFA determines in accordance with HUD requirements that it lacks sufficient HAP funding (including HAP reserves) to continue to make housing assistance payments for all voucher units currently under a HAP contract;
- NHHFA has taken cost-saving measures specified by HUD;
- NHHFA notifies HUD of its determination and provides the information required by HUD; and
- HUD determines that NHHFA lacks sufficient funding and notifies NHHFA it may terminate HAP contracts as a result.
- If NHHFA determines that the owner has breached the HAP contract, NHHFA may exercise any of its rights or remedies under the HAP contract, including but not limited to contract termination. The provisions of 24 CFR 983.208 apply for HAP contract breaches involving failure to comply with housing quality standards. For any other contract termination due to breach, 24 CFR 983.206(b) on provision of tenant-based assistance applies.

Non-extension by Owner – Notice Requirements

[24 CFR 983.206(a)]
Not less than one year before the HAP contract terminates, the owner must notify NHHFA and assisted tenants of the termination. The notice must be provided in the form prescribed by HUD. The term termination for applicability of this notice requirement means the expiration of the HAP contract, termination of the HAP contract by agreement of NHHFA and owner, or an owner's refusal to renew the HAP contract.

If the owner does not give timely notice, the owner must permit the tenants in assisted units to remain in their units for the required notice period with no increase in the tenant portion of their rent, and with no eviction as a result of the owner's inability to collect an increased tenant portion of rent. An owner and NHHFA may agree to renew the terminating contract for a period of time sufficient to give tenants one-year advance notice under such terms as HUD may require.

Termination by Owner – Reduction Below Initial Contract Rent

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[24 CFR 983.206(d)]
If the amount of the rent to owner for any contract unit, as adjusted, is reduced below the amount of the initial rent to owner, the owner may terminate the HAP contract, upon notice to NHHFA no fewer than 90 calendar days prior to the planned termination, and families must be provided tenant-based assistance and may elect to remain in the project. The owner is not required to provide the one-year notice of the termination of the HAP contract to the family and NHHFA when terminating the HAP contract due to rent reduction below the initial rent to owner.

Termination or Expiration without Extensions – Required Provision of Tenant-Based Assistance

[24 CFR 983.206(b)]
Unless a termination or expiration without extension occurs due to a determination of insufficient funding or other extraordinary circumstances determined by HUD, upon termination or expiration of the contract, a family living at the property is entitled to receive a tenant-based voucher no fewer than 60 calendar days prior to the planned termination or expiration of the PBV HAP contract. However, NHHFA is not required to issue the family a voucher if NHHFA has offered the family an alternative housing option (e.g., an assisted unit in another PBV project), and the family chooses to accept the alternative housing option instead of the voucher.

- Tenant-based assistance would not begin until the owner's required notice period ends. NHHFA must provide the family with a voucher and the family must also be given the option by NHHFA and owner to remain in their unit with HCV tenant-based assistance subject to the following:
- The unit must comply with housing quality standards;
- NHHFA must determine or have determined that the rent for the unit is reasonable;
- The family must pay its required share of the rent and the amount, if any, by which the unit rent (including the amount allowed for tenant-based utilities) exceeds the applicable payment standard (the limitation at 24 CFR 982.508 regarding maximum family share at initial occupancy does not apply); and

The owner may not refuse to initially lease a unit in the project to a family that elects to use their tenant-based assistance to remain in the same project, except where the owner will use the unit for a purpose other than a residential rental unit. The owner may not later terminate the tenancy of such a family, except for the following grounds:

- The grounds in 24 CFR 982.310, except paragraphs 24 CFR 982.310(d)(1)(iii) and (iv);
- The owner's desire to use the unit for a purpose other than a residential rental unit; and
- The owner's desire to renovate the unit, subject to the following:
- The owner must consider whether a reasonable alternative to terminating the lease exists. If a reasonable alternative exists, the owner must not terminate the lease. The owner must consider the following alternatives:
- Completing renovations without the family vacating the unit, if the renovations can be completed in a manner that does not result in life-threatening conditions, does not result in deficiencies under housing quality standards that are not corrected within 30 days, and is mutually agreeable to the owner and the family; and
- Temporarily relocating the family to complete the renovations, if the relocation and

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renovations can be completed within a single calendar month (beginning no sooner than the first day of a month and ending no later than the last day of the same month) and the family can be relocated to a location and in a manner mutually agreeable to the owner and the family.

- If the owner terminates the lease for renovation, the owner must make every reasonable effort to make available and lease the family another unit within the project that meets the tenant-based voucher program requirements; and
- If no other unit within the project is available for the family to lease during the renovation period or the family chooses to move from the project during the renovation period, the owner must make every reasonable effort to make available and lease the family a unit within the project upon completion of renovations.

The family has the right to remain in the project as long as the units are used for rental housing and are otherwise eligible for HCV assistance. Families that receive a tenant-based voucher at the expiration or termination of the PBV HAP contract are not new admissions to NHHFA HCV tenant-based program and are not subject to income eligibility requirements or any other admission requirements. If the family chooses to remain in their unit with tenant-based assistance, the family may do so regardless of whether the family share would initially exceed 40 percent of the family's adjusted monthly income.

The voucher issued to the family is the voucher attached to its unit under the expiring or terminating PBV contract. Consequently, if the family vacates the contract unit following the issuance of the tenant-based voucher and prior to the contract termination or expiration date, NHHFA must remove the unit from the PBV HAP contract at the time the family vacates the unit. The PBV HAP contract must provide that, if the units continue to be used for rental housing upon termination or expiration without extension of a PBV HAP contract, each assisted family may elect to use its tenant-based assistance to remain in the same project.

Remedies for Housing Quality Standards Deficiencies [24 CFR 983.208]

The following is applicable to HAP contracts executed or renewed June 5, 2024, or earlier:

- NHHFA may not make any HAP payment to the owner for a contract unit during any period in which the unit does not comply with housing quality standards. If NHHFA determines that a contract does not comply with housing quality standards, NHHFA may exercise any of its remedies under the HAP contract, for any or all of the contract units. Available remedies include termination of housing assistance payments, abatement or reduction of housing assistance payments, reduction of contract units, and termination of the HAP contract.

NHHFA Policy

NHHFA will abate and terminate PBV HAP contracts for noncompliance with housing quality standards in accordance with the policies used in the tenant-based voucher program. These policies are contained in Section 8-II.G., Enforcing Owner Compliance.

The following is applicable to HAP contracts executed or renewed June 6, 2024, or later.

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Enforcement of Housing Quality Standards

[24 CFR 983.208(b)]

NHHFA must vigorously enforce the owner's obligation to maintain contract units in accordance with housing quality standards. If the owner fails to maintain the dwelling unit in accordance with housing quality standards, NHHFA must take enforcement action. The unit is in noncompliance with housing quality standards if:

- NHHFA or other inspector authorized by the state or local government determines the unit has housing quality standards deficiencies based upon an inspection.
- The agency or inspector notifies the owner in writing of the unit housing quality standards deficiencies; and
- The deficiencies are not remedied within the following timeframes:
- For life-threatening deficiencies, the owner must correct the deficiency within 24 hours of notification.
- For other deficiencies, the owner must correct the deficiency within 30 calendar days of notification (or any reasonable NHHFA-approved extension).
- In the case of a housing quality standards deficiency that NHHFA determines is caused by the tenant, any member of the household, or any guest or other person under the tenant's control, other than any damage resulting from ordinary use, NHHFA may waive the owner's responsibility to remedy the violation. Housing assistance payments to the owner may not be withheld or abated if the owner responsibility has been waived. However, NHHFA may terminate assistance to a family because of a housing quality standards breach beyond damage resulting from ordinary use caused by any member of the household or any guest or other person under the tenant's control, which may result in removing the unit from the HAP contract.

NHHFA Policy

NHHFA will waive the owner's responsibility for housing quality standards deficiencies that have been determined to have been caused by the tenant, any member of the household, or any guest or other person under the tenant's control, to the extent the tenant can be held responsible for ensuring that the deficiencies are corrected: the tenant must take all necessary steps permissible under the lease and state and local law to remedy the deficiency. This may include paying the owner for the cost of the necessary repairs in accordance with the lease.

In the case of a housing quality standards deficiency that is caused by fire, natural disaster, or similar extraordinary circumstances, NHHFA may permit the owner to undertake substantial improvement in accordance with 24 CFR 983.212. However, so long as the contract unit with deficiencies is occupied, NHHFA must withhold or abate housing assistance payments and remove units from or terminate the HAP contract as described in this section.

In the case of a project that is undergoing development activity after HAP contract execution, the remedies of 24 CFR 983.208(d) do not apply to units designated as unavailable for occupancy during the period of development activity in accordance with the rider. However, in the case of any contract unit with deficiencies that is occupied, NHHFA must withhold or abate

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housing assistance payments and remove units from or terminate the HAP contract as described in this section.

Family Obligation

[24 CFR 983.208(c)]
The family may be held responsible for a breach of housing quality standards caused by any of the following:

- Tenant-paid utilities not in service;
- Failure to provide or maintain appliances owned by the family; and
- Damage to the dwelling unit or premises caused by a household member or guest beyond ordinary wear and tear.

NHHFA Policy

Damages beyond ordinary wear and tear will be considered to be damages which could be assessed against the security deposit under state law or in court practice.

If NHHFA has waived the owner's responsibility to remedy the violation, the following applies:

- If the housing quality standards breach caused by the family is life-threatening, the family must take all steps permissible under the lease and state and local law to ensure the deficiency is corrected within 24 hours of notification.
- For other family-caused deficiencies, the family must take all steps permissible under the lease and state and local law to ensure the deficiency is corrected within 30 calendar days of notification (or any NHHFA-approved extension).
- If the family has caused a breach of the housing quality standards, NHHFA must take prompt and vigorous action to enforce the family obligations. NHHFA may terminate assistance for the family in accordance with 24 CFR 982.552.

NHHFA Remedies

[24 CFR 983.208(d)]
The remedies listed below apply when housing quality standards deficiencies are identified as the result of an inspection other than a pre-selection, initial, or turnover inspection. NHHFA must identify in its administrative plan the conditions under which it will withhold HAP and the conditions under which it will abate HAP or terminate the HAP contract for units other than the unit with housing quality standards deficiencies.

NHHFA Policy

The owner and the family will be notified in writing of the results of all inspections. When an inspection identifies housing quality standards failures, NHHFA will determine (1) whether or not the failure is a life-threatening condition and (2) whether the family or owner is responsible.

NHHFA will not withhold assistance payments upon notification to the owner of the deficiencies. When life-threatening conditions are identified, NHHFA will immediately notify both parties by telephone or email. The notice will specify who is responsible for correcting the violation. The corrective actions must be taken within 24 hours of NHHFA's notice.

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When failures that are not life-threatening are identified, NHHFA will send the owner and the family a written notification of the inspection results within five business days of the inspection. The written notice will specify who is responsible for correcting the violation, and the time frame within which the failure must be corrected. Generally, not more than 30 days will be allowed for the correction.

If the owner is responsible for correcting the deficiency, the notice of inspection results will inform the owner that if life-threatening conditions are not corrected within 24 hours, and non-life-threatening conditions are not corrected within the specified time frame (or any NHHFA-approved extension), the owner's HAP will be abated.

Likewise, if the family is responsible for correcting the deficiency, the notice will inform the family that if corrections are not made within the specified time frame (or any NHHFA-approved extension, if applicable) the family's assistance will be terminated in accordance with NHHFA policy (see Chapter 12).

HAP Withholding

[24 CFR 983.208(d)(1)
NHHFA may withhold assistance payments for units that have housing quality standards deficiencies once NHHFA has notified the owner in writing of the deficiencies. NHHFA's administrative plan must identify the conditions under which NHHFA will withhold HAP. In this case, if the unit is brought into compliance during the applicable cure period, NHHFA resumes assistance payments and provides assistance payments to cover the time period for which the payments were withheld.

NHHFA Policy

NHHFA will not withhold assistance payments upon notification to the owner of the deficiencies.

HAP Abatement

[24 CFR 983.208(d)(2)]
NHHFA must abate the HAP, including amounts that had been withheld, if the owner fails to make the repairs within the applicable cure period. NHHFA may choose to abate payments for all units covered by the HAP contract due to a contract unit's noncompliance with the housing quality standards, even if some of the contract units continue to meet housing quality standards. In this case, NHHFA must notify the family and the owner that it is abating payments and, if the unit does not meet housing quality standards within 60 days (or a reasonable longer period established by NHHFA), NHHFA will either terminate the HAP contract or remove the unit with deficiencies from the HAP contract, and any family residing in a unit that does not comply with housing quality standards will have to move if the family wishes to receive continued assistance.

The owner may not terminate the tenancy of any family due to the withholding or abatement of assistance.

NHHFA Policy

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NHHFA will make all HAP abatements effective the first of the month following the expiration of

NHHFA-specified correction period (including any extension).

NHHFA will abate payments only for those contract units that do not meet housing quality standards.

NHHFA will inspect abated units within five business days of the owner's notification that the work has been completed. Payment will resume effective on the day the unit passes inspection.

During any abatement period the family continues to be responsible for its share of the rent.

Failure to Make Repairs

If an owner fails to make required repairs within 60 days (or a reasonable longer period established by NHHFA) of the notice of abatement, NHHFA must either remove the unit from the HAP contract or terminate the HAP contract in its entirety. NHHFA must issue the family whose unit will be removed or all families residing in contract units, if NHHFA is terminating the HAP contract, a tenant-based voucher to move at least 30 days prior to the removal of the unit from the HAP contract or termination of the HAP contract. A family may elect to remain in the project if the project contains a unit that meets the requirements of that section, with priority given to families who will remain in the same unit if there are insufficient units available to accommodate all families that wish to remain. NHHFA must give any family residing in a unit that is either removed from the HAP contract or for which the HAP contract is terminated due to a failure to correct housing quality standards deficiencies at least 90 days or a longer period as NHHFA determines is reasonably necessary following the termination of the HAP contract or removal of the unit from the HAP contract to lease a unit with tenant-based assistance.

NHHFA Policy

NHHFA will issue a family whose HAP contract is being terminated due to an owner failing to make required repairs within the required time frame a voucher no later than 30 days prior to the termination of the HAP contract. The initial term of the voucher will be 120 calendar days.

In order to receive tenant-based assistance under the HCV program, the family must submit a Request for Tenancy Approval and proposed lease within the 120-day period, unless NHHFA grants an extension. NHHFA will follow the policies set forth in Chapter 5 on voucher extension and expiration.

Relocation Assistance

[24 CFR 983.208(d)(6)(iii)]
NHHFA may assist families relocating due to the HAP contract being terminated as a result of the owner failing to make required repairs within the required time frame in finding a new unit, including using up to two months of the withheld and abated assistance payments for costs directly associated with relocating to a new unit, including security deposits, temporary housing costs, or other reasonable moving costs as determined by NHHFA based on their locality.

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If NHHFA uses withheld and abated payments to assist with relocation costs, NHHFA must provide security deposit assistance to the family as necessary. NHHFA must assist families with disabilities with locating available accessible units in accordance with 24 CFR 8.28 (a)(3). If the family receives security deposit assistance from NHHFA for the new unit, NHHFA may require the family to remit the security deposit returned by the owner of the new unit as such time that the lease is terminated, up to the amount of security deposit provided by NHHFA for that unit.

NHHFA Policy

NHHFA will assist families with disabilities with locating available accessible units in accordance with program requirements.

NHHFA may use up to two months of withheld and abated payment to assist with any required security deposit at the new unit. Funds will not be used for any other relocation assistance.

If the family receives a refund of a security deposit for the new unit, NHHFA will not require any amount to be remitted to NHHFA.

17-V.D. Amendments to The Hap Contract to Add or Substitute Units

[24 CFR 983.207]
At NHHFA's discretion, NHHFA and the owner may execute an amendment to the HAP contract to substitute a different unit with the same number of bedrooms in the same project for a previously covered contract unit or to add additional contract units to the existing HAP contract without a new proposal selection.

The proposed substituted or added units may be vacant or occupied (subject to the requirements of 24 CFR 983.207(c) described below). Before any such substitution or addition can take place:

- The units must comply with housing quality standards.
- The rent to owner must be reasonable; and
- One of the following conditions must apply:
    - The units existed at the time of HAP contract execution; or
    - In the case of a project completed in stages, the units existed at the time of NHHFA acceptance of the last completed units; or
    - A unit, office space, or common area within the interior of a building containing contract units existed at the time described above, as applicable, and is reconfigured without impacting the building envelope, subject to 24 CFR 983.207(d), into one or more units to be added or substituted.

NHHFA must describe in the administrative plan the circumstances under which it will add or substitute contract units, and how those circumstances support the goals of the PBV program.

NHHFA Policy

NHHFA will add units to the contract on a case-by-case basis to ensure the availability of affordable housing as long as the addition of units does not exceed allowable project caps.

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Addition of Contract Units

[24 CFR 983.207(b)]
Before adding any contract units, the units must comply with housing quality standards and the rent to owner must be reasonable. The additional PBV units, however, are still subject to the PBV program cap and project cap. However, added units that qualify for an exclusion from the program cap (as described in 24 CFR 983.59) or an exception to or exclusion from the project cap (as described in 24 FR 983.54(c) and 24 CFR 983.59, respectively) do not count toward such caps.

Substituting or Adding Occupied Units

[24 CFR 983.207(c)]
NHHFA may place occupied units on the HAP contract subject to the following:

- The family occupying the unit must be eligible for assistance.
- The unit must be the appropriate for the size of the family occupying the unit under NHHFA's subsidy standards.
- The family must be selected from the waiting list in accordance with applicable selection policies; and
- The unit may be occupied by a family who was assisted with a tenant-based voucher immediately prior to the unit being placed on the PBV HAP contract. The tenant-based HAP contract for the unit must terminate before the unit may be placed under the PBV HAP contract. The family occupying the unit is not a new admission to the voucher program.

If the family is in the initial term of the tenant-based lease, the family must agree to mutually terminate the tenant-based lease with the owner and enter into a PBV lease.

If the initial term of the tenant-based lease has passed or the end of that term coincides with the time at which the unit will be placed on the PBV HAP contract, upon the owner's decision not to renew the tenant-based lease or to terminate the tenant-based lease in accordance with 24 CFR 982.308 or 982.310, respectively, the family agreed to relinquish the tenant-based voucher and enter into a PBV lease.

17-V.E. HAP Contract Year, Anniversary and Expiration Dates

[24 CFR 983.207(b)(2) and (g) and 983.302(e)]
The HAP contract year is the period of 12 calendar months preceding each annual anniversary of the HAP contract during the HAP contract term. The initial contract year is calculated from the first day of the first calendar month of the HAP contract term.

The annual anniversary of the HAP contract is the first day of the first calendar month after the end of the preceding contract year.

There is a single annual anniversary and expiration date for all units under a particular HAP contract, even in cases where contract units are placed under the HAP contract in stages (on different dates) or units are added by amendment. The anniversary and expiration dates for all

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units coincide with the dates for the contract units that were originally placed under contract.

17-V.F. Owner Responsibilities Under the Hap Contract

[24 CFR 983.210]
When the owner executes the HAP contract, the owner certifies that at such execution and at all times during the term of the HAP contract:

- The owner is maintaining the premises and contract units in accordance with housing quality standards.
- The owner is providing all services, maintenance, equipment and utilities as agreed to under the HAP contract and the leases.
- Each contract unit for which the owner is receiving HAP is leased to an eligible family referred by NHHFA or selected from the owner-maintained waiting list, and the lease is in accordance with the HAP contract and HUD requirements.
- To the best of the owner's knowledge the family resides in the contract unit for which the owner is receiving HAP, and the unit is the family's only residence.
- The owner (including a principal or other interested party) is not the spouse, parent, child, grandparent, grandchild, sister, or brother of any member of a family residing in a contract unit (unless needed as a reasonable accommodation);
- The amount of the HAP the owner is receiving is correct under the HAP contract.
- The rent for contract units does not exceed rents charged by the owner for comparable unassisted units.
- Except for HAP and tenant rent, the owner has not received and will not receive any other payment or consideration for rental of the contract unit.
- The family does not own or have any interest in the contract unit (does not apply to family's membership in a cooperative); and
- Repair work on the project selected as an existing project that is performed after HAP execution within such post-execution period as specified by HUD may constitute development activity, and if determined to be development activity, the repair work undertaken shall be in compliance with Davis-Bacon wage requirements.

PART VI: Selection of PBV Program Participants

17-VI.A. Overview

Many of the provisions of the tenant-based voucher regulations [24 CFR 982] also apply to the PBV program. This includes requirements related to determining eligibility and selecting applicants from the waiting list. Even with these similarities, there are requirements that are unique to the PBV program. This part describes the requirements and policies related to eligibility and admission to the PBV program.

17-VI.B. Eligibility for PBV Assistance

[24 CFR 983.251(a) and (b)]
NHHFA may select families for the PBV program from those who are participants in NHHFA's tenant-based voucher program and from those who have applied for admission to the voucher program. For voucher participants, eligibility was determined at original admission to the

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voucher program and does not need to be redetermined at the commencement of PBV assistance. For all others, eligibility for admission must be determined at the commencement of PBV assistance using information received and verified by NHHFA within a period of 180 days before commencement of PBV assistance. For all families, NHHFA must determine the total tenant payment for the family is less than the gross rent, such that the unit will be eligible for a monthly HAP.

Applicants for PBV assistance must meet the same eligibility requirements as applicants for the tenant-based voucher program. Applicants must qualify as a family as defined by HUD and NHHFA, have income at or below HUD-specified income limits, and qualify on the basis of citizenship or the eligible immigration status of family members [24 CFR 982.201(a) and 24 CFR 983.2(a)]. In addition, an applicant family must provide social security information for family members [24 CFR 5.216 and 5.218] and consent to NHHFA's collection and use of family information regarding income, expenses, and family composition [24 CFR 5.230]. NHHFA may also not approve a tenancy if the owner (including a principal or other interested party) of the unit is the parent, child, grandparent, grandchild, sister, or brother of any member of the family, unless needed as a reasonable accommodation. An applicant family must also meet HUD requirements related to current or past criminal activity.

NHHFA Policy

NHHFA will determine an applicant family's eligibility for the PBV program in accordance with the policies in Chapter 3.

In-Place Families

[24 CFR 983.251(b)]
A family residing in a proposed contract unit on the proposal or project selection date is considered an in-place family. If an in-place family is determined to be eligible prior to placement of the family's unit on the HAP contract, the in-place family must be placed on NHHFA's waiting list (if the family is not already on the list). Once the family's continued eligibility is determined (NHHFA may deny assistance to an in-place family for the grounds specified in 24 CFR 982.552 and 982.553), the family must be given an absolute selection preference and NHHFA must refer families to the applicable project owner for an appropriately sized PBV unit in the specific project. Admission of eligible in-place families is not subject to income targeting requirements.

During the initial term of the lease under the tenant-based tenancy, an in-place tenant-based voucher family may agree, but is not required, to mutually terminate the lease with the owner and enter into a lease and tenancy under the PBV program. If the family chooses to continue the tenant-based assisted tenancy, the unit may not be added to the PBV HAP contract. The owner may not terminate the lease for other good cause during the initial term unless the owner is terminating the tenancy because of something the family did or failed to do in accordance with 24 CFR 982.310(d)(2). The owner is expressly prohibited from terminating the tenancy during the initial term of the lease based on the family's failure to accept the offer of a new lease or revision, or for a business or economic reason.

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If, after the initial term, the owner chooses not to renew the lease or terminates the lease for other good cause (as defined in 24 CFR 982.310(d)) to end the tenant-based assisted tenancy, the family would be required to move with continued tenant-based assistance or relinquish the tenant-based voucher and enter into a new lease to receive PBV assistance in order to remain in the unit.

17-VI.C. Organization of The Waiting List

[24 CFR 983.251(c)]

- Applicants who will occupy units with PBV assistance must be selected from the waiting list for the PBV program. NHHFA or owner (as applicable) may establish selection criteria or preferences for occupancy of particular PBV units. NHHFA may place families referred by the PBV owner on its PBV waiting list. NHHFA must establish in the administrative plan the options it will use to structure the PBV waiting list. NHHFA may:
- Use a separate, central, waiting list comprised of more than one or all PBV projects.
- Use the same waiting list for both tenant-based and some or all PBV projects.
- Use a separate waiting list for PBV units in individual projects or buildings (or for sets of such units) (which may be used in combination with either of the above options and may be maintained by the owner); or
- Merge the PBV waiting list with a waiting list for other assisted housing programs offered by NHHFA.

If NHHFA chooses to offer a separate waiting list for PBV assistance, NHHFA must offer to place applicants who are listed on the tenant-based waiting list on the waiting list for PBV assistance. NHHFA must specify the name of the PBV projects in its administrative plan.

NHHFA Policy

NHHFA will use separate, site-based waiting lists for all projects or buildings that are receiving PBV assistance.

NHHFA Waiting List Preferences

[24 CFR 983.251(c)(3)]

NHHFA may establish in its administrative plan any preferences for occupancy of particular units including the name of the projects and the specific preferences that are to be used by project. Criteria for occupancy of units (e.g., elderly families) may also be established, however, selection of families must be done through admission preference. NHHFA may use the same selection preferences that are used for the tenant-based voucher program, establish selection criteria or preferences for the PBV program as a whole, or for occupancy of particular PBV developments or units. NHHFA must provide an absolute selection preference for eligible in-place families as described in Section 17-VI.B. above. For both excepted units and units under the increased program cap, 24 CFR 983.262(b)(2) requires that NHHFA must select families from the waiting list though an admission preference for these types of units.

NHHFA Policy

Subject to NHHFA approval, owners may request to establish preferences other than those

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listed on NHHFA's preference list. A preference may be given to applicants with a demonstrated need for particular projects offering specialized supportive services. All preferences must meet Federal and local Fair Housing standards.

