

Changes to the DHAP-Katrina Transitional Closeout Program (TCP) for Transitional Rental Payments (TRP) provided in September and October 2009

Purpose and Background

These guidelines amend the Operating Requirements of the DHAP-Katrina TCP for administration of additional TRPs in the months of September and October 2009. The TCP was scheduled to terminate on August 31, 2009. However, the Department of Housing and Urban Development (HUD) and the Federal Emergency Management Agency (FEMA), through local Public Housing Agencies (PHAs), shall provide TRPs on behalf of eligible TCP families for up to an additional two months, from September 1, 2009 through October 31, 2009.

Under this two month initiative, families that received a TRP in August 2009 and submitted a housing choice voucher (HCV) application by August 31, 2009 are eligible to receive payments for the months of September and October 2009 if they meet the conditions for additional payments. The additional two months will provide time for families to finish the conversion process without a break in assistance. PHA responsibilities under this initiative include outreach to families and landlords, calculating the monthly TRP, making monthly TRPs on behalf of participating families, and payment reconciliation.

Policy and Guidance

Eligible families, TRPs and Incremental Rent Transition (IRT)

Families being processed for the HCV program that received a TRP in August under the DHAP-Katrina TCP are eligible for up to two months of additional TRP if they meet the conditions described below for continued payment.

- **No HCV application has been submitted by the family by August 31, 2009.** No TRP will be made on behalf of the household.
- **HCV application submitted by August 31, 2009 but the eligibility determination is not completed.** The household must provide all information for HCV eligibility processing, be determined eligible by the PHA and receive a Request for Tenancy Approval (RFTA). If these conditions are met the family receives a TRP for September 2009¹. In order to receive a TRP for October 2009, the family must return their RFTA by September 30, 2009.
- **Determined eligible for the HCV program by August 31, 2009.** The household must meet with the Public Housing Authority (PHA) to have a voucher issued before the TRP is paid for September 2009. In order to receive a TRP for October 2009, the family must return the RFTA by September 30, 2009.
- **Voucher issued to family prior to August 31, 2009 but after July 31, 2009.** The household receives TRP in September 2009. In order to receive TRP for October 2009, the family must return the RFTA by September 30, 2009.

¹ The TRP can be back dated up to 30 days in all cases. If a family provides information after August 31, 2009 but before September 30, 2009, the TRP could still be provided for September 2009.

- **Voucher issued to family prior to July 31, 2009.** In order to receive a TRP for September 2009 the household must return the RFTA. The household is not eligible for a TRP in October 2009.

Under this initiative the Incremental Rent Transition (IRT) will be frozen for all families at the August payment amount. Families that are eligible for continued assistance would contribute this amount in both September and October, without further step down.

Landlord notification and agreements

TRPs will be made to landlords on behalf of families that meet the conditions for continued payment for the lesser of two months or the placed in service date of the HCV lease. PHAs are not required to request additional certifications from current landlords or families for tenant occupancy beyond what is required under the DHAP-Katrina TCP Operating Requirements. As with the DHAP-Katrina TCP, **by accepting the funds in whole or in part, the landlord agrees to provide transitional rental housing to DHAP Katrina families.**

PHAs are not liable to FEMA for payments to landlords in September and October 2009 as a result of those payments having been made without a Disaster Rent Subsidy Contract (DRSC). FEMA and HUD believe the risk associated with this approach is mitigated to a great extent because the landlords are already receiving TRPs under the TCP, and most have on-going business relationships with the PHA. Moreover, the oversight controls under the IAA modification establishing the DHAP-Katrina TCP also apply to TRPs made in September and October 2009, and extend existing protections for recovery of improper payments or inadvertent overpayments.

No landlord may accept payment for any month following the month the family vacates the unit. Nor may the landlord accept payments if the landlord receives a duplicative federal or state rent subsidy payment on behalf of the family. PHAs will recoup such payments and shall refer to HUD's Office of Inspector General (OIG) those landlords that do not comply for action to be undertaken in coordination with the Department of Homeland Security OIG.

Concurrent with payment by check or an Electronic Fund Transfer (EFT) for rent subsidies for September 2009, the PHA will send each current landlord a letter setting forth HUD's intent to continue rent subsidies for up to two months, subject to the conditions for continued payment. The letter should be sent by PHAs via certified or registered mail and shall:

- Explain HUD's intent to continue rent subsidies for up to two months and how the IRT will be applied; and
- State that the original terms of the DHAP-Katrina TCP letter and letter agreement received by the landlord to initiate TRPs under the TCP also apply to the TRPs from September 1, 2009 to October 31, 2009.

Should the family move in August, September or October to another unit with a different landlord the PHA will need to send the "*Move – New Landlord*" letter which outlines the landlord responsibilities. This model letter has been updated for September and October payments. No landlord certification will be required. Instead the PHA should follow the tenant certification process used under the TCP.

Certification information will be reported to HUD through the monthly Housing Assistance Payment (HAP) register submission.

Letters to tenants

PHAs will send a letter to all families that may be eligible for the TRP in September and October based on their HCV program status. The letter will explain the conditions required to receive additional assistance and how the IRT will be applied. HUD will also send an end of program letter to all families that received a TRP in August 2009. This letter will be provided to the PHA ahead of its release.

Operating Requirements

PHAs shall administer TRPs in September and October 2009 in accordance with the existing DHAP-Katrina TCP Operating Requirements, landlord letters and letter agreements, and other materials that were approved by FEMA, with amendment as detailed in these guidelines. Revised model letters for new landlords, current landlords, and tenants will be provided by HUD.

Administrative fees

FEMA will pay an administrative fee of \$63 per family per month for administration of TRPs to cover all grantee administrative costs for the agreed two-month period beginning September 1, 2009. Administrative Fees will be based on the number of families that received a TRP each month.

Once the PHA agrees to participate and executes the grant agreement amendment, HUD will provide the PHA with a HAP registry template to be submitted monthly. Participating PHAs will submit the completed HAP registry template to HUD by the 15th of each month. The submission shall list all families that received a TRP for that month and the status of each family in the HCV process.

Grant agreement amendments

In order to participate in this initiative, the PHA must return a signed grant agreement amendment to HUD. Signed grant agreement amendments should be returned to DHAP_RG@hud.gov or faxed to (202) 401-3963.

If a PHA chooses not to participate, HUD, on behalf of FEMA, will invite another PHA capable of performing the direct payment function to enter into a grant agreement to administer the TRP. PHAs that decline participation must immediately provide to HUD their DHAP-Katrina TCP HAP register for August 2009. HUD will then provide the register to the PHA that will perform the direct payment function on behalf of the family.