



Section 8 Housing Assistance Program

By Terry Fiske

Foreword

I've been asked to write this foreword because I am a landlord and I own ten properties consisting of 32 units. Of these 32 units, I rent 14 of the units to Section 8 tenants. I began renting to Section 8 tenants five years ago. During this time period, I've only had to evict one tenant.

What appeals to me most is the fact that I get paid by the third of each month. I get Section 8 payments in the mail on the third and my tenants know I will be at their door on the first to collect their share. Their motivation to pay is that they know that if they are evicted, they will lose Section 8.

Section 8 does inspect the property before the tenants move in and once a year thereafter. I usually have to make some minor repairs, but considering that I get paid on time, with little effort, these minor repairs are of no consequence.

If you own properties in middle-low to low income areas, you might want to investigate the Section 8 program. The menu you are now reading will give you most of the information you need to get you started. However, I also advise you to visit your local Section 8 office.

Lets face it - doing business with Section 8 is just good business.

Introduction

The Section 8 Program is the federal government's major program for assisting very low-income families, the elderly, and people with disabilities in affording decent, safe, and sanitary housing in the private market. Since housing assistance is provided on behalf of the family or individual, participants are able to find their own housing, including single family homes, apartments, and townhouses. The participants can choose any housing that meets the requirements of the program, and is not limited to units located in subsidized housing projects.

Section 8 is administered in your area by your Public Housing Agency (PHA). The PHA receives federal funds from HUD to administer Section 8. Once someone has been approved for Section 8, it is their responsibility to find suitable housing where the landlord agrees to rent under the program's guidelines. The units must meet minimum standards of health and safety, as determined by the PHA inspector. A housing subsidy is paid to the landlord directly by the PHA on behalf of the participating person or family. The person or family then pays the difference between the actual rent charged by the landlord and what the housing agency pays.

Note: The landlord never gets involved in the process of establishing the eligibility of tenants. This has already been determined before they call you.

Frequently Asked Questions From Landlords About The Section 8 Program

1. How can I list my property through Section 8?

You can list your property for free by contacting your local housing agency, which will take down information on the property and who the contact person is. Once you have listed the property, the information will be provided to any Voucher holder looking for a property of that particular size and price. After a certain period, the housing agency may purge the property from its list. However, you are encouraged to notify the housing agency when the property has been rented, so that you do not continue receiving calls.

2. How much rent can I expect from my property?

You determine the asking price for the unit. However, the rent must be reasonable compared to other units of similar location, quality, size, type, and age. If the rent is not reasonable to similar units, you may be asked to lower your



Section 8 Housing Assistance Program

By Terry Fiske

(Page 2 of 4)

Section 8, rent increases must also be reasonable in relation to comparable units, the payment standard in the jurisdiction, and what portion of the rent the tenant can afford to pay.

3. How much can I ask for a security deposit?

You can ask for as much is allowable under local law; typically one-month's rent. However, you cannot legally ask for a higher security deposit from a Section 8 applicant than you would ask of any other applicant. Once you have collected a security deposit, you will have to place the money in an interest-bearing account. Please consult local guidelines for more details.

4. How is the breakdown in rent calculated?

The housing agency will pay a check to the landlord for the difference between the jurisdiction's payment standard and tenant's total payment. The tenant would pay the difference between the total rent and the voucher amount (which will be paid by the housing agency). Both the tenant and the housing agency will pay their portions of the rent to you at the beginning of every month. A delay in the housing agency's payment may be expected when the tenant first moves into the unit. However, a prorated rent can be paid on a mid-month move. Please contact the housing agency for more details on when exactly you will receive payment.

5. Can I refuse to rent to an individual?

You have the right to select the tenant you want for your unit using whatever criteria you determine. However, you must not discriminate against an individual because of race, color, religion, sex, national origin, age, familial status, or disability. In some jurisdictions, you cannot refuse to rent to someone just because he or she has Section 8 (called course of income).

6. Who pays for damages to the property during occupancy?

Damages beyond the normal wear and tear which are tenant-related can be paid for by the tenant. You should have a standard practice listed in the lease as to how damages will be paid for by the tenant. After the tenant moves out, you may take compensation for damages beyond the normal wear and tear from the tenant's security deposit.