17-VI.E. Selection from The Waiting List

[24 CFR 983.251(c)]

Income Targeting

[24 CFR 983.251(c)(9)]
At least 75 percent of the families admitted to NHHFA's tenant-based and project-based voucher programs during the NHHFA fiscal year from the waiting list must be extremely low-income families. The income targeting requirement applies to the total of admissions to both programs.

Units with Accessibility Features

[24 CFR 983.251(c)(9)]
Families who require particular accessibility features for persons with disabilities must be selected first to occupy PBV units with such accessibility features. The families need for a barrier free/accessible unit is noted on the PBV waiting list that is shared with the owner when selecting families for a vacant unit.

17-VI.F. Offer of PBV Assistance or Owner's Rejection

Refusal of Offer

[24 CFR 983.251(e)]
If a family refuses NHHFA's offer of PBV assistance or the owner rejects a family for admission, the family's position on NHHFA waiting list for tenant-based assistance is not affected regardless of the type of PBV waiting list used by NHHFA. The impact (of a family's rejection of the offer or the owner's rejection of the family) on a family's position on the PBV waiting list will be determined as follows:

- If a central PBV waiting list is used, NHHFA's administrative plan must address the number of offers a family may reject without good cause before the family is removed from the PBV waiting list and whether the owner's rejection will impact the family's place on the PBV waiting list.
- If a project-specific PBV waiting list is used, the family's name is removed from the project's waiting list connected to the family's rejection of the offer without good cause or the owner's rejection of the family. The family's position on any other project-specific PBV waiting list is not affected.

NHHFA must define good cause in its administrative plan. NHHFA's definition of good cause must include, at minimum, that:

- The family determines the unit is not accessible to a household member with a disability or otherwise does not meet the member's disability-related needs.
- The unit has housing quality standards deficiencies.
- The family is unable to accept the offer due to circumstances beyond the family's control

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(such as hospitalization, temporary economic hardship, or natural disaster); and
- The family determines the unit presents a health or safety risk to a household member who is or has been a victim of domestic violence, dating violence, sexual assault, or stalking.

NHHFA Policy

NHHFA will define good cause for rejection of a unit offer as any of the factors listed above.

NHHFA must not take any of the following actions against a family who has applied for, received, or refused an offer of PBV assistance:
- Refuse to list the applicant on the waiting list for tenant-based voucher assistance.
- NHHFA (or owner in the case of owner-maintained waiting lists) is not required to open a closed waiting list to place the family on that waiting list.
- Deny any admission preference for which the applicant is currently qualified.
- Change the applicant's place on the waiting list based on preference, date, and time of application, or other factors affecting selection from the waiting list.
- Remove the applicant from the tenant-based voucher waiting list.

Acceptance of Offer

[24 CFR 983.252(a) and (b)]

Family Briefing

When a family accepts an offer for PBV assistance, NHHFA must give the family an oral briefing. The briefing must include information on how the program works, the responsibilities of the family and owner, and the family's right to move.

In addition to the oral briefing, NHHFA must provide a briefing packet that contains the following information:
- How NHHFA determines the total tenant payment for a family;
- The family obligations under the program;
- Information on federal, state, and local equal opportunity laws, the contact information for the Section 504 coordinator, a copy of the housing discrimination complaint form, and information on how to request a reasonable accommodation or modification under Section 504, the Fair Housing Act, and the Americans with Disabilities Act;
- NHHFA subsidy standards, including when NHHFA will consider granting exceptions to the standards, and when exceptions are required as a reasonable accommodation for a person with disabilities under Section 504, the Fair Housing Act, or the Americans with Disabilities Act; and
- The family's right to move.

NHHFA and the family must sign the HUD-52578-B PBV Statement of Family Responsibility.

Persons with Disabilities

NHHFA must take appropriate steps to ensure effective communication, in accordance with 24 CFR 8.6 and 28 CFR Part 35, subpart E, and must provide information on the reasonable

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accommodation process in conducting the oral briefing and in providing the written information packet. This may include making alternative formats available (see Chapter 2). In addition, NHHFA must have a mechanism for referring a family that includes a member with a mobility impairment to an appropriate accessible PBV unit.

17-VI.G. Leasing of Contract Units

[24 CFR 983.252]

Owner selection of tenants

The owner is responsible for developing written tenant selection procedures that are consistent with the purpose of improving housing opportunities for very low-income families and reasonably related to program eligibility and an applicant's ability to fulfill their obligations under the lease.

An owner must promptly notify in writing any rejected applicant of the grounds for any rejection [24 CFR 983.253(a)(2) and (a)(3)]. The owner must provide a copy of the rejection notice to NHHFA.

During the term of the HAP contract, the owner must lease contract units to eligible families that are selected from the waiting list for the PBV program. The contract unit leased to the family must be the appropriate size unit for the size of the family, based on NHHFA's subsidy standards.

The owner must comply with 24 CFR Part 5, subpart L (Protection for Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking).

Filling Vacancies

[24 CFR 983.254(a)]
NHHFA and the owner must make reasonable, good-faith efforts to minimize the likelihood and length of any vacancy in a contract unit. However, contract units in a rehabilitated housing project undergoing development activity after HAP contract execution that are not available for occupancy are not subject to this requirement.

The owner must promptly notify NHHFA of any vacancy or expected vacancy in a contract unit. After receiving such notice, NHHFA must make every reasonable effort to promptly refer a sufficient number of families for the owner to fill such vacancies.

NHHFA Policy

The owner must notify NHHFA in writing via email within five business days of learning about any vacancy or expected vacancy. NHHFA will promptly email the owner the PBV property sub list. If the owner rejects the family after conducting a suitability screening, the owner must provide a copy of the rejection notice to NHHFA. If the owner selects the family for occupancy, NHHFA will determine eligibility within 14 days. The owner may not offer a unit to a family until NHHFA determines that the family is eligible for the program and has given the owner written

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confirmation.

Reduction in HAP Contract Units Due to Vacancies

[24 CFR 983.254(b)]
If any contract units have been vacant for 120 or more days since owner notice of the vacancy, and notwithstanding the reasonable good-faith efforts of NHHFA and the owner to fill such vacancies, NHHFA may give notice to the owner amending the HAP contract to reduce the number of contract units by subtracting the number of contract units (according to the bedroom size) that have been vacant for this period.

NHHFA Policy

If any contract units have been vacant for 120 days, NHHFA will give notice to the owner that the HAP contract may be amended to reduce the number of contract units that have been vacant for this period. NHHFA will provide the notice to the owner within 10 business days of the 120th day of the vacancy.

The amendment to the HAP contract will be effective the 1st day of the month following the date of NHHFA's notice.

17-VI.H. Tenant Screening

[24 CFR 983.255]

NHHFA Policy

NHHFA is not responsible or liable to the owner or any other person for the family's behavior or suitability for tenancy. NHHFA will not conduct screening to determine a PBV applicant family's suitability for tenancy.

NHHFA must provide the owner with an applicant family's current and prior address (as shown in NHHFA records) and the name and address (if known by NHHFA) of the family's current landlord and any prior landlords.

The protections for victims of domestic violence, dating violence, sexual assault, stalking, or human trafficking in 24 CFR part 5, subpart L, apply to tenant screening. NHHFA may not disclose to the owner any confidential information provided in response to a request for documentation of domestic violence, dating violence, sexual assault, stalking, or human trafficking, except at the written request or with the written consent of the individual providing the documentation [see 24 CFR 5.2007(a)(4)].

NHHFA Policy

NHHFA will inform owners of their responsibility to screen prospective tenants and will provide owners with the required known name and address information, at the time of the turnover inspection or before. NHHFA will not provide any additional information to the owner, such as tenancy history, criminal history, etc.

Owner Responsibility

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The owner is responsible for screening and selection of the family to occupy the owner's unit. When screening families the owner may consider a family's background with respect to the following factors:

- Payment of rent and utility bills.
- Caring for a unit and premises.
- Respecting the rights of other residents to the peaceful enjoyment of their housing.
- Drug-related criminal activity or other criminal activity that is a threat to the health, safety, or property of others; and
- Compliance with other essential conditions of tenancy.

PART VII: Occupancy

17-VII.A. Overview

After an applicant has been selected from the waiting list, determined suitable by the owner and eligible by NHHFA, the family will sign the lease and occupancy of the unit will begin.

17-VII.B. Lease

[24 CFR 983.256]
The tenant must have legal capacity to enter a lease under state and local law. Legal capacity means that the tenant is bound by the terms of the lease and may enforce the terms of the lease against the owner [24 CFR 983.256(a)].

Form of Lease

[24 CFR 983.256(b)]
The tenant and the owner must enter into a written lease agreement that is signed by both parties. If an owner uses a standard lease form for rental units to unassisted tenants in the locality or premises, the same lease must be used for assisted tenants, except that the lease must include the form HUD-52530-C PBV Tenancy Addendum. The tenancy addendum must include, word-for-word, all provisions required by HUD.

If the owner does not use a standard lease form for rental to unassisted tenants, the owner may use another form of lease.

NHHFA may review the owner's lease form to determine if the lease complies with state and local law. If NHHFA determines that the lease does not comply with state or local law, NHHFA may decline to approve the tenancy.

NHHFA Policy

NHHFA will not review the owner's lease for compliance with state or local law.
Lease Requirements [24 CFR 983.256(c)]
The lease for a PBV unit must specify all of the following information:

- The names of the owner and the tenant.
- The unit rented (address, apartment number, if any, and any other information needed to

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identify the leased contract unit).

- The term of the lease (initial term and any provision for renewal).
- The amount of the tenant rent to owner, which is subject to change during the term of the lease in accordance with HUD requirements.
- A specification of the services, maintenance, equipment, and utilities that will be provide by the owner; and
- The amount of any charges for food, furniture, or supportive services.

Tenancy Addendum

[24 CFR 983.256(d)]
The tenancy addendum in the lease must state:

- The program tenancy requirements.
- The composition of the household as approved by NHHFA (the names of family members and any NHHFA-approved live-in aide).
- All provisions in the HUD-required tenancy addendum must be included in the lease. The terms of the tenancy addendum prevail over other provisions of the lease.

Initial Term and Lease Renewal

[24 CFR 983.256(f)]
The initial lease term must be for at least one year. The lease must provide for automatic renewal after the initial term of the lease in either successive definitive terms (e.g. month-to-month or year-to-year) or an automatic indefinite extension of the lease term. For automatic indefinite extension of the lease term, the lease terminates if any of the following occur:

- The owner terminates the lease for good cause
- The tenant terminates the lease
- The owner and tenant agree to terminate the lease
- NHHFA terminates the HAP contract
- NHHFA terminates assistance for the family

Changes in the Lease

[24 CFR 983.256(e)]
If the tenant and owner agree to any change in the lease, the change must be in writing, and the owner must immediately give NHHFA a copy of all changes.

The owner must notify NHHFA in advance of any proposed change in the lease regarding the allocation of tenant and owner responsibilities for utilities. Such changes may only be made if approved by NHHFA and in accordance with the terms of the lease relating to its amendment. NHHFA must redetermine reasonable rent, in accordance with program requirements, based on any change in the allocation of the responsibility for utilities between the owner and the tenant. The redetermined reasonable rent will be used in calculation of the rent to owner from the effective date of the change.

Owner Termination of Tenancy

[24 CFR 983.257]

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With two exceptions, the owner of a PBV unit may terminate tenancy for the same reasons an owner may in the tenant-based voucher program (see Section 12-III.B. and 24 CFR 982.310). In the PBV program, terminating tenancy for "good cause" does not include doing so for a business or economic reason, or a desire to use the unit for personal or family use or other non-residential purpose. The regulations at 24 CFR 5.858 through 5.861 on eviction for drug and alcohol abuse and 24 CFR Part 5, subpart L (Protection for Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking) apply to the PBV program.

In addition, the owner may terminate the tenancy in accordance with the requirements related to lease terminations for development activity on units under a HAP contract and for substantial improvement to units under a HAP contract.

Tenant Absence from the Unit

[24 CFR 983.256(g) and 982.312(a)]
The lease may specify a maximum period of family absence from the unit that may be shorter than the maximum period permitted by NHHFA policy. According to program requirements, the family's assistance must be terminated if they are absent from the unit for more than 180 consecutive days. NHHFA termination of assistance actions due to family absence from the unit are subject to 24 CFR 981.312, except that the unit is not terminated from the HAP contract if the family is absent for longer than the maximum period permitted.

Continuation of Housing Assistance Payments

[24 CFR 982.258]
Housing assistance payments shall continue until the tenant rent equals the rent to owner. The cessation of housing assistance payments at such point will not affect the family's other rights under its lease, nor will such cessation preclude the resumption of payments as a result of later changes in income, rents, or other relevant circumstances if such changes occur within 180 days following the date of the last housing assistance payment by NHHFA. After the 180-day period, the unit shall be removed from the HAP contract pursuant to 24 CFR 983.211.

NHHFA Policy

If a participating family receiving zero assistance experiences a change in circumstances that would result in a HAP payment to the owner, the family must notify NHHFA of the change and request an interim reexamination before the expiration of the 180-day period.

Security Deposits

[24 CFR 983.259]
The owner may collect a security deposit from the tenant. NHHFA may prohibit security deposits in excess of private market practice, or in excess of amounts charged by the owner to unassisted tenants.

NHHFA Policy

NHHFA will allow the owner to collect a security deposit amount the owner determines is appropriate.

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When the tenant moves out of a contract unit, the owner, subject to state and local law, may use the security deposit, including any interest on the deposit, in accordance with the lease, as reimbursement for any unpaid tenant rent, damages to the unit, or other amounts owed by the tenant under the lease.

The owner must give the tenant a written list of all items charged against the security deposit and the amount of each item. After deducting the amount used to reimburse the owner, the owner must promptly refund the full amount of the balance to the tenant.

If the security deposit does not cover the amount owed by the tenant under the lease, the owner may seek to collect the balance from the tenant. NHHFA has no liability or responsibility for payment of any amount owed by the family to the owner.

17-VII.C. Moves

Overcrowded, Under-Occupied, and Accessible Units

[24 CFR 983.260]
If NHHFA determines that a family is occupying a wrong size unit, based on NHHFA's subsidy standards, or a unit with accessibility features that the family does not require, and the unit is needed by a family that does require the features, NHHFA must promptly notify the family and the owner of this determination, and within 60 days of the determination, NHHFA must offer the family the opportunity to receive continued housing assistance in another unit.

NHHFA Policy

NHHFA will notify the family, and the owner of the family's need to move based on the occupancy of a wrong-size or accessible unit within 60 days of NHHFA's determination. NHHFA will offer the family the following types of continued assistance in the following order, based on the availability of assistance:

- PBV assistance in an appropriately sized unit in the same building or project; or
- Tenant-based rental assistance under the voucher program

If no continued housing assistance is available, NHHFA must remove the wrong-sized or accessible unit from the HAP contract to make voucher assistance available to issue the family a tenant-based voucher.

If NHHFA offers the family a tenant-based voucher, NHHFA must terminate the housing assistance payments for a wrong-sized or accessible unit at the earlier of the expiration of the term of the family's voucher (including any extension granted by NHHFA) or the date upon which the family vacates the unit. If the family does not move out of the wrong-sized unit or accessible unit by the expiration of the term of the family's voucher, NHHFA must remove the unit from the HAP contract.

If NHHFA offers the family another form of assistance that is not a tenant-based voucher, NHHFA must terminate the housing assistance payments for the wrong-sized or accessible unit and remove the unit from the HAP contract when:

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NHHFA has offered PBV assistance or other project-based assistance in an appropriately sized unit, and the family does not accept the offer, does not move out of the PBV unit within a reasonable time as determined by NHHFA (not to exceed 90 days).

The family may request, and NHHFA may grant, one extension not to exceed up to an additional 90 days to accommodate the family's efforts to locate affordable, safe, and geographically proximate replacement housing.

NHHFA must terminate the housing assistance payments for the wrong-sized or accessible unit and remove the unit from the HAP contract when NHHFA has offered PBV assistance or other project-based assistance in an appropriately sized unit, and the family accepts the offer but does not move out of the PBV unit within a reasonable time as determined by NHHFA (not to exceed 90 days). No extensions may be granted in this case. NHHFA may reinstate a removed unit to the HAP contract after the family vacates the property, in accordance with 24 CFR 983.207(b).

NHHFA Policy

When NHHFA offers a family another form of assistance that is not a tenant-based voucher, the family will be given 90 days from the date of the offer to accept the offer and move out of the PBV unit. If the family does not move out within this 90-day time frame, NHHFA will terminate the housing assistance payments at the expiration of this 90-day period.

Except in the case of an offer by NHHFA of PBV assistance in an appropriate size unit, the family accepts the offer but does not move out, NHHFA may make exceptions to this 90-day period if needed for reasons beyond the family's control such as death, serious illness, or other medical emergency of a family member or to accommodate the family's efforts to locate affordable, safe, and geographically proximate replacement housing. The family must make such a request in writing prior to the end of the 90-day period. NHHFA will only grant one extension which will not exceed an additional 90 days.

Family Right to Move

[24 CFR 983.261]

The family may terminate the lease at any time after one year of PBV assistance. The family must give advance written notice to the owner in accordance with the lease and provide a copy of such notice to NHHFA. If the family wishes to move with continued tenant-based assistance, the family must contact NHHFA to request the rental assistance prior to providing notice to terminate the lease. The right to request a move with tenant-based assistance does not expire, and the family may request a move at any time after the one-year period has expired.

If the family terminates the lease in accordance with these requirements, NHHFA is required to offer the family the opportunity for continued tenant-based assistance, in the form of a voucher. If voucher assistance is offered to the family and the search term expires, NHHFA must issue the voucher to the next eligible family before issuing another voucher to the family that

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requested to move. If voucher assistance is not immediately available upon the family's request to NHHFA, NHHFA must give the family priority to receive the next available opportunity for continued tenant-based assistance. NHHFA must describe in its Administrative Plan its policies and procedures for how the family must contact NHHFA and how NHHFA documents families waiting for continued tenant-based rental assistance.

If the family terminates the assisted lease before one year of PBV assistance, the family relinquishes the opportunity for continued tenant-based assistance.

NHHFA Policy

Except for families seeking protection under VAWA as described below, prior to providing notice to the owner to terminate the lease, any eligible family may submit a written request to NHHFA for a voucher at any time after completing the 12-month occupancy requirement. NHHFA will process the request within 10 business days of receiving the family's request. NHHFA will verify that the family has met the 12-month occupancy requirement. No additional screening will be performed.

If the request is approved by NHHFA, the family will receive the next available tenant-based voucher.

If a tenant-based voucher is not immediately available, NHHFA will maintain a combined, agency-wide waiting list for all standard PBV families wishing to move after one year of PBV assistance. Families on this list will be given priority over families on the tenant-based waiting list. The list will be organized by date and time of the family's written request. Once a family is placed on the list, NHHFA will send the family an acknowledgement of receipt of their request and successful placement on the list. If a family requests a tenant-based voucher and then is unable or unwilling to move once NHHFA offers the family a tenant-based voucher, the family's name will be removed from the list. The family may resubmit a new request to move at any time. While the family will not be required to attend a standard HCV briefing in order to receive a voucher, NHHFA will promptly schedule a meeting with each family at the time of voucher issuance.

Families exercising their right to move are not required to vacate their units before a lease has been entered into using their tenant-based voucher so long as the resident has not yet provided notice to vacate to the owner. At the time NHHFA issues the tenant-based voucher, NHHFA will notify the family of their right to remain in their unit if they are unable find a rental unit using the tenant-based voucher. If family's search term (and any extensions) expires, NHHFA must issue the voucher to the next eligible family. The family's name will be removed from the priority list, and the family will be able to resubmit a request at a later time.

Emergency Transfers under VAWA

[Notice PIH 2017-08 and 24 CFR 983.261(f) and (g)]
In the case of a move due to domestic violence, dating violence, sexual assault, stalking, or human trafficking, NHHFA must describe policies for facilitating emergency transfers for families

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with PBV assistance in their Emergency Transfer Plan, including when a victim has been living in a unit for less than a year or when a victim seeks to move sooner than a tenant-based voucher is available.

When the family or a member of the family is or has been the victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking, and the move is needed to protect the health or safety of the family or family member, the family is not required to give the owner advance written notice or contact NHHFA before moving from the unit. Additionally, when any family member has been the victim of a sexual assault that occurred on the premises during the 90-calendar-day period preceding the family's request to move, the family is not required to give the owner advance written notice or contact NHHFA before moving from the unit. NHHFA may not terminate the assistance of a family due to a move occurring under these circumstances and must offer the family the opportunity for continued tenant-based assistance if the family had received at least one year of PBV assistance prior to moving.

If a family break-up results from an occurrence of domestic violence, dating violence, sexual assault, stalking or human trafficking, NHHFA must ensure that the victim retains assistance.

NHHFA Policy

Except where special consideration is needed for the project-based voucher program, NHHFA will follow VAWA policies as outlined in Chapter 16 Part IX of this administrative plan, including using the Emergency Transfer Plan as the basis for PBV transfers under VAWA (Exhibit 16-4).

When the victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking has lived in the unit for less than one year, NHHFA will provide several options for continued assistance.

NHHFA will first try to transfer the participant to another PBV unit in the same development or transfer to a different development where NHHFA has PBV units. NHHFA will expedite the administrative processes in this case in an effort to conduct the transfer as quickly as possible.

If no units are available for an internal transfer, or if there is reasonable cause to believe that such a transfer would put the victim in jeopardy, the participant may receive continued assistance through an external transfer for tenant-based rental assistance (HCV). Such families must be selected from the waiting list. NHHFA has adopted a waiting list preference for victims of domestic violence, dating violence, sexual assault, stalking, and human trafficking its HCV programs in order to expedite this process. See Section 4-III.C. of this administrative plan.

PART VIII: Determining Rent to Owner

17-VIII.A. Overview

[24 CFR 983.301(a)]
The amount of the initial rent to an owner of units receiving PBV assistance is established at the

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beginning of the HAP contract term. Although for rehabilitated or newly constructed housing, the AHAP states the estimated amount of the initial rent to owner, the actual amount of the initial rent to owner is established at the beginning of the HAP contract term.

17-VIII.B. Amount of Rent to Owner

[24 CFR 983.301(b)]
Except for certain tax credit units (discussed below), the rent to owner must not exceed the lowest of the following amounts:

An amount determined by NHHFA in accordance with the administrative plan not to exceed 110 percent of the applicable fair market rent (or amount of any applicable exception payment standard) for the unit bedroom size minus any utility allowance.

- The reasonable rent; or
- The rent requested by the owner.

Rent to Owner for Certain Tax Credit Units [24 CFR 983.301(c)]

For certain tax credit units, the rent limits are determined differently than for other PBV units. Tax credit units that do not meet the criteria below will have their rents determined by NHHFA pursuant to 24 CFR 983.301(b) as stated above.

Rents are set differently in contract units that meet all of the following criteria:

- The contract unit receives a low-income housing tax credit under the Internal Revenue Code of 1986.
- The contract unit is not located in a qualified census tract.
- In the same building, there are comparable tax credit units of the same bedroom size as the contract unit and the comparable tax credit units do not have any form of rental assistance other than the tax credit; and
- The tax credit rent exceeds 110 percent of the fair market rent (or any exception payment standard) as determined in 24 CFR 983.301(b).

For contract units that meet these criteria, the rent to owner must not exceed the lowest of:

- An amount determined by NHHFA in accordance with the administrative plan, not to exceed the tax credit rent minus any utility allowance.
- The reasonable rent; or
- The rent requested by the owner.

The tax credit rent is the rent charged for comparable units of the same bedroom size in the building that also receive the low-income housing tax credit but do not have any additional rental assistance (e.g., additional assistance such as tenant-based voucher assistance).

Use of FMRs, Exception Payment Standards, and Utility Allowances [24 CFR 983.301(f)]

When determining the initial rent to owner, NHHFA must use the most recently published FMR in effect and the utility allowance schedule in effect at execution of the HAP contract. When redetermining the rent to owner, NHHFA must use the most recently published FMR and the utility allowance schedule in effect at the time of redetermination.

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NHHFA may not establish or apply different utility allowance amounts for the PBV program. The same utility allowance schedule applies to both the tenant-based and project-based voucher programs.

NHHFA Policy

NHHFA will use the published FMR and utility allowance schedule in effect at the time the HAP contract is executed or at the time of rent redetermination.

17-VIII.C. Redetermination of Rent to Owner

[24 CFR 983.302]
NHHFA must redetermine the rent to owner:

- When there is a 10 percent or greater decrease in the published FMR;
- Upon the owner's request consistent with requirements established in NHHFA's administrative plan; or
- At the time of the automatic adjustment by an operating cost adjustment factor (OCAF) in accordance with 24 CFR 983.302(b)(3).

Adjusted rent to owner amount applies for the period of 12 calendar months from the annual anniversary of the HAP contract.

Rent Increase

[24 CFR 983.302(b)]
During the term of the HAP contract, any increase in rent to owner is effective on the annual anniversary of the HAP contract. A rent increase may occur either through automatic adjustment by an OCAF or as the result of an owner request for a rent increase. The owner does not need to request a rent adjust when a rent increase occurs through an OCAF since NHHFA redetermines the rent automatically under that option.

OCAF

[24 CFR 983.302(b)(3)]
If NHHFA and owner agree, the HAP contract may provide for rent adjustments using an OCAF established by the HUD pursuant to Section 524(c) of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (MAHRA) at each annual anniversary of the HAP contract and published annually in the Federal Register. Further, the HAP contract may require an additional increase up to an amount determined by NHHFA (pursuant to 24 CFR 983.301(b) and (c)) if requested by the owner in writing, periodically during the term of the contract. The HAP contract must require an additional increase up to an amount determined by NHHFA at the point of contract extension, pursuant to 24 CFR 983.301(b) and (c), if requested by the owner in writing.

NHHFA Policy

NHHFA will not allow for increases via OCAF. All rent increases must be requested by the owner as outlined below.

