

HPRP CASE SCENARIOS:

HOMELESSNESS PREVENTION

ANSWERS

REVIEW THE ANSWERS TO THE CASE SCENARIO QUESTIONS

For each scenario, the worksheet asks for a determination of eligibility for HPRP Homelessness Prevention Assistance. Answers and the reasoning behind them are included in this document. In addition, **Notes** sections give additional information beyond the specific questions. All answers are based on “HPRP Eligibility Determination and Documentation Guidance” published by the U.S. Department of Housing and Urban Development. This document can be found at: http://www.hudhre.info/documents/HPRP_EligibilityAndDocumentationGuidance.pdf.

The following chart is used to determine income eligibility:

Applicable FY09 HUD Income Limits for This City, USA (50% AMI)

1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON
25,600	29,300	32,950	36,600	39,550	42,450	45,400

SCENARIO A: CARLOS MARTINEZ

Carlos Martinez was laid off from his job this week. He has two teenage children who stay with him a couple days a week, but he does not have formal custody. Mr. Martinez is seeking HPRP rental assistance. His monthly rent payment is \$800 for a two-bedroom unit. He is not yet behind on his rent but he is late with child support. There are very few jobs available in his community and he is afraid it will take a long time to find a new job. His rent exceeds his income and he is afraid the landlord will file for eviction. Other than his ex-wife, he does not have any family in the area.

He reports the following income and assets:

- \$0 earned income
- \$200/week in unemployment
- \$5,000 in savings
- \$70,000 in a retirement account (penalty for early withdrawal)
- \$250/month in child support payments to his ex-wife

DOCUMENTATION NEEDED FOR ELIGIBILITY SCREENING:

Verification of income:

- Benefits award letter or bank statement showing direct deposit of UE-- or check stubs to verify income from Unemployment.*
- Bank statement to verify savings account and any interest income from account*

Verification of housing status:

- Copy of lease or letter from the owner of the property where Mr. Martinez resides, to determine his status as a renter, his monthly rent and, if applicable, any arrears. An eviction notice or note from the landlord, stating that an eviction will be filed if rent is not paid by a specific date, is also required.**

Verification of insufficient subsequent housing options, financial resources, support networks:

- Assessment and/or case notes documenting applicant's initial consultation with HPRP staff about his situation, needs, and lack of other subsequent housing options, financial resources, or support networks sufficient to obtain immediate housing or remain in existing housing.
- Assessment must include bank statement or self-declared savings account balance
- Most recent retirement account statement.

***Note:** If the case manager cannot get a copy of the documents in time, s/he may accept one of the following (listed in order of preference): 1. written third-party verification (e.g. a signed, faxed letter or memo); oral third-party verification (telephone call with authorized representative); or 3. self-declaration (a signed statement by Mr. Martinez). See HUD template: HPRP Verification of Income and/or HPRP Self Declaration of Income are available on HUDHRE.INFO. Staff must clearly but briefly describe in the case notes why a lower level of documentation is being used (i.e., why the preferred documentation could not be obtained in time to prevent housing loss).

****Note:** If Mr. Martinez were to receive rental assistance, a lease would be required. If he does not have a written lease, he would have to ask his landlord to create and sign a lease so that he could receive assistance for future rent payments.

QUESTION 1: Does Mr. Martinez meet the income requirement to be eligible for HPRP assistance?

Answer: Yes, \$10,400 (\$200*52 weeks) is under the limit

- Use income limits for a household of 1; Mr. Martinez does not have custody of his children, even though they visit him. (See chart, above)
- The only countable income is his unemployment insurance and any interest on his savings account.
- The retirement and savings accounts are assets, not income.
- **Note:** The child support Mr. Martinez pays is a debt; if he received child support payments, they would be counted as income.

QUESTION 2: Does Mr. Martinez's housing status meet eligibility requirements?

Answer: No, he is not imminently homeless

- He is not yet behind on his rent and the landlord is not threatening to evict him.

QUESTION 3: Does Mr. Martinez lack other financial resources, support networks and subsequent housing options?

Answer: This is a policy and judgment call.

- Each grantee must have a policy about what assets must be considered available for housing.
- **Savings account:** If the grantee allows all HPRP households to hold savings accounts up to (for example) \$5000 as a cushion so they can maintain stability during future crises, then Mr. Martinez's savings would not be counted as an available asset. If the amount is, for example, \$4000, Mr. Martinez would be considered to have \$1000 to use or "spend down" for rent before he would be eligible.
- **Retirement account:** Same issue. If the grantee's policy is to not consider retirement accounts to be available for housing, Mr. Martinez would not have to liquidate this account to pay for housing. If the grantee does require liquidation, Mr. Martinez would have \$70,000 (minus taxes and penalties). This means he would have the resources to pay for his housing.
- **Support systems:** Mr. Martinez does not have any relatives who could support him with financial assistance or a place to live while he looks for work.
- **Other housing options:** In his community, most apartments cost more than \$800 and there are few vacancies. Because he is unemployed and living on unemployment, most landlords would not accept him for another apartment. He could not realistically relocate to a less expensive apartment.

QUESTION 4: Is Mr. Martinez eligible for HPRP Prevention Assistance?

Answer: No

- Mr. Martinez met the income requirements and he may or may not (depending on HPRP grantee's policy regarding assets) have met the requirements for "no financial resources, support networks or housing options." But he does not meet the housing status requirement; he is not imminently homeless. All three sets of requirements must be met before a household is eligible.
- **Note:** If Mr. Martinez cannot increase his income, falls behind on his rent, and spends some of his assets, he may be eligible for assistance in a few more months. Staff should make sure Mr. Martinez knows the requirements and understands that he may come back for assistance in the future. He should be told what documentation to bring so that his case can be handled as quickly as possible if/when that time comes.

