

**Attachment A –
Sample Multifamily FSS
Contract of Participation**

OMB Approval No.2502-xxxx

1 Participants

2 This Contract of Participation for the Family Self-
3 Sufficiency (FSS) Program is between:

4 _____
5
6 (insert owner entity name) and
7 _____
8
9 (insert head of household).

10
11 The FSS family includes everyone in the household,
12 and is referred to in this contract as “family”.

14 Type of FSS Program

15 The family is a participant in the Multifamily
16 Housing FSS Program.

18 Purpose of Contract

19 This contract provides the rights and responsibilities
20 of the family and the owner, the resources and
21 supportive services to be provided to the family, and
22 the activities to be completed by the family.

24 Term of Contract

25 This contract will be effective on:
26 _____
27
28 (insert date)

29
30 This contract will expire on:
31 _____
32
33 (insert date)

34
35 The owner can extend the term of the contract up to 2
36 years if the family gives the owner a written request
37 for an extension and the owner finds that *good cause*
38 exists to grant the extension.

40 Resources and Supportive Services

41 During the term of the contract, the owner will
42 attempt to provide the resources and services listed in
43 the individual Training and Services Plans. If the
44 resources and services are not available, the owner
45 will attempt to substitute other resources and
46 services. However, the owner has no obligation to the
47 family if the resources and services are not provided.

49 FSS Escrow Account

50 The owner will establish an FSS escrow account for
51 the family. A portion of the increases in the Total
52 Tenant Payment (TTP), due to increases in earned

53 income, will be credited to the FSS escrow account in
54 accordance with HUD requirements.

55
56 The family’s annual income, earned income, and
57 TTP, at the time the family begins the FSS program,
58 are listed below. The owner will use these amounts
59 to determine the amount to credit to the family’s
60 escrow account based on future increases in earned
61 income.

62
63 Annual Income \$ _____

64
65 Earned Income \$ _____

66
67 Total Tenant Payment \$ _____

68
69 The owner will deposit the FSS escrow account funds
70 in an interest-bearing account.

71
72 The owner will give the family a report on the
73 amount in the FSS escrow account at least once a
74 year.

75
76 If the family moves out of the property offering the
77 FSS program and into another project-based Section
78 8 property with an FSS program, and the new owner
79 accepts the family into its FSS program, the family
80 may continue its participation.

**82 Withdrawal of Funds from FSS Escrow
83 Account**

84 The owner may permit the family to withdraw funds
85 from the FSS escrow account before completion of
86 the contract if the family has completed specific
87 interim goals, designated by the owner, and needs
88 some of the FSS escrow account funds to complete
89 the contract (example: to pay for school costs).

90
91 The owner will pay the head of household the amount
92 in the FSS escrow account, less any amount owed to
93 the owner, when:

94 (1) The owner determines that the family has
95 completed the terms of this contract, and

96 (2) At the time of contract completion, the head of
97 household provides written certification to the
98 owner stating that every member of the family
99 is independent of welfare assistance, and has
100 been independent of welfare assistance for at
101 least the 12 consecutive months immediately
102 preceding the CoP expiration date. The FSS
103 program considers “welfare assistance” to mean
104 income assistance from Federal or state welfare
105 programs and includes only cash maintenance

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106 payments designed to meet a family’s ongoing
107 basic needs.

108
109 If the head of household leaves the assisted unit, the
110 remaining family members may, after consulting the
111 owner, name another family member to receive the
112 FSS escrow account funds.

113
114 **Loss of FSS Escrow Account**

115 The family will not receive the funds in its FSS
116 escrow account if:

- 117 (1) This contract of participation is terminated;
- 118 (2) This contract of participation is declared null
119 and void, or
- 120 (3) The family has not met its responsibilities
121 within the timeframe specified in this contract.

122
123 **Family Responsibilities**

124 **The head of household must:**

- 125 (1) Seek and maintain suitable employment after
126 completion of the job training programs listed in
127 the individual training and services plan. The
128 owner, after consulting with the head of
129 household, will determine what employment is
130 suitable based on the skills, education, and job
131 training of that individual and on available job
132 opportunities in the area.

133
134 **The head of household and those family members
135 who have decided to execute an individual
136 training and services plan, must:**

- 137 (1) Complete the activities within the dates listed in
138 each individual training and services plan.
- 139 (2) Provide the owner and HUD with information
140 about the family’s participation in the FSS
141 program in order to help the owner and HUD
142 evaluate the FSS program. This could include
143 information regarding employment, job
144 interviews, training, educational attendance, and
145 other FSS services and activities.

146
147 **All family members must:**

- 148 (1) Comply with the terms of the lease;
- 149 (2) If receiving welfare assistance, become
150 independent of welfare assistance and remain
151 independent of welfare assistance for at least the
152 12 consecutive months immediately preceding
153 the contract expiration date.

154
155 **Corrective Actions for Failure to meet Family
156 Responsibilities**

157 If any member of the family does not meet his or her
158 responsibilities under this contract, the family will

159 not receive the money in its FSS escrow account. The
160 owner may:

- 161 (1) Stop supportive services for the family and/or
- 162 (2) Terminate the family’s participation in the FSS
163 program.

164
165 **Owner Responsibilities**

- 166 (1) Attempt to obtain commitments from public
167 and private sources for supportive services for
168 families.
- 169 (2) Establish an FSS escrow account for the family,
170 deposit the FSS escrow account funds in an
171 interest-bearing account, and give the family a
172 report on the amount in the FSS escrow account
173 at least once a year.
- 174 (3) Determine which, if any, interim goals must be
175 completed before the owner can pay the FSS
176 escrow funds to the family.
- 177 (4) Pay a portion of the FSS escrow account funds
178 to the family if the owner determines that the
179 family has met the specified interim goals and
180 needs the funds from the FSS escrow account to
181 complete the contract.
- 182 (5) Determine if the family has completed the
183 terms of this contract.
- 184 (6) Pay the family the amount in its FSS escrow
185 account, if the family has completed the
186 contract and the head of household has
187 provided written certification that no member of
188 the family is receiving welfare assistance.