Owner-Requested Rent Increases

[24 CFR 983.302(b)(4)]
If the HAP contract does not provide for automatic adjustment by an OCAF, and if an owner

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wishes to request an increase in the rent to owner from NHHFA, it must be requested at the annual anniversary of the HAP contract (see Section 17-V.E.). The request must be in writing and in the form and manner required by NHHFA. NHHFA may only make rent increases in accordance with the rent limits described previously. There are no provisions in the PBV program for special adjustments (e.g., adjustments that reflect increases in the actual and necessary expenses of owning and maintaining the units which have resulted from substantial general increases in real property taxes, utility rates, or similar costs).

NHHFA Policy

An owner's request for a rent increase must be submitted to NHHFA in writing (or via email) 60 days prior to the anniversary date of the HAP contract and must include the new rent amount the owner is proposing.

NHHFA may not approve, and the owner may not receive any increase of rent to owner, until and unless the owner has complied with requirements of the HAP contract, including compliance with housing quality standards, except that housing quality standards compliance is not required for units undergoing development activity that complies with 24 CFR 983.157 or substantial improvement that complies with 24 CFR 983.212. The owner may not receive any retroactive increase of rent for any period of noncompliance.

Rent Decrease

[24 CFR 983.302(c)]
If the HAP contract does not provide for adjustment by an OCAF and there is a decrease in the rent to owner, as established in accordance with program requirements such as a change in the FMR or exception payment standard, or reasonable rent amount, the rent to owner must be decreased regardless of whether the owner requested a rent adjustment.

However, at any time during the term of the HAP contract, NHHFA may elect within the HAP contract to not reduce rents below the initial rent to owner. Where a NHHFA makes such an election, the rent to owner shall not be reduced below the initial rent to owner, except:

To correct errors in calculations in accordance with HUD requirements.

- If additional housing assistance has been combined with PBV assistance after the execution of the initial HAP contract and a rent decrease is required; or
- If a decrease in rent to owner is required based on changes in the allocation of responsibility for utilities between the owner and the tenant.

Notice of Rent Change to Owner

[24 CFR 983.203(d)]
Whenever there is a change in rent to owner, NHHFA must provide written notice to the owner specifying the amount of the new rent to owner. NHHFA notice of rent adjustment constitutes an amendment of the rent to owner specified in the HAP contract. The adjusted amount of rent to owner applies for the period of 12 calendar months from the annual anniversary of the HAP contract.

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NHHFA Policy

NHHFA will provide the owner with at least 30 days written notice of any change in the amount of rent to owner.

17-VIII.D. Reasonable Rent

[24 CFR 983.301(d) and 983.303]

At the time the initial rent is established and all times during the term of the HAP contract, the rent to owner for a contract unit may not exceed the reasonable rent for the unit as determined by NHHFA, except where NHHFA has elected within the HAP contract to not reduce rents below the initial rent under the initial HAP contract.

When Rent Reasonable Determinations Are Required

NHHFA must redetermine the reasonable rent for a unit receiving PBV assistance whenever any of the following occur:

- There is a 10 percent or greater decrease in the published FMR in effect 60 days before the contract anniversary (for the unit sizes specified in the HAP contract) as compared with the FMR that was in effect one year before the contract anniversary date.
- NHHFA approves a change in the allocation of responsibility for utilities between the owner and the tenant.
- The HAP contract is amended to add a contract unit or substitute a different contract unit in the same building or project.
- NHHFA accepts a completed unit after development activity that is conducted after HAP contract execution in accordance with 24 CFR 983.156(b)(3); and
- There is any other change that may substantially affect the reasonable rent.

NHHFA must determine reasonable rent in accordance with 24 CFR 983.303.

Rent Floor

The rent to owner for each contract unit may at no time exceed the reasonable rent, except in cases where NHHFA has elected within the HAP contract not to reduce rents below the initial rent to owner, and upon redetermination of the rent to owner, the reasonable rent would result in a rent below the initial rent. However, the rent to owner must be reduced in the following cases:

- To correct errors in calculations in accordance with HUD requirements.
- If additional housing assistance has been combined with PBV assistance after the execution of the initial HAP contract and a rent decrease is required pursuant to 24 CFR 983.55; and
- If a decrease in rent to owner is required based on changes in the allocation of the responsibility for utilities between owner and tenant.

If NHHFA has not elected within the HAP contract to establish the initial rent to owner as the rent floor, the rent to owner shall not at any time exceed the reasonable rent.

NHHFA Policy

NHHFA will elect within the HAP contract not to reduce rents below the initial level, with the exception of the circumstances listed in 24 CFR 983.302(c)(2). If, upon redetermination of the rent to owner, the reasonable rent would result in a rent below the initial rent, NHHFA will use

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the higher initial rent to owner amount.

How to Determine Reasonable Rent

[24 CFR 983.303(c)]
The reasonable rent of a unit receiving PBV assistance must be determined by comparison to rent for other comparable unassisted units. When making this determination, NHHFA must consider factors that affect market rent. Such factors include the location, quality, size, type and age of the unit, as well as the amenities, housing services maintenance, and utilities to be provided by the owner. The reasonable rent determination must be based on the condition of the assisted unit at the time of the determination and not on anticipated future unit conditions.

Comparability Analysis

[24 CFR 983.303(d)]
For each unit, the comparability analysis must use at least three comparable units in the private unassisted market. This may include units in the premises or project that is receiving project-based assistance. The analysis must show how the reasonable rent was determined, including major differences between the contract units and comparable unassisted units, and must be retained by NHHFA. The comparability analysis may be performed by NHHFA staff or by another qualified person or entity. Those who conduct these analyses or are involved in determining the housing assistance payment based on the analyses may not have any direct or indirect interest in the property.

Owner Certification of Reasonable Rent

[24 CFR 983.303(e)]
By accepting each monthly housing assistance payment, the owner certifies that the rent to owner is not more than rent charged by the owner for other comparable unassisted units in the premises. At any time, NHHFA may require the owner to submit information on rents charged by the owner for other units in the premises or elsewhere.

17-VIII.E. Effect of Other Subsidy and Rent Control

In addition to the rent limits discussed in Section 17-VIII.B above, other restrictions may limit the amount of rent to owner in a PBV unit. In addition, certain types of subsidized housing are not even eligible to receive PBV assistance (see Section 17-II.D).

Other Subsidy [24 CFR 983.304]

To comply with HUD subsidy layering requirements, at the discretion of HUD or its designee, NHHFA shall reduce the rent to owner because of other governmental subsidies, including tax credits or tax exemptions, grants, or other subsidized funding.

For units in any of the following types of federally subsidized projects, the rent to owner may not exceed the subsidized rent (basic rent) or tax credit rent as determined in accordance with requirements for the applicable federal program:

- An insured or non-insured Section 236 project.

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- A formerly insured or non-insured Section 236 project that continues to receive Interest Reduction Payment following a decoupling action.
- A Section 221(d)(3) below market interest rate (BMIR) project.
- A Section 515 project of the Rural Housing Service.
- Any other type of federally subsidized project specified by HUD.

Combining Subsidy

Rent to owner may not exceed any limitation required to comply with HUD subsidy layering requirements.

Rent Control

[24 CFR 983.305]
In addition to the rent limits set by PBV program regulations, the amount of rent to owner may also be subject to rent control or other limits under local, state, or federal law.

PART IX: Payments To Owner

17-IX.A. Housing Assistance Payments

[24 CFR 983.351]
During the term of the HAP contract, NHHFA must make housing assistance payments to the owner in accordance with the terms of the HAP contract. During the term of the HAP contract, payments must be made for each month that a contract unit complies with housing quality standards and is leased to and occupied by an eligible family. The housing assistance payment must be paid to the owner on or about the first day business day of the month for which payment is due, unless the owner and NHHFA agree on a later date.

Except for discretionary vacancy payments, NHHFA may not make any housing assistance payment to the owner for any month after the month when the family moves out of the unit (even if household goods or property are left in the unit).

The amount of the housing assistance payment by NHHFA is the rent to owner minus the tenant rent (total tenant payment minus the utility allowance).

In order to receive housing assistance payments, the owner must comply with all provisions of the HAP contract. Unless the owner complies with all provisions of the HAP contract, the owner does not have a right to receive housing assistance payments.

17-IX.B. Vacancy Payments

[24 CFR 983.352]

Payment at Move-Out Month [24 CFR 983.352(a)]

If an assisted family moves out of the unit, the owner may keep the housing assistance payment for the calendar month when the family moves out. However, the owner may not keep the payment if NHHFA determines that the vacancy is the owner's fault.

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NHHFA Policy

If NHHFA determines that the owner is responsible for a vacancy and, as a result, is not entitled to the keep the housing assistance payment, NHHFA will notify the owner of the amount of housing assistance payment that the owner must repay. NHHFA will require the owner to repay the amount owed in accordance with the policies in Section 16-IV.B.

Vacancy Payments

[24 CFR 983.352(b)]

At the discretion of NHHFA, the HAP contract may provide for vacancy payments to the owner for a NHHFA-determined period of vacancy extending from the beginning of the first calendar month after the move-out month for a period not exceeding two full months following the move-out month. NHHFA must include in its administrative plan NHHFA's policy on the conditions under which it will allow vacancy payments in a HAP contract, the duration of the payments, amount of vacancy payments it will make to an owner, and the required form and manner of requests for vacancy payments.

NHHFA Policy

NHHFA will provide vacancy payments to the owner. The HAP contract with the owner will contain any such agreement, including the amount of the vacancy payment and the period for which the owner will qualify for these payments.

NHHFA may only make vacancy payments if:

- The owner gives NHHFA prompt, written notice certifying that the family has vacated the unit and identifies the date when the family moved out (to the best of the owner's knowledge and belief).
- The owner certifies that the vacancy is not the fault of the owner, and that the unit was vacant during the period for which payment is claimed;
- The owner certifies that it has taken every reasonable action to minimize the likelihood and length of vacancy; and
- The owner provides any additional information required and requested by NHHFA to verify that the owner is entitled to the vacancy payment.

The owner must submit a request for vacancy payments in the form and manner required by NHHFA and must provide any information or substantiation required by NHHFA to determine the amount of any vacancy payment.

The vacancy payment to the owner for each month of the maximum two-month period is determined by NHHFA and cannot exceed the monthly rent to owner under the assisted lease, minus any portion of the rental payment received by the owner (including amounts available from the tenant's security deposit). Any vacancy payment may cover only the period the unit remains vacant.

NHHFA Policy

If an owner's HAP contract calls for vacancy payments to be made, and the owner wishes to receive vacancy payments, the owner must have properly notified NHHFA of the vacancy in

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accordance with the policy in Section 17-VI.G. regarding filling vacancies.

In order for a vacancy payment request to be considered, it must be made in writing (including via email) within 10 business days of the end of the period for which the owner is requesting the vacancy payment. The request must include the required owner certifications and NHHFA may require the owner to provide documentation to support the request. If the owner does not provide the information requested by NHHFA within 10 business days of NHHFA's request, no vacancy payments will be made.

If vacancy payments are made, NHHFA will make vacancy payments for the period of vacancy extending from the beginning of the first calendar month after the move-out month for a period not exceeding two full months following the move-out month. The amount of the vacancy payment will not exceed the monthly rent to owner under the assisted lease, minus any portion of the rental payment received by the owner (including amounts available from the tenant's security deposit). Any vacancy payment will cover only the period the unit remains vacant.

17-IX.C. Tenant Rent to Owner

[24 CFR 983.353]
The tenant rent is the portion of the rent to owner paid by the family. The amount of tenant rent is determined by NHHFA in accordance with HUD requirements. Any changes in the amount of tenant rent will be effective on the date stated in NHHFA notice to the family and owner.

The family is responsible for paying the tenant rent (total tenant payment minus the utility allowance). The amount of the tenant rent determined by NHHFA is the maximum amount the owner may charge the family for rental of a contract unit. The tenant rent covers all housing services, maintenance, equipment, and utilities to be provided by the owner. The owner may not demand or accept any rent payment from the tenant in excess of the tenant rent as determined by NHHFA. The owner must immediately return any excess payment to the tenant.

Tenant and NHHFA Responsibilities

The family is not responsible for the portion of rent to owner that is covered by the housing assistance payment and the owner may not terminate the tenancy of an assisted family for nonpayment by NHHFA.

Likewise, NHHFA is responsible only for making the housing assistance payment to the owner in accordance with the HAP contract. NHHFA is not responsible for paying tenant rent, or any other claim by the owner, including damage to the unit. NHHFA may not use housing assistance payments or other program funds (including administrative fee reserves) to pay any part of the tenant rent or other claim by the owner.

Utility Reimbursements

[24 CFR 983.353(d)]
If the amount of the utility allowance exceeds the total tenant payment, NHHFA must pay the amount of such excess to the tenant as a reimbursement for tenant-paid utilities, and the tenant

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rent to the owner must be zero.

NHHFA may pay the utility reimbursement directly to the family or to the utility supplier on behalf of the family. If NHHFA chooses to pay the utility supplier directly, NHHFA must notify the family of the amount paid to the utility supplier.

NHHFA Policy

NHHFA will make utility reimbursements to the family.

17-IX.D. Other Fees and Charges

[24 CFR 983.354]

Meals and Supportive Services

With the exception of PBV assistance in assisted living developments, the owner may not require the tenant to pay charges for meals or supportive services. Non-payment of such charges is not grounds for termination of tenancy.
In assisted living developments receiving PBV assistance, the owner may charge for meals or supportive services. These charges may not be included in the rent to owner, nor may the value of meals and supportive services be included in the calculation of the reasonable rent. However, non-payment of such charges is grounds for termination of the lease by the owner in an assisted living development.

Other Charges by Owner

The owner may not charge extra amounts for items customarily included in rent in the locality or provided at no additional cost to unsubsidized tenants in the premises.

17-IX.E. Project Record Retention

[24 CFR 983.12]
The regulation at 24 CFR 982.158 applies to both NHHFA's tenant-based and project-based programs. In addition, for each PBV project, NHHFA must maintain the following records throughout the HAP contract term and for three years thereafter:

Records to document the basis for NHHFA selection of the proposal, if selection is competitive, or project, if selection is noncompetitive, including records of NHHFA's site selection determination (see 24 CFR 983.55) and records to document the completion of the review of the selection process in the case of NHHFA-owned units, and copies of the written notice of proposal selection and response of the appropriate party;

- The analysis of impact, if applicable.
- The subsidy layering determination, if applicable.
- The environmental review record, if applicable.
- The Agreement to enter into HAP contract (AHAP), if applicable.
- Evidence of completion, if applicable.
- The HAP contract and any rider and/or amendments, including amendments to extend the term of the contract.

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- Records to document the basis for NHHFA determination and redetermination of rent to owner.
- Records to document HUD approval of the independent entity or entities, in the case of NHHFA-owned units.
- Records of the accessibility features of the project and each contract unit; and
- Other records as HUD may require.

Chapter 18 Special Purpose Vouchers

Introduction

Special purpose vouchers are specifically funded by Congress in separate appropriations from regular HCV program funding in order to target specific populations. Special purpose vouchers include vouchers for the following programs:

- Family Unification Program (FUP)
- Foster Youth to Independence (FYI) program
- Veterans Affairs Supportive Housing (VASH)
- Mainstream
- Non-Elderly Disabled (NED)
- Stability Vouchers

This chapter describes HUD regulations and NHHFA policies for administering special purpose vouchers. The policies outlined in this chapter are organized into five sections, as follows:
Part I: Family Unification Program (FUP)
Part II: Foster Youth to Independence (FYI) program
Part III: Veterans Affairs Supportive Housing (VASH)
Part IV: Mainstream voucher program
Part V: Non-Elderly Disabled (NED) vouchers
Part VI: Stability Voucher program

Except as addressed by this chapter and as required under federal statute and HUD requirements, the general requirements of the HCV program apply to special purpose vouchers.

PART I: Family Unification Program (FUP)

18-I.A. Program Overview

[Fact Sheet, Housing Choice Voucher Program Family Unification Program (FUP); Notice PIH 2025-08]

Overview

The Family Unification Program (FUP) was authorized by Congress in 1990 to help preserve and reunify families. The program provides vouchers to two different populations—FUP families (FUPF) and FUP youth (FUPY).

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Families eligible for FUPF vouchers are families for whom the lack of adequate housing is a primary factor in:

- The imminent placement of the family's child or children in out-of-home care; or
- The delay in the discharge of the child or children to the family from out-of-home care.
- There is no time limitation on FUP family vouchers, and the family retains their voucher as long as they are HCV-eligible. There is no requirement for the provision of supportive services for FUP family vouchers.

Youth eligible for FUPY vouchers are those who:

- Are at least 18 years old and not more than 24 years of age.
- Have left foster care or will leave foster care within 180 days, in accordance with a transition plan described in section 475(5)(H) of the Social Security Act at age 16 and older; and
- Are homeless or at risk of becoming homeless.

FUP youth vouchers are limited by statute to a period of 36 months unless the youth meets the requirements to receive an extension of assistance under the Fostering Stable Housing Opportunities (FSHO) amendments. FSHO provides FUP youth an extension of the 36-month time limit for up to an additional 24 months if the youth is participating in the Family Self-Sufficiency (FSS) program. Supportive services must also be provided to FUP-eligible youth by the Division for Children, Youth and Families (DCYF) or by another agency or organization under contract with DCYF for the period of time defined in the notice or Notice of Funding Availability/Opportunity (NOFA/O) for which funding was made available.

FUP vouchers are made available by HUD by submitting an application under an active Notice of Funding Opportunity (NOFO). While the FUP program is administered in accordance with HCV regulations, the FUP NOFOs issued by HUD provide specific program information and requirements.

In order to administer the program, NHHFA must also form a partnership with DCYF who is responsible for determining the family or youth meets FUP eligibility requirements and referring them to NHHFA. Once the referral is received, NHHFA is responsible for placing the FUP family or youth on NHHFA's waiting list and determining whether they are eligible to receive assistance under NHHFA's HCV program.

FUP and FYI vouchers are subject to the requirements in Section 8(x) of the 1937 Act and 24 CFR 982, 983 (as applicable) and the Fostering Stable Housing Opportunities (FSHO) Amendments *Federal Register* notice except as provided in Notice PIH 2025-08 and any subsequent notice issued by HUD.

The Consolidated Appropriations Act, 2024 (Public Law 118-42) authorized HUD to establish waivers and alternative requirements for FUP and FYI vouchers that are necessary for the effective delivery and administration of funds. HUD may waive or specify alternative requirements for regulatory provisions related to the administration of waiting lists, local preferences, and the initial term and extensions of tenant-based vouchers. Additionally, HUD may also waive or specify alternative requirements regarding the timing of referral of youth leaving foster care. HUD is not permitted to waive requirements related to tenant rights and protections, rent setting, fair housing, nondiscrimination, labor standards, and the environment.

NHHFA Policy

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At the expiration of the 36-month limit, FUP youth voucher holders will be given a preference on the waiting list for a regular HCV voucher. If funding is not available when a turnover occurs, the participant will be placed on the waiting list. NHHFA will provide FUP youth an extension of the 36-month time limit for up to an additional 24 months if the youth is participating in the Family Self-Sufficiency (FSS) program.

Assigning Vouchers [FUP FAQs]

NHHFA may, but is not required to, assign a specific number or percentage of FUP vouchers for FUPY youths and FUPF families. Unless NHHFA assigns a specific number or percentage of FUP vouchers to a designated FUP population, NHHFA must serve any referrals (youths or families) that meet all program eligibility requirements up to NHHFA's designated FUP program size.

NHHFA Policy

NHHFA has not designated any specific number or percentage of FUP vouchers for youths or families. NHHFA will serve all referrals that meet program eligibility requirements, up to NHHFA's FUP voucher allocation.

18-I.B. Public Child Welfare Agency (PCWA)

Notice PIH 2025-08

Families and youth do not apply directly to NHHFA for FUP vouchers. They are instead referred by a PCWA with whom NHHFA has entered into a Memorandum of Understanding (MOU). The partnering PCWA initially determines whether the family or youth meets the FUP program eligibility requirements listed in 18-I.C. and 18-I.D. and then refers those families or youths to NHHFA who determines whether the family or youth meets HCV program eligibility requirements. The PHA conducts all other processes relating to voucher issuance and administration.

Referrals may also be received from other agencies such as the Continuum of Care (CoC), or a state, local, educational, philanthropic, or faith-based organization. HUD strongly encourages PHAs and PCWAs to make decisions collaboratively on the administration of the program and to maintain open and continuous communication. In cases where the referral comes from a third-party partner, the PCWA and PHA are still responsible for determining eligibility as outlined above, including the PCWA's written certification that the youth is eligible. The PCWA must have a system for identifying FUP-eligible youth within the agency's caseload and for reviewing referrals from a Continuum of Care (COC) if applicable.

NHHFA Policy

NHHFA has entered into an MOU with the following partnering organizations: Division of Children, Youth and Families (DCYF) and the Continuum of Care (CoC) agencies in NH.

Supportive Services

DCYF must provide supportive services for the period of time defined in the notice or NOFO for which the funding was made available to all FUP-eligible youth regardless of their age. The MOU between NHHFA and DCYF will identify the period of time in which supportive services will be provided.

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NHHFA Policy

DCYF will provide supportive services for all FUP youth for a period of 36 months. Supportive services may be provided to FUP-eligible youth by DCYF or by another agency or organization under agreement or contract with DCYF. The organization providing the services and resources must be identified in the MOU. The following services must be offered:

- Basic life skills information or counseling on money management, use of credit, housekeeping, proper nutrition or meal preparation, and access to health care (e.g., doctors, medication, and mental and behavioral health services).
- Counseling on compliance with rental lease requirements and with HCV program participant requirements, including assistance or referrals for assistance on security deposits, utility hook-up fees, and utility deposits.
- Providing such assurances to owners of rental property as are reasonable and necessary to assist a FUP-eligible youth to rent a unit with a FUP voucher.
- Job preparation and attainment counseling (where to look and how to apply, dress, grooming, relationships with supervisory personnel, etc.); and
- Educational and career advancement counseling regarding attainment of general equivalency diploma (GED), or attendance or financing of education at a technical school, trade school, or college, including successful work ethic and attitude models.

NHHFA Policy

Additional supportive services will not be offered. A FUP-eligible youth cannot be required to participate in these services as a condition of receipt of the FUP voucher.

18-I.C. FUP Family Voucher Eligibility Criteria

FUP family assistance is reserved for eligible families that the DCYF has certified are a family for whom a lack of adequate housing is a primary factor in:

- The imminent placement of the family's child or children in out-of-home care, or
- The delay in the discharge of the child or children to the family from out-of-home care.
- Lack of adequate housing means the family meets any one of the following conditions:
- Living in substandard housing, which refers to a unit that meets any one of the following conditions:
    - Does not have operable indoor plumbing
    - Does not have a usable flush toilet inside the unit for the exclusive use of a family or youth
    - Does not have a usable bathtub or shower inside the unit for the exclusive use of a family or youth
    - Does not have electricity, or has inadequate or unsafe electrical service
    - Does not have a safe or adequate source of heat
    - Should, but does not, have a kitchen
    - Has been declared unfit for habitation by an agency or unit of government, or in its present condition otherwise endangers the health, safety, or well-being of the family or youth
    - Has one or more critical defects, or a combination of intermediate defects in sufficient number or to the extent that it requires considerable repair or rebuilding. The defects may result from original construction, from continued neglect or lack of repair, or from serious damage to the structure
- Being homeless as defined in 24 CFR 578.3

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- Living in a unit where the presence of a household member with certain characteristics (i.e., conviction for certain criminal activities) would result in the imminent placement of the family's child or children in out-of-home care, or the delay in the discharge of the child or children to the family from out-of-home care
- Living in housing not accessible to the family's disabled child or children due to the nature of the disability
- Living in an overcrowded unit, which is defined as living in a unit where one of the following conditions has been met:
    - The family is separated from its child or children and the parents are living in an otherwise standard housing unit, but, after the family is reunited, the parents' housing unit would be overcrowded for the entire family and would be considered substandard; or
    - The family is living with its child or children in a unit that is overcrowded for the entire family and this overcrowded condition may result, in addition to other factors, in the imminent placement of its child or children in out-of-home care.

  For purposes of this definition, the determination as to whether the unit is overcrowded is made in accordance with NHHFA subsidy standards in Chapter 5, Part III of this policy.
- Since HUD does not define imminent placement, the partnering PCWA may use its discretion to determine whether the potential out of home placement of the family's child or children is imminent [FUP FAQs].

NHHFA Policy

HUD.gov FUP FAQs

If after a family is referred by the PCWA but prior to issuance of a voucher a PHA discovers that reunification will not happen, can the FUP voucher still be issued or would the family not be eligible, since the children will not be returning home? The family must remain FUP-eligible through lease-up. In order to meet the definition of a FUP eligible family, lack of adequate housing must be a primary factor in the imminent placement of the family's child, or children, in out-of-home care, or in delaying the reunification. If the lack of adequate housing is no longer a primary factor for the family not reunifying, the family is no longer eligible for a FUP voucher and the FUP voucher cannot be issued to the family. If the FUP voucher has already been issued before the PHA discovers that the reunification will not happen, but the family has not yet leased up under the voucher, the PHA must not execute the HAP contract, as the family is no longer FUP-eligible.

18-I.D. FUP Youth Voucher Eligibility Criteria

While FUP family vouchers operate as regular HCVs after the family is referred from DYCF, there are several aspects of the FUP youth vouchers that make them distinct from the FUP family vouchers and from regular HCVs.

Eligibility Criteria

A FUP-eligible youth is a youth DCYF has certified:

- Is at least 18 years old and not more than 24 years of age (has not yet reached their 25th birthday);
- The FUP youth must be no more than 24 years old at the time DCYF certifies them as eligible and at the time of HAP contract execution.

