



IT'S NOT AN OPTION— IT'S THE LAW!

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 to learn more about Section 3

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

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

To be considered a Section 3 resident a person's household income must be less than 80% of the median for their area? 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 if they are called back to work? 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

To self-certify a firm as a Section 3 business or search the database of Section 3 businesses in your community, please visit: www.hud.gov/sec3biz