SCENARIO B: SUSAN ROBINSON

Susan Robinson and her five-year-old son are at risk of eviction. Ms. Robinson is three (3) months behind on rent and four (4) months behind on her electric and water bills. Ms. Robinson is unemployed. She is actively looking for a job but has had no luck due to the local job market. She and her son moved to the area about a year ago and have no other housing options or support networks to assist with their housing need. She reports the following:

- \$240/month TANF (public assistance)
- \$100/month Food Stamps
- \$230/month in social security benefits on behalf of her son
- \$1,000 in her checking account from a recent lump sum insurance payment
- No savings

DOCUMENTATION NEEDED FOR ELIGIBILITY SCREENING:**Verification of income:**

- Benefits letter confirming TANF amount—current level of benefits and within the past 12 months—or a bank statement showing direct deposit of TANF is acceptable.*
- Benefits letter or other written verification of son's Social Security income from the Social Security Administration, or a bank statement showing direct deposit of SSI is acceptable.*

Verification of housing status:

- Lease or other written verification(s) from the owner of the property where Ms. Robinson lives of Ms. Robinson's tenancy, monthly rent and arrears. An eviction notice or note from the landlord stating that an eviction will be filed if rent is not paid by a specific date is also required.**
- Bill or shut-off notice from the utility company, showing the amount due and naming Ms. Robinson as the responsible party (vs. the landlord).

Verification of insufficient subsequent housing options, financial resources, support networks:

- Assessment and/or case notes documenting applicant's initial consultation with HPRP staff about his situation, needs, and lack of other subsequent housing options, financial resources, or support networks sufficient to obtain immediate housing or remain in existing housing.

***Note:** If the case manager cannot get a copy of the documents in time, s/he may accept alternative verifications (see above and "HPRP Verification of Income" template for an example. HUD templates are available on HUDHRE.INFO.) Staff must clearly but briefly describe in the case notes why a lower level of documentation is being used (why the preferred documentation could not be obtained in time to prevent housing loss).

****Note:** If Ms. Robinson is to receive rental assistance (arrears or future payments), a written lease is required. If she only has an oral lease, she would have to ask her landlord to create and sign a lease so that she could receive assistance for future rent payments. Even in that case, she could not be considered eligible for rental arrears incurred before the written lease was signed. A lease cannot be established retroactively and statement from the landlord identifying the amount owed is not sufficient documentation of tenancy. Case managers can negotiate with the landlord for a reduction in arrears, but payment would have to come from a different funding source.

QUESTION 1: Does Ms. Robinson meet the income requirement to be eligible for HPRP assistance?

Answer: Yes, her income is below 50% of Area Median Income

- Her countable income includes her TANF benefit and her son's social security benefit (\$240 + \$230) X 12 = \$5640/year. This is less than 50% of AMI for a household of two.
- The value of Food Supports/Food Stamps is not counted as income.
- Lump sum medical insurance payments are not counted in income.

QUESTION 2: Does Ms. Robinson's housing status meet eligibility requirements?

Answer: Yes, with additional verification

- Based upon her income, arrears and job prospects, she is clearly at risk of housing loss.
- If she has not yet received an eviction notice, the case manager can contact the landlord for a written (typed or handwritten) note that an eviction will be filed if rent is not paid by a specific date. **Note:** A court-filed eviction is not necessary to obtain assistance. Once an eviction is filed, it could harm Ms. Robinson's rental record and future housing choices. A landlord's note is acceptable and, in Ms. Robinson's situation, it may be preferable.

QUESTION 3: Does Ms. Robinson lack other financial resources, support networks and subsequent housing options?

Answer: Probably yes

- She is new to the area, has no family or friends she could live with, and almost no money. This should be briefly described in case notes.
- The case manager could explore with Ms. Robinson whether she has any housing options if she relocates back to her former community to avoid homelessness, particularly since her son is not yet in school and she has no job or support system in her new community. Even if that is possible, she would likely need prevention assistance to relocate. **Note:** HUD allows grantees to provide rental assistance or services to eligible program participants who are residing or would like to reside in another jurisdiction; however, the case manager must still document that all requirements associated with the HPRP program are met, including rent reasonableness, habitability standards, lead-based paint inspections, etc.

QUESTION 4: Is Ms. Robinson eligible for HPRP Prevention assistance?

Answer: Yes

- She meets all three eligibility criteria: income, housing status and lack of other financial resources, support networks or subsequent housing options.

QUESTION 5: Are there any other considerations before Ms. Robinson could receive assistance?

Answer: Yes

- The case file must include the Staff Certification of Eligibility for HPRP form.
- To offer rental assistance to Ms. Robinson, she must have a written lease. A copy of the signed and dated lease should be obtained for the case file.
- To help Ms. Robinson with her rent, the case manager must determine if her rent meets Rent Reasonableness standards and document in the case file. This is different from Fair Market Rent. The case manager can use market studies, comparable vacancy listings or a comparison with other properties owned by the same landlord to determine reasonable rent. If the rent for Ms. Robinson's apartment only slightly exceeds rent reasonableness, some landlords may be willing to negotiate for a slight decrease in the rent in exchange for payment of arrears and future rent. Ms. Robinson cannot pay the difference between actual and reasonable rent and an HPRP program cannot provide rent assistance for an apartment that exceeds the rent reasonableness amount for a comparable unassisted unit.
- Once Ms. Robinson's eligibility has been established and her housing risk has been documented (eviction or threat of eviction), utility assistance can be provided as part of her assistance even if a shut-off notice has not been issued if payment of utilities will help achieve the goal of stabilizing the household. The case manager must be sure to include documentation in the case file (i.e., case notes) why payment of the utilities is necessary – e.g. any existing income must be used for other household needs such as food or medical expenses.
- If Ms. Robinson needed ONLY utility assistance (utility arrears and/or on-going utility assistance), documentation must address why she is at imminent risk of homelessness without the utility-only assistance. This means the case manager must indicate whether the a utility shut-off will constitute a **lease violation** (thereby causing eviction) and/or the shut-off will cause housing to be **unfit for human habitation** (lack of heat in winter would cause a health risk, lack of water/sewer would result in unsanitary conditions, lack of electricity for a person who requires special medical equipment would risk serious injury, etc.).
- If the apartment building was built prior to 1978 and the household includes a child under age 6, a Lead-Based Paint Visual Inspection is required. The case manager must find out when the building was constructed. The reasons why an inspection is or is not required should be documented via case notes.
- Note: If Ms. Robinson relocates to a different unit as part of her homelessness prevention plan, a Habitability Inspection would also be needed.
- Note: If Ms. Robinson moved to a less expensive unit and needed moving assistance, documentation of how reasonable moving costs were determined (e.g. bids from 3 companies) is also required.

