

**Public Notice**

Proposed Changes to  
Admissions and Continued Occupancy Plan (ACOP) and Administrative Plan

The Housing Authority of the Hagerstown Housing Authority (HHA) has reviewed and made changes to its Admissions and Continued Occupancy Plan (ACOP) and Administrative Plan. These policies govern the initial and continued occupancy of residents of our Affordable Housing. The changes made to these policies are to ensure compliance with federal regulations and state and local laws, as well as to allow HHA to adopt or change management practices and policies.

**List of Changes:**

**Administrative Plan**  
**Debts Owed to Housing Authority (Chapter 14)**

**Addition of Information from PIH 2018-18 Regarding Debts Owed to PHA**

The current Administrative Plan is adding language from HUD documents pertaining to a PHA not allowing PHA-sponsored debt amnesty or debt forgiveness programs, along with other required clarifications.

**ACOP**  
**Repayment Agreement Policy (Section 5)**

**Addition of Information from PIH 2018-18 Regarding Debts Owed to PHA**

The current Administrative Plan is adding language from HUD documents pertaining to a PHA not allowing PHA-sponsored debt amnesty or debt forgiveness programs, along with other required clarifications.

Residents of or applicants for Public Housing, HCV, and any member of the Public may submit comments on the Proposed ACOP and Admin Plan changes during the public comment period. The 30-day comment period begins February 14, 2025 and ends March 17, 2025 (4:30 p.m.). All comments must be received by 4:30 p.m. on March 17, 2025 to be considered and must be in writing. The proposed changes will be posted for review on HHA's website at [www.hagerstownha.com](http://www.hagerstownha.com)

Mail comments to: Hagerstown Housing Authority  
David Kump  
Re: Amended ACOP & Admin Plan  
35 W Baltimore Street  
Hagerstown, MD 21740

Email comments to:  
[dkump@hagerstownha.com](mailto:dkump@hagerstownha.com)

Subject: Amended Admissions and Continued Occupancy Plan proposed changes

Fax comments to:  
(301) 733-7298  
Attention: Amended Housing Choice Voucher Administrative Plan and ACOP proposed changes

**ADMINISTRATIVE PLAN**

## 14.0 DEBTS OWED TO HOUSING AUTHORITY

### 14.1 DEBTS OWED BY APPLICANTS

Verification is made to determine if an applicant owes a debt to any federally subsidized housing program. If the Housing Authority becomes aware of a debt owed through another source, verification will be sent to that Housing Agency.

Upon discovery applicants owing debts shall be notified in writing of the amount owed and will be given thirty (30) days to enter into a repayment agreement with that agency. If the applicant fails to enter into and provide a copy of the repayment agreement within thirty (30) days, the housing application is withdrawn from the waiting list.

If, at the time the applicant's name reaches the top of the waiting list, the debt is not paid in full, or additional debt is discovered, the applicant is given thirty (30) days to pay the debt in full. Failure to do so will result in the applicant's name being removed from the waiting list.

### 14.2 REPAYMENT AGREEMENT POLICY

#### 14.2.1 RETROACTIVE RENTS

Tenants are required to reimburse the PHA if they were charged less rent than required by HUD's rent formula due to the tenant's underreporting or failure to report income. The tenant is required to reimburse the PHA for the difference between the tenant rent that should have been paid and the tenant rent that was charged. This rent underpayment is commonly referred to as retroactive rent (also called "retro rent"). If the tenant refuses to enter into a repayment agreement or fails to make payments on an existing or new repayment agreement, the PHA must terminate the family's tenancy or assistance, or both. HUD does not authorize any PHA-sponsored amnesty or debt forgiveness programs. (See PIH 2018-18, 24 CFR 5.233, 5.236, 908.101) and/or current versions).

Only the~~The~~ Director of Housing Operations or designee ~~can~~must approve Repayment Agreements, regardless of the amount, for retroactive rents of any ~~Section 8~~Housing Choice Voucher (HCV) participant who misrepresents the facts upon which assistance is based or who fails to report an increase in income at the annual reexamination.

- 4) Notice of the retroactive adjustment will be mailed to the participant advising the family that the retroactive rent charge must be paid in full within thirty (30) days. PHA shall follow its Grievance procedure when advising of an adverse action.
- 4) In the first case of non-reporting of an increase in income or of a misrepresentation of income, a repayment plan may be considered if the

failure to report or misrepresentation was for a reason beyond the resident's control, such as a disability, illness or other extenuating circumstances. The fact that the resident cannot pay the retroactive rent charge within thirty (30) days is not considered an extenuating circumstance. The extenuating circumstance must relate to the reason for the non-reporting or the misrepresentation. If a repayment agreement is not approved, the Director of Housing or designee may consider an extension of time to pay. An extension of time may be approved in thirty (30) day increments. Not more than two (2) thirty (30) day extensions may be approved.

