Housing Choice Voucher Program

General Lease-Up Process for Landlords, Public Housing Authorities (PHAs) and Tenants

Tenant	Landlord of Unit	PHA
Applies for and Receives Voucher from PHA	Markets Unit	Screens Applicants for HCV Eligibility
Selects Unit (or may re-lease current unit)	Screens Tenants for Suitability and Selects Tenants	Provides Voucher to Tenant
Tenant and Landlord Complete RFTA[1]		Reviews RFTA[1]
	Accepts Rent Offer	Determines Rent Reasonableness[2]
	Unit Complies with PHA Inspection[3] Rules	Schedules and Completes Inspection[3]
Tenant and Landlord Execute Lease	Landlord and PHA Execute HAP[4] Contract	Receives Executed Agreements
Moves In and Pays **Security Deposit**	Receives HAP[4] and Rent	Sends Monthly HAP[4]
Pays Monthly Tenant Rent and Utilities	Manages Property and Enforces Lease	Schedules and Completes Re-inspection[3]
Complies with Lease and Reports Issues to Landlord	Unit Complies with Re-inspection[3]	Determines Rent Reasonableness[2] (if rent increase)
Renews Lease	Renewal *(can be automatic)* or Send Rent Increase 60 Days Prior to End of Lease Term	

Endnotes

[1] Request for Tenancy Approval (RFTA): Before approving the assisted tenancy and executing the Housing Assistance Payments (HAP) contract, the PHA must ensure that the following program requirements have been met:

- The unit is eligible;
- The unit has been inspected by the PHA and meets Housing Quality Standards (HQS);
- The lease includes the tenancy addendum;
- The rent charged by owner is reasonable; and
- For families receiving HCV program assistance for the first time, and where the gross rent of the unit exceeds the applicable payment standard for the family, the PHA must ensure that the family share does not exceed 40 percent of adjusted monthly income. This cap is referred to as the maximum family share (24 CFR 982.508).

In addition, the PHA must not approve:

- If the PHA has been informed (by HUD or otherwise) that the owner is debarred, suspended, or subject to a limited denial of participation under 2 CFR part 2424.
- If the owner is the parent, child, grandparent, grandchild, sister, or brother of any member of the family, unless the PHA determines that approving the unit would provide reasonable accommodation for a family member who is a person with disabilities. This restriction against PHA approval of a unit only applies at the time a family initially receives tenant-based assistance for occupancy of a particular unit, but does not apply to PHA approval of a new tenancy with continued tenant-based assistance in the same unit.
- Other reasons as defined in 24 CFR 982.306.

[2] Rent Reasonableness: HUD regulation 24 CFR 982.507 requires that PHAs perform a rent reasonableness determination before executing a HAP contract and before any increase in rent. The PHA must determine that the proposed rent is reasonable compared to similar units in the marketplace and not higher than those paid by unassisted tenants on the premises.

[3] Inspections: PHA must inspect the unit leased to a family prior to the initial of the lease, at least biennially during assisted occupancy (triennially for rural PHAs), and at other times as needed, to determine if the unit meets the HQS.

Some, but not all, PHAs have additional flexibility to approve tenancy and begin paying HAP on a unit that fails to meet the HQS, provided the deficiencies are not life-threatening and/or to approve assisted tenancy of a unit before the PHA conducts the initial HQS inspection if the property has, in the previous 24 months, passed a qualifying alternative inspection. For more information on these provisions see PIH Notice 2017-20.

[4] Housing Assistance Payment (HAP): is the monthly assistance payment by a PHA, which is defined in 24 CFR 982.4 to include: (1) A payment to the owner for rent to the owner under the family's lease; and (2) An additional payment to the family if the total assistance payment exceeds the rent to owner.

The HAP contract is the housing assistance payments contract between the owner and the PHA.