SCENARIO C: DAVE CRUZ

Dave Cruz is morbidly obese and has very limited mobility. His mother was his caretaker, but she recently passed away. Mr. Cruz has no work history or income; they lived on his mother's social security benefits. Since she passed, he has not been able to make the mortgage payments. Foreclosure proceedings are underway and he has received a notice to vacate.

DOCUMENTATION NEEDED FOR ELIGIBILITY SCREENING:

Verification of income:

- Verification should consist of a self-declaration of no income. It's hard to "prove" zero income and HUD does not require third-party verification of zero income. See "HPRP Self Declaration of Income" template for an example form.*

Verification of housing status:

- Notice to vacate (to prove housing status and imminent homelessness).

Verification of insufficient subsequent housing options, financial resources, support networks:

- Assessment and/or case notes documenting applicant's initial consultation with HPRP staff about his situation, needs, and lack of other subsequent housing options, financial resources, or support networks sufficient to obtain immediate housing or remain in existing housing.

***NOTE:** HPRP does not require that an applicant have income sufficient to obtain or maintain housing at the time of application. While, the HPRP Notice states that the intent of these Recovery Act funds is to assist those persons who are most likely to be able to sustain housing on their own after HPRP assistance ends, providing proof of the ability to obtain income and sustain housing when HPRP assistance ends is not an eligibility requirement for HPRP. A household often obtains employment or public benefits income **while receiving** HPRP assistance and/or as a result of HPRP assistance.

Additionally, HUD cautions against creating barriers for persons in need of this assistance, or putting in place criteria that are so strict that applicants cannot be served. Instead, HPRP staff should be fully assessing each client's situation (housing history, employment history/prospects, financial situation, etc.) and establishing an individualized service plan that will help them become stabilized during the term of assistance.

Whether it is appropriate to serve Mr. Cruz or not, will depend on a number of local factors, including how much funding the grantee has allocated towards services, as well as whether other programs are available in the community to help those that have significant barriers and need long term, intensive support.

QUESTION 1: Does Mr. Cruz meet the income requirement to be eligible for HPRP assistance?

Answer: Yes

- Mr. Cruz has no income or assets (options for utilizing equity in his mother's home would have already been explored and ruled out by the bank).

QUESTION 2: Does Mr. Cruz's housing status meet eligibility requirements?

Answer: Yes

- Mr. Cruz has received a Notice to Vacate. He is imminently at risk of losing his housing.

QUESTION 3: Does Mr. Cruz lack other financial resources, support networks and subsequent housing options?

Answer: Yes

- Mr. Cruz's mother was his sole support system and she is deceased.
- He has no other financial resources or housing options

QUESTION 4: Is Mr. Cruz eligible for HPRP Prevention Assistance?

Answer: Yes

- He meets the criteria: income, housing status and lack of financial resources, support networks or subsequent housing options.
- However, he is not eligible for all types of HPRP assistance (see below)

QUESTION 5: What kinds of HPRP assistance could Mr. Cruz receive?

- Mortgage assistance is not allowed under HPRP.
- If utility assistance (including arrears) would enable Mr. Cruz to avoid homelessness, this is allowable for a homeowner (just like a renter). In this case, it would not appear to be adequate to prevent his housing loss.
- Security deposit, utility deposit, moving cost assistance, utility assistance, and rental assistance if he must relocate.
- Housing relocation and stabilization, including housing search and placement (if he cannot resolve his mortgage problem and must relocate to rental housing to avoid homelessness), credit repair, case management and/or legal services (excluding legal services related to the foreclosure—which is not allowable).

QUESTION 6: Are there any other considerations before Mr. Cruz could receive assistance?

Answer: Yes

- The case file must include the Staff Certification of Eligibility for HPRP form.
- To receive rental assistance when he moves to a new rental unit, Mr. Cruz must have a written lease. A signed and dated copy should be obtained for the case file.
- Rent Reasonableness determination. The case manager can use market studies, comparable vacancy listings or a comparison with other properties owned by the same landlord to determine reasonable rent. If the rent for Mr. Cruz's apartment only slightly exceeds rent reasonableness, some landlords may be willing to negotiate for a slight decrease in the rent in exchange for future rent. Mr. Cruz cannot pay the difference between actual and reasonable rent and an HPRP program cannot provide rent assistance for an apartment that exceeds the rent reasonableness amount for a comparable unassisted unit.
- If Mr. Cruz moves into rental housing, a Habitability Inspection would also be needed.
- If Mr. Cruz needed moving assistance, documentation of how reasonable moving costs were determined (e.g. bids from 3 companies) would need to be included in the case file.

SCENARIO D: JENNIFER SMITH

Jennifer Smith is a single mother with two sons. She receives Section 8 assistance, which includes a utility allowance. She has been working as a waitress in a small restaurant in her neighborhood, although seven months ago, her employer cut her hours back to 20 hours/week (her income is currently \$170/week). Since then, she has fallen behind on her portion of the subsidized rent. She is estranged from her family, and has only a few hundred dollars in the bank.

DOCUMENTATION NEEDED FOR ELIGIBILITY SCREENING:

Verification of income:

- Copies of most recent check stubs or written verification of income from employer. See HUD HPRP Eligibility Determination and Documentation Guidance for specific documentation standards. If possible, documentation should include verification of hours reduction from employer.*

Verification of housing status:

- An eviction notice or written statement from her landlord indicating amount due, due date and that an eviction will be filed by a specific date if rent is not paid.
- Copy of her lease and verification of Section 8 status, including tenant's Section 8 portion of rent and utilities.**

Verification of insufficient subsequent housing options, financial resources, support networks:

- Assessment and/or case notes documenting applicant's initial consultation with HPRP staff about her situation, needs, and lack of other subsequent housing options, financial

resources, or support networks sufficient to obtain immediate housing or remain in existing housing.