- 4) If there is a second case of non-reporting of an increase in income or of a misrepresentation of income, no repayment plan will be permitted. The retroactive rent must be paid in full within thirty (30) calendar days. Only the Director of Housing may consider an extension of time to pay. This extension of time, if approved, may be for no more than one (1) additional thirty (30) days
- 4) If there is a third case of non-reporting of an increase in income or of a misrepresentation of income, a Notice to Terminate assistance will be issued and the HAP Contract terminated.

Family will continue to pay any monthly rent pursuant to the obligations set forth under the HCVP. Nothing in this Agreement alters the obligation to pay rent under the HCVP.

Notwithstanding Federal Requirements that allow rent adjustments based upon percentage of adjusted income, the minimum monthly payment shall be \$25 per month and under no circumstances shall a repayment agreement extend beyond one year except as otherwise stated herein. ~~is \$25.00 for all repayment agreements.~~

Under no circumstances will the Housing Authority enter into more than one repayment agreement with a family at a time. In the event a second repayment agreement is requested for a circumstances other than unpaid rent or retroactive rent, the Executive Director has discretion to modify any term of the first repayment agreement to incorporate a second debt due.

All adult household members, except live-in aides are required to sign any repayment agreement.

#### ***14.2.2 DUE DATES/DEFAULT***

All repayments will be due as stated on the Repayment Agreement. If a payment is not received on the due date, a notice of HCV termination will be issued based upon the default and program violation. ~~late letter will be sent by the 20<sup>th</sup> day of the month. If payment is not received based on late notice, a Default Notice will be issued. Failure to comply with the terms of the Repayment Agreement is a~~ If payment in full is not made

~~based on Default Notice, material program violation, a Termination Notice will be issued.~~  
PHA will not consider the payment late if made by the fifth calendar day after the date due. The PHA may charge a late fee equal to five (5) percent of the monthly repayment amount after the fifth (5th) calendar day if not timely paid. If after a termination notice is issued, the Executive Director has discretion to waive the default only if full payment of the entire debt due is made. No new repayment agreement will be entered.

### **14.2.3 MOVING**

If the family requests voucher ~~a move to another unit~~ and has a repayment agreement in place, no voucher ~~move~~ will be ~~issued~~ approved until the debt is paid in full or the family returns to good standing under the terms of the Repayment Agreement unless the request ~~move~~ is the result of the following causes, ~~and the Repayment Agreement is current:~~

1. Family size exceeds the HQS maximum occupancy standards;
2. The HAP contract is terminated due to owner non-compliance or opt- out; or
3. A natural disaster and/or
4. The request is necessary to comply with a reasonable accommodation request due to a disability based need and/or VAWA.

### **14.2.4 REDUCTION IN PAYMENTS**

~~Monthly payments may be decreased in cases of hardship with the prior notice of the family, verification of the hardship, and the approval of the Director of Housing or Designee.~~  
The monthly payment is subject to renegotiation based upon a verified change of household income and the approval of the Director of Housing or Designee. The burden is on Family to report any changes in income and provide any required supporting information in a timely manner such that any change in the Monthly Repayment Amount and the monthly rent will take effect on the first month following submission of all information required to support the change. Any decrease in Monthly Repayment Amount will not be retroactive unless due to error or undue delay by the PHA in processing a change in the Monthly Repayment Amount. If the Monthly Repayment Amount is decreased at any point, the Monthly Repayment Amount may be increased again if the Family's monthly income increases. Notwithstanding, the PHA will not extend any repayment period beyond twenty-four (24) months in total. Family may make additional payments at any time. Any additional payment will be applied to the total balance and does not replace the next monthly payment due unless Family specifically identifies in writing which month the payment is intended to replace.

### **~~a.14.5 DEBTS OWED FROM PREVIOUS PUBLIC HOUSING TENANTS~~**

~~To protect participating landlords, Section 8 applicants from Public Housing who incur debts (from HHA Public Housing) must repay debts in full or may enter into a repayment agreement. The debt must be paid in full prior to the first recertification after the initial~~

~~HAP contract is signed. Any violation of this section will result in termination from the Section 8 Program.~~

#### **14.3 DEBTS OWED FOR OWNER CLAIMS [24 CFR 792.103, 982.552 (B)(6-8)]**

If a family owes money to the Housing Authority for claims paid to an owner:

- The Housing Authority requires that the family repay the amount in full within 30 calendar days of notification from Housing Authority that the debt is owed.
- In cases where the unit is damaged due to the families' inability to care for unit due to disability, if elderly, hospitalization or illness, the Housing Authority may allow the family to enter into a repayment agreement. However, a family may only be permitted to enter into a repayment agreement one time.

#### **14.4 DEBTS DUE TO FRAUD/NON-REPORTING OF INFORMATION [24 CFR 982.163]**

Housing Authority follows HUD's definition of program fraud and abuse which is a single act or pattern of actions that:

Constitutes false statement, omission, or concealment of a substantive fact, made with intent to deceive or mislead, and that results in payment of Section 8 program funds in violation of Section 8 program requirements.