189
190 **Completion of the Contract of
191 Participation**

192 Completion of the contract occurs when the owner
193 determines that the family has fulfilled all of its
194 responsibilities under the contract.

195
196 **Termination of the Contract of
197 Participation**

198 The contract is automatically terminated if the
199 family’s Section 8 assistance is terminated in
200 accordance with HUD requirements.

201 Additionally, the owner may terminate this contract
202 if:

- 203 (1) the family and the owner both agree to
204 terminate the contract;
- 205 (2) the owner determines that the family has not
206 fulfilled its responsibilities under this contract;
- 207 (3) the family withdraws from the FSS program;
- 208 (4) an act occurs that is inconsistent with the
209 purpose of the FSS program; or
210

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211 (5) the family moves into a property not offering an 226
212 FSS program. 227
213 228
214 The owner must give a notice of termination to the 229
215 head of household. The notice must state the 230
216 reason(s) for contract termination. 231
217 If the contract is terminated, the family has no right 232
218 to receive funds from its FSS escrow account. The 233
219 owner must close the family’s FSS escrow account 234
220 and remit the balance to HUD. 235
221 236
222 **Conflict with the Housing Lease** 237
223 If part of this contract conflicts with the rental lease, 238
224 the lease will prevail. 239
225

**Compliance with HUD Regulations and
Requirements**

231 The contract of participation must be interpreted and
232 administered in accordance with HUD regulations
233 and requirements. Terms and figures, such as the
234 income and rent amount on page 1, are subject to
235 correction by the owner for compliance with HUD
236 regulations and requirements. The owner must notify
237 the family in writing of any adjustments made to this
238 contract.
239

Signatures:

Family

Signature of Head of Household

Date Signed

Property Name

Unit Number

Owner / Owner Representative

Name of owner

Signature of owner

Official Title

Date Signed

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Owner Instructions for Executing the FSS Contract of Participation

Each owner must enter into a contract of participation with each eligible family that chooses to participate in the FSS program. Each owner must develop an action plan. The action plan must include the following items: Description of the size, characteristics, and needs of the population to be served by its proposed FSS program; An explanation of how the program will be implemented; The services and activities that will be provided; The public and private resources that will provide the services and activities; A timetable for implementation, and Other data necessary for HUD to ensure the coordinated implementation of program services and activities.

Parties to the Contract/Signatures

The head of the participating family must be the adult member of the family who is the head of the household for income eligibility and rent purposes.

Term of Contract

The effective date is the first day of the month following the date the contract was signed by the family and the owner's representative.

The expiration date is five years from the effective date of the contract.

If the owner decides to extend the term of the contract, the original expiration date listed on page one of the contract must be removed and the new expiration date added.

If a family moves and will participate in the receiving owner's FSS program, the effective date of the contract between the family and the receiving owner is the first day of the month following the date the contract was signed by the family and the owner's representative. The expiration date of the contract between the receiving owner and the family must be the same as the expiration date of the contract between the initial owner and the family.

FSS Escrow Account

The income and rent numbers to be inserted on page one may be taken from the amounts on the last annual certification before the family's initial participation in the FSS program. If more than 120 days will pass between the effective date of the last annual certification and the effective date of the contract of participation, the owner must conduct a new recertification.

If a family moves and will participate in the receiving owner's FSS program, the receiving owner must use the amounts of annual income, earned income, and TTP listed on page one of the contract between the initial owner and the family.

Changes to the Contract

This contract of participation can only be changed to modify the contract term, the head of household, or the individual training and services plans.

Any change of the head of household under the contract must be included as an attachment to the contract. The attachment must contain the name of the new designated head of household, the signatures of the new head of household and the owner's representative, and the date signed.

Any change/s to an individual training and services plan must be included as a revision to the individual training and services plan to which the change applies. The revision must include

the item changed, signatures of the participant and an owner representative, and the date signed.

For extensions to the contract term, see the "Term of Contract" section.

Individual Training and Services Plans

The contract must include an individual training and services plan for the head of household. Other family members age eighteen and older may choose to execute an individual training and services plan if agreed to by the owner.

The resources and supportive services to be provided to each family member must be listed in the individual training and services plans which are attachments to the contract of participation.

Page one of each participant's individual training and services plan includes space for the final goal and the first interim goal needed to achieve the final goal. The additional pages provide a format for recording each interim goal and specific information related to its achievement. The first page of each participant's plan must be signed by the participant and an owner representative.

Interim goals must be specified along with the activities and services needed to achieve them. For example, a single mother with two children who has an interim goal of completing her secondary education might require several different activities and services to achieve that goal. These could include transportation, tutoring, and child care.

All completion dates included in the individual training and services plans must be on or before the contract of participation expires.

One of the interim goals for families receiving welfare assistance is to become independent of welfare assistance for at least twelve consecutive months before the end of the contract. Any family that is receiving welfare assistance **must** have this included as an interim goal in the head of household individual training and services plan.

The final goal listed on the individual training and services plan of the head of household **must** include getting and maintaining suitable employment specific to that individual's skills, education, job training, and the available job opportunities in the area.

Incentives

If the owner has chosen to offer other incentives in connection with the FSS program, these incentives may be included in the individual training and services plans or as an attachment to this contract.

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