- Bank statement regarding any checking or savings balance.

***Note:** If the case manager cannot get a copy of the documents in time, s/he may accept alternative verifications (see above and “HPRP Verification of Income” template for an example. HUD templates are available on HUDHRE.INFO.) Staff must clearly but briefly describe in the case notes why a lower level of documentation is being used (why the preferred documentation could not be obtained in time to prevent housing loss).

****Note:** If Ms. Smith is to receive rental assistance (arrears or future payments), a written lease is required. If she only has an oral lease, she would have to ask her landlord to create and sign a lease so that she could receive assistance for future rent payments.

QUESTION 1: Does Ms. Smith meet the income requirement to be eligible for HPRP assistance?

Answer: Yes

- Her current income from her waitress job is \$8840/year, below 50% of Area Median Income for a household of three.

QUESTION 2: Does Ms. Smith’s housing status meet eligibility requirements?

Answer: Yes, with additional verification

- Based upon her income, arrears and job prospects, she is clearly at risk of housing loss.
- To demonstrate that Ms. Smith is at imminent risk of housing loss, a letter (handwritten or typed) from the landlord indicating that they will evict Ms. Smith if past due rent is not paid is needed.
- **Note:** A court-filed eviction is not necessary to obtain assistance. Once an eviction is filed, it could harm Ms. Smith’s rental record and future housing choices. A landlord’s note indicating amount due, by when, and that an eviction will occur if amount is not paid is acceptable.

QUESTION 3: Does Ms. Smith lack other financial resources, support networks and subsequent housing options?

Answer: Yes

- She has only a few hundred dollars in assets and would be eligible so long as the grantee’s treatment of assets policy does not require Ms. Smith to “spend down” this amount first.
- She is estranged from her family and has no other support system.
- She has a Section 8 voucher, which makes her current housing more affordable than any other option. With her current income, she could not afford or qualify for any other options.

QUESTION 4: Is Ms. Smith eligible for HPRP Prevention Assistance?

Answer: Yes

- She meets all the criteria: income, housing status and lack of financial resources, support networks or subsequent housing options.
- However, she is not eligible for all types of HPRP assistance (see below)

QUESTION 5: What kinds of HPRP assistance could Ms. Smith receive?

- HPRP assistance cannot be paid for the same period of time (current or future) and for the same *cost type* (rental assistance; security deposit; utility deposit; utility assistance; moving cost assistance or hotel/motel vouchers) as is being paid by any other federal, state or local assistance source.
- Because Ms. Smith has a Section 8 voucher (a federal rental subsidy program), she cannot receive HPRP assistance for the current month's rent or rental assistance for future months (during which she also receives Section 8 assistance). Similarly, because she is receiving a utility allowance as part of her Section 8 assistance, she cannot receive HPRP assistance for the current month's utility or utility assistance for future months. The case manager can help her contact the Public Housing Authority to re-calculate her portion of the rent, based on her reduction in income, so she can afford future rent payments. This is a standard Section 8 procedure.
- However, HPRP does allow payment of arrears, going back up to six months, even when there was a subsidy in place. Therefore, Ms. Smith can receive up to six months of HPRP assistance for her rental arrears (and utility arrears, if applicable).

SCENARIO E: MARY BELL

Mary Bell and her friend Sandra Loncar have been housemates for a few years and are joint parties to a lease (both signed the same lease). Their total rent is \$900 per month; they each pay half (\$450). Mary recently lost her job and has not been able to pay her share of the rent for the last 2 months. Given her unemployment benefits, she is at 35% of AMI. Sandra was recently promoted and her income is well over 150% of AMI.

DOCUMENTATION NEEDED FOR ELIGIBILITY SCREENING:

Verification of income:

- Verification of income for both Ms. Bell and Ms. Loncar. See HPRP Eligibility Determination and Documentation Guidance for specific verification standards.*

Verification of housing status:

- Copy of the lease to verify that both housemates are joint parties and to verify rent.**

Verification of insufficient subsequent housing options, financial resources, support networks:

- Assessment and/or case notes documenting applicant's initial consultation with HPRP staff about their situation, needs, and lack of other subsequent housing options, financial resources, or support networks sufficient to obtain immediate housing or remain in existing housing.

***Note:** If the case manager cannot get a copy of the documents in time, s/he may accept alternative verifications (see above and "HPRP Verification of Income" template for an example. HUD templates are available on HUDHRE.INFO.) Staff must clearly but briefly describe in the case notes why a lower level of documentation is being used (why the preferred documentation could not be obtained in time to prevent housing loss).

****Note:** If Ms. Bell is to receive rental assistance (arrears or future payments), a written lease is required. If she only has an oral lease, she would have to ask her landlord to create and sign a lease so that she could receive assistance for future rent payments.

QUESTION 1: Does Mary Bell meet the income requirement to be eligible for HPRP assistance?

Answer: No

- When two (or more) unrelated adults are **joint parties to a lease**, the total household income must be considered. The total income for Ms. Bell and Ms. Loncar exceeds 50% of AMI.
- **Note:** If the landlord was willing to allow separate leases for the unit the two women share, Ms. Bell might be eligible for assistance after the new lease is signed. Even in that case, she could not be considered eligible for rental arrears incurred before the new lease was signed. Since the arrears were incurred under the joint lease, all parties on the joint lease would have to qualify for HPRP assistance as a household. HPRP staff can work with the landlord and Ms. Bell to resolve arrears with a monthly repayment plan she can afford, or HPRP staff can help Ms. Bell secure other resources.

QUESTION 2: Does Mary Bell's housing status meet eligibility requirements?

Answer: Probably not

- The landlord has so far accepted partial rent and has not yet threatened eviction.

QUESTION 3: Does Mary Bell lack other financial resources, support networks and subsequent housing options?

Answer: Probably not.

- A landlord cannot evict only one party on a joint lease. If one of the women is evicted, both would be evicted. It seems unlikely that Ms. Loncar would allow herself to be evicted because her housemate is unable to pay her share of the rent. It is more likely that Ms. Loncar would either temporarily pay some of Ms. Bell's share of the rent, or the two would move out and find separate or more affordable shared housing.