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- Has left foster care or will leave foster care within 180 days, in accordance with a transition plan described in section 475(5)(H) of the Social Security Act;
- Foster care placement can include, but is not limited to, placements in foster family homes, foster homes of relatives, group homes, emergency shelters, residential facilities, childcare institutions, and pre-adoptive homes in accordance with 24 CFR 5.576.
- Is homeless or at risk of becoming homeless at age 16 or older;
- At risk of being homeless is fully defined at 24 CFR 576.2.
- This includes a person that is exiting a publicly funded institution, or system of care (such as a healthcare facility, a mental health facility, foster care or other youth facility, or correction program or institution).
- Therefore, youth being discharged from an institution may be eligible for a FUP voucher [FUP FAQs].
- A youth meets the definition of “at risk of homelessness” if the youth has an annual income at or below 30 percent of area median income; and
- Does not have sufficient resources or support networks (e.g., family, friends, faith-based or other social networks) immediately available to prevent them from moving to a supervised publicly or privately operated shelter designed to provide temporary living arrangements.

18-I.E. Assistance Period

[FR Notice 1/24/22]

Maximum Assistance Period

Although there is no time limit on FUP family vouchers, FUP youth vouchers are limited by statute. Unless the FUP youth meets an exception outlined below, after 36 months of assistance, the FUP youth voucher must be terminated. However, any period of time for which no subsidy (HAP) is being paid on behalf of the youth does not count toward the 36-month limitation.

If the FUP youth does meet the requirements outlined below, the statutory limit on FUP assistance is a total of 60 months of FUP voucher assistance [FR Notice 1/24/22].

Extension of Assistance

FUP youth who first leased or lease a unit after December 27, 2020, may be eligible for an extension of assistance up to 24 months beyond the 36-month time limit (for a total of 60 months of assistance).

While FUP youth cannot be required to participate in the Family Self-Sufficiency (FSS) program as a condition of receipt of assistance, an eligible youth who participates in the FSS program and is in compliance with the applicable terms and conditions of the program is entitled to receive assistance for up to an additional 24 months. A FUP youth must accept an FSS slot if it is offered to them prior to the 36-month mark in order to receive an extension of assistance (unless the youth meets one of the statutory exceptions described below).

Statutory Exceptions

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A FUP youth will be entitled to receive an extension of assistance for up to 24 months beyond the 36-month time limit without participating in NHHFA's FSS program. FSHO provides an extension for youth who:

- Are responsible for the care of a dependent child under the age of six or for the care of an incapacitated person;
- Are regularly and actively participating in a drug addiction or alcohol treatment and rehabilitation program; or
- Are incapable of complying with the requirement to participate in an FSS program or engage in education, workforce development, or employment activities, as applicable,

NHHFA Policy

- NHHFA defines incapacitated person as someone who is unable to provide for their own personal needs or manage their finances.
- NHHFA will apply this exception in a manner that provides extensions of FUP youth assistance to the broadest population possible consistent with the statutory requirements.
- The FUP youth will be required to self-certify that they meet this exception on a NHHFA-provided form. This certification is the only documentation that the FUP youth must submit.
- The child or incapacitated person is not required to reside in the household in order for the youth to certify they meet this exception. For example, a child in a joint custody arrangement under the age of six who resides in the household only part-time may qualify the youth for this exception.
- The FUP youth is a person who is regularly and actively participating in a drug addiction or alcohol treatment and rehabilitation program.

NHHFA Policy

NHHFA will define regular and active participation in a manner that provides extensions of FUP youth assistance to the broadest population possible consistent with the statutory requirements. The FUP youth will be required to self-certify that they meet this exception on a NHHFA-provided form. This certification is the only documentation that the FUP youth must submit.

The FUP youth is a person who is incapable of complying with the requirement to participate in a FSS program as described above or engage in education, workforce development, or employment activities as described below, as applicable, due to a documented medical condition.

A FUP youth that meets one of the above exceptions must still be offered an opportunity to enroll in NHHFA's FSS program (if it is available to them) and receive any supportive services available to FUP youth. A FUP youth may choose to participate in an FSS program or engage in education, workforce development, or employment activities, even if they meet one of the above statutory exceptions.

Education, Workforce Development, or Employment Activities

If a PHA that carries out an FSS program is unable to offer a FUP youth an FSS slot during their first 36 months of receiving FUP youth assistance, the youth is considered to have been "unable

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to enroll" in the program and may have their voucher extended by meeting the education, workforce development, or employment criteria described below:

- The youth was engaged in obtaining a recognized postsecondary credential or a secondary school diploma or its recognized equivalent.

NHHFA Policy

NHHFA will use the definitions of recognized postsecondary credential and secondary school diploma or its recognized equivalent under the Workforce Innovation and Opportunity Act (WIOA). WIOA defines a recognized postsecondary credential as a credential consisting of an industry-recognized certificate or certification, a certificate of completion of an apprenticeship, a license recognized by the state involved or federal government, or an associate or baccalaureate degree (29 U.S.C. 3102). Examples of a recognized postsecondary credential include, but are not limited to, an associate's degree, bachelor's degree, occupational licensure, or occupational certification (see U.S. Department of Labor, Training and Employment Guidance Letter No. 10–16, Change 1). For the purpose of WIOA, the U.S. Department of Labor defines a secondary school diploma or its recognized equivalent as a secondary school diploma (or alternate diploma) that is recognized by a state and that is included for accountability purposes under the Elementary and Secondary Education Act of 1965 (ESEA), as amended by Every Student Succeeds Act (ESSA). A secondary school equivalency certification signifies that a student has completed the requirement for a high school education. Examples of a secondary school diploma or its recognized equivalent include, but are not limited to, obtaining certification of attaining passing scores on a state-recognized high school equivalency test, earning a secondary school diploma or state-recognized equivalent, or obtaining certification of passing a state-recognized competency-based assessment.

The youth was enrolled in an institution of higher education, as such term is defined in section 101(a) of the Higher Education Act of 1965 (20 U.S.C. 1001(a)) or an institution that meets the definition of a proprietary institution of higher education or a postsecondary vocational institution under sections 102(b)(1) and (c)(1) of the Higher Education Act of 1965 (20 U.S.C. 1002(b)(1) and (c)(1)), respectively.

NHHFA Policy

Youth must be enrolled in educational activities on at least a half-time basis, as defined by the institution that they attend. However, NHHFA may make exceptions to this requirement if the youth is unable to enroll in a sufficient number of classes due to a lack of course offerings by the educational institution where the youth is enrolled.

The youth was participating in a career pathway, as such term is defined in Section 3 of the Workforce Innovation and Opportunity Act (29 U.S.C. 3102). The term career pathway means a combination of rigorous and high-quality education, training, and other services that:
Aligns with the skill needs of industries in the economy of the state or regional economy involved;

- Prepares an individual to be successful in any of a full range of secondary or postsecondary education options, including apprenticeships registered under the Act of August 16, 1937 (commonly known as the "National Apprenticeship Act"; 50 Stat. 664, chapter 663; 29 U.S.C. 50 et seq.) (referred to individually in this Act as an apprenticeship, except in section 3226 of this title);
- Includes counseling to support an individual in achieving the individual's education and career goals;

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- Includes, as appropriate, education offered concurrently with and in the same context as workforce preparation activities and training for a specific occupation or occupational cluster;
- Organizes education, training, and other services to meet the particular needs of an individual in a manner that accelerates the educational and career advancement of the individual to the extent practicable;
- Enables an individual to attain a secondary school diploma or its recognized equivalent, and at least one recognized postsecondary credential; and
- Helps an individual enter or advance within a specific occupation or occupational cluster.
- The youth was employed.

NHHFA Policy

NHHFA will consider the youth to be employed if they work a minimum of 20 hours per week. NHHFA may make exceptions to this requirement if the youth's hours are reduced due to circumstances beyond their control or the youth must temporarily reduce their work hours due to a verified family emergency.

FSS Enrollment at 24 Months

If the FUP youth has not been provided an opportunity to enroll in the FSS program during the first 24 months of FUP assistance, HUD encourages NHHFA to remind the youth at the 24-month reexamination of the education, workforce development, and employment requirements described above so that the youth has enough time to meet these requirements prior to the expiration of the 36-month time period for FUP assistance.

NHHFA Policy

If the FUP youth has not been provided an opportunity to enroll in the FSS program during the first 24 months of FUP assistance, NHHFA will remind the youth at their second regular reexamination of the education, workforce development, and employment requirements described above.

FSS Enrollment Between 36 and 48 Months

If an FSS slot becomes available between the 36-month and 48-month mark:

- NHHFA must offer the slot to a FUP youth who had their voucher extended based on meeting the education, workforce development, or employment requirement listed above, or one of the statutory exceptions listed above (even if the youth previously declined an FSS slot because they met one of the statutory exceptions).
- NHHFA must work with the youth to determine whether enrollment in FSS is feasible and in their best interest given any education, workforce development, or employment activities that the youth is engaged in and any statutory exceptions that apply to the youth, as well as the remaining time on their voucher.
- If the FUP youth accepts the FSS slot, NHHFA must work with the youth to establish Contract of Participation goals and an Individual Training and Services Plan (ITSP) that can be accomplished within the time period left on the voucher.
- If the FUP youth is offered an FSS slot prior to the 36-month mark, the youth:
    - Will be required to enroll in the FSS program in order to receive an extension of assistance at the end of the 36-month time period (unless they meet one of the statutory exceptions described above).
    - Will not be considered to have been "unable to enroll" in the FSS program as described above, and as a result, will not be eligible to receive an extension of

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assistance based on meeting the education, workforce development, or employment requirements described above.

FSS Enrollment After 48 Months

NHHFA may, but is not required to, offer a FUP youth an FSS slot that becomes available between the 48-month mark and the 60-month mark, since the youth will have already received their second and final extension.

NHHFA Policy

If an FSS slot becomes available between the 48 and 60-month marks, NHHFA will not offer the FSS slot to a FUP youth.

Extensions of Assistance

At the 36-month and 48-month reexamination, NHHFA must extend FUP youth assistance if the youth is participating in and in compliance with the FSS program as long as the youth is still eligible for the HCV program.

In any case, the FUP youth cannot receive more than a total of 60 months of FUP youth voucher assistance, even if the FSS Contract of Participation time period extends beyond the voucher 60- month mark.

Verification Prior to Annual Reexam

In order to provide an extension of assistance, the PHA must verify compliance with the above requirements at the end of the 36-month time period and the 48-month time periods. The PHA does not need to verify compliance with these requirements at the end of the 60-month time period since the maximum length of assistance is 60 months.

To verify compliance with the education, workforce development, or employment requirement or one of the statutory exceptions, the PHA must provide the FUP youth written notification informing them that they may receive an extension of their FUP assistance and providing instructions on how the youth may demonstrate that they meet one of these conditions. This notification must be provided sufficiently in advance of the end of the 36-month or 48-month time periods, as applicable, to allow the FUP youth to demonstrate that they meet the education, workforce development, or employment requirement, or one of the statutory exceptions, and for the PHA to conduct an annual reexamination prior to the expiration of the FUP assistance.

NHHFA Policy

NHHFA will verify compliance with the education, workforce development, or employment requirement, or one of the statutory exceptions, at the end of the 36-month and 48-month time periods prior to the FUP youth’s scheduled annual reexamination. The PHA will not verify compliance at the end of the 60-month time period.

NHHFA will provide each FUP youth on the PHA’s program with a written notification informing them that they may receive an extension of their FUP assistance if they meet conditions outlined in this chapter and providing them with instructions on how they may demonstrate compliance at least 60 days prior to their scheduled annual reexamination date. When necessary, the PHA will provide this notification in a format accessible to FUP youth with disabilities.

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Termination of Assistance for Failure to Meet Conditions

Failure of the FUP youth to meet one of the above conditions will only impact their ability to receive subsequent extensions of assistance. It will not serve as a basis for terminating the FUP assistance prior to the annual reexam.

If the FUP youth does not meet any of the conditions described in in this chapter, the youth is subject to the statutory time limit of 36 months or the time limit of any extension that the youth has already received, and the FUP youth voucher must be terminated once the youth reaches this time limit. The calculation of the time limit begins from the date the first HAP contract is signed (for tenant-based vouchers) or from the date the youth entered into the initial lease agreement (for project-based vouchers). The number of months is calculated based on the number of months that HAP subsidy is being paid on behalf of the youth, not the number of months that the youth is in the FUP youth program. Prior to termination, NHHFA must offer the FUP youth the opportunity to request an informal hearing, in accordance with Chapter 16.

18-I.F. Referrals and Waiting List Management

Referrals

DCYF must establish and implement a system to identify FUP-eligible families and youths within the agency's caseload and make referrals to NHHFA. DCYF must certify that the FUP applicants they refer to NHHFA meet FUP eligibility requirements. NHHFA is not required to maintain full documentation that demonstrates the family's or youth's FUP eligibility as determined by DCYF but should keep the referral or certification from DCYF.

NHHFA Policy

As part of the MOU, NHHFA and DCYF have identified staff positions to serve as lead FUP liaisons. These positions will be responsible for transmission and acceptance of FUP referrals. DYCF must commit sufficient staff and resources to ensure eligible families and youths are identified and determined eligible in a timely manner.

When FUP vouchers are available, NHHFA's liaison responsible for acceptance of referrals will contact the DCYF FUP liaison via email indicating the number of vouchers available and requesting an appropriate number of referrals. No more than 10 business days from the date DCYF receives this notification, the DCYF liaison will provide NHHFA with a list of eligible referrals include the name, address, and contact phone number for each adult individual who is being referred; a completed release form for each adult family member; and a written certification for each referral indicating the youth or family is FUP-eligible.

NHHFA will maintain a copy of the referral or certification from DCYF in the participant's file along with other eligibility paperwork.

NHHFA must serve any referrals (youths or families) that meet all program eligibility requirements. If NHHFA determines that it has received a sufficient number of referrals from DCYF so that NHHFA will be able to lease all FUP vouchers awarded, NHHFA may request that DCYF suspend transmission of referrals. If NHHFA determines that additional referrals will be needed after it has made such a request, NHHFA may request that DCYF resume transmission of referrals [Notice PIH 2011-52].

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Waiting List Placement

A family that is already participating in the regular HCV program cannot be transferred to a FUP voucher.

HCV regulations require PHAs to use a single waiting list for admission to its Section 8 tenant-based assistance program. To enable PHAs to more effectively allocate FUP and FYI vouchers, HUD waived 24 CFR 982.204(f) and is establishing an optional waiver to allow PHAs to maintain a separate waiting list for FUP and FYI vouchers.

NHHFA Policy

NHHFA will not maintain a separate waiting list for FUP and FYI vouchers.

Within 10 business days of receiving the referral from DCYF, NHHFA will review the HCV waiting list and will send DCYF a list confirming whether or not referrals are on the waiting list.

Referrals who are already on the list will retain their position and the list will be notated to indicate the family or youth is FUP-eligible.

For those referrals not already on the waiting list, NHHFA will work with DCYF to ensure they receive and successfully complete a pre-application or application, as applicable. Once the pre-application or application has been completed, NHHFA will place the referral on the HCV waiting list with the date and time of the original referral and an indication that the referral is FUP-eligible.

If the PHA's HCV waiting list is closed, the PHA will open its HCV waiting list in order to accept new FUP applicants. If necessary, the PHA may open its waiting list solely for FUP applicants, but this information must be included in the PHA's notice of opening its waiting list (see section 4-II.C., Opening and Closing the Waiting List of this administrative plan).

Waiting List Selection

Notice PIH 2025-08

NHHFA selects FUP-eligible families or youths based on NHHFA's regular HCV waiting list selection policies in Chapter 4, including any preferences that may apply, with the exception of any residency preferences which may not be applied to FUP or FYI applicants. In addition, the PHA may establish separate preferences for FUP and FYI applicants.

PHA Policy

The PHA will apply separate preferences to FUP and FYI applicants.

18-I.G. NHHFA HCV Eligibility Determination

Once a FUP-eligible family or youth is selected from the HCV waiting list, NHHFA must determine whether the family or youth meets HCV program eligibility requirements. Applicants must be eligible under both FUP family or youth eligibility requirements, as applicable, and HCV eligibility requirements as outlined in Chapter 3 of this policy.

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DCYF may, but is not obligated to, provide information to NHHFA on the family's criminal history.

NHHFA Policy

Subject to privacy laws, DCYF may provide any available information regarding the applicant's criminal history to NHHFA. NHHFA will consider the information in making its eligibility determination in accordance with NHHFA's policies in Chapter 3, Part III.

Additional FUP Eligibility Factors [FUP FAQs]
For FUP family vouchers, the family must remain FUP-eligible thorough lease-up.
If, after a family is referred by DCYF but prior to issuing a family FUP voucher, NHHFA discovers that the lack of adequate housing is no longer a primary factor for the family not reunifying, the FUP voucher may not be issued to the family.

Similarly, if the FUP voucher has already been issued before NHHFA discovers that the reunification will not happen, but the family has not yet leased up under the voucher, NHHFA must not execute the HAP contract, as the family is no longer FUP-eligible.

FUP-eligible youth must be no more than 24 years old both at the time of DCYF certification and at the time of the HAP execution. If a FUP youth is 24 at the time of DCYF certification but will turn 25 before the HAP contract is executed, the youth is no longer eligible for a FUP youth voucher. While a youth may be referred for a FUPY or FYI voucher before reaching the age of 18, the PHA must not enter into a HAP contract on behalf of the youth until the youth reaches the age of 18.

NHHFA Policy

Any applicant that does not meet the eligibility criteria for the HCV program listed in Chapter 3 or any eligibility criteria listed in this section will be notified by NHHFA in writing following policies in Section 3-III.F., including stating the reasons the applicant was found ineligible and providing an opportunity for an informal review.

18.I.H. Lease Up

[FR Notice 1/24/22]
Once NHHFA determines that the family or youth meets HCV eligibility requirements, the family or youth will be issued a FUP voucher in accordance with NHHFA policies.

The residency requirement the live in New Hampshire for the initial term of 12 months if you did not live in NH when applying is waived for FUP and FYI vouchers.

NHHFA Policy

Eligible applicants will be notified by NHHFA in writing following policies in Section 3-III.F. of this policy. FYI youth will be briefed and provided with all aspects of the written and oral briefing as outlined in Part I of Chapter 5.

Vouchers will be issued for 120 days, this will also apply when the participants is a searching voucher or moving with continued assistance to a new unit. Each requested extension of the voucher will be 90 days, and the first request must be approved regardless of how the request is made (written or oral) as long as the request is made before the expiration date of the voucher.

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NHHFA must notify the applicant prior to the initial term expiration date that they may request an extension and inquire if housing search assistance is needed.

During the family briefing, NHHFA must inform the FUP youth of:

- The extension of assistance provisions and requirements.
- The availability of the FSS program and offer them an FSS slot, if available, or offer to place them on the FSS waiting list; and
- Supportive services available to them, the existence of any other programs or services, and their eligibility for such programs and services. However, participation in supportive services cannot be required as a condition of receiving FUP youth assistance.
- Reasonable accommodation for voucher extensions is available for persons with disabilities.

NHHFA Policy

Eligible applicants will be notified by NHHFA in writing following policies in Section 3-III.F of this administrative plan. FUP families and youth will receive a standard HCV briefing in accordance with NHHFA policies in Part I of Chapter 5 of this administrative plan. NHHFA will provide all aspects of the written and oral briefing as outlined in Part I of Chapter 5 but will also provide an explanation of the required items listed above, as well as discussing supportive services offered by DCYF.

For both FUP youth and FUP families, vouchers will be issued in accordance with NHHFA policies in Chapter 5 Part II, except that NHHFA will consider one additional 30-day extension beyond the first automatic extension for any reason, not just those listed in the policy in Section 5-II.E.

Once the family or youth locate a unit, NHHFA conducts all other processes relating to voucher issuance and administration per HCV program regulations and NHHFA's policies (including, but not limited to inspections, determination of rent reasonableness, etc.).

Voucher Issuance

[Notice PIH 2025-08]

The initial search term for FUP vouchers must be at least 120 days from the date the voucher is issued. The initial 120-day term also applies when a family or youth chooses to move to a new unit with continued assistance inside or outside the PHA's jurisdiction.

PHAs must adopt an extension policy for FUP applicants that includes the following:

- Each extension must be for a minimum of 90 days;
- The PHA must approve the first extension request, regardless of how the request is made (written or oral) or when it is made, as long as the request is made on or before the voucher term expiration date and is consistent with applicable requirements;
- Subsequent requests should be processed in accordance with the PHA's administrative plan; and

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- The PHA must, on at least one occasion after voucher issuance, notify the applicant prior to the initial term expiration, to remind them about the term expiration date and the process for requesting an extension of the initial term, and to inquire if the applicant is in need of assistance with their housing search.

If a family or youth with a disability requires additional time to search for their unit, the PHA must provide an extension as a reasonable accommodation. The PHA's administrative plan must describe its policies for granting extensions of the initial 120-day term and provide clear instructions to the family and/or youth on the procedures for requesting an extension.

NHHFA Policy

All FUP vouchers will have an initial term of 120 calendar days. NHHFA will notify the applicant in writing via email and/or through a phone call at least 30 days prior to the expiration of the initial term of the voucher and inquire if the applicant is in need of assistance with their housing search. NHHFA will also remind the applicant of the housing search assistance that is available to them as set forth in the PHA's partnership agreements.

Upon written or oral request of the applicant (either through an email, phone call, or through a written form), NHHFA will automatically approve one 90-day extension to the initial voucher term as long as the request is made prior to the expiration date of the initial voucher term. Subsequent requests for extensions will follow NHHFA policies on voucher extensions found in Chapter 5. This includes granting additional extensions as needed as a reasonable accommodation.

The family must submit a Request for Tenancy Approval and proposed lease within the 120-day period unless the PHA grants an extension.

Once the family or youth locate a unit, the PHA conducts all other processes relating to voucher issuance and administration per HCV program regulations and the PHA's policies (including, but not limited to: inspections, determination of rent reasonableness, etc.). A FUPY may lease a unit prior to officially leaving foster care in order to ensure a smooth transition from foster care to independence, as long as all requirements of the FUP program and HCV program are met.

18-I.I. Termination of Assistance

General Requirements

With the exception of terminations of assistance for FUP youth after the statutorily required time period, terminations of FUP assistance are handled in the same way as the regular HCV program. Termination of a FUP voucher must be consistent with regulations for termination in 24 CFR Part 982, Subpart L and be in compliance with NHHFA policies (Chapter 12).
If the person who qualifies for the FUP voucher passes away, the family retains the FUP voucher. In the case of a FUP-youth voucher, assistance will terminate after the statutorily required time period, even if the FUP-eligible youth is no longer included in the household.
If the person who qualifies for the FUP voucher moves, the remaining family members may keep the FUP voucher based on NHHFA policy (see administrative plan, Section 3-I.C., Family Breakup and Remaining Member of Tenant Family).

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FUP Family Vouchers

If parents lose their parental rights or are separated from their children after voucher lease-up (or their children reach adulthood), the family is still eligible to keep their FUP assistance, as the regulations do not permit HCV termination for a family losing parental rights or the children reaching adulthood. However, NHHFA may transfer the assistance of a FUP family voucher holder to regular HCV assistance if there are no longer children in the household.

NHHFA Policy

NHHFA will not transfer the assistance of a FUP family voucher holder to regular HCV assistance if there are no longer children in the household and there is no prospect of any minor child being returned to the household.

FUP Youth Vouchers

NHHFA cannot terminate a FUP youth's assistance for noncompliance with DCYF case management, nor may NHHFA terminate assistance for a FUP youth for not accepting services from DCYF.

NHHFA may not transfer the assistance of a FUP youth voucher holder to regular HCV assistance upon the expiration of the statutorily required time period. However, NHHFA may issue a regular HCV to FUP youth if they were selected from the waiting list in accordance with NHHFA policies and may also adopt a preference for FUP youth voucher holders who are being terminated for this reason.

NHHFA Policy

NHHFA will provide a selection preference on NHHFA's HCV waiting list for FUP youth who are terminated due to the time limit on assistance.

Upon the expiration of the statutorily required time period, a FUP youth voucher holder who has children and who lacks adequate housing may qualify for a FUP family voucher provided they are referred by DCYF as an eligible family and meet the eligibility requirements for NHHFA's HCV program.

18-I.J. FUP Portability

Portability for a FUP family or youth is handled in the same way as for a regular HCV family. NHHFA may not restrict or deny portability for a FUP family or youth for reasons other than those specified in the HCV program regulations, as reflected in Chapter 10 of the administrative plan.

A FUP family or youth does not have to port to a jurisdiction that administers FUP. If the receiving PHA administers the FUP voucher on behalf of the initial PHA, the voucher is still considered a FUP voucher regardless of whether the receiving PHA has a FUP program. If the receiving PHA absorbs the voucher, the receiving PHA may absorb the incoming port into its FUP program (if it has one) or into its regular HCV program (if the receiving PHA has vouchers available to do so) and the family or youth become regular HCV participants. In either case, when the receiving PHA absorbs the voucher, a FUP voucher becomes available to the initial PHA.

Considerations for FUP Youth Vouchers

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If the voucher is a FUP youth voucher and remains such upon lease-up in the receiving PHA's jurisdiction, termination of assistance must still take place once the youth has received assistance for the statutorily required time period. If the receiving PHA is administering the FUP youth voucher on behalf of the initial PHA, the two PHAs must work together to initiate termination upon expiration of the statutorily required time period.

18-I.K. Project-Basing FUP Vouchers

[Notice PIH 2017-21; FR Notice 5/7/24; 24 CFR 983.6(d)(2); 983.54(c); 983.262(c) and (e); and FR Notice 1/24/22]

NHHFA may project-base FUP vouchers without HUD approval in accordance with all statutory and regulatory requirements for the PBV program. See Chapter 17 for NHHFA policies related to project-basing FUP vouchers.

PART II: Foster Youth to Independence Initiative

18-II.A. Program Overview

[Notice PIH 2020-28; Notice PIH 2023-04; FR Notice 1/24/22; Notice PIH 2025-08]
The Foster Youth to Independence (FYI) initiative was announced in 2019. The FYI initiative allows NHHFA who partner with a Public Child Welfare Agency (PCWA) to request targeted HCVs to serve eligible youth with a history of child welfare involvement that are homeless or at risk of being homeless. Rental assistance and supportive services are provided to qualified youth for a period of between 36 and 60 months. NHHFA must have an existing ACC with HUD for HCVs.