7. What if I have problems with the tenant?

If you have repeated problems with the tenant, you have the right to enforce your lease and take the necessary actions against the tenant. Whenever you do start proceedings against a tenant, you must follow local regulations. Should you send the tenant any correspondence, such as a warning letter or a notice to vacate, please send a copy to the local housing agency. In some cases, the housing agency may take action against the tenant to terminate the assistance prior to the eviction.

8. What is the housing agency inspector looking for in the inspection?

Before a tenant can move into your property, the housing agency has to inspect the unit. The inspector is looking for minimum Housing Quality Standards (called HQS) to ensure that the unit is in a livable condition. If it is not, you may be asked to make some repairs to the unit prior to the tenant moving in. The housing agency cannot pay on the unit until it passes inspection.

Housing Inspection Quality List

* There cannot be any chipping or peeling paint anywhere on the inside of the unit.

* There cannot be any chipping of peeling paint five feet and under on the exterior of the unit.



Section 8 Housing Assistance Program

By Terry Fiske

(Page 3 of 4)

- * Cooking stove must be clean and in working order. (Either the tenant or the owner must provide.)
- * Refrigerator must be clean and in working. (Either the tenant or the owner must provide.)
- * There must be an installed heating system that works.
- * There must be hot and cold running water in the bathroom.
- * There must be hot and cold running water in the kitchen.
- * There must be a shower or bathtub that works.
- * There must be a flush toilet that works and does not leak.
- * Bathrooms must have either a window to the outside OR an exhaust fan.
- * There must not be any plumbing leaks.
- * There must not be any plugged drains. (Check for slow drains.)
- * All ground floor windows must have attached locks and exterior doors must have locks including working deadbolts.
- * All electrical outlets must have cover plates and be in good condition.
- * There must not be any missing, broken, or cracked windows.
- * The roof must not leak. (Check the ceiling for stains.)
- * The hot water heater tank MUST have a temperature pressure relief valve with a downward discharge pipe made of galvanized steel or copper tubing that is 3 feet long (NO PVC). An earthquake strap is required for all hot water heaters.
- * There must be GFI outlets around all sinks.
- * The floor covering cannot be torn or have holes than can cause someone to trip.
- * If there are stairs and railings, they must be secure.
- * Working smoke detectors are required in every unit and on every level.
- * The contract rent must be reasonable, based on the rent of comparable units in the neighborhood.

In Every Section 8 Lease Agreement, The Landlord Is Responsible For:

- * Performing all management and rental functions, including resident screening.
- * Maintaining the unit in accordance with the HUD Housing Quality Standards.
- * Complying with equal opportunity requirements and all fair housing laws applicable to the property.
- * Furnishing all information required under the Housing Assistance Payment contract.



Section 8 Housing Assistance Program

By Terry Fiske

(Page 4 of 4)

- * Paying for utilities included in the lease.
- * Collecting the following from each Section 8 assisted family:
 1. Any necessary security deposit
 2. The tenant portion of the monthly rent
 3. Any charges for damaged caused by the family

A Simple Step-by-Step Process

- * Place your property using the Available Property List (form provided in this packet), or advertise Section 8 OK in the local newspapers. Interview and screen prospective tenants.
- * Select a tenant, fill out the Request for Lease Approval (RLA) form that the tenant has in their possession and have the applicant submit the forms to the Housing Authority. You may be requested to complete a pre-inspection form to be returned with the RLA.
- * An appointment will be scheduled with you for the Housing Quality Standards inspection.
- * When the dwelling passes the inspection, a lease effective date will be established.
- * The Lease will be signed by both the Landlord and tenant. The Housing Assistance Payment Contract will be signed by the Landlord and a Housing Authority representative.
- * The tenant receives the keys to the dwelling and moves in.
- * YOU GET PAID!

Closing

To get started, all you have to do is look in your phone book's white pages under Government. Find your local Housing Authority, call them, and ask for Section 8. It's as easy as 1-2-3.

Good Luck and Good Success!

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