QUESTION 4: Is Mary Bell eligible for HPRP Prevention Assistance?

Answer: She is not at this time

- In her current situation, Ms. Bell does not meet the criteria for assistance. Her total household income is too high, she is not at imminent risk of homelessness, and she has other assets, support system (her housemate, Sandra Loncar) or housing options.

QUESTION 5: Under what circumstances can Ms. Bell receive Prevention assistance?

- If the landlord is willing to write two separate leases for the two women, Ms. Bell would likely be income-eligible for assistance going forward, although she would not be eligible for the rent owed before the separate leases were signed. However, she still might not meet the criteria for imminent risk or lack of support systems (would her housemate really allow her to become homeless?).
- If Ms. Loncar gives notice that she is moving out into her own apartment, Ms. Bell does not have sufficient income to keep the unit and will also have to move out. At that point, Ms. Bell would be unlikely to obtain rental housing given her lack of income, and at that time, her income, housing status and lack of financial resources, support networks and housing options might qualify her for prevention assistance to relocate without experiencing homelessness. Ms. Bell should be informed that under these circumstances, she may be eligible for HPRP Prevention assistance.

SCENARIO F: RITA RIVERS

Rita Rivers is seeking assistance for rental arrears. Her income is \$12,600/year and she has no savings or other assets. She has an eviction notice, but her landlord is her sister. Her sister is her only relative in this state.

DOCUMENTATION NEEDED FOR ELIGIBILITY SCREENING:

Verification of income:

- Verification of Ms. Rivers' income. See HPRP Eligibility Determination and Documentation Guidance for specific verification standards.*

Verification of housing status:

- Written lease, if one exists. **Note:** A written lease is required for any assistance with rent.
- Verification from landlord of rental arrears, due date and eviction notice.

Verification of insufficient subsequent housing options, financial resources, support networks:

- Assessment and/or case notes documenting applicant's initial consultation with HPRP staff about her situation, needs, and lack of other subsequent housing options, financial resources, or support networks sufficient to obtain immediate housing or remain in existing housing.

***Note:** If HPRP staff cannot get a copy of the documents in time, staff may accept alternative verifications (see above and “HPRP Verification of Income” template for an example. HUD templates are available on HUDHRE.INFO.) HPRP staff must clearly but briefly describe in the case notes why a lower standard of documentation is being used (why the preferred documentation could not be obtained in time to prevent housing loss).

QUESTION 1: Does Ms. Rivers meet the income requirement to be eligible for HPRP assistance?

Answer: Yes

- Her income is well below 50% of Area Median Income for a household of one.

QUESTION 2: Does Ms. Rivers’ housing status meet eligibility requirements?

Answer: Her housing status is unclear

- In cases where the applicant and landlord are related, additional information is needed, sufficient to ensure that a case audit would find assistance is legitimate.
- Is the eviction a court-filed document or a letter from her sister “evicting” her?
- Is there an actual landlord-tenant relationship between Ms. Rivers and her sister? To be eligible for assistance, Ms. Rivers and her sister must have a formal landlord-tenant relationship, meaning Ms. Rivers’ sister must have the authority to lease the unit to Ms. Rivers (i.e. her sister is the property owner) and there must be a lease or occupancy agreement in place.
 - Are they actually housemates, sharing expenses? If so, Ms. Rivers’ sister is not a landlord and cannot “evict” her. Are both names on the lease? If so, total household income must be considered (Ms. Rivers and her sister combined) in determining eligibility.
 - If Ms. Rivers lives in a property owned by her sister and the sister lives elsewhere, what is the rent and what are the terms of the lease? Is Ms. Rivers’ lease and rent comparable to other properties (especially any other properties owned by the sister)?

QUESTION 3: Does Ms. Rivers lack other financial resources, support networks and subsequent housing options?

Answer: Unclear

- Would her sister actually allow Ms. Rivers to become homeless? Or would she find a way to prevent this from happening?

QUESTION 4: Is Ms. Rivers eligible for HPRP Prevention Assistance?

Answer: Unclear

- The decision depends on the answers to the questions listed above.

HPRP CASE SCENARIOS: RAPID RE-HOUSING

ANSWERS

REVIEW THE ANSWERS TO THE CASE SCENARIO QUESTIONS

For each scenario, the worksheet asks for a determination of eligibility for HPRP Rapid Re-Housing Assistance. Answers and the reasoning behind them are included in this document. In addition, **Notes:** give additional information beyond the specific questions. All answers are based on “HPRP Eligibility Determination and Documentation Guidance” published by the U.S. Department of Housing and Urban Development. This document can be found at:

http://www.hudhre.info/documents/HPRP_EligibilityAndDocumentationGuidance.pdf.

The following chart is used to determine income eligibility:

Applicable FY09 HUD Income Limits for This City, USA (50% AMI)

1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON
25,600	29,300	32,950	36,600	39,550	42,450	45,400

SCENARIO A: MERYL KELLY

Ms. Kelly is a single mother with three children, ages 2, 4 and 7. She has been staying in a homeless shelter for a month, ever since the apartment where she was living as a tenant was foreclosed by the bank. Ms. Kelly’s monthly income includes \$621 in TANF benefits and \$160 in Child Support from her ex-husband. She has \$1400 in savings. She also receives \$245 in Food Stamps/Food Supports. Ms. Kelly has tried to get help from her sister and her mother; both state they have no money or living space to offer her and her three children.

DOCUMENTATION NEEDED FOR ELIGIBILITY SCREENING:

Verification of income:

- Benefits award letter or bank statement showing direct deposit of current level of benefits under TANF—within the past twelve months.*
- Child Support verification: award letter or bank statement showing direct deposit.**
- Bank statement to verify savings account interest income credited to savings account in past month.

Verification of housing status:

- Verification that Ms. Robinson and her children are currently living in a shelter. Ideally, verification of shelter stay should consist of a printout from the local Homeless Management Information System (HMIS) showing Ms. Kelly as a current resident. If this is not possible, a letter on the shelter's letterhead, stating that Ms. Kelly is a guest is verification. If this is not possible, oral confirmation from a shelter employee would be acceptable. Indicate in case notes why a higher level of documentation is not possible. Refer to HUD'S "HPRP Eligibility Determination and Documentation Guidance" for additional requirements related to documenting shelter stay.