Funding is available either competitively though an FYI NOFA or noncompetitively on a rolling basis in accordance with the application requirements outlined in Notice PIH 2020-28, Notice PIH 2021-26, or Notice PIH 2023-04, as applicable. Under the noncompetitive process, PHA's are limited to 25 vouchers in a fiscal year with the ability to request additional vouchers. Where NHHFA has a combined FYI and/or FUP size of no more than 10 vouchers, NHHFA may request FYI vouchers with at least 50 percent utilization of its FUP and/or FYI vouchers. Where NHHFA has a combined FYI and/or FUP size of 11 or more vouchers, NHHFA may request FYI vouchers with 90 percent or greater utilization of its FUP and/or FYI vouchers. NHHFA may be eligible for an exception to the utilization criteria with the submission to HUD of a narrative that explains why NHHFA does not meet the utilization criteria and requires the award of FYI vouchers.

FUP and FYI vouchers are subject to the requirements in Section 8(x) of the 1937 Act and 24 CFR 982, 983 (as applicable) and the Fostering Stable Housing Opportunities (FSHO) Amendments *Federal Register* notice except as provided in Notice PIH 2025-08 and any subsequent notice issued by HUD.

The Consolidated Appropriations Act, 2024 (Public Law 118-42) authorized HUD to establish waivers and alternative requirements for FUP and FYI vouchers that are necessary for the effective delivery and administration of funds. HUD may waive or specify alternative requirements for regulatory provisions related to the administration of waiting lists, local preferences, and the initial term and extensions of tenant-based vouchers. Additionally, HUD may also waive or specify alternative requirements regarding the timing of referral of youth

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leaving foster care. HUD is not permitted to waive requirements related to tenant rights and protections, rent setting, fair housing, nondiscrimination, labor standards, and the environment.

18-II.B. Partnering Agencies

[Notice PIH 2023-04; FYI Updates and Partnering Opportunities Webinar]

Public Child Welfare Agency (PCWA)

NHHFA must enter into a partnership agreement with a PCWA in NHHFA's jurisdiction in the form of a Memorandum of Understanding (MOU) or letter of intent. The minimum contents of the partnership agreement are outlined in Notice PIH 2023-04. The PCWA is responsible for identifying and referring eligible youth to NHHFA and providing or securing a commitment for the provision of supportive services once youth are admitted to the program.

NHHFA Policy

NHHFA will implement a Foster Youth to Independence (FYI) program in partnership with the Division of Child, Youth and Family services.

DCYF is responsible for:

- Identifying FYI-eligible youth.
- Developing a system of prioritization based on the level of need of the youth and the appropriateness of intervention.
- Providing a written certification to NHHFA that the youth is eligible; and
- Providing a secure commitment for the provision of supportive services that are required to be offered.

Continuum of Care (CoC) and Other Partners

HUD strongly encourages PHAs to add other partners into the partnership agreement with the PCWA such as state, local, philanthropic, faith-based organizations, and the CoC, or a CoC recipient it designates. The CoC plays a role in identifying eligible youth in the community at risk of or experiencing homelessness that are no longer part of the child welfare system. Through the CoC's coordinated entry process, referrals of eligible youth to the PCWA are made based on prioritization of need and appropriateness of the intervention. Further, CoC recipients may provide supportive services using CoC program funds to youth who qualify for CoC program assistance. Youth who are part of the PCWA's active caseload do not have to be added to the CoC's coordinated entry process.

NHHFA Policy

In addition to DCYF, NHHFA will implement the FYI program in partnership with and the Continuums of Care (CoC) agencies in NH.

18-II.C. Youth Eligibility Criteria

[Notice PIH 2023-04; FYI Q&As; FYI FAQs]
DCYF is responsible for certifying that the youth have prior qualifying foster care involvement. As determined by DCYF, eligible youth:

- Are at least 18 years of age and not more than 24 years of age (have not yet reached their 25th birthday).
- Youth must be no more than 24 years of age at the time the PCWA certifies them as eligible and at the time of HAP contract execution.

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- Have left foster care or will leave foster care within 180 days, in accordance with a transition plan described in section 475(5)(H) of the Social Security Act; and
- Placements can include, but are not limited to, placements in foster family homes, foster homes of relatives, group homes, emergency shelters, residential facilities, childcare institutions, and pre-adoptive homes in accordance with 24 CFR 5.576.
- Are homeless or at risk of becoming homeless at age 16 and older.
- At risk of being homeless is fully defined at 24 CFR 576.2.
- This includes a person that is exiting a publicly funded institution, or system of care (such as a healthcare facility, a mental health facility, foster care or other youth facility, or correction program or institution). Therefore, youth being discharged from an institution may be eligible for an FYI voucher [FYI FAQs].
- Eligibility is not limited to single persons. For example, pregnant and/or parenting youth are eligible to receive assistance assuming they otherwise meet eligibility requirements. NHHFA may not exclude pregnant or parenting youth from service.

18-II.D. Supportive Services

[Notice PIH 2023-04; FYI Updates and Partnering Opportunities Webinar; FYI Q&As]

Supportive services may be provided by NHHFA, DCYF or a third party. DCYF must provide or secure a commitment to provide supportive services for participating youth for the period of time defined in the NOFO for which the funding was made available. At a minimum, the following supportive services must be offered:

- Basic life skills information/counseling on money management, use of credit, housekeeping, proper nutrition/meal preparation, and access to health care (e.g., doctors, medication, and mental and behavioral health services);
- Counseling on compliance with rental lease requirements and with HCV program participant requirements, including assistance/referrals for assistance on security deposits, utility hook-up fees, and utility deposits.
- Providing such assurances to owners of rental property as are reasonable and necessary to assist eligible youth to rent a unit with a voucher;
- Job preparation and attainment counseling (where to look/how to apply, dress, grooming, relationships with supervisory personnel, etc.); and
- Educational and career advancement counseling regarding attainment of general equivalency diploma (GED) or attendance/financing of education at a technical school, trade school, or college, including successful work ethic and attitude models.

NHHFA Policy

Additional supportive services will not be offered unless stated in the MOU.

Since participation in supportive services is optional, but strongly encouraged, an FYI participant may decline supportive services.

Administrative fee reserves may be used to cover costs for the supportive services listed above with HUD approval in accordance with Notice PIH 2022-14 and Notice PIH 2022-18. NHHFA does not plan to use this option.

18-II.E. Referrals and Waiting List Management

[Notice PIH 2023-04; FYI Updates and Partnering Opportunities Webinar FYI FAQs]

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Referrals

DCYF is responsible for certifying that the youth has prior qualifying foster care involvement. Once DCYF sends NHHFA the referral certifying the youth is program-eligible, NHHFA determines HCV eligibility.

DCYF must have a system for identifying eligible youth within the agency's caseload and reviewing referrals from other partners, as applicable. DCYF must also have a system for prioritization of referrals to ensure that youth are prioritized for an FYI voucher based upon their level of need and appropriateness of the intervention. For youth still involved in the child welfare system, the permanency goals of the young person should be taken into account. Prioritization must be designed in a way that is consistent with fair housing and civil rights requirements. Referrals may come from other organizations in the community who work with the population, but DCYF must certify that the youth meets eligibility requirements, unless DCYF has vested another organization with this authority.

NHHFA is not required to maintain full documentation that demonstrates the youth's eligibility as determined by DCYF but should keep the referral or certification from DCYF. DCYF is not required to provide NHHFA with HCV eligibility documents.

NHHFA Policy

NHHFA and DCYF have identified staff positions to serve as lead FYI liaisons. These positions will be responsible for transmission and acceptance of referrals. DCYF must commit sufficient staff and resources to ensure eligible youths are identified, prioritized, and determined eligible in a timely manner.

When vouchers are available, NHHFA liaison responsible for acceptance of referrals will contact the DCYF liaison via email indicating the number of vouchers available and requesting an appropriate number of referrals. No more than 10 business days from the date DCYF receives this notification, the DCYF liaison must provide NHHFA with a list of eligible referrals, a completed release form, and a written certification for each referral indicating the referral is eligible. The list will include the name, address, and contact phone number for each adult individual who is being referred.

NHHFA will maintain a copy of each certification from DCYF in the participant's file along with other eligibility paperwork.

Waiting List Placement [Notice PIH 2023-04; Notice PIH 2025-08 and FYI FAQs]

NHHFA must use the HCV waiting list for the FYI program. Youth already on the HCV program may not be transferred to an FYI voucher since they are not homeless or at-risk of homelessness.

HCV regulations require PHAs to use a single waiting list for admission to its Section 8 tenant-based assistance program. To enable PHAs to more effectively allocate FUP and FYI vouchers, HUD waived 24 CFR 982.204(f) and is establishing an optional waiver to allow PHAs to maintain a separate waiting list for FUP and FYI vouchers.

NHHFA Policy

NHHFA will not maintain a separate waiting list for FUP and FYI vouchers.

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Within 10 business days of receiving the referral from DCYF, NHHFA will review the HCV waiting list and will send DCYF a list confirming whether or not referrals are on the waiting list.

Referrals who are already on the list will retain their position and the list will be notated to indicate the applicant is FYI-eligible.

For those referrals not already on the waiting list, NHHFA will work with DCYF to ensure they receive and successfully complete a pre-application or application, as applicable. Once the pre-application or application has been completed, NHHFA will place the referral on the HCV waiting list with the date and time of the original referral and an indication that the referral is FYI-eligible.

If the PHA's HCV waiting list is closed, the PHA will open its HCV waiting list in order to accept new FYI applicants. If necessary, the PHA may open its waiting list solely for FYI applicants, but this information must be included in the PHA's notice of opening its waiting list (see section 4-II.C., Opening and Closing the Waiting List of this administrative plan).

Waiting List Selection

Notice PIH 2025-08

NHHFA selects eligible youths based on NHHFA's regular HCV waiting list selection policies in Chapter 4, including any preferences that may apply with the exception of any residency preferences which may not be applied to FUP or FYI applicants. In addition, the PHA may establish separate preferences for FUP and FYI applicants.

NHHFA Policy

NHHFA will apply separate preferences to FUP and FYI applicants.

18-II.F. NHHFA HCV Eligibility Determination

[FYI FAQs]

Once an eligible youth is selected from the HCV waiting list, NHHFA must determine whether the youth meets HCV program eligibility requirements. Applicants must be eligible under both FYI eligibility requirements and HCV eligibility requirements as outlined in Chapter 3 of this policy.

DCYF may, but is not obligated to, provide information to NHHFA on the youth's criminal history.

NHHFA Policy

Subject to privacy laws, DCYF may provide any available information regarding the applicant's criminal history to NHHFA.

NHHFA will consider the information in making its eligibility determination in accordance with NHHFA's policies in Chapter 3, Part III.

Additional Eligibility Factors

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Youth must be no more than 24 years old both at the time of DCYF certification and at the time of the HAP execution. If a youth is 24 at the time of DCYF certification but will turn 25 before the HAP contract is executed, the youth is no longer eligible for a FYI voucher. While a youth may be referred for a FUPY or FYI voucher before reaching the age of 18, the PHA must not enter into a HAP contract on behalf of the youth until the youth reaches the age of 18.

NHHFA Policy

Any applicant that does not meet the eligibility criteria for the HCV program listed in Chapter 3 or any eligibility criteria listed in this section will be notified by NHHFA in writing following policies in Section 3-III.F, including stating the reasons the applicant was found ineligible and providing an opportunity for an informal review.

18-II.G. Lease Up

[FR Notice 1/24/22]

Once NHHFA determines that the family or youth meets HCV eligibility requirements, the youth will be issued an FYI voucher in accordance with NHHFA policies.

The residency requirement the live in New Hampshire for the initial term of 12 months if you did not live in NH when applying is waived for FUP and FYI vouchers.

During the family briefing, NHHFA must inform the FYI voucher holder of:

The extension of assistance provisions and requirements.

- The availability of the FSS program and offer them an FSS slot, if available, or offer to place them on the FSS waiting list (provided NHHFA has an FSS program); and
- The supportive services available to them, the existence of any other programs or services, and their eligibility for such programs and services. However, participation in supportive services cannot be required as a condition of receiving FYI assistance.
- Reasonable accommodation for voucher extensions is available for persons with disabilities.

NHHFA Policy

Eligible applicants will be notified by NHHFA in writing following policies in Section 3-III.F. of this policy. FYI youth will be briefed and provided with all aspects of the written and oral briefing as outlined in Part I of Chapter 5.

Vouchers will be issued for 120 days, this will also apply when the participants is a searching voucher or moving with continued assistance to a new unit. Each requested extension of the voucher will be 90 days, and the first request must be approved regardless of how the request is made (written or oral) as long as the request is made before the expiration date of the voucher. NHHFA must notify the applicant prior to the initial term expiration date that they may request an extension and inquire if housing search assistance is needed.

Once the youth locates a unit, NHHFA conducts all other processes relating to voucher issuance and administration per HCV program regulations and NHHFA policy in Chapter 9. Should a youth fail to use the voucher, NHHFA may issue the voucher to another eligible youth if one has been identified [Notice PIH 2023-04].

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When providing education or counseling on renting housing that may include pre-1978 housing, NHHFA must inform participating youth of their rights under the Lead Disclosure Rule (24 CFR part 35, subpart A) and the Lead Safe Housing Rule (subparts B, R, and, as applicable, F-M).

Voucher Issuance [Notice PIH 2025-08]

The initial search term for FYI vouchers must be at least 120 days from the date the voucher is issued. The initial 120-day term also applies when a family or youth chooses to move to a new unit with continued assistance inside or outside the PHA's jurisdiction.

PHAs must adopt an extension policy for FYI applicants that includes the following:

- Each extension must be for a minimum of 90 days;
- The PHA must approve the first extension request, regardless of how the request is made (written or oral) or when it is made, as long as the request is made on or before the voucher term expiration date and is consistent with applicable requirements;
- Subsequent requests should be processed in accordance with the PHA's administrative plan; and
- The PHA must, on at least one occasion after voucher issuance, notify the applicant prior to the initial term expiration, to remind them of about the term expiration date and the process for requesting an extension of the initial term, and to inquire if the applicant is in need of assistance with their housing search.

If a family or youth with a disability requires additional time to search for their unit, the PHA must provide an extension as a reasonable accommodation. The PHA's administrative plan must describe its policies for granting extensions of the initial 120-day term and provide clear instructions to the family and/or youth on the procedures for requesting an extension.

NHHFA Policy

All FYI vouchers will have an initial term of 120 calendar days. NHHFA will notify the applicant in writing via email and/or through a phone call at least 30 days prior to the expiration of the initial term of the voucher and inquire if the applicant is in need of assistance with their housing search. NHHFA will also remind the applicant of the housing search assistance that is available to them as set forth in the PHA's partnership agreements.

Upon written or oral request of the applicant (either through an email, phone call, or through a written form), NHHFA will automatically approve one 90-day extension to the initial voucher term as long as the request is made prior to the expiration date of the initial voucher term. Subsequent requests for extensions will follow PHA policies on voucher extensions found in Chapter 5. This includes granting additional extensions as needed as a reasonable accommodation.

The family must submit a Request for Tenancy Approval and proposed lease within the 120-day period unless the PHA grants an extension.

Once the youth locates a unit, the PHA conducts all other processes relating to voucher issuance and administration per HCV program regulations and the PHA policy in Chapter 9.

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An FYI youth may lease a unit prior to officially leaving foster care in order to ensure a smooth transition from foster care to independence, as long as all requirements of the FYI program and HCV program are met.

18-II.H. Maximum Assistance Period

[Notice PIH 2023-04 and FYI FAQs; FR Notice 1/24/22]

Vouchers are limited by statute to a total of between 36 months and 60 months of housing assistance. At the end of the statutory time period, assistance must be terminated. However, any period of time for which no subsidy (HAP) is being paid on behalf of the youth does not count toward the limitation.

Participants do not "age out" of the program. A participant may continue with the program until they have received the period of assistance for which they are eligible. Age limits are only applied for entry into the program.

Extension of Assistance

FYI voucher holders who first leased or lease a unit after December 27, 2020, may be eligible for an extension of assistance up to 24 months beyond the 36-month time limit (for a total of 60 months of assistance).

While FYI voucher holders cannot be required to participate in the Family Self-Sufficiency (FSS) program as a condition of receipt of assistance, an eligible youth who participates in the FSS program and is in compliance with the applicable terms and conditions of the program is entitled to receive assistance for up to an additional 24 months. A FYI voucher holders must accept an FSS slot if it is offered to them prior to the 36-month mark in order to receive an extension of assistance (unless the youth meets one of the statutory exceptions described below).

Statutory Exceptions

FYI voucher holders will be entitled to receive an extension of assistance for up to 24 months beyond the 36-month time limit without participating in NHHFA's FSS program if they certify that they meet one of the exceptions below:

- The FYI voucher holder is a parent or other household member responsible for the care of a dependent child under the age of six or for the care of an incapacitated person.

NHHFA Policy

NHHFA defines incapacitated person as incapacitated person as someone who is unable to provide for their own personal needs or manage their finances. NHHFA will apply this exception in a manner that provides extensions of FYI assistance to the broadest population possible consistent with the statutory requirements.

The FYI voucher holder will be required to self-certify that they meet this exception on a NHHFA-provided form. This certification is the only documentation that the FYI voucher holder must submit.

The child or incapacitated person is not required to reside in the household in order for the FYI voucher holder to certify they meet this exception. For example, a child in a joint custody arrangement under the age of six who resides in the household only part time may qualify the FYI voucher holder for this exception.

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The FYI voucher holder is a person who is regularly and actively participating in a drug addiction or alcohol treatment and rehabilitation program.

NHHFA Policy

NHHFA will define regular and active participation in a manner that provides extensions of FYI voucher holder assistance to the broadest population possible consistent with the statutory requirements.

The FYI voucher holder will be required to self-certify that they meet this exception on a NHHFA-provided form. This certification is the only documentation that the FYI voucher holder must submit.

The FYI voucher holder is a person who is incapable of complying with the requirement to participate in a FSS program as described above or engage in education, workforce development, or employment activities as described below, as applicable, due to a documented medical condition.

NHHFA Policy

NHHFA will apply this requirement in a manner that provides extensions of FYI voucher holder assistance to the broadest population possible consistent with statutory requirements.

The FYI voucher holder will be required to self-certify that they meet this exception on a NHHFA-provided form. This certification is the only documentation that the FYI voucher holder must submit.

An FYI voucher holder that meets one of the above exceptions must still be offered an opportunity to enroll in NHHFA's FSS program (if it is available to them) and receive any supportive services available to FYI voucher holders. An FYI voucher holder may choose to participate in an FSS program or engage in education, workforce development, or employment activities, even if they meet one of the above statutory exceptions.

Education, Workforce Development, or Employment Activities

If NHHFA that carries out an FSS program is unable to offer a FYI voucher holder an FSS slot during their first 36 months of receiving FYI assistance, the FYI voucher holder is considered to have been "unable to enroll" in the program and may have their voucher extended by meeting the education, workforce development, or employment criteria described below:

The FYI voucher holder was engaged in obtaining a recognized postsecondary credential or a secondary school diploma or its recognized equivalent.

NHHFA Policy

NHHFA will use the definitions of recognized postsecondary credential and secondary school diploma or its recognized equivalent under the Workforce Innovation and Opportunity Act (WIOA). WIOA defines a recognized postsecondary credential as a credential consisting of an industry-recognized certificate or certification, a certificate of completion of an apprenticeship, a license recognized by the state involved or federal government, or an associate or baccalaureate degree (29 U.S.C. 3102). Examples of a recognized postsecondary credential include, but are not limited to, an associate's degree, bachelor's degree, occupational licensure,

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or occupational certification (see U.S. Department of Labor, Training and Employment Guidance Letter No. 10–16, Change 1). For the purpose of WIOA, the U.S. Department of Labor defines a secondary school diploma or its recognized equivalent as a secondary school diploma (or alternate diploma) that is recognized by a state and that is included for accountability purposes under the Elementary and Secondary Education Act of 1965 (ESEA), as amended by the Every Student Succeeds Act (ESSA). A secondary school equivalency certification signifies that a student has completed the requirement for a high school education. Examples of a secondary school diploma or its recognized equivalent include, but are not limited to, obtaining certification of attaining passing scores on a state-recognized high school equivalency test, earning a secondary school diploma or state-recognized equivalent, or obtaining certification of passing a state-recognized competency-based assessment.

The FYI voucher holder was enrolled in an institution of higher education, as such term is defined in section 101(a) of the Higher Education Act of 1965 (20 U.S.C. 1001(a)) or an institution that meets the definition of a proprietary institution of higher education or a postsecondary vocational institution under sections 102(b)(1) and (c)(1) of the Higher Education Act of 1965 (20 U.S.C. 1002(b)(1) and (c)(1)), respectively.

NHHFA Policy

The FYI voucher holder must be enrolled in education activities on at least a half-time basis, as defined by the institution which they attend. However, NHHFA may make exceptions to this requirement if the FYI voucher holder is unable to enroll in a sufficient number of classes due to a lack of course offerings by the educational institution where they are enrolled.

The FYI voucher holder was participating in a career pathway, as such term is defined in Section 3 of the Workforce Innovation and Opportunity Act (29 U.S.C. 3102).
The FYI voucher holder was employed.

NHHFA Policy

NHHFA will consider the FYI voucher holder to be employed if they work a minimum of 20 hours per week. NHHFA may make exceptions to this requirement if the FYI voucher holder's hours are reduced due to circumstances beyond their control or the FYI voucher holder must temporarily reduce their work hours due to a verified family emergency.

FSS Enrollment at 24 Months

If the FYI voucher holder has not been provided an opportunity to enroll in the FSS program during the first 24 months of FYI assistance, HUD encourages NHHFA to remind the FYI voucher holder at the 24-month reexamination of the education, workforce development, and employment requirements described above so that they have enough time to meet these requirements prior to the expiration of the 36-month time period for FYI assistance.

NHHFA Policy

If the FYI voucher holder has not been provided an opportunity to enroll in the FSS program during the first 24 months of FYI assistance, NHHFA will remind the FYI voucher holder at their second regular reexamination of the education, workforce development, and employment requirements described above.

FSS Enrollment Between 36 and 48 Months

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If an FSS slot becomes available between the 36-month and 48-month mark:
NHHFA must offer the slot to an FYI voucher holder who had their voucher extended based on meeting the education, workforce development, or employment requirement listed above, or one of the statutory exceptions listed above (even if the FYI voucher holder previously declined an FSS slot because they met one of the statutory exceptions).

NHHFA must work with the FYI voucher holder to determine whether enrollment in FSS is feasible and in their best interest given any education, workforce development, or employment activities that the FYI voucher holder is engaged in and any statutory exceptions that apply to the FYI voucher holder, as well as the remaining time on their voucher.
If the FYI voucher holder accepts the FSS slot, NHHFA must work with them to establish Contract of Participation goals and an Individual Training and Services Plan (ITSP) that can be accomplished within the time period left on the voucher.

If the FYI voucher holder is offered an FSS slot prior to the 36-month mark, the FYI voucher holder:

Will be required to enroll in the FSS program in order to receive an extension of assistance at the end of the 36-month time period (unless they meet one of the statutory exceptions described above).

Will not be considered to have been “unable to enroll” in the FSS program, and as a result, will not be eligible to receive an extension of assistance based on meeting the education, workforce development, or employment requirements described above.
FSS Enrollment After 48 Months
NHHFA may, but is not required, to offer an FYI voucher holder an FSS slot that becomes available between the 48-month mark and the 60-month mark, since the FYI voucher holder will have already received their second and final extension.

NHHFA Policy

If an FSS slot becomes available between the 48 and 60-month marks, NHHFA will not offer the FSS slot to an FYI voucher holder.

Extensions of Assistance

At the 36-month and 48-month reexamination, NHHFA must extend FYI assistance if the FYI voucher holder is participating in and in compliance with the FSS program as long as the FYI voucher holder is still eligible for the HCV program.

In any case, the FYI voucher holder cannot receive more than a total of 60 months of FYI assistance even if the FSS Contract of Participation time period extends beyond the voucher 60- month mark.

No FSS Program or Unable to Enroll in FSS

If the FYI voucher holder has been unable to enroll in the program during the first 36 months of receiving FYI assistance, the FYI voucher holder is entitled to receive an extension of assistance for up to two successive 12-month periods beyond the 36-month time limit provided that the FYI voucher holder engaged in at least one of the education, workforce development, or employment activities described above for not less than nine months of the 12-month period preceding each extension. In order to meet the nine months out of the preceding 12 months

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requirement, the FYI voucher holder may have engaged in one of the education, workforce development, or employment activities described above or a combination of these activities.

Verification Prior to Annual Reexam

In order to provide an extension of assistance, NHHFA must verify compliance with the above requirements at the end of the 36-month time period and the 48-month time periods. NHHFA does not need to verify compliance with these requirements at the end of the 60-month time period since the maximum length of assistance is 60 months.

To verify compliance with the education, workforce development, or employment requirement or one of the statutory exceptions, NHHFA must provide the FYI voucher holder written notification informing them that they may receive an extension of their FYI assistance and providing instructions on how the FYI voucher holder may demonstrate that they meet one of these conditions. This notification must be provided sufficiently in advance of the end of the 36-month or 48-month time periods, as applicable, to allow the FYI voucher holder to demonstrate that they meet the education, workforce development, or employment requirement, or one of the statutory exceptions, and for NHHFA to conduct an annual reexamination prior to the expiration of the FYI assistance.

NHHFA Policy

NHHFA will verify compliance with the education, workforce development, or employment requirement, or one of the statutory exceptions, at the end of the 36-month and 48-month time periods prior to the FYI voucher holder's scheduled annual reexamination. NHHFA will not verify compliance at the end of the 60-month time period.
NHHFA will provide each FYI voucher holder on NHHFA's program with a written notification informing them that they may receive an extension of their FYI assistance if they meet conditions outlined in this chapter and providing them with instructions on how they may demonstrate compliance at least 60 days prior to their scheduled annual reexamination date. When necessary, NHHFA will provide this notification in a format accessible to FYI voucher holders with disabilities.

