

New Jersey Department of Community Affairs
Division of Housing and Community Resources
101 South Broad Street
P.O. Box 051
Trenton, NJ 08625

Notice of Public Hearing

The New Jersey Department of Community Affairs, Division of Housing and Community Resources, will conduct a public hearing to discuss our [Housing Choice Voucher Program Administrative Plan](#) and our [Public Housing Agency Annual Plan for fiscal year 2010](#) and invites public comment regarding these documents.

Any comments regarding these plans should be forwarded to the attention of Dennis Gallagher at the address listed above to be received by April 1, 2010 or may be presented at the public hearing which will be held on March 19, 2010 at the address listed above from 10:00 a.m. to 12 noon in room 129.

Copies of both plans are available for public review at the Department of Community Affairs, 101 South Broad Street, Fifth Floor, Trenton, NJ 08625, or by clicking on the links provided above.

**New Jersey Department of Community Affairs
Division of Housing and Community Resources**

**Proposed Changes to the Housing Choice Voucher Program Administrative Plan
For State Fiscal Year 2011 (July 1, 2010 to June 30, 2011)**

Chapter 7 Briefing Households

The program has discretion to establish guidelines to determine the appropriate number of bedrooms and amount of subsidy for households of different sizes and compositions. These guidelines are referred to as subsidy standards. The subsidy standards “must provide for the smallest number of bedrooms needed to house a family without overcrowding.” In determining the appropriate number of bedrooms for a particular household, the program may grant an exception to its established subsidy standards if the program determines that the exception is justified by the age, sex, health, handicap, or relationship of family members or other personal circumstances. The program considers requests for an exception to the subsidy standards on a case-by-case basis. Beginning in state fiscal year 2011, the program will require the county field office supervisor *and* the regional supervisor to approve an exception to the established subsidy standards (see page 7-7 of the Administrative Plan). Examples of the circumstances under which the program will approve an exception to the established subsidy standards are listed on page 7-7. If an exception is granted to accommodate medical equipment, the actual equipment in the extra bedroom must be verified by the program during the annual inspection of the housing unit.

A new section will be added to page 7-15 of this chapter listing the reasons why program applicants may be denied assistance and the grounds under which program participants may be terminated from participating in the program. This information is also included on page 10 of the *Guide to the Housing Choice Voucher Program* which is included as Appendix B of this document. The grounds for denial or termination of assistance are from §982.552 of the program regulations.

The last paragraph to the section listing the grounds for denial or termination of assistance will be expanded to define the circumstances under which the program will offer a household the opportunity to enter into a repayment agreement. The federal regulations provide the program with the discretion to determine the circumstances under which a household that owes the program monies because of their failure to completely and accurately report changes in their total annual income may be offered the opportunity to enter into a repayment agreement. The program has decided to limit the circumstances under which it will enter into repayment agreements to ensure that any future agreements will be affordable to reduce the number of agreements that are breached. After reviewing the results of the repayment agreements the program recently reported to the U.S. Department of Housing and Urban Development, the program has decided to only offer the opportunity to enter into a repayment agreement to a household that owes the program less than \$3,000. Households that owe the program more than this amount because they did not completely and accurately report changes in their annual income will be terminated from participating in the program.

On December 29, 2009, the U.S. Department of Housing and Urban Development published a final rule in the *Federal Register* that changed the scope of the Social Security number (SSN) disclosure

requirements for assistance applicants and program participants. The effective date of this rule is January 31, 2010. The program has revised Exhibit 7-1, *Disclosure and Verification of Social Security Numbers*, to identify who is required to disclose and verify their SSN and identifies the documentation that will be accepted. Each member of an applicant household, regardless of age, must disclose and verify their SSN when the applicant's eligibility to participate is being determined. Program participants who have not previously disclosed a SSN must disclose and verify their SSN at their next interim or annual reexamination of income and household composition. Exceptions to these requirements will be permitted for individuals who do not contend eligible immigration status, and for elderly program participants provided their initial determination of eligibility began before the effective date of this rule.

The new rule defines the required documentation as:

1. An original SSN card issued by the Social Security Administration (SSA);
2. An original SSA-issued document, which contains the name and SSN of the individual; or
3. An original document issued by a federal, state, or local government agency, which contains the name and SSN of the individual.

Exhibit 7-2, *Certification That Household Member Has Not Been Assigned a Social Security Number*, and Exhibit 7-3, *Certification of Inability to Document a Social Security Number*, are no longer needed and will be removed from this document.

Chapter 12 Portability

Whenever an individual or household, with portability rights, wishes to search for housing outside of the jurisdiction of the Department of Community Affairs' Housing Choice Voucher Program, the program's portability coordinator sends the required information (see page 12-3) to the receiving housing agency. One of the required items is the verification of household income and assets listed on the current edition of the *Family Report* (form HUD-50058). The verification information sent to the receiving housing agency will include the household's *Income Report* from the U.S. Department of Housing and Urban Development's Enterprise Income Verification (EIV) system, if the information is available for the household. If available, the portability coordinator will ensure that the EIV report is provided only to the intended recipient at the receiving housing agency. In addition, Social Security Number (SSN) documentation will no longer be sent to the receiving housing agency. The U.S. Department of Housing and Urban Development suggests that this documentation is removed from program participants' files and is destroyed once each household member's SSN is verified by the EIV system.