Verification of insufficient subsequent housing options, financial resources, support networks:

- Assessment and/or case notes documenting applicant's initial consultation with HPRP staff about his situation, needs, and lack of other subsequent housing options, financial resources, or support networks sufficient to obtain immediate housing or remain in existing housing.
- Assessment must include self-declared savings account balance amount or bank statement to verify savings account balance.

***Note:** If the case manager cannot get a copy of the documents in time, s/he may accept alternative verifications (see above and "HPRP Verification of Income" template for an example. HUD templates are available on HUDHRE.INFO.) Staff must clearly but briefly describe in the case notes why a lower level of documentation is being used (why the preferred documentation could not be obtained in time to prevent housing loss).

****Note:** If Ms. Kelly had been awarded Child Support benefits but was not receiving them, the benefits would not be counted. Circumstances describing why Ms. Kelly is not receiving Child Support payments need to be described in case file documentation (e.g. case notes, assessment).

QUESTION 1: Does Ms. Kelly meet the income requirement to be eligible for HPRP assistance?

Answer: Yes

- Ms. Kelly's income is \$621 + \$160/month or \$9,372/year. The income limit for a household of 4 is \$36,600.
- Food Stamps are not included as income.

QUESTION 2: Does Ms. Kelly's housing status meet eligibility requirements?

Answer: Yes

- Ms. Kelly and her children are sleeping in a homeless shelter. Under HUD definitions, this qualifies as homeless.

QUESTION 3: Does Ms. Kelly lack other financial resources, support networks and subsequent housing options?

Answer: Yes, probably

- Assets: Each grantee must have a policy about what assets must be considered available for housing. If the grantee allows all HPRP households to hold checking or savings account up to (for example) \$3000 as a cushion so they can maintain stability during future crises, then Ms. Kelly's \$1400 account would not be counted as an available asset and she would be eligible.
- Her support system (relatives) has already declined to provide housing or financial assistance.
- In Ms. Kelly's community, the security deposit and first month's rent for a typical, large 2-bedroom or small 3-bedroom apartment would exceed her \$1400 savings. She would not be able to exit shelter for another month or two unless she receives HPRP RRH assistance.

QUESTION 4: Is Ms. Kelly eligible for HPRP Rapid Re-Housing Assistance?

Answer: Yes

- She meets the requirements for income, housing status and lacks financial resources/support networks/housing options.

QUESTION 5: Are there any other requirements before Ms. Kelly can receive assistance?

Answer: Yes

- The case file must include a signed and dated **Staff Certification of Eligibility for HPRP** form.
- To provide rental assistance to Ms. Kelly, she must have a **written lease**. A copy of the signed and dated lease should be obtained for the case file.
- To assist Ms. Kelly with her rent when she moves into a new unit, the case manager must document that the rent meets **Rent Reasonableness standards**. This is different from Fair Market Rent. The case manager can use market studies, comparable vacancy listings or a comparison with other properties owned by the same landlord to determine reasonable rent. If the rent for Ms. Kelly's apartment only slightly exceeds rent reasonableness, some landlords may be willing to negotiate for a slight decrease in the rent. Ms. Kelly cannot pay the difference between actual and reasonable rent and an HPRP program cannot provide rent assistance for an apartment that exceeds the rent reasonableness amount for a comparable unassisted unit.
- Ms. Kelly has children under age 6. If her new apartment was built prior to 1978, a **Lead-Based Paint Visual Inspection** is required. A lead-based paint visual inspection is required when the household includes a child under age 6, the unit they will be assisted in was built prior to 1978 and they will be assisted with HPRP Financial Assistance. The case manager must find out when the building was constructed to know whether to inspect for lead. The reasons why an inspection is or is not required must be documented in the case file via case notes or other documentation.

- Ms. Kelly's new apartment must also have a **Habitability Inspection**. This is required whenever a household assisted with HPRP Financial Assistance *moves into a new unit*. The case file should also contain a copy of the Certificate of Occupancy from the landlord, proving that the unit meets local building codes.
- If Ms. Kelly has furniture in storage, and needs assistance with **storage fees** (up to three months total or until the household is moved into housing, whichever is shorter), the case file should also include documentation that these costs were "reasonable" (e.g. documented cost comparison of storage fees from different companies). **Note:** HPRP funds may not be used to pay for storage fees in arrears so Ms. Kelly can only be assisted with current and future payments related to storage.
- If Ms. Kelly needs assistance with **moving costs**, the case file should also include documentation that these costs were "reasonable" (e.g. documented costs comparisons with different moving companies). HPRP can also pay for the moving cost of transporting donated household furnishings to the client's new home.

SCENARIO B: ANA SKORIC

For the last two weeks, Ms. Skoric has been living in a motel with her two children (ages 16 and 17). She is paying \$45/night for the room, and the family spends another \$30/day on groceries, mostly bread and sandwich meats, cheese, peanut butter. She is hiding from her husband, who has a history of abusive behavior and who has recently threatened to kill her. Ms. Skoric had a job, but when she went into hiding, she stopped going to work, and she assumes she has been terminated. She left with \$2300 in cash and has spent nearly \$1400 so far; she has never had a bank account in her name. Her son, 17, had a job, but the father knew where he worked, so he never returned to work when the family fled their home. However, the son immediately secured a new job and earns \$11/hour, working an average of 20 hours per week. Ms. Skoric has not told any of her family or friends where she is staying, because she is afraid her husband would hurt anyone who helps her.

DOCUMENTATION NEEDED FOR ELIGIBILITY SCREENING:

Verification of income:

- Verification for Ms. Skoric should consist of a self-declaration of no income. It's hard to "prove" zero income and HUD does not require this. It may be advisable to contact her previous employer to verify that she is no longer working at her job; but again, this is not required. For applicant's fleeing domestic violence, attempts to obtain third party documentation may inadvertently place the household at further risk of harm. In such situations, applicant self-declaration is acceptable and circumstances should be clearly described in the case file.