NHHFA will use the following verification methods to verify an FYI voucher holder's eligibility for voucher extensions:

- To verify compliance with the FSS requirement, NHHFA will examine its records to confirm, or obtain confirmation from NHHFA's FSS program staff, that the FYI participant is in compliance with FSS program requirements and has not been terminated from the FSS program.
- To meet the education, workforce development, or employment requirement, NHHFA will verify that the FYI voucher holder was engaged in at least one education, workforce development, or employment activity for at least nine months of the 12-month period immediately preceding the end of the 36-month or 48-month time period, as applicable.
- Due to the timing of when NHHFA verifies compliance and conducts the annual reexamination, the FYI voucher holder may have not yet met the nine-month requirement but may be able to demonstrate that they will meet the nine-month requirement as of the end of the 36-month or 48-month time period. In such cases, the FYI voucher holder will still be considered to have met the requirements.

In order for the FYI voucher holder to meet one of the statutory exceptions described above, the FYI voucher holder must submit a certification to NHHFA that they meet one of these

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exceptions. This certification is the only documentation that the FYI voucher holder must submit in order to demonstrate that they meet one of the statutory exceptions.

An FYI voucher holder who received an extension of voucher assistance at the end of the 36-month time period based on meeting one of the conditions described in this chapter does not have to meet the same conditions when they reach the end of the 48-month time period. The FYI voucher holder may demonstrate that they meet a different condition in order to receive an extension of their assistance.

If NHHFA determines that the FYI voucher holder meets one of the statutory conditions, NHHFA would then conduct an annual reexamination. If the annual reexamination determines that the FYI voucher holder is still eligible for the HCV program, NHHFA must provide the FYI voucher holder the extension of voucher assistance.

Termination of Assistance for Failure to Meet Conditions

Failure of the FYI voucher holder to meet one of the above conditions will only impact their ability to receive subsequent extensions of assistance. It will not serve as a basis for terminating the FYI assistance prior to the annual reexam.

If the FYI voucher holder does not meet any of the statutory conditions described in in this chapter, the youth is subject to the statutory time limit of 36 months or the time limit of any extension that the youth has already received, and the FYI voucher must be terminated once they reach this time limit. The calculation of the time limit begins from the date the first HAP contract is signed (for tenant-based vouchers) or from the date the FYI voucher holder entered into the initial lease agreement (for project-based vouchers). The number of months is calculated based on the number of months that HAP subsidy is being paid on behalf of the FYI voucher holder, not the number of months that they are in the FYI program. Prior to termination, NHHFA must offer the FYI voucher holder the opportunity to request an informal hearing, in accordance with Chapter 16.

18-II.I. Termination of Assistance

[FYI FAQs]
Termination of a FYI voucher is handled in the same way as with any HCV; therefore, termination of a FYI voucher must be consistent with HCV regulations at 24 CFR Part 982, Subpart L and NHHFA policies in Chapter 12. Given the statutory time limit that requires FYI vouchers to sunset, a NHHFA must terminate the youth's assistance once the limit on assistance has expired.

NHHFA cannot terminate a FYI youth's assistance for noncompliance with DCYF case management, nor may NHHFA terminate assistance for a FYI youth for not accepting services from the PCWA.

NHHFA may not transfer the assistance of FYI voucher holders to regular HCV assistance upon the expiration of the limit on assistance. However, NHHFA may issue a regular HCV to FYI voucher holders if they were selected from the waiting list in accordance with NHHFA policies.

NHHFA may also adopt a waiting list preference for FYI voucher holders who are being terminated for this reason.

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NHHFA Policy

NHHFA will provide a selection preference on NHHFA's HCV waiting list for FYI voucher holders who are terminated due to the time limit on assistance.

18-II.J. Portability

[FYI FAQs]
Portability for an FYI youth is handled in the same way as for a regular HCV family. A PHA may not restrict or deny portability for an FYI youth for reasons other than those specified in the HCV program regulations, as reflected in Chapter 10 of the administrative plan.

An FYI youth does not have to port to a jurisdiction that administers FYI vouchers.

If the receiving PHA absorbs the voucher, the PHA may absorb the youth into its regular HCV program if it has vouchers available to do so. If the receiving PHA absorbs the youth into its regular HCV program, that youth becomes a regular HCV participant with none of the limitations of an FYI voucher.

The initial and receiving PHA must work together to initiate termination of assistance upon expiration of the time limit on assistance.

18-II.K. Project-Basing FYI Vouchers

[FYI FAQs; FR Notice 1/24/22; Notice PIH 2024-03]

PHA's that have initiated the selection process to project-base FYI and/or FUP vouchers may be eligible to project-base FYI and FUP units formally identified for project basing in accordance with all applicable PBV regulations and NHHFA policies in Chapter 17. This includes FYI vouchers awarded under Notices PIH 2020-28, PIH 2021-26, and PIH 2023-04. Assistance awarded under Notice PIH 2019-20 is prohibited from being project-based.

NHHFA Policy

NHHFA will not project-base FYI vouchers. All FYI vouchers will be used to provide tenant-based assistance.

PART III: Veterans Affairs Supportive Housing (VASH) Program

18-III.A. Program Overview

Since 2008, HCV program funding has provided rental assistance under a supportive housing program for homeless veterans. The Veterans Affairs Supportive Housing (VASH) program combines HCV rental assistance with case management and clinical services provided by the Department of Veterans Affairs (VA) at VA medical centers (VAMCs) and Community-Based Outpatient Clinics (CBOCs), or through a designated service provider (DSP) as approved by the VA Secretary. Eligible families are homeless veterans and their families that agree to participate in VA case management and are referred to the VAMC's partner NHHFA for HCV assistance.

The VAMC or DSP's responsibilities include:

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- Screening homeless veterans to determine whether they meet VASH program participation criteria.
- Referring homeless veterans to NHHFA.
- The term homeless veteran means a veteran who is homeless (as that term is defined in subsection (a) or (b) of Section 103 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11302)). See 38 U.S.C. 2002.
- Providing appropriate treatment and supportive services to potential VASH participants, if needed, prior to NHHFA issuance of a voucher.
- Providing housing search assistance to VASH participants;
- Identifying the social service and medical needs of VASH participants, and providing or ensuring the provision of regular ongoing case management, outpatient health services, hospitalization, and other supportive services as needed throughout the veterans' participation period; and
- Maintaining records and providing information for evaluation purposes, as required by HUD and the VA.

VASH vouchers are awarded noncompetitively based on geographic need and NHHFA administrative performance. Eligible PHA's must be located within the jurisdiction of a VAMC and in an area of high need based on data compiled by HUD and the VA. When Congress funds a new allocation of VASH vouchers, HUD invites eligible PHA's to apply for a specified number of vouchers.

Generally, the HUD-VASH program is administered in accordance with regular HCV program requirements. However, HUD is authorized to waive or specify alternative requirements to allow NHHFA to effectively deliver and administer VASH assistance. Alternative requirements are established in the HUD-VASH Operating Requirements, which were originally published in the Federal Register on May 6, 2008, and updated September 27, 2021, and then again in 2024. Unless expressly waived by HUD, all regulatory requirements and HUD directives regarding the HCV program requirements are applicable to VASH vouchers, including the use of all HUD-required contracts and other forms, and all civil rights and fair housing requirements. In addition, NHHFA may request additional statutory or regulatory waivers that it determines are necessary for the effective delivery and administration of the program.

The VASH program is administered in accordance with applicable Fair Housing requirements since civil rights requirements cannot be waived under the program. These include applicable authorities under 24 CFR 5.105(a) and 24 CFR 982.53 including, but not limited to, the Fair Housing Act, Section 504 of the Rehabilitation Act of 1973, Title VI of the Civil Rights Act of 1964, the Americans with Disabilities Act, and the Age Discrimination Act and all NHHFA policies as outlined in Chapter 2 of this document.

When HUD-VASH recipients include veterans with disabilities or family members with disabilities, reasonable accommodation requirements in Part II of Chapter 2 of this policy apply.

18-III.B. Referrals

[FR Notice 8/13/24 and HUD-VASH Qs and As]
VAMC case managers will screen all families in accordance with VA screening criteria and refer eligible families to NHHFA for determination of program eligibility and voucher issuance. NHHFA has no role in determining or verifying the veteran's eligibility under VA screening criteria, including determining the veteran's homelessness status. NHHFA must accept referrals

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from the partnering VAMC and must maintain written documentation of referrals in VASH tenant files. Upon turnover, VASH vouchers must be issued to eligible veteran families as identified by the VAMC.

NHHFA Policy

In order to expedite the screening process, NHHFA will provide all forms and a list of documents required for the VASH application to the VAMC. Case managers will work with veterans to fill out the forms and compile all documents prior to submitting an application. When feasible, the VAMC case manager will email copies of all documents to NHHFA to allow NHHFA time to review them and start a file for the veteran.

After the VAMC has given NHHFA a complete referral, NHHFA will perform an eligibility screening within five business days of receipt of a VAMC referral.

18-III.C. HCV Program Eligibility

[FR Notice 8/13/24]
Eligible participants are homeless veterans and their families who agree to participate in case management from the VAMC.

A VASH Veteran or veteran family refers to either a single veteran or a veteran with a household composed of two or more related persons. It also includes one or more eligible persons living with the veteran who are determined to be important to the veteran's care or well-being.

A veteran for the purpose of VASH is a person whose length of service meets statutory requirements, and who served in the active military, naval, or air service, was discharged or released under conditions other than dishonorable, and is eligible for VA health care.
Under VASH, NHHFA does not have authority to determine family eligibility in accordance with HCV program rules and NHHFA policies. The only reasons for denial of assistance by NHHFA are failure to meet the income eligibility requirements and/or that a family member is subject to a lifetime registration requirement under a state sex offender registration program. Under portability, the receiving NHHFA must also comply with these VASH screening requirements.

Social Security Numbers

When verifying Social Security numbers (SSNs) for homeless veterans and their family members, NHHFA must use available flexibilities in accordance with 24 CFR 5.216(g)(1)(iii) to accept self-certification of SSNs and at least one third-party document, such as a bank statement, utility or cell phone bill, or benefit letter that contains the name of the individual in the absence of other documentation.

In the case of the homeless veteran, NHHFA must accept the Certificate of Release or Discharge from Active Duty (DD-214) or the VA-verified Application for Health Benefits (10-10EZ) as verification of SSN if these forms are available and cannot require the veteran to provide a Social Security card. A VA-issued identification card may also be used to verify the SSN of a homeless veteran.

Proof of Age

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The DD-214 or 10-10EZ must be accepted as proof of age in lieu of birth certificates or other NHHFA-required documentation as outlined in Section 7-II.C. of this policy. A VA-issued identification card may also be used to verify the age of a homeless veteran.

Photo Identification

A VA-issued identification card must be accepted in lieu of another type of government-issued photo identification. These cards also serve as verification of SSNs and date of birth.

Income Eligibility [FR Notice 8/13/24]
With some exceptions, NHHFA must determine income eligibility for VASH families in accordance with 24 CFR 982.201 and policies in Section 3-II.A. Low-income families (80 percent of AMI) are eligible for assistance under VASH, and NHHFA may not condition eligibility based on additional eligibility criteria specified in its administrative plan. If the family is over-income based on the most recently published income limits for the family size, the family will be ineligible for assistance.

The following alternative requirements related to income apply to VASH families:

- NHHFA must determine the applicant's annual income for purposes of income eligibility by excluding all VA service-connected benefits received by the applicant. This special income exclusion only applies to the definition of annual income for purposes of determining income eligibility. If the HUD-VASH applicant qualifies as a low-income family under the alternative requirement, the VA service-connected benefits (with the exception of the normally excluded deferred VA disability payments under 24 CFR 5.609(b)(16) and the payments related to aid and attendance under 24 CFR 5.609(b)(17)) must still be included as annual income when calculating the family's adjusted income. In other words, the VA service-connected disability benefits are excluded for purposes of determining income eligibility but included for purposes of calculating the family's total tenant payment (TTP), housing assistance payment (HAP), and family share.
- When a veteran family reports that they have zero income, NHHFA must accept a self-certification of zero income from the family at admission and at reexamination without taking any additional steps to verify the family is indeed zero income. The self-certification does not need to be notarized. NHHFA must verify families' income in the Enterprise Income Verification (EIV) system within 120 days after admission. NHHFA may not deny zero income families.

Regardless of NHHFA policy, in determining compliance with the asset limitation at admission, for the VASH program, NHHFA must accept a self-certification by the family that the family's total assets are equal to or less than the HUD-published asset limitation amount (adjusted annually) and that the family does not have any present ownership interest in real property, without taking additional steps to verify the accuracy of the declaration.

NHHFA must not enforce the asset limitation for VASH families at reexamination.

In addition, because there needs to be a monthly housing assistance payment (HAP) in order to enter into a HAP contract on behalf of a tenant-based voucher family, the utilization of tenant-based VASH assistance by families determined income-eligible is limited to those areas where the family's (TTP) is less than the applicable payment standard or exception payment standard (including any VASH-specific exception payment standard established by NHHFA). The family

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must select a unit with a gross rent that is above the family's TTP in order to lease a unit with the tenant-based VASH voucher.

While income-targeting does not apply to VASH vouchers, NHHFA may include the admission of extremely low-income VASH families in its income targeting numbers for the fiscal year in which these families are admitted.

NHHFA Policy

While income-targeting requirements will not be considered by NHHFA when families are referred by the partnering VAMC, NHHFA will include any extremely low-income VASH families that are admitted in its income targeting numbers for the fiscal year in which these families are admitted.

Minimum Rent [FR Notice 8/13/24]
NHHFA must consider hardship circumstances before charging a minimum rent in accordance with 24 CFR 5.630(b). NHHFA may choose to charge a lower minimum rent (including a minimum rent of $0) specifically for their VASH program regardless of the minimum rent policies established in their administrative plan for other HCV families.

NHHFA Policy

NHHFA will establish a minimum rent of $0 for VASH families.

Screening [FR Notice 8/13/24]
NHHFA may not screen any potentially eligible family members or deny assistance for any grounds permitted under 24 CFR 982.552 and 982.553 with one exception: NHHFA is still required to prohibit admission if any member of the household is subject to a lifetime registration requirement under a state sex offender registration program. Accordingly, with the exception of denial for registration as a lifetime sex offender under state law and NHHFA policies on how sex offender screenings will be conducted, NHHFA policy in Sections 3-III.B. through 3-III.E. do not apply to VASH. The prohibition against screening families for anything other than lifetime sex offender status applies to all family members, not just the veteran.

If a family member is subject to lifetime registration under a state sex offender registration program, the remaining family members may be served if the family agrees to remove the sex offender from its family composition. This is true unless the family member subject to lifetime registration under a state sex offender registration program is the homeless veteran, in which case the family would be denied admission to the program [FR Notice 8/13/24].

Denial of Assistance [Notice PIH 2008-37]
Once a veteran is referred by the VAMC, NHHFA must either issue a voucher or deny assistance. If NHHFA denies assistance, it must provide the family with prompt notice of the decision and a brief statement of the reason for denial in accordance with Section 3-III.F. Like in the standard HCV program, the family must be provided with the opportunity for an informal review in accordance with policies in Section 3-III.F. In addition, a copy of the denial notice must be sent to the VAMC case manager.

18-III.D. Changes in Family Composition

Adding Family Members [FR Notice 8/13/24]
When adding a family member after the family has been admitted to the program, NHHFA policies in Section 3-II.B. apply. Other than the birth, adoption, or court-awarded custody of a

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child, NHHFA must approve additional family members and will apply its regular screening criteria in doing so.

Remaining Family Members [HUD-VASH Qs and As]
If the homeless veteran dies while the family is being assisted, the voucher would remain with the remaining members of the tenant family. NHHFA may use one of its own regular vouchers, if available, to continue assisting this family and free up a VASH voucher for another VASH-eligible family. If a regular voucher is not available, the family would continue utilizing the VASH voucher. Once the VASH voucher turns over, however, it must go to a homeless veteran family.

Family Break Up [HUD-VASH Qs and As]
In the case of divorce or separation, since the set-aside of VASH vouchers is for veterans, the voucher must remain with the veteran. This overrides NHHFA's policies in Section 3-I.C. on how to determine who remains in the program if a family breaks up.

18-III.E. Leasing

[FR Notice 8/13/24]

Waiting List

NHHFA does not have the authority to maintain a waiting list or apply local preferences for HUD–VASH vouchers. Policies in Chapter 4 relating to applicant selection from the waiting list, local preferences, special admissions, cross-listing, and opening and closing the waiting list do not apply to VASH vouchers.

Exception Payment Standards [FR Notice 8/13/24]
To assist VASH participants in finding affordable housing, especially in competitive markets, HUD allows NHHFA to establish a HUD-VASH exception payment standard. NHHFA may go up to but no higher than 120 percent of the published metropolitan area-wide fair market rent (FMR) specifically for VASH families. NHHFA may want to establish a VASH exception payment standard over 120 percent but must still request a waiver from HUD through the regular waiver process outlined in Notice PIH 2018-16, or any successor notices.

Exception payment standards implemented by NHHFA under this section also apply in determining rents under 24 CFR 983.301(b) for PBV projects only when the project is comprised solely of units exclusively made available to VASH families.

NHHFA may also establish an exception payment standard up to 140 percent of the published FMR if required as a reasonable accommodation for a family that includes a person with a disability. Any unit approved under an exception payment standard must still meet reasonable rent requirements. NHHFA may use a payment standard that is greater than 140 percent of FMR as a reasonable accommodation for a person with a disability, but only with HUD approval.

Voucher Issuance [FR Notice 8/13/24]

Unlike the standard HCV program which requires an initial voucher term of at least 60 days, VASH vouchers must have a search term of at least 120 days. This applies both to the initial search term and moves. NHHFA policies on extensions as outlined in Section 5-II.E. will apply.

NHHFA Policy

All VASH vouchers will have an initial term of 120 calendar days.

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The family must submit a Request for Tenancy Approval and proposed lease within the 120-day period unless NHHFA grants an extension.

NHHFA must track issuance of HCVs for families referred by the VAMC or DSP in HUD systems as required in FR Notice 8/13/24.

Special Housing Types [FR Notice 8/13/24]
NHHFA must permit VASH clients to use the following special housing types for tenant-based VASH assistance, regardless of whether these types are permitted in their administrative plan for other families:

- Single room occupancy (SRO).
- Congregate housing.
- Group home.
- Shared housing; and
- Cooperative housing.

Initial Lease Term [FR Notice 8/13/24]
Unlike in the standard the HCV program, VASH voucher holders may enter into an initial lease that is for less than 12 months. Accordingly, NHHFA policy in Section 9-I.E., Term of Assisted Tenancy, does not apply.

Ineligible Housing [FR Notice 8/13/24]
Unlike in the standard HCV program, VASH families are permitted to live on the grounds of a VA facility in units developed to house homeless veterans. This applies to both tenant-based assistance and PBV. Therefore, 24 CFR 982.352(a)(5) and 983.53(a)(2), which prohibit units on the physical grounds of a medical, mental, or similar public or private institution, do not apply to VASH for this purpose only. Accordingly, NHHFA policy in 9-I.D., Ineligible Units, does not apply for this purpose only.

Pre-Inspections [FR Notice 8/13/24]
To expedite the leasing process, NHHFA may pre-inspect available units that veterans may be interested in leasing in order to maintain a pool of eligible units. If a VASH family selects a unit that passed inspection (without intervening occupancy) within 90 days of the date of the Request for Tenancy Approval (Form HUD-52517), the unit may be approved if it meets all other conditions under 24 CFR 982.305. However, the veteran must be free to select their unit and cannot be steered to these units. All regulatory requirements pertaining to housing quality standards found at 24 CFR 5.703 apply to HUD-VASH.

NHHFA Policy

To expedite the leasing process, NHHFA may pre-inspect available units that veterans may be interested in leasing to maintain a pool of eligible units. If a VASH family selects a unit that passed a pre-inspection (without intervening occupancy) within 45 days of the date of the RFTA, the unit may be approved provided that it meets all other conditions under 24 CFR 982.305. The veteran will be free to select their unit.

When a pre-inspected unit is not selected, NHHFA will make every effort to fast-track the inspection process, including adjusting the normal inspection schedule for both initial and any required reinspection.

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18-III.F. Portability

[Notice PIH 2011-53 and FR Notice 8/13/24]

General Requirements

Portability policies under VASH depend on whether the family wants to move within or outside of the initial VA facility's catchment area (the area in which the VAMC or DSP operates). In all cases, the initial VA facility must be consulted prior to the move and provide written confirmation that case management will continue to be provided in the family's new location. VASH participant families may only reside in jurisdictions that are accessible to case management services, as determined by case managers at the partnering VAMC or DSP.

Under VASH, applicant families may move under portability even if the family did not have legal residency in the jurisdiction of the initial PHA when they applied. As a result, NHHFA policies in Section 10-II.B. about nonresident applicants do not apply. A family that moves under the portability procedures must not be subject to rescreening by the receiving PHA.
If the family no longer requires case management, there are no portability restrictions. Normal portability rules apply.

Portability within the Initial VAMC or DSP's Catchment Area

A VASH family can move within the VAMC's catchment area as long as case management can still be provided, as determined by the VA. If the initial PHA's partnering VAMC will still provide the case management services, the receiving PHA must process the move in accordance with portability procedures:

- If the receiving PHA has been awarded VASH vouchers, it can choose to either bill the initial PHA or absorb the family if it has a VASH voucher available to do so.
- If NHHFA absorbs the family, the VAMC or DSP providing the initial case management must agree to the absorption and the transfer of case management.
- If the receiving PHA does not administer a VASH program, it must always bill the initial NHHFA.

Portability Outside of the Initial VAMC or DSP's Catchment Area

If a family wants to move to another jurisdiction where it will not be possible for the initial PHA's partnering VAMC or DSP to provide case management services, the initial VAMC or DSP must first determine that the VASH family could be served by another VAMC or DSP that is participating in the VASH program, and the receiving PHA has an available VASH voucher.

In these cases, the family must be absorbed by the receiving PHA either as a new admission or as a portability move-in, as applicable. Upon absorption, the initial PHA's VASH voucher will be available to lease to a new VASH-eligible family, and the absorbed family will count toward the number of VASH slots awarded to the receiving PHA.

Portability Outside of the Initial VAMC or DSP's Catchment Area under VAWA

Veterans who request to port beyond the catchment area of the VAMC or DSP where they are receiving case management to protect the health or safety of a person who is or has been the victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking, and who reasonably believes they are threatened with imminent harm from further violence by remaining in the unit may port prior to receiving approval from the receiving VAMC or DSP. The initial PHA must follow its emergency transfer plan (see Exhibit 16-3). NHHFA may require

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verbal self-certification or a written request from a participant seeking a move beyond the catchment area of the VAMC or DSP.

The verbal self-certification or written request must include either a statement expressing why the participant reasonably believes that there is a threat of imminent harm from further violence if they were to remain in the same unit or a statement that the tenant was a sexual assault victim and that the sexual assault occurred on the premises during the 90-day period preceding the participants request for the move.

The participant must still port to a PHA that has a VASH program. If the receiving PHA does not have a VASH voucher available to lease, they may bill the initial PHA until a VASH voucher is available, at which point the porting veteran must be absorbed into the receiving PHA's program.

18-III.G. Termination of Assistance

[FR Notice 8/13/24]

Prior to terminating VASH participants, HUD strongly encourages NHHFA to exercise their discretion under 24 CFR 982.552(c)(2) as outlined in Section 12-II.D. of this policy and consider all relevant circumstances of the specific case. This includes granting reasonable accommodations for persons with disabilities, as well as considering the role of the case manager and the impact that ongoing case management services can have on mitigating the conditions that led to the potential termination.

VASH participant families may not be terminated after admission for a circumstance or activities that occurred prior to admission and were known to NHHFA but could not be considered at the time of admission due to VASH program requirements. NHHFA may terminate the family's assistance only for program violations that occur after the family's admission to the program. There are two alternative requirements for termination of assistance for VASH participants.

Cessation of Case Management

As a condition of receiving HCV rental assistance, a HUD-VASH-eligible family must receive case management services from the VAMC or DSP. VASH participant family's assistance must be terminated for failure to participate, without good cause, in case management as verified by the VAMC or DSP. However, NHHFA may offer the family continued assistance through one of its regular vouchers or a PBV unit not exclusively made available for HUD-VASH.

However, a VAMC or DSP determination that the participant family no longer requires case management is not grounds for termination of voucher or PBV assistance. In such a case, at its option, NHHFA may offer the family continued assistance through one of its regular vouchers. The decision to transfer assistance to a regular voucher must consider veteran preference and must be communicated to the VA prior to occurring. If NHHFA has no voucher to offer, the family will retain its VASH voucher, or PBV unit, until such time as NHHFA has an available voucher (or PBV unit not exclusively made available for VASH) for the family. If NHHFA has no voucher to offer, the family will retain its VASH voucher or PBV unit until such time as NHHFA has an available voucher for the family.

Serious Violation of the Lease

The regulation at 24 CFR 982.552(b)(2) states that NHHFA must terminate program assistance for a family evicted from housing assisted under the program for serious violation of the lease.

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HUD waived this provision, and establishing the alternative requirement that NHHFA may terminate program assistance in this case. Prior to terminating VASH participants for this reason, HUD strongly encourages NHHFA to exercise their discretion under 24 CFR 982.552(c)(2) and consider all relevant circumstances of the specific case, as well as including the role of the case manager and the impact that ongoing case management services can have on mitigating the conditions that led to the potential termination, prior to determining whether to terminate assistance.

VAWA [FR Notice 8/13/24]

When a veteran's family member is receiving protection under VAWA because the veteran is the perpetrator of domestic violence, dating violence, sexual assault, stalking, or human trafficking, the victim must continue to be assisted. Upon termination of the perpetrator's VASH assistance, the victim must be given a regular HCV if one is available, and the perpetrator's VASH voucher must be used to serve another eligible veteran family. If a regular HCV is not available, the perpetrator must be terminated from assistance and the victim will continue to use the VASH voucher.

