

Lease and Sublease Agreement for Continuum of Care (CoC) Program Leasing Projects

This [lease and sublease example](#) is a specific agreement that is made between the recipient or subrecipient (the tenant) and the landowner or sublessor. The program participant must be the sublessee of the recipient or subrecipient. The recipient or subrecipient must pay rent directly to the landowner or sublessor based on actual costs. Note that rent paid on units cannot exceed fair market rent or rent reasonableness, whichever is less. The recipient or subrecipient is responsible for the 100 percent of the rent or sublease rent to the landowner or sublessor, even if the program participant does not pay the occupancy charge in a given month. The recipient or subrecipient pays rent on a vacant unit.

Recipients and subrecipients that do not charge rent from program participants should not use a lease and sublease agreement arrangement. Those recipients and subrecipients must have a lease agreement with the landlord/landowner and a separate occupancy agreement with the program participant.

Note that this Lease and Sublease Agreement is provided as an example of an agreement that would meet the CoC Program leasing requirements and is for CoC Program recipients and subrecipients that develop their own lease agreements for leasing projects. It is not intended to be used by recipients and subrecipients without revision. Recipients and subrecipients must consult with local legal counsel and use a form that complies with state and local law. The CoC Program requirements are found at 24 CFR 578. The U.S. Department of Housing and Urban Development assumes no liability for the use or content of the Lease and Sublease Agreement.

Agreements for Continuum of Care (CoC) Program Rental Assistance Projects

This [three party lease](#) is a specific agreement that is made between the program participant (the sole tenant) and the landowner or sublessor and the recipient or subrecipient. The program participant agrees to pay rent to the landowner/sublessor based on the income calculation set forth at 24 CFR 578.77 and the recipient/subrecipient signs for the purpose of agreeing to pay the difference between the amount of rent the program participant pays and total rent.

HUD expects that more often recipients and subrecipients will follow the Section 8 Housing Choice Voucher model of having two agreements: [a lease and a housing assistance payments contract](#). The lease must require the program participant to pay rent directly to the landowner or sublessor based on the income calculation set forth at 24 CFR 578.77. The recipient, subrecipient, or rental assistance administrator must have a housing assistance payments contract with the landowner or sublessor governing the payment of rental assistance.

Whichever type of contractual arrangement is used, the recipient, subrecipient, or rental assistance administrator must make rental assistance payments to the landowner or sublessor based on the difference between the total rent and the amount paid by the program participant. The recipient, subrecipient, or rental assistance administrator is not responsible for the portion of the rent paid by the program participant if the program participant misses a rent payment in any given month. The recipient, subrecipient, or rental assistance administrator cannot make rental assistance payments on a vacant unit except as provided in 24 CFR 578.51(i).

Note that these agreements are provided as an example that would meet the CoC Program rental assistance requirements for CoC Program recipients and subrecipients that develop their own agreements for rental assistance projects. It is not intended to be used by recipients and

subrecipients without revision. Recipients and subrecipients must consult with local legal counsel and use a form that complies with state and local law. The CoC Program requirements are found at 24 CFR 578. The U.S. Department of Housing and Urban Development assumes no liability for the use or content of this agreement.