Verification of housing status:

- Since Ms. Skoric is actively fleeing a domestic violence situation she is considered homeless, per HUD's definition of homelessness for HPRP. In such situations, applicant self-declaration of their abuse and attempts to flee the abuser are sufficient documentation. An applicant self-declaration of housing status should be signed and dated by both Ms. Skoric and the

HPRP staff and placed in the case file, along with a brief description of Ms. Skoric's circumstances.

- Additional verification of her current housing situation at the motel is useful, though not required. This may include copies of motel payment receipts.

Verification of insufficient subsequent housing options, financial resources, support networks:

- Assessment and/or case notes documenting applicant's initial consultation with HPRP staff about her situation, needs, and lack of other subsequent housing options, financial resources, or support networks sufficient to obtain immediate housing or remain in existing housing.
- Assessment should include self-declared amount of cash Ms. Skoric has on hand.

QUESTION 1: Does Ms. Skoric meet the income requirement to be eligible for HPRP assistance?

Answer: Yes

- Earned income of a minor child is not countable. Therefore, the household currently has zero income.

QUESTION 2: Does Ms. Skoric's housing status meet eligibility requirements?

Answer: Yes

- HUD defines victims of domestic violence as homeless for determining eligibility for HPRP Rapid Re-Housing. Ms. Skoric is leaving a domestic violence situation and is eligible.
- **Note:** Her residence in a motel would also qualify as homelessness if a homeless service agency was paying for her stay; many communities use motel rooms as part of their shelter system. However, because Ms. Skoric is leaving a domestic violence situation, she is considered homeless, per HUD definition.
- **Note:** If Ms. Skoric continues to pay for her room but runs out of money and is at risk of losing her housing, and if she meets the other income and resource requirements of HPRP, she could alternatively be considered "at risk of homelessness" and eligible for HPRP Prevention assistance. However, given that she is leaving a domestic violence situation she should be considered "homeless" per HUD definition. Either way, she is eligible for the same types of assistance: financial assistance, and housing relocation and stabilization services. She would simply be entered into HMIS in a different Housing Status category.

QUESTION 3: Does Ms. Skoric lack other financial resources, support networks and subsequent housing options?

Answer: Yes

- She has no savings and only about \$900 in cash. However, if the grantee has set a treatment of asset policy that requires applicant's to have no more than, say, \$500 on hand, then Ms. Skoric would need to first "spend-down" \$400 of her available cash before being eligible for HPRP assistance.

- She cannot use her support system because she is afraid to reveal her location or subject her relatives to possible retaliation by her husband.
- She has no other safe, appropriate housing options.

QUESTION 4: Is Ms. Skoric eligible for HPRP Rapid Re-Housing Assistance?

Answer: Yes

- Ms. Skoric's income, housing status and lack of financial resources/support networks/housing options all meet eligibility requirements.

QUESTION 5: Are there any other requirements before Ms. Skoric can receive assistance?

Answer: Yes

- The case file must include the Staff Certification of Eligibility for HPRP form.
- To offer rental assistance to Ms. Skoric, she must have a written lease. A copy of the signed and dated lease should be obtained for the case file.
- To assist Ms. Skoric with her rent when she moves into a new unit, the case manager must document that the rent meets Rent Reasonableness. This is different from Fair Market Rent. The case manager can use market studies, comparable vacancy listings or a comparison with other properties owned by the same landlord to determine reasonable rent. If the rent for Ms. Skoric's apartment only slightly exceeds rent reasonableness, some landlords may be willing to negotiate for a slight decrease in the rent. Ms. Skoric cannot pay the difference between actual and reasonable rent nor can the program assist her in a unit that exceeds reasonable rent standards for comparable unassisted.
- Ms. Skoric's new apartment must also have a Habitability Inspection. This is required whenever a household assisted with HPRP Financial Assistance moves into a new unit. The case file should also contain a copy of the Certificate of Occupancy from the landlord, proving that the unit meets local building codes.
- Note: Ms. Skoric has no children under age 6, so Lead-Based Paint inspections are not required.

SCENARIO C: EDWARD SHAFFER

Edward Shaffer, 45, will soon be released from jail. He has been serving 30 days for his fourth count of trespass. Mr. Shaffer had been living in a tent on private property just before going to jail. Mr. Shaffer has Supplementary Security Income (SSI) due to traumatic brain injury he suffered on a construction job five years ago. For the past year, he has been using his SSI check for alcohol and living outside. He has a sister in another state but they have had no relationship for many years. His friends are all homeless.

DOCUMENTATION NEEDED FOR ELIGIBILITY SCREENING:

Verification of income:

- A copy of the benefit statement or recent bank deposit indicating direct deposit of Mr. Shaffer's SSI income. If the case manager cannot get a copy of the documents in a reasonable amount of time, s/he may accept other documentation (See HUD HPRP Eligibility Determination and Documentation Guidance). Staff must clearly but briefly describe in the case notes why a lower level of documentation is being used (i.e. why the preferred documentation could not be obtained).*

Verification of housing status:

- A letter from a jail representative indicating his status at the jail, including admission and discharge dates verifying that he has not been in jail for more than 180 days.
- Verification of his housing status (homeless) prior to entering jail. Since Mr. Shaffer was not sleeping in a homeless shelter, HMIS would not be able to verify his homelessness. It is likely that his arrest record and/or pre-sentence investigation report would document that he was camping out before his arrest. Or, it's possible that he was working with a homeless outreach program, which may be able to provide a letter verifying his prior homeless status. If no other verification is possible, self-declaration is acceptable (See "HPRP Self-Declaration of Housing Status" for an example form). Staff must clearly but briefly describe in the case notes why a lower level of documentation is being used (i.e. why the preferred documentation could not be obtained).

Verification of insufficient subsequent housing options, financial resources, support networks:

- Assessment and/or case notes documenting applicant's initial consultation with HPRP staff about his situation, needs, and lack of other subsequent housing options, financial resources, or support networks sufficient to obtain immediate housing or remain in existing housing.