18-III.H. Project-Basing VASH Vouchers

General Requirements [Notice PIH 2017-21 and FR Notice 8/13/24]
NHHFA is authorized to project-base their tenant-based VASH vouchers without additional HUD review or approval in accordance with Notice PIH 2017-21 and all PBV program requirements provided that the VAMC will continue to make supportive services available. In addition, since 2010, HUD has awarded VASH vouchers specifically for project-based assistance in the form of PBV HUD-VASH set-aside vouchers. While these vouchers are excluded from the PBV program cap as long as they remain under PBV HAP contract at the designated project, all other VASH vouchers are subject to the PBV program percentage limitation discussed in Section 17-I.A. Note that VASH supportive services only need to be provided to VASH families receiving PBV assistance in the project, not all families receiving PBV assistance in the project. If a VASH family does not require or no longer requires case management, the unit continues to count as an excepted PBV unit as long as the family resides in the unit. In the description of units in Exhibit A of the HAP contract, NHHFA must indicate the number of units that will be exclusively made available to VASH families. NHHFA must refer only VASH families to PBV units exclusively made available to VASH families and to PBV units funded through a VASH PBV set-aside award.

If NHHFA project-bases VASH vouchers, NHHFA must consult with the partnering VAMC or DSP to ensure approval of the project or projects. NHHFA may project-base VASH vouchers in projects alongside other PBV units and may execute a single HAP contract covering both the VASH PBVs and the other PBVs. NHHFA must refer only VASH families to PBV units exclusively made available to VASH families and to PBV units funded through a HUD set-aside award.

If a VASH family is referred to NHHFA and there is an available PBV unit that is not exclusively made available to VASH families, NHHFA may offer to refer the family to the owner if allowable under the selection policy for that project, and the owner and NHHFA may amend the HAP contract to designate the PBV unit as a VASH PBV unit.

NHHFA and owner may agree to amend a PBV HAP contract to redesignate a regular PBV unit as a unit specifically designated for VASH families so long as NHHFA first consults with the

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VAMC or DSP. Additionally, NHHFA and owner may agree to amend a PBV HAP contract to redesignate a unit specifically designated for VASH families as a regular PBV unit, so long as the unit is not funded through a VASH PBV set-aside award and is eligible for regular PBV (i.e., the unit is not on the grounds of a medical facility and the unit is eligible under NHHFA's program and project caps). Policies for VASH PBV units will generally follow NHHFA policies for the standard PBV program as listed in Chapter 17, with the exception of the policies listed below.

Ineligible Units

Unlike in the regular PBV program, NHHFA may opt to select an occupied unit or admit a family to a unit if such unit is made exclusively available to VASH families if the PBV project is either on the grounds of a VA facility or there are VASH supportive services provided on-site at the project.

Termination of Assistance

A VASH family's PBV assistance must be terminated for failure to participate in case management when required by the VA. However, NHHFA may allow the veteran family to receive a regular (non-VASH) tenant-based voucher or PBV unit instead of the family's assistance being terminated. In this case, NHHFA may:

- Substitute the family's unit on the PBV HAP contract for another unit (NHHFA may, in conjunction with such substitution, add the original unit to the PBV HAP contract with a non-VASH voucher if it is possible to do so.
- Remove the unit from the PBV HAP contract so the family may remain with tenant-based assistance, if the family and the owner agree to use the tenant-based voucher in the unit; or
- Change the unit's status in the PBV HAP contract from a unit exclusively made available for VASH to a regular PBV unit, if doing so is allowable under program rules.
- If NHHFA will not allow the veteran to receive a regular (non-VASH) tenant-based voucher or PBV unit instead of the family's assistance being terminated, then upon notification by the VA of the family's failure to participate in VA-required case management, NHHFA must provide the family a reasonable period of time (as established by NHHFA) to vacate the unit.

Moves

If a VASH family is eligible to move from its PBV unit after a year of PBV assistance, NHHFA will generally follow policies in Chapter 17. However, if there is no VASH tenant-based voucher available at the time the family requests to move, NHHFA's actions depend on whether the family still requires case management.

NHHFA may require a family that still requires case management to wait for a VASH tenant-based voucher for a period not to exceed 180 days. If a HUD-VASH tenant-based voucher is still not available after 180 days, the family must be allowed to move using its VASH voucher as tenant-based assistance. Alternatively, NHHFA may allow the family to move using its VASH voucher as tenant-based assistance without having to meet this 180-day waiting period. In either case, NHHFA may either amend the PBV HAP contract to replace the assistance in the PBV unit with one of its regular vouchers if the unit is eligible for a regular PBV or NHHFA and owner may agree to temporarily remove the unit from the HAP contract.

If a VASH veteran has been determined to no longer require case management, NHHFA must allow the family to move with the first available tenant-based voucher. If no VASH voucher is

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immediately available, NHHFA may not require the family to wait for a VASH voucher to become available.

Wrong-Sized or Accessible Units

If NHHFA determines that a VASH family is occupying a wrong-size PBV unit or a PBV unit with accessibility features that the family does not require and the PBV unit is needed by a family that requires the accessibility features, NHHFA must notify the family and the owner within 30 days of NHHFA's determination. NHHFA's offer of continued housing assistance (that must be made within 60 days of NHHFA's determination) must be in the form of either a VASH tenant-based voucher or another VASH PBV unit. If no VASH assistance is available for NHHFA to offer within 60 days of NHHFA's determination, NHHFA must remove the wrong-sized or accessible unit from the HAP contract to make VASH voucher assistance available to the family.

Contract Terminations

The regulation at 24 CFR 983.206(b), which covers the required provision of tenant-based assistance and requires that the family may elect to use its tenant-based assistance to remain in the same project when a PBV HAP contract terminates or expires, does not apply to families issued a HUD-VASH tenant-based voucher under this circumstance. NHHFA may use another voucher to add the unit removed under this alternative requirement to the HAP contract after the family vacates the property, in accordance with 24 CFR 983.207(b).

Rents

Contract rents may not be different based on whether the unit is a VASH PBV unit or a non-VASH PBV unit. In determining the rent to owner for the PBV project, if the cap on the amount of rent to owner under 24 CFR 983.301(b)(1) is lower for non-HUD-VASH units than it is for the HUD-VASH units (e.g., NHHFA has established a HUD-VASH exception payment standard and there is either no exception payment standard or a lower exception payment standard for the regular HCV program for the area in question), that lower cap is applicable when setting the rent to owner for the PBV units in the project, including the HUD-VASH units.

Removing Units from the HAP Contract for Ineligible Families

NHHFA and owner may also agree to temporarily remove a unit from the HAP contract in cases where a HUD VASH eligible veteran has been identified by the VA as appropriate for a VASH PBV unit, but the veteran is not income eligible to receive voucher assistance or may not be selected for the PBV unit because the family's TTP exceeds the gross rent of the unit. Although the family would not be a program participant in the housing portion of the VASH program in such a case, the family would still benefit from the project's location on the grounds of a VA facility or from the VASH supportive services on-site at the project, while the VASH voucher would be available to assist another VASH family. NHHFA and owner may agree to add a VASH voucher back onto the PBV HAP contract if the family's income subsequently decreased to the point that there would be a HAP or when the family vacates the unit.

Zero HAP Families

Under normal PBV requirements, NHHFA may select an occupied unit to be included under a PBV HAP contract only if the unit's occupants are eligible for assistance under 24 CFR 982.201, and the TTP for the family is less than the gross rent for the unit. Furthermore, in selecting a family for an available PBV unit, typically NHHFA must determine the TTP for the family is less than the gross rent, meaning that the unit will be eligible for a monthly HAP. However, if the PBV project is either on the grounds of a VA facility or there are HUD-VASH supportive services provided onsite at the project, NHHFA may opt to select a unit occupied by a zero HAP VASH

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eligible family or admit a zero HAP VASH family to a unit if such unit is made exclusively available to VASH families. Until such time that the VASH family's TTP falls below the gross rent, the family is responsible for paying the entire rent to owner in addition to being responsible for paying all tenant-supplied utilities. During any period that the family's TTP falls below the gross rent, normal PBV requirements apply.

Further, under normally applicable rules, units occupied by families whose incomes have increased during their tenancy resulting in their TTP equaling the gross rent (zero HAP) must be removed from the HAP contract 180 days following the last housing assistance payment to the owner on the family's behalf. These regulations do not apply to zero HAP families admitted to the PBV project under this waiver and alternative requirement because there is no last housing assistance payment that would trigger the unit removal date of 180 days. As an alternative requirement, NHHFA have the option of removing the unit in which the zero HAP family resides from the HAP contract, but no earlier than 180 days from the start of the family PBV tenancy. If NHHFA exercises this option, the family may not be required to move from the unit as a consequence and continues to receive the VASH supportive services. If the project is fully assisted, NHHFA may reinstate the unit removed to the HAP contract after the family either vacates the unit or their income decreases to the point that there would be a HAP. If the project is partially assisted, NHHFA may substitute a different unit for the unit removed from the HAP contact when the first eligible substitute unit becomes available. Alternatively, NHHFA may choose to simply leave the unit on the HAP contract while the zero HAP family continues to reside there.

Proposal/Project Selection

PBV proposal and/or project selection for VASH must follow all regular proposal and/or project selection regulations, with one exception. HUD permits noncompetitive selection of one or more PBV projects with units made exclusively available to VASH families on the site of a VA facility. Note that the method of project selection must comply with all other requirements under 24 CFR 983.51, including that NHHFA must notify the public of its intent to noncompetitively select one or more projects for PBV assistance through its 5-Year Plan and to ensure any project selection is consistent with NHHFA administrative plan.

Failure to Participate in Case Management [FR Notice 8/13/24]
Upon notification by the VAMC or DSP of the family's failure to participate, without good cause, in case management, NHHFA must provide the family a reasonable time period to vacate the unit. NHHFA must terminate assistance to the family at the earlier of either the time the family vacates, or the expiration of the reasonable time period given to vacate.

NHHFA Policy

Upon notification by the VAMC or DSP that a VASH PBV family has failed to participate in case management without good cause, NHHFA will provide written notice of termination of assistance to the family and the owner within 10 business days. The family will be given 60 days from the date of the notice to move out of the unit.

NHHFA may make exceptions to this 60-day period if needed for reasons beyond the family's control such as death, serious illness, or other medical emergency of a family member.
If the family fails to vacate the unit within the established time, the owner may evict the family. If the owner does not evict the family, NHHFA must remove the unit from the HAP contract or amend the HAP contract to substitute a different unit in the project if the project is partially

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assisted. NHHFA may add the removed unit to the HAP contract after the ineligible family vacates the property.

Moves [HUD-VASH Qs and As, FR Notice 8/13/24]

When a VASH PBV family is eligible to move from its PBV unit in accordance with Section 17-VIII.C. of this policy, but there is no other comparable tenant-based rental assistance, the following procedures must be implemented:

- If a VASH tenant-based voucher is not available at the time the family wants (and is eligible) to move, NHHFA may require a family who still requires case management to wait for a VASH tenant-based voucher for a period not to exceed 180 days.
- If a VASH tenant-based voucher is still not available after that period, the family must be allowed to move with its VASH voucher. Alternatively, NHHFA may allow the family to move with its VASH voucher without having to meet this 180-day period. In either case, NHHFA is required to replace the assistance in the PBV unit with one of its regular vouchers, unless NHHFA and owner agree to temporarily remove the unit from the HAP contract; and
- If a VASH veteran is determined to no longer require case management, NHHFA must allow the family to move with the first available tenant-based voucher if no VASH voucher is immediately available and cannot require the family to wait for a VASH voucher to become available.

PART IV: Mainstream Voucher Program

18-IV.A. Program Overview

[Notice PIH 2020-01 and Notice PIH 2024-30]
Mainstream vouchers assist non-elderly persons with disabilities and their families (particularly those transitioning out of institutions or at serious risk of institutionalization) in the form of either project-based or tenant-based voucher assistance.

The Mainstream voucher program, (previously referred to as the Mainstream 5-Year program or the Section 811 voucher program) was originally authorized under the National Affordable Housing Act of 1990. Mainstream vouchers operated separately from the regular HCV program until the passage of the Frank Melville Supportive Housing Investment Act of 2010. Funding for Mainstream voucher renewals and administrative fees was first made available in 2012. In 2017 and 2019, incremental vouchers were made available for the first time since the Melville Act (in addition to renewals and administrative fees), and PHA's were invited to apply for a competitive award of Mainstream vouchers under the FY17 and FY19 NOFAs. In 2020, Notice PIH 2020-22 provided an opportunity for any PHA administering an HCV program to apply for Mainstream vouchers noncompetitively, while Notice PIH 2020-09 authorized an increase in Mainstream voucher units and budget authority for those NHHFA already awarded Mainstream vouchers under the FY17 and FY19 NOFAs.

Funding and reporting for Mainstream vouchers is separate from the HCV program. Funds for Mainstream vouchers may be recaptured and reallocated if NHHFA does not comply with all program requirements or fails to maintain a utilization rate of 80 percent for NHHFA's Mainstream vouchers.

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The Consolidated Appropriations Act, 2024 (Public Law 118-42) authorized HUD to establish waivers and alternative requirements for Mainstream Vouchers related to the administration of waiting lists, local preferences, and the initial term and extensions of tenant-based vouchers. HUD is not permitted to waive requirements related to tenant rights and protections, rent setting, fair housing, nondiscrimination, labor standards, and the environment. Prior to this, Mainstream vouchers follow the same program requirements as standard vouchers.

18-IV.B. Eligible Population

[Notice PIH 2020-01 and Notice PIH 2020-22]
All Mainstream vouchers must be used to serve non-elderly persons with disabilities and their families, defined as any family that includes a person with disabilities who is at least 18 years old and not yet 62 years old as of the effective date of the initial HAP contract. The eligible disabled household member does not need to be the head of household.

The definition of person with disabilities for purposes of Mainstream vouchers is the statutory definition under section 3(b)(3)(E) of the 1937 Act, which is the same as is used for allowances and deductions in the HCV program and is provided in Exhibit 3-1 of this policy.

Existing families receiving Mainstream vouchers, where the eligible family member is now age 62 or older, will not “age out” of the program as long as the family was eligible on the day it was first assisted under a HAP contract.

NHHFA may not implement eligibility screening criteria for Mainstream vouchers that is different from that of the regular HCV program.

18-IV.C. Partnership and Supportive Services

[Notice PIH 2020-01]
PHA’s are encouraged but not required to establish formal and informal partnerships with a variety of organizations that assist persons with disabilities to help ensure eligible participants find and maintain stable housing.

NHHFA Policy

NHHFA will implement a Mainstream program, in partnership with DHHS, community mental health centers and area agencies serving people with intellectual and developmental disabilities.

18-IV.D. Waiting List Administration

[Notice PIH 2024-30]

For Mainstream vouchers, HUD has waived 24 CFR 982.204(f), which requires one waiting list for the HCV program and allows NHHFA the discretion to operate a Mainstream voucher waiting list that is separate from the general HCV waiting list. This is optional.

If NHHFA chooses to create a separate Mainstream waiting list, NHHFA must notify families on the HCV waiting list of the separate Mainstream waiting list and provide an opportunity for families on the HCV list to be placed on the Mainstream list.

If NHHFA does not pursue the optional waiver to maintain a separate Mainstream waiting list, NHHFA must still ensure program access for individuals with disabilities.

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Upon turnover, vouchers must be provided to Mainstream-eligible families.

NHHFA Policy

NHHFA will not establish a separate waiting list for the Mainstream program.
All NHHFA policies on opening, closing, and updating the waiting list in Chapter 4 will also apply to the Mainstream waiting list.

18-IV.E. Preferences

[Notice PIH 2024-30]

While NHHFA may establish local preferences based on local housing needs and priorities in accordance with 24 CFR 982.207(a), HCV regulations do not permit NHHFA to establish separate preferences for Mainstream voucher applicants. HUD waived 24 CFR 982.207(a)(1) and allows NHHFA to establish separate preferences for Mainstream voucher applicants.

Regardless of whether a NHHFA chooses to adopt separate Mainstream voucher preferences, if NHHFA claimed points for a preference in a NOFO application for Mainstream vouchers, NHHFA must adopt a preference for at least one of the targeted groups identified in the NOFO. NHHFA may choose to apply NOFO preferences to the entire HCV waiting list or only to Mainstream voucher applicants as a separate Mainstream voucher preference.
NHHFA may use either date and time of application or a drawing or other random choice technique in selecting families from the Mainstream waiting list among applicants with the same preference status in accordance with NHHFA's administrative plan.

NHHFA Policy

NHHFA claimed a preference for a targeted group as part of an application for Mainstream vouchers under a NOFO. NHHFA will offer the following preference:

-
- NHHFA adopted a preference in a Notice of Funding Availability application to non- elderly persons with disabilities who are transitioning out of institutional or other segregated settings or at serious risk of institutionalization. To qualify, the household must be composed of one or more non-elderly persons with disabilities (a person 18 years or older and less than 62 years of age), which may include additional household members who are not non-elderly persons with disabilities.

  - NHHFA will establish partnerships with health and human service agencies to coordinate services and supports to enable individuals to live independently in the community.
  - Referrals will be made from the partner agencies for placement on the Mainstream program sub-list
  - Individuals may apply directly without going through a partner agency.
  - Preference for placement on the sub-list will be given to individuals who qualify for the Mainstream Program preference. Sub-lists will be maintained by date and time of application. NHHFA will provide a preference for non-elderly persons with disabilities:
    - Transitioning out of institutional and other segregated settings; or
    - Those at serious risk of institutionalization.

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- Residents of permanent supportive housing or a rapid rehousing program who have previously experienced homelessness.

The NOFA definitions will be used to determine the eligibility of applicants for this preference.

18-IV.F. Voucher Issuance

Initial Search Term [Notice PIH 2024-30]
For Mainstream vouchers, HUD waived 24 CFR 982.303(a), which requires an initial search term of at least 60 days, and established an alternative requirement that the initial search term for a Mainstream voucher be at least 120 days. The initial 120-day term also applies when a family chooses to move to a new unit with continued assistance inside or outside NHHFA's jurisdiction. When issuing a Mainstream voucher, NHHFA also must provide a current listing of available accessible units known to NHHFA and, if necessary, otherwise assist the family in identifying an accessible unit.

NHHFA Policy

The initial voucher term for all Mainstream vouchers, including those issued when a family wishes to exercise portability, will be 120 days.

Voucher Extension [Notice PIH 2024-30]
NHHFA's administrative plan must describe NHHFA's policies for granting extensions to the initial 120-day voucher term and provide clear instructions to families on the procedures for requesting an extension. If a family requires additional time, NHHFA is required to provide an extension as a reasonable accommodation.

NHHFA must adopt an extension policy for Mainstream vouchers that includes the following: Each extension must be for a minimum of 90 days.

NHHFA must approve the first extension request, regardless of how the request is made (written or verbal) or when it is made, as long as the request is made on or before the expiration date of the voucher and is consistent with applicable requirements (subsequent requests should be processed in accordance with NHHFA's administrative plan); and NHHFA must, on at least one occasion after voucher issuance, notify the family prior to the expiration of the initial term to remind them of the expiration date, the process for requesting an extension, and to inquire if the family is in need of assistance with their housing search.

As part of its search extension policy, NHHFA may not restrict a first extension approval to certain circumstances or require documentation from applicants. For all extension requests, a written or verbal request is sufficient. In providing notice to families of the expiration date and extension request process, NHHFA must ensure effective communication with persons with disabilities, including those with vision, hearing, speech, intellectual or other developmental disabilities, or any other communication-related disabilities. NHHFA must approve all extensions made as a reasonable accommodation, and NHHFA must provide this information during the family briefing.

NHHFA Policy

At least 30 days prior to the expiration of the initial term of the voucher, NHHFA will contact the family to remind them of the expiration date of their voucher, the process for requesting an extension, and to inquire if the family needs assistance with their housing search. Depending on the family's preferred method of communication, NHHFA may contact the family via telephone,

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text message, email, or other accessible communication method. NHHFA will ensure effective communication with persons with disabilities, including those with vision, hearing, speech, intellectual or other developmental disabilities, or any other communication-related disabilities.

Families may request an extension, either orally or in writing, at any time prior to the expiration of the family's voucher. All requests for extensions will automatically be granted without the requirement for the family to provide documentation. The initial extension period will be for 90 days. If the family requires additional extensions beyond 90 days, the family may request additional extensions, either orally or in writing, at any time prior to the expiration of the extended voucher term. All subsequent extensions will also be for a period of 90 days and will not require the family to meet certain circumstances or provide documentation. Each time the family requests an extension, NHHFA will inquire if the family needs assistance with their housing search and will provide a current listing of available accessible units known to NHHFA.

18-IV.G. Portability

[Notice PIH 2020-01 and Mainstream Voucher Basics Webinar, 10/15/20]
Mainstream voucher participants are eligible for portability under standard portability rules and all PHA policies regarding portability in Chapter 10, Part II apply to Mainstream families. The following special considerations for Mainstream vouchers apply under portability:

- If the receiving PHA has a Mainstream voucher available, the participant may remain a Mainstream participant.
- If the receiving PHA chooses to bill the initial PHA, then the voucher will remain a Mainstream voucher.
- If the receiving PHA chooses to absorb the voucher, the voucher will be considered a regular voucher, or a Mainstream voucher if the receiving PHA has a Mainstream voucher available, and the Mainstream voucher at the initial PHA will be freed up to lease to another Mainstream-eligible family.
- If the receiving PHA does not have a Mainstream voucher available, the participant may receive a regular voucher.

18-IV.H. Project-Basing Mainstream Vouchers

[FY19 Mainstream Voucher NOFA Q&A]
NHHFA may project-base Mainstream vouchers in accordance with all applicable PBV regulations and NHHFA policies in Chapter 17. NHHFA is responsible for ensuring that, in addition to complying with project-based voucher program requirements, the project complies with all applicable federal nondiscrimination and civil rights statutes and requirements. This includes, but is not limited to, Section 504 of the Rehabilitation Act (Section 504), Titles II or III of the Americans with Disabilities (ADA), and the Fair Housing Act and their implementing regulations at 24 CFR Part 8; 28 CFR Parts 35 and 36; and 24 CFR Part 100. Mainstream vouchers are subject to the PBV program percentage limitation discussed in Section 17-I.A.

PART V: Non-Elderly Disabled (NED) Vouchers

18-V.A. Program Overview

[Notice PIH 2013-19]
NED vouchers help non-elderly disabled families lease suitable, accessible, and affordable housing in the private market. Aside from separate funding appropriations and serving a specific population, NED vouchers follow the same program requirements as standard vouchers.

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NHHFA does not have special authority to treat families that receive a NED voucher differently from other applicants and participants.

Some NED vouchers are awarded to NHHFA through competitive NOFAs. The NOFA for FY2009 Rental Assistance for NED made incremental funding available for two categories of NED families:

- Category 1 vouchers enable non-elderly persons or families with disabilities to access affordable housing on the private market.
- Category 2 vouchers enable non-elderly persons with disabilities currently residing in nursing homes or other healthcare institutions to transition into the community. NHHFA with NED Category 2 vouchers were required to partner with a state Medicaid or health agency or the state Money Follows the Person (MFP) Demonstration agency.

Since 1997, HCVs for NED families have been also awarded under various special purpose HCV programs: Rental Assistance for Non-Elderly Persons with Disabilities in Support of Designated Housing Plans (Designated Housing), Rental Assistance for Non-Elderly Persons with Disabilities Related to Certain Types of Section 8 Project-Based Developments (Certain Developments), One-Year Mainstream Housing Opportunities for Persons with Disabilities, and the Project Access Pilot Program (formerly Access Housing 2000).

Designated Housing vouchers enable non-elderly disabled families, who would have been eligible for a public housing unit if occupancy of the unit or entire project had not been restricted to elderly families only through an approved Designated Housing Plan, to receive rental assistance. These vouchers may also assist non-elderly disabled families living in a designated unit/project/building to move from that project if they so choose. The family does not have to be listed on NHHFA's voucher waiting list. Instead, they may be admitted to the program as a special admission. Once the impacted families have been served, NHHFA may begin issuing these vouchers to non-elderly disabled families from their HCV waiting list. Upon turnover, these vouchers must be issued to non-elderly disabled families from NHHFA's HCV waiting list.

Certain Developments vouchers enable non-elderly families having a person with disabilities, who do not currently receive housing assistance in certain developments where owners establish preferences for, or restrict occupancy to, elderly families, to obtain affordable housing. These non-elderly families with a disabled person do not need to be listed on NHHFA's HCV waiting list in order to be offered and receive housing choice voucher rental assistance. It is sufficient that these families' names are on the waiting list for a covered development at the time their names are provided to NHHFA by the owner. Once the impacted families have been served, NHHFA may begin issuing these vouchers to non-elderly disabled families from their HCV waiting list. Upon turnover, these vouchers must be issued to non-elderly disabled families from NHHFA's HCV waiting list.

One-Year Mainstream Housing Opportunities for Persons with Disabilities (One-Year Mainstream) vouchers enable non-elderly disabled families on NHHFA's waiting list to receive a voucher. After initial leasing, turnover vouchers must be issued to non-elderly disabled families from NHHFA's voucher waiting list.

18-V.B. Eligible Population

General Requirements [Notice PIH 2013-19]

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Only eligible families whose head of household, spouse, or cohead is non-elderly (under age 62) and disabled may receive a NED voucher. Families with only a minor child with a disability are not eligible.

In cases where the qualifying household member now qualifies as elderly due to the passage of time since the family received the NED voucher, existing NED participant families do not "age out," as the family was eligible on the day it was first assisted under a housing assistance payments (HAP) contract.

The definition of person with disabilities for purposes of NED vouchers is the statutory definition under Section 3(b)(3)(E) of the 1937 Act, which is the same as is used for allowances and deductions in the HCV program and is provided in Exhibit 3-1 of this policy.
NHHFA may not implement eligibility screening criteria for NED vouchers that is different from that of the regular HCV program.

