



# LIVE HERE—WORK HERE!

Section 3 of the Housing and Urban Development Act  
(Section 3)

**Section 3** ensures that HUD-funded jobs, training, and contracts are provided to low- and very low-income residents of the community where the funds are spent, and to businesses that are owned by, or employ, such persons.

Visit [www.hud.gov/section3](http://www.hud.gov/section3) to learn more about Section 3

Flip to the other side to test your Section 3 knowledge ➔

# Quiz for Section 3 Residents and Other Beneficiaries

How Many of These True/False Questions Can You Answer Correctly?



1

The purpose of Section 3 of the Housing and Urban Development Act is to ensure that HUD-funded jobs, training, and contracts are provided to minorities? T/F

2

Section 3 residents are guaranteed employment when HUD-funded jobs are available? T/F

3

All public housing residents are considered Section 3 eligible regardless of their income? T/F

4

Section 3 residents are only eligible to receive preference in the metropolitan area or non-metropolitan county in which they are located? T/F

5

Section 3 residents do not have to be qualified for the jobs that they are seeking? T/F

6

Persons only need to be a resident of the metropolitan area (or non-metropolitan county) and have a household income that is less than 80 percent of the median for that area, to be considered a Section 3 resident? T/F

7

Section 3 hiring requirements only apply to new hires? T/F

8

An employee that was laid off by a contractor before a HUD-funded contract was awarded cannot be considered a new hire? T/F

9

A Section 3 resident is the same as a minority? T/F

10

Public Housing Agencies, local units of government, contractors, and others are responsible for verifying the eligibility of Section 3 residents? T/F

11

Section 3 requires a recipient agency to create hiring opportunities beyond those that are normally needed? T/F

12

Section 3 residents and businesses can file complaints with HUD if they believe that they have been denied economic opportunities? T/F

13

There are no serious consequences for not complying with Section 3 requirements? T/F

Answer Key:  
1. False; 2. False; 3. False; 4. False; 5. False; 6. True; 7. True; 8. False; 9. False; 10. True; 11. False; 12. True; 13. False.

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# IT'S NOT AN OPTION— IT'S THE LAW!

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## Section 3 Quiz for Recipients of HUD Funding

How Many of These True/False Questions Can You Answer Correctly?



1

The purpose of Section 3 of the Housing and Urban Development Act is to ensure that jobs, training, and contracts are provided to minorities? T/F

2

Section 3 requirements only apply to Public Housing Agencies? T/F

3

Submitting the Section 3 Annual Summary Report (Form HUD-60002) to HUD is an agency's only Section 3 responsibility? T/F

4

Section 3 residents and businesses do not have to be qualified for the jobs or contracts that they are seeking? T/F

5

If a construction project is funded with both HUD funding and non-HUD funding, Section 3 only applies to the HUD-share of the project? T/F

6

Public Housing Agencies, local units of government, contractors, and others are responsible for verifying the eligibility of Section 3 residents and businesses? T/F

7

Persons only need to be a resident of the metropolitan area (or non-metropolitan county) and have a household income that is less than 80 percent of the median for that area, to be considered a Section 3 resident? T/F

8

Section 3 businesses are either owned by, or substantially employ, Section 3 residents? T/F

9

Agencies are required to award 50% of all construction contracts to Section 3 businesses each year? T/F

10

Section 3 hiring requirements only apply to new hires? T/F

11

An employee that was laid off by a contractor before a HUD-funded contract was awarded cannot be considered a new hire? T/F

12

Hosting job fairs, career training, and professional development seminars does not count towards Section 3 efforts? T/F

13

There are no serious consequences for noncompliance with Section 3? T/F

Answer Key:  
1. False; 2. False; 3. False; 4. False; 5. False; 6. True; 7. True; 8. True; 9. False; 10. True; 11. False; 12. False; 13. False

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# GET CONNECTED TO HUD-FUNDED CONTRACTS!

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# Quiz for Section 3 Businesses and Other Contractors

How Many of These True/False Questions Can You Answer Correctly?



1

A Section 3 business is the same as Minority/Women Owned Businesses (M/WBEs)? T/F

2

Section 3 businesses are guaranteed HUD-funded contracts? T/F

3

Section 3 businesses do not have to be qualified for the contracts that they are seeking? T/F

4

Public Housing Agencies, local units of government, contractors, and others are responsible for verifying the eligibility of Section 3 businesses? T/F

5

Section 3 businesses are either owned by, or substantially employ, Section 3 residents? T/F

6

If a construction project is funded with both HUD funding and non-HUD funding, Section 3 only applies to the HUD-share of the project? T/F

7

Agencies are required to award 50% of all HUD-funded construction contracts to Section 3 businesses each year? T/F

8

Section 3 requires recipient agencies to create contracting opportunities beyond those that are normally needed? T/F

9

Section 3 businesses can only receive preference for contracts in their immediate area? T/F

10

A Section 3 business must be a properly licensed business to be considered for a contract? T/F

11

Section 3 businesses that receive HUD-funded contracts do not have to comply with Section 3 requirements? T/F

12

Section 3 residents and businesses can file complaints with HUD if they believe that they have been denied economic opportunities? T/F

13

There are no serious consequences for agencies that do not comply with Section 3 requirements? T/F

Answer Key:  
1. False; 2. False; 3. False; 4. True; 5. True; 6. False; 7. False; 8. False; 9. False; 10. True; 11. False; 12. True; 13. False

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