

CHAPTER 11. REPAYMENT OF UNAUTHORIZED ASSISTANCE

- 11-1. GENERAL. The tenant is required to provide the owner/management agent with interim changes in income, correct information on any application, certification, and recertification. Failure to provide the correct information, or any misrepresentation on the part of the tenant, or if the tenant is charged a rent less than the amount required by HUD's rent formulas, will result in the tenant reimbursing the owner for the difference between the rent the tenant should have paid and the rent the tenant was charged.
- 11-2. TENANT'S OBLIGATION TO REPAY. If a tenant fails to supply required reports of interim changes in income or other factors, or submits incorrect information on any application, certification or recertification and, as a result, is charged a rent less than the amount required by HUD's rent formulas, the tenant must reimburse the owner for the difference between the rent the tenant should have paid and the rent he/she was charged. In addition, the owner must make a retroactive adjustment to the tenant's housing assistance payment in accordance with instructions in Chapter 5 of 4350.1.
- 11-3. OWNER'S OBLIGATION TO REPAY. The owner is not required to immediately reimburse HUD for overpayment of assistance where the overpayment was caused by a tenant's deliberate submission of false or incorrect information. Repayments are required when and as tenants repay, in accordance with an agreed upon repayment plan. The owner must reimburse HUD for all other overpayment of assistance where such overpayment were due to the owner's error or the owner's failure to follow HUD's procedures. The contract administrator may permit the owner to repay such overpayment in one lump sum or over a period of time through reduction of normal housing assistance requisitions, if immediate repayment in full would jeopardize the financial condition of the project.