18-V.C. Waiting List

General Requirements [Notice PIH 2013-19]
Families must be selected for NED vouchers from NHHFA's waiting list in accordance with all applicable regulations and NHHFA policies in Chapter 4.

Regardless of the number of NED families NHHFA is required to serve, the next family on the waiting list must be served. Further, NHHFA may not skip over NED-eligible families on the waiting list because NHHFA is serving the required number of NED families.

Reissuance of Turnover Vouchers [Notice PIH 2013-19]
All NED turnover vouchers must be reissued to the next NED family on NHHFA's waiting list. NED vouchers should be affirmatively marketed to a diverse population of NED-eligible families to attract protected classes least likely to apply. If at any time following the turnover of a NED HCV NHHFA believes it is not practicable to assist NED families, NHHFA must contact HUD.

18-V.D. Lease Up

[Notice PIH 2013-19]

Briefings

In addition to providing families with a disabled person a list of accessible units known to NHHFA, HUD encourages, but does not require, NHHFA to provide additional resources to NED families as part of the briefing.

NHHFA Policy

In addition to providing families with a disabled person a list of accessible units known to NHHFA, NHHFA will provide a list of local supportive service and disability organizations that may provide such assistance as counseling services and funding for moving expenses or security deposits in the briefing packet. These organizations include state protection and advocacy agencies, Centers for Independent Living, state Medicaid agencies, and disability advocacy groups that represent individuals with a variety of disabilities.

Further, if other governmental or non-governmental agencies provide available resources such as housing search counseling, moving expenses, security deposits, and utility deposits, NHHFA will include this information in the briefing packet.

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NHHFA will also offer specialized housing search assistance to families with a disabled person to locate accessible units if requested. Trained NHHFA staff or a local supportive service or disability organization may be able to provide this service.

Voucher Term

While NHHFA is not required to establish different policies for the initial term of the voucher for NED vouchers, HUD has encouraged NHHFA with NED vouchers to be generous in establishing reasonable initial search terms and subsequent extensions for families with a disabled person.

NHHFA Policy

All NED vouchers will have an initial term of 120 calendar days.

The family must submit a Request for Tenancy Approval and proposed lease within the 120-day period unless NHHFA grants an extension.

All other NHHFA policies on extensions and suspension of vouchers in Section 5-II.E. will apply.

Special Housing Types [Notice PIH 2013-19 and NED Category 2 FAQs]
In general, NHHFA is not required to permit families to use any of the special housing types and may limit the number of families using such housing. However, NHHFA must permit the use of a special housing type if doing so provides a reasonable accommodation so that the program is readily accessible to and usable by a person with disabilities.

Such special housing types include single room occupancy housing, congregate housing, group homes, shared housing, cooperative housing, and manufactured homes when the family owns the home and leases the manufactured home space.

Persons with disabilities transitioning out of institutional settings may choose housing in the community that is in a group or shared environment or where some additional assistance for daily living is provided for them on site. Under HUD regulations, group homes and shared housing are considered special housing types and are not excluded as an eligible housing type in the HCV program. Assisted living facilities are also considered eligible housing under the normal HCV program rules, as long as the costs for meals and other supportive services are not included in the housing assistance payments (HAP) made by NHHFA to the owner, and as long as the person does not need continual medical or nursing care.

18-V.E. PORTABILITY

[NED Category 2 FAQs]
NED voucher participants are eligible for portability under standard portability rules and all NHHFA policies regarding portability in Chapter 10, Part II apply to NED families. However, NHHFA may, but is not required to, allow applicant NED families to move under portability, even if the family did not have legal residency in the initial NHHFA's jurisdiction when they applied.

NHHFA Policy

If neither the head of household nor the spouse or cohead of a NED applicant family had a domicile (legal residence) in NHHFA's jurisdiction at the time that the family's initial application for assistance was submitted, the family must lease a unit within the initial NHHFA's jurisdiction for at least 12 months before requesting portability.

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NHHFA will consider exceptions to this policy for purposes of reasonable accommodation (see Chapter 2) or reasons related to domestic violence, dating violence, sexual assault, stalking, or human trafficking.

PART VI: Stability Voucher Program

18-VI.A. Program Overview

[Notice PIH 2022-24]
The Consolidated Appropriations Act, 2021 (Public Law 116-260) (2021 Act) provided new incremental funding for voucher assistance through Stability Vouchers (SVs) for households who are:

- Homeless, as defined in section 103(a) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11302(a)).
- At-risk of homelessness.
- Those fleeing or attempting to flee domestic violence dating violence, sexual assault, stalking, or human trafficking; and
- Veterans and families that include a veteran family member that meet one of the above criteria.
- HUD may waive certain statutory and regulatory provisions to administer the SVs (except for requirements related to tenant rights and protections, rent setting, fair housing, nondiscrimination, labor standards and the environment) upon a finding that any such waivers or alternative requirements are necessary to facilitate the use of funds made available for SVs. Unless expressly waived below, all statutory and regulatory requirements and HUD directives regarding the HCV program are applicable to SVs, including the use of all HUD required contracts and other forms. A NHHFA may request additional good cause regulatory waivers as established in Notice PIH 2018-16 in connection with the use of the SVs, which HUD will consider and assess upon the request of NHHFA.

18-VI.B. Partnering Organization

[Notice PIH 2022-24]
SV funding is only awarded to a PHA that partners with eligible Continuums of Care (CoCs) or other entities that serve the targeted population, such as Victim Service Providers (VSPs) and Veteran Service Organizations (VSOs) serving the targeted population in NHHFA's jurisdiction to implement coordinated approaches to reduce the prevalence of homelessness, improve service engagement, and promote housing stability while ensuring geographical need of assistance.

NHHFA must enter into a Memorandum of Understanding (MOU) with the CoC to establish a partnership with the CoC to pair SVs with CoC-funded supportive services, and to collaborate with the CoC and other stakeholders to develop a prioritization plan for these vouchers.

NHHFA Policy

NHHFA has entered into an MOU with the Balance of State CoC.

18-VI.C. Referrals

[Notice PIH 2022-24]
In general, families are issued SVs as the result of either:

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- The direct referral process from the CoC or other partnering organizations; or
- A situation where NHHFA makes an SV available in order to facilitate an emergency transfer for victims of domestic violence, dating violence, sexual assault, stalking, and human trafficking.

CoC Referrals

The primary responsibility of the CoC under the MOU is to make direct referrals of qualifying individuals and families to NHHFA and to identify any CoC-funded available supportive services that may be paired with SVs.

The CoC or other partnering agency must certify that the SV applicants they refer to NHHFA meet the definition of a qualifying individual or family for SV assistance.
The referring agency must provide documentation to NHHFA of the referring agency's verification that the family meets one of the four eligible categories for SV assistance. NHHFA must retain this documentation as part of the family's file.

NHHFA Policy

The CoC or partnering agency must establish and implement a system to identify SV-eligible individuals and families within the agency's caseload and make referrals to NHHFA.
The CoC or other partnering agency must certify that the SV applicants they refer to NHHFA meet SV eligibility criteria. NHHFA will maintain a copy of the referral or certification from the CoC or other partnering agency in the participant's file along with other eligibility paperwork. Homeless service providers may, but are not required to, use the certification form. Victim services providers may, but are not required to, use the certification form when identifying eligible families who qualify as victims of human trafficking.

As part of the MOU, NHHFA and CoC or other partnering agency will identify staff positions to serve as lead SV liaisons. These positions will be responsible for transmission and acceptance of referrals. The CoC or partnering agency must commit sufficient staff and resources to ensure eligible individuals and families are identified and determined eligible in a timely manner. NHHFA liaison responsible for acceptance of referrals will contact the CoC or partnering agency liaison via email indicating the number of vouchers available and requesting an appropriate number of referrals. No more than five business days from the date the CoC or partnering agency receives this notification, the CoC or partnering agency liaison will provide NHHFA with a list of eligible referrals including the name, address, and contact phone number for each adult individual who is being referred; a completed release form for each adult family member; and a written certification for each referral indicating they are SV-eligible.

Referrals from Outside the CoC

NHHFA must also take direct referrals from outside the CoC process if:

- The CoC does not have a sufficient number of eligible families to refer to NHHFA; or
- The CoC does not identify families that may be eligible for SV assistance because they are fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking.

If a direct referral is taken from outside of the CoC, NHHFA must enter into a partnership to receive direct referrals from another entity, assuming there are such additional organizations that can certify that an individual or family is eligible for an SV.

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NHHFA must enter into an MOU with a partnering referral agency or may add the partnering referral agency to the MOU between NHHFA and CoC.

18-VI.D. Waiting List

[Notice PIH 2022-24]

HCV Waiting List

The regulation that requires NHHFA to admit applicants as waiting list admissions or special admissions in accordance with admission policies in Chapter 4 does not apply to NHHFA operating the SV program. Direct referrals are not added to NHHFA's HCV waiting list. NHHFA must inform families on the HCV waiting list of the availability of SVs by, at a minimum, either by posting the information to their website or providing public notice in their respective communities in accordance with the requirements listed in Notice PIH 2022-24.

NHHFA Policy

NHHFA will post information about the SV program for families on NHHFA's HCV waiting list on their website. The notice will:

- Describe the eligible populations to which SVs are limited.
- Clearly state that the availability of these SVs is managed through a direct referral process.
- Advise the family to contact the CoC (or any other NHHFA referral partner, if applicable) if the family believes they may be eligible for SV assistance.
- NHHFA will ensure effective communication with persons with disabilities, including those with vision, hearing, and other communication-related disabilities in accordance with Chapter 2.

SV Waiting List

The HCV regulations requiring NHHFA to operate a single waiting list for admission to the HCV program do not apply to NHHFA operating the SV program. Instead, when the number of applicants referred by the CoC or partnering agency exceeds the SVs available, NHHFA must maintain a separate waiting list for SV referrals. Upon turnover, SV vouchers must continue to remain available for eligible families.

Further, the SV waiting list is not subject to NHHFA policies in Chapter 4 regarding opening and closing the HCV waiting list. NHHFA will work directly with its CoC and other referral agency partners to manage the number of referrals and the size of the SV waiting list.

HCV Waiting List Preferences

If local preferences are established by NHHFA for HCV in Chapter 4, they do not apply to SVs.

SV Waiting List Preferences

With the exception of a residency preference, which may not be applied to NHHFA's SV waiting list, NHHFA may choose, in coordination with the CoC and other referral partners, to establish separate local preferences for SVs, or may simply choose to not establish any local preferences for the SV waiting list. The preference system may not prohibit SV admissions from any of the four qualifying categories of eligibility.

NHHFA Policy

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No local preferences have been established for the SV waiting list.

18-VI.E. Family Eligibility

[Notice PIH 2022-24]

Referring Agency Determination of Eligibility

The CoC or referring agency determines whether the individual or family meets any one of the eligibility criteria described in Notice PIH 2022-24 and then refers the family to NHHFA. NHHFA determines that the family meets other eligibility criteria for the HCV program, as modified for the SV program and outlined below.

In order to be eligible for an SV, a household must meet one of four eligibility criteria:
Homeless, as defined in section 103(a) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11302(a)) and 24 CFR 578.3;

- At-risk of homelessness as defined in 24 CFR 5.78.3;
- Those fleeing or attempting to flee domestic violence dating violence, sexual assault, stalking, or human trafficking; and
- Veterans [as defined in 38 U.S.C. 101(2); 38 CFR 3.1(d)] and families that include a veteran family member that meet one of the above criteria.

Mandatory Denials

HUD waived 24 CFR 982.552 and 982.553 in part for the SV applicants and established alternative requirements for mandatory and permissive prohibitions of admissions. Except where applicable, NHHFA policies regarding denials in Chapter 3 of this policy do not apply to screening individuals and families for eligibility for an SV. Instead, the SV alternative requirement listed in this section will apply to all SV applicants.
The mandatory and permissive prohibitions listed in Notice PIH 2022-24 and in this chapter, however, apply only when screening the individual or family for eligibility for an SV. When adding a family member after the family has been placed under a HAP contract with SV assistance, the regulations at 24 CFR 982.551(h)(2) apply. Other than the birth, adoption, or court-awarded custody of a child, NHHFA must approve additional family members and may apply its regular HCV screening criteria in Chapter 3 in doing so.

Under alternative requirements for the SV program, mandatory denials for SV applicants include:

- 24 CFR 982.553(a)(1)(ii)(C), which prohibits admission if any household member has ever been convicted of drug-related criminal activity for manufacture or production of methamphetamine on the premises of federally assisted housing.
- 24 CFR 982.553(a)(2)(i), which prohibits admission to the program if any member of the household is subject to a lifetime registration requirement under a state sex offender registration program.
- NHHFA will also deny assistance to household members already receiving assistance from another program.

NHHFA must deny admission to the program if any member of the family fails to sign and submit consent forms for obtaining information as required by 24 CFR 982.552(b)(3) but should notify the family of the limited SV grounds for denial of admission first.

NHHFA Policy

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While NHHFA will deny admission to the program if any adult member (or head of household or spouse, regardless of age) fails to sign and submit consent forms, NHHFA will first notify the family of the limited SV grounds for denial of admission as part of the notice of denial that will be mailed to the family.

Permissive Denial

Notice PIH 2022-24 lists permissive prohibitions for which NHHFA may, but is not required to, deny admission to SV families. The notice also lists prohibitions that, while allowable under the HCV program, may not be used to deny assistance for SV families.
If NHHFA intends to establish permissive prohibition policies for SV applicants, NHHFA must first consult with its CoC partner to understand the impact that the proposed prohibitions may have on referrals and must take the CoC's recommendations into consideration.

NHHFA Policy

In consultation with the CoC, NHHFA will apply permissive prohibition to the screening of SV applicants. Determinations using permissive prohibitions will be made based on an individualized assessment of relevant mitigating information in accordance with policies in Section 3-III.E. of the administrative plan.
NHHFA will establish the following permissive prohibitions:

- If NHHFA determines that any household member is currently engaged in, or has engaged in within the previous 12 months:
- Violent criminal activity
- Other criminal activity that may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents or persons residing in the immediate vicinity
- If any member of the family has committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program within the previous 12 months.
- If the family engaged in or threatened abusive or violent behavior toward NHHFA personnel within the previous 12 months.
- Prohibitions based on criminal activity for the eligible SV populations regarding drug possession will be considered apart from criminal activity against persons (i.e., violent criminal activity).

In compliance with PIH 2022-24, NHHFA will not deny an SV applicant admission regardless of whether:

- Any member of the family has been evicted from federally assisted housing in the last five years
- A NHHFA has ever terminated assistance under the program for any member of the family
- The family currently owes rent or other amounts to NHHFA or to another NHHFA in connection with Section 8 or public housing assistance under the 1937 Act
- The family has not reimbursed any NHHFA for amounts paid to an owner under a HAP contract for rent, damages to the unit, or other amounts owed by the family under the lease
- The family breached an agreement with NHHFA to pay amounts owed to a NHHFA, or amounts paid to an owner by a NHHFA
- The family would otherwise be prohibited admission under alcohol abuse standards established by NHHFA in accordance with 24 CFR 982.553(a)(3)
- NHHFA determines that any household member is currently engaged in or has engaged in during a reasonable time before the admission, drug-related criminal activity

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Self-Certification of Income at Admission

The requirement to obtain third-party verification of income in accordance with Notice PIH 2018-18 does not apply to the SV program applicants at admission, and alternatively, NHHFA may consider self-certification the highest form of income verification at admission. As such, NHHFA policies related to the verification of income in Section 7-I.B. do not apply to SV families at admission. Instead, applicants must submit an affidavit attesting to their reported income, assets, expenses, and other factors that would affect an income eligibility determination. Additionally, applicants may provide third-party documentation that represents the applicant's income within the 60-day period prior to admission or voucher issuance but is not dated within 60 days of NHHFA's request.

NHHFA Policy

Any documents used for verification must be the original (not photocopies) and dated within the 180-day period prior to admission. The documents must not be damaged, altered, or in any way illegible.

Printouts from webpages are considered original documents.

Any family self-certifications must be made in a format acceptable to NHHFA and must be signed by the family member whose information or status is being verified.

NHHFA will incorporate additional procedures to remind families of the obligation to provide true and complete information in accordance with Chapter 14. NHHFA will address any material discrepancies (i.e., unreported income or a substantial difference in reported income) that may arise later. NHHFA may, but is not required to, offer the family a repayment agreement in accordance with Chapter 16. If the family fails to repay the excess subsidy, NHHFA will terminate the family's assistance in accordance with the policies in Chapter 12.

Recently Conducted Income Determinations

NHHFA may accept income calculations and verifications from third-party providers or from an examination that NHHFA conducted on behalf of the family for another subsidized housing program in lieu of conducting an initial examination of income as long as:

The income was calculated in accordance with rules outlined at 24 CFR Part 5 and within the last six months; and

The family certifies there has been no change in income or family composition in the interim.

NHHFA Policy

NHHFA will accept income calculations and verifications from third-party providers provided they meet the criteria outlined above.

The family certification must be made in a format acceptable to NHHFA and must be signed by all adult family members whose information or status is being verified.

At the time of the family's reexamination, NHHFA must conduct the reexamination of income as outlined at 24 CFR 982.516 and NHHFA policies in Chapter 11.

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EIV Income Validation

Once HUD makes the EIV data available to NHHFA under this waiver and alternative requirement, NHHFA must:

- Review the EIV Income Report to confirm and validate family-reported income within 90 days of the PIC submission date.
- Print and maintain copies of the EIV Income Report in the tenant file; and
- Resolve any income discrepancy with the family within 60 days of the EIV Income Report dates.
- Prior to admission, NHHFA must continue to use HUD's EIV system to search for all household members using the Existing Tenant Search in accordance with NHHFA policies in Chapter 3.
- If a NHHFA later determines that an ineligible family received assistance, NHHFA must take steps to terminate that family from the program in accordance with Chapter 12.
- Social Security Number and Citizenship Status Verification
- For the SV program, NHHFA is not required to obtain and verify SSN documentation and documentation evidencing eligible noncitizen status before admitting the family to the SV program. Instead, NHHFA may adopt policies to admit SV applicants who are unable to provide the required SSN or citizenship documentation during the initial eligibility determination. As an alternative requirement, such individuals must provide the required documentation within 180 days of admission to be eligible for continued assistance, pending verification, unless NHHFA provides an extension based on evidence from the family or confirmation from the CoC or other partnering agency that the family has made a good-faith effort to obtain the documentation.
- If a NHHFA determines that an ineligible family received assistance, NHHFA must take steps to terminate that family from the program.

NHHFA Policy

NHHFA will admit SV applicants who are unable to provide the required SSN or citizenship documentation during the initial eligibility determination. These individuals must provide the required documentation in accordance with policies in Chapter 7 within 180 days of admission. NHHFA may provide an additional 60-day extension based on evidence from the family or confirmation from the CoC or other partnering agency that the family has made a good-faith effort to obtain the documentation.

If NHHFA determines that an ineligible family received assistance, NHHFA will take steps to terminate that family from the program in accordance with policies in Chapter 12.

Age and Disability Verifications

NHHFA may accept self-certification of date of birth and disability status if a higher level of verification is not immediately available. If self-certification is used, NHHFA must obtain a higher level of verification within 90 days of admission or verify the information in EIV. If a NHHFA determines that an ineligible family received assistance, NHHFA must take steps to terminate that family from the program.

NHHFA Policy

NHHFA will accept self-certification of date of birth and disability status if a higher form of verification is not immediately available. The certification must be made in a format acceptable to NHHFA and must be signed by the family member whose information or status is being

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verified. If self-certification is accepted, within 90 days of admission, NHHFA will verify the information in EIV or through other third-party verification if the information is not available in EIV. NHHFA will note the family's file that self-certification was used as initial verification and include an EIV printout or other third-party verification confirming the applicant's date of birth and/or disability status.

If NHHFA determines that an ineligible family received assistance, NHHFA will take steps to terminate that family from the program in accordance with policies in Chapter 12.

Income Targeting

NHHFA must determine income eligibility for SV families in accordance with 24 CFR 982.201 and NHHFA policy in Chapter 3; however, income targeting requirements do not apply for SV families. NHHFA may still choose to include the admission of extremely low-income SV families in its income targeting numbers for the fiscal year in which these families are admitted.

NHHFA Policy

NHHFA will include the admission of extremely low-income SV families in its income targeting numbers for the fiscal year in which these families are admitted.

18-VI.F. Housing Search and Leasing

Initial Voucher Term

Unlike the standard HCV program, which requires an initial voucher term of at least 60 days, SV vouchers must have an initial search term of at least 120 days. NHHFA policies on extensions as outlined in Section 5-II.E. will apply.

NHHFA Policy

All SVs will have an initial term of 120 calendar days.
The family must submit a Request for Tenancy Approval and proposed lease within the 120-day period unless NHHFA grants an extension.

Pre-Inspections

To expedite the leasing process, NHHFA may pre-inspect available units that SV families may be interested in leasing in order to maintain a pool of eligible units.

NHHFA Policy

To expedite the leasing process, NHHFA may pre-inspect available units that SV families may be interested in leasing to maintain a pool of eligible units. If an SV family selects a unit that passed a pre-inspection (without intervening occupancy) within 45 days of the date of the Request for Tenancy Approval, the unit may be approved provided that it meets all other conditions under 24 CFR 982.305. The family will be free to select his or her unit.
When a pre-inspected unit is not selected, NHHFA will make every effort to fast-track the inspection process, including adjusting the normal inspection schedule for any required reinspection.

Initial Lease Term

Unlike in the standard the HCV program, SV voucher holders may enter into an initial lease that is for less than 12 months, regardless of NHHFA policy in Section 9-I.E., Term of Assisted Tenancy.

Portability

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The normal HCV portability procedures and requirements outlined in Chapter 10 generally apply to SVs. Exceptions are addressed below.
Under SV, applicant families may move under portability even if the family did not have legal residency in the jurisdiction of the initial PHA when they applied, regardless of PHA policy in Section 10-II.B.

A receiving PHA cannot refuse to assist an incoming SV family, regardless of whether the PHA administers SVs under its own ACC.

If the SV family moves under portability to another PHA that administers SVs under its own ACC:

- The receiving PHA may only absorb the incoming SV family with an SV (assuming it has an SV voucher available to do so).
- If the PHA does not have an SV available to absorb the family, it must bill the initial PHA. The receiving PHA must allow the family to lease the unit with SV assistance and may not absorb the family with a regular HCV when the family leases the unit.
- Regardless of whether the receiving PHA absorbs or bills the initial PHA for the family's SV assistance, the SV administration of the voucher is in accordance with the receiving PHA's SV policies.
- If the SV family moves under portability to another PHA that does not administer SVs under its own ACC, the receiving PHA may absorb the family into its regular HCV program or may bill the initial PHA.

Family Briefing

In addition to the applicable family briefing requirements at 24 CFR 982.301(a)(2) as to how portability works and how portability may affect the family's assistance, the initial PHA must inform the family how portability may impact the special SV services and assistance that may be available to the family.

The initial PHA is required to help facilitate the family's portability move to the receiving PHA and inform the family of this requirement in writing.

NHHFA Policy

In addition to following NHHFA's policy on briefings in Chapter 5, as part of the briefing packet for SV families, NHHFA will include a written notice that NHHFA will assist the family with moves under portability.

Briefings will be conducted in English. For applicants who may require language assistance, the PHA will encourage families to bring an advocate, family member, friend, or other adult representative to assist in communications. The PHA will also utilize available resources such as bilingual staff, community volunteer resources, responsible use of artificial intelligence technology, and/or machine translation to assist families with communication.

18-VI.G. Payment Standards

Overview

For the SV program, HUD has waived the regulation requiring a single payment standard for each unit size. Instead, NHHFA may, but is not required to, establish separate higher payment

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standards for SVs. Lower SV payment standards are not permitted. If NHHFA is increasing the regular HCV payment standard, NHHFA must also increase the SV payment standard if it would be otherwise lower than the new regular HCV payment standard. The separate SV payment standard must comply with all other HCV requirements with the exception of the alternative requirements discussed below.

Further, if NHHFA chooses to establish higher payments standards for SVs, HUD has provided other regulatory waivers:

Defining the "basic range" for payment standards as between 90 and 120 percent of the published Fair Market Rent (FMR) for the unit size (rather than 90 to 110 percent).
Allowing a NHHFA that is not in a designated Small Area FMR (SAFMR) area or has not opted to voluntarily implement SAFMRs to establish exception payment standards for a ZIP code area above the basic range for the metropolitan FMR based on the HUD-published SAFMRs. NHHFA may establish an exception payment standard up to 120 percent (as opposed to 110 percent) of the HUD published Small Area FMR for that ZIP code area. The exception payment standard must apply to the entire ZIP code area.

NHHFA Policy

NHHFA will not establish a higher payment standard amount for SVs. NHHFA will use the same payment standards for HCV and SV.

All rent reasonableness requirements apply to SV units, regardless of whether NHHFA has established an alternative or exception SV payment standard.

Increases in Payment Standards

The requirement that NHHFA apply increased payment standards at the family's first regular recertification on or after the effective date of the increase does not apply to SV. NHHFA may, but is not required to, establish an alternative policy on when to apply the increased payment standard, provided the increased payment standard is used to calculate the HAP no later than the effective date of the family's first regular reexamination following the change.

NHHFA Policy

NHHFA will not establish an alternative policy for increases in the payment standard. NHHFA policy in Section 11-III.B. governing increases in payment standards will apply to SVs.

18-VI.H. Project-Based Units

All tenant-based SV awards can be converted to project-based vouchers (PBVs) at any time after award without HUD approval provided all the established PBV regulations and requirements are followed.

All PBV requirements in 24 CFR Part 983 and in Chapter 17 apply to project-based SVs with the exception of 24 CFR 983.251(c)(1), which requires NHHFA to select families for project-based units from its HCV or PBV waiting list. HUD is waiting this requirement and establishing an alternative requirement that NHHFA receive SV referrals from CoC partners for vouchers as well as project-based assistance.

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