Chapter 16 Informal Review Procedures for Applicants and Informal Hearing Procedures for Participants

In an effort to reduce the number of terminations and the number of payment additions to landlords, the DCA is introducing a pre-termination conference with the assistance of Legal Services. The opportunity for a pre-termination conference will be offered to program participants who have:

- Failed to respond to appointment letters;
- Failed to provide requested information;
- Breached a repayment agreement; or
- Failed to enter into an agreement to reimburse the program.

In these cases, a letter will be sent to the participant offering a pre-termination conference to discuss why they are unable or unwilling to provide the necessary information. Our intention is to complete the household's annual reexamination in a timely manner to avoid the necessity of an informal hearing to determine whether or not to terminate the household's participation in the program.

The program has also established a new system in which final decisions by Hearing Officers may be questioned without the need to go to the Superior Court Appellate Division. The petitioner will have twenty days from the date of the final decision to request a review of the decision by writing to the Chief of Housing Services explaining the factual basis or specific reason(s) why they disagree with the Hearing Officer's decision. The Chief of Housing Services has the authority to accept, deny, or modify the final decision.

Chapter 17 Payment Standard Amounts

A third item is to be added to page 17-2 under the section titled "Applying a Different Payment Standard." The new text will address the possibility of decreases in payment standard amounts. The new text states that if the program lowers a payment standard amount, the payment standard in effect on the effective date of the Housing Assistance Payments Contract with the property owner will remain in effect until the household moves to another unit, has a change in its household size or composition, or until the *second* annual reexamination of the household's income and household composition after the program decreases the payment standard amount.

Chapter 18 Homeownership Option

The text in the section on "Special Housing Types" on page 18-1 will be revised and this section will be re-titled as "Eligible Units." The intent of the revised text is to plainly state that the program may only approve homeownership assistance in either a one-unit property (including a manufactured home) or a single dwelling unit in a cooperative or condominium.

Participants of the Housing Choice Voucher Program that are interested in the homeownership option must be participants in good standing and have a decent credit history (see page 18-3). The program intends to adopt a more specific requirement than the statement that applicants for homeownership assistance must have a "decent credit history." Our proposed standard will require all applicants for homeownership assistance to have a credit score of at least 680 points to be considered for the homeownership option.

Participants of the Housing Choice Voucher Program who are interested in the homeownership option must satisfy the program's minimum income requirements (see page 18-4) to be considered for homeownership. If a participant who is approved for homeownership suffers a loss of earned income prior to closing on an eligible unit, the program may determine the participant ineligible if the housing unit is no longer affordable. In addition, the text under the heading "Interruptions in Employment" on page 18-4 will be removed.

The following text will be added to page 18-6 under the heading "Financing the Purchase of a Home": All mortgages must be for a 30-year term at a fixed rate and issued by a Department of Community Affairs approved mortgage company.

Also in this section, the following new text will be added to page 18-7: If a homeowner proceeds with refinancing and/or obtaining a home equity loan or a second mortgage without DCA's approval, they may be terminated from the program.

The minimum downpayment requirement (see page 18-8) will be revised to more closely reflect the current mortgage market underwriting requirements. Housing Choice Voucher Program participants who are interested in the homeownership option will be required to make a minimum downpayment of at least 3 percent of the purchase price of the housing unit. For elderly and disabled participants, 1 percent must be from the participant's funds and 2 percent can be a gift or grant.

Appendix A Determination of Tenant Rent to Owner

The program uses the U.S. Department of Housing and Urban Development's Enterprise Income Verification (EIV) system to confirm tenant-reported income information. If an EIV report is not available for a particular family, the program will rely on alternate forms of verification to verify a family's income (see Acceptable Forms of Verification on pages 25 – 30). If the program is also unable to verify earned income directly with an employer in a timely manner, we will utilize pay stubs to determine the family's annual income. Our current policy requires consecutive pay stubs "for a period of at least three months." Based upon recent training materials on the effective use of the EIV system, the program intends to change the number of consecutive pay stubs that are required to verify earned income from the number an individual receives in a three month period to "at least two current and consecutive pay stubs." This standard will apply whether the person is paid on a weekly, bi-weekly, semi-weekly, or a monthly basis.

Appendix C Personal Computer and Network Policy

The program proposes to change its records retention policy. Our current policy states that program participant records will be maintained for a period of 20 years after a household's termination date. Our new policy, in accordance with the guidelines of a U.S. Department of Housing and Urban Development notice published in the September 1, 2009 edition of the *Federal Register*, states that participant records will be retained for a period of 10 years from the end of participation date.