***NOTE:** HPRP does not require that an applicant have income sufficient to obtain or maintain housing at the time of application. While, the HPRP Notice states that the intent of these Recovery Act funds is to assist those persons who are most likely to be able to sustain housing on their own after HPRP assistance ends, providing proof of the ability to obtain income and sustain housing when HPRP assistance ends is not an eligibility requirement for HPRP. A household often obtains employment or public benefits income **while receiving** HPRP assistance and/or as a result of HPRP assistance.

Additionally, HUD cautions against creating barriers for persons in need of this assistance, or putting in place criteria that are so strict that applicants cannot be served. Instead, HPRP staff should be fully assessing each client's situation (housing history, employment history/prospects, financial situation, etc.) and establishing an individualized service plan that will help them become stabilized during the term of assistance.

Whether it is appropriate to serve Mr. Shaffer or not, will depend on a number of local factors, including how much funding the grantee has allocated towards services, as well as whether other programs are available in the community to help those that have significant barriers and need long term, intensive support.

QUESTION 1: Does Mr. Shaffer meet the income requirement to be eligible for HPRP assistance?

Answer: Yes

- Mr. Shaffer's SSI income is \$674/month or \$8088/year, less than the upper income limits of HPRP for a household of one.

QUESTION 2: Does Mr. Shaffer's housing status meet eligibility requirements for Rapid Re-Housing?

Answer: Yes

- Mr. Shaffer was homeless before he entered jail and his sentence is less than 180 days, so he is considered homeless for the purposes of HPRP Rapid Re-Housing eligibility.
- **Note:** If his sentence had been longer than 180 days OR he had been living in permanent housing before he went to jail, Mr. Shaffer would not be considered homeless or eligible for Rapid Re-Housing. However, he could still be assisted with HPRP Prevention (since it was verified that he will leave jail and be literally homeless) and receive the same types of help: financial assistance, and housing relocation and stabilization services. He would simply be entered into HMIS in a different Housing Status category.

QUESTION 3: Does Mr. Shaffer lack other financial resources, support networks and subsequent housing options?

Answer: Yes

- He has no assets, is estranged from support systems and has no housing options.

QUESTION 4: Is Mr. Shaffer eligible for HPRP Rapid Re-Housing Assistance?

Answer: Yes

- He meets all three tests for eligibility.

QUESTION 5: Are there any other requirements before Mr. Shaffer can receive assistance?

Answer: Yes

- The case file must include the Staff Certification of Eligibility for HPRP form.
- To offer rental assistance to Mr. Shaffer, he must have a written lease. A copy of the signed and dated lease should be obtained for the case file.
- To assist Mr. Shaffer with his rent when he moves into a new unit, the case manager must document that the rent meets Rent Reasonableness. This is different from Fair Market Rent. The case manager can use market studies, comparable vacancy listings or a comparison with other properties owned by the same landlord to determine reasonable rent. If the rent for Mr. Shaffer's apartment only slightly exceeds rent reasonableness, some landlords may be willing to negotiate for a slight decrease in the rent. Mr. Shaffer cannot pay the difference between actual and reasonable rent nor can the program provide HPRP

assistance for a unit that exceeds rent reasonableness standards for a comparable unassisted unit.

- Mr. Shaffer’s new apartment must also have a Habitability Inspection. This is required whenever a household assisted with HPRP Financial Assistance moves into a new unit. The case file should also contain a copy of the Certificate of Occupancy from the landlord, proving that the unit meets local building codes.

Conflict of Interest/Fraud Scenarios

Albert Calder works as a part-time janitor at the City. His wife lost her job a few months ago, and now they are behind on their rent. Last week, they received an eviction notice. He heard about the program in the City Hall break room while chatting with the City’s HPRP grant coordinator and applies for assistance. Is this a conflict of interest or fraud by Mr. Calder?

Answer: No

- An employee of a grantee or sub-grantee is not automatically ineligible for HPRP assistance. However, if Mr. Calder was in a position to have control over HPRP decisions or to have “insider” information, fraud would exist. It would also exist if Mr. Calder was given “special treatment” in terms of eligibility determination or priority for assistance because he is a City employee.

Christine Danielson is an HPRP case manager, working for the City. When she learns Mr. Calder, another City employee she has known for several years, has applied for HPRP assistance, she asks to do the initial case consultation and eligibility determination. Mr. Calder tells her that his wife just started a new job last week. Ms. Danielson knows that Mr. Calder has no savings and owes four months’ rent. She omits his wife’s income for this month, and approves him only for the four months of arrears. Is this a conflict of interest or fraud?

Answer: Yes: Fraud

- By omitting Mrs. Calder’s income, Ms. Danielson has committed fraud.

Margo Dickinson is an HPRP case manager working for a nonprofit homeless assistance program. Her cousin, Wendy Jones, meets all the eligibility requirements for HPRP and Ms. Dickinson has compiled all the necessary documentation and verifications. She approves Wendy for assistance. Is this a conflict of interest or fraud by Ms. Dickinson?

Answer: Yes—Fraud and Conflict of Interest.

- HUD prohibits assistance that will result in personal or financial interest or benefit to the staff or to anyone with whom the staff has family or business ties. The only way to provide assistance in this case if the grantee for these funds applies to HUD for an exception specifically for Ms. Jones. In any case, Ms. Dickinson is not permitted to establish eligibility for a relative.

Darrell White is an HPRP case manager working for a large nonprofit agency (Source, Inc.). One of Mr. White’s clients, Pamela DesMarais, qualifies for Prevention assistance. She cannot stay in her current apartment but if she relocates, she can avoid homelessness. Source, Inc. owns an apartment building for low-income tenants. Ms. DesMarais would be able to move in immediately and would only need a shallow, short-term subsidy. Mr. White approves a security deposit and three months of rental

assistance for Ms. DesMarais and she is able to move in the next day. Is this fraud or a conflict of interest?

Answer: Yes, conflict of interest

- An assisted property may not be owned by the grantee, subgrantee or the parent, subsidiary or affiliated organization of the subgrantee. The only way to allow a Source, Inc., client to live in Source-owned housing would be to apply to HUD for a Waiver of the conflict of interest provision.