##### **14.4.1 PROGRAM FRAUD**

Families who owe money to the Housing Authority due to program fraud will be required to repay the amount in full within 30 calendar days, and assistance may be terminated.

#### **14.5 ~~FAMILY ERROR/LATE REPORTING~~**

~~**IF THE FAMILY FAILS TO REPORT THE INCREASE IN INCOME WITHIN THE REQUIRED 14-DAY PERIOD, THE FAMILY WILL BE REQUIRED TO REPAY FOR OVERPAID ASSISTANCE BACK TO THE TIME THAT THE CHANGE SHOULD HAVE BEEN REPORTED.**~~

~~**IF THE HOUSING AUTHORITY DETERMINES THAT THE FAMILY'S FAILURE TO REPORT AN INCREASE WAS NOT INTENTIONAL DUE TO FAMILY ILLNESS, DISABILITY, OR SOME OTHER UNFORESEEN CAUSE, THE HOUSING AUTHORITY MAY PERMIT THE FAMILY TO ENTER INTO A REPAYMENT AGREEMENT.**~~

## **14.6 OWNER DEBTS TO THE HOUSING AUTHORITY**

If the Housing Authority determines that the owner has retained Housing Assistance Payments the owner is not entitled to, the Housing Authority may reclaim the amounts from future Housing Assistance Payments owed the owner for any units under contract. This right to repayment is not intended to limit any rights permitted the Housing Authority under the Housing Assistance Payment contract. If future Housing Assistance Payments are insufficient to reclaim the amounts owed, the Housing Authority will:

1. Require the owner to pay the amount in full within 30 calendar days;
2. Pursue collections through the local court system; and
3. Restrict the owner from future participation.

## **ADMISSIONS AND CONTINUED OCCUPANY PLAN (ACOP)**

### **1.1 REPAYMENT AGREEMENT POLICY**

#### **1.1.1 RETROACTIVE RENTS**

Tenants are required to reimburse the PHA if they were charged less rent than required by HUD's rent formula due to the tenant's underreporting or failure to report income. The tenant is required to reimburse the PHA for the difference between the tenant rent that should have been paid and the tenant rent that was charged. This rent underpayment is commonly referred to as retroactive rent (also called "retro rent"). If the tenant refuses to

enter into a repayment agreement or fails to make payments on an existing or new repayment agreement, the PHA must terminate the family's tenancy or assistance, or both. HUD does not authorize any PHA-sponsored amnesty or debt forgiveness programs. (See PIH 2018-18, 24 CFR 5.233, 5.236, 908.101) and/or current versions).

Only the Director of Housing Operations or designee can approve Repayment Agreements, regardless of the amount, for retroactive rents of any Housing Choice Voucher (HCV) participant who misrepresents the facts upon which assistance is based or who fails to report an increase in income at the annual reexamination.

~~A Repayment Agreement may not be entered into without the approval of the Director of Housing Operations or designee, regardless of the amount, for retroactive rents of any Tenant who misrepresents the facts upon which rent is based or who fails to report an increase in income at the annual reexamination.~~

- A. Notice of the retroactive rent charge will be mailed to the Tenant advising the Tenant that the retroactive rent charge will appear on the next month's rent statement and advising the Tenant that the retroactive rent charge must be paid in full within thirty (30) days. PHA shall follow its Grievance procedure when advising of an adverse action.
- B. In the (1<sup>st</sup>) first case of non-reporting of an increase in income or of a misrepresentation of income, a repayment plan may be considered if the failure to report or misrepresentation was for a reason beyond the Tenant's control, such as a disability, illness, or other extenuating circumstances. The fact that the Tenant cannot pay the retroactive rent charge within thirty (30) days is not considered an extenuating circumstance. The extenuating circumstance must relate to the reason for the non-reporting or the misrepresentation. The Director of Housing Operations or designee may consider an extension of time to pay. An extension of time may be approved in thirty (30) day increments (not to exceed twelve (12) months).
- C. In the second (2<sup>nd</sup>) case of non-reporting of an increase in income or of a misrepresentation of income, a repayment plan may be considered if the failure to report or misrepresentation was for a reason beyond the Tenant's control, such as a disability, illness or other extenuating circumstances. The fact that the Tenant cannot pay the retroactive rent charge within thirty (30) days is not considered an extenuating circumstance. The extenuating circumstance must relate to the reason for the non-reporting or the misrepresentation. The Executive Director may consider an extension of the time to pay. An extension of time may be approved in thirty (30) day increments (not to exceed twelve (12) months).
- D. If there is a (3<sup>rd</sup>) third case of non-reporting of an increase in income or of a misrepresentation of income, a Notice of Lease Termination will be issued, and the Tenant will be evicted.
- E. No repayment agreements will be granted for past-due non-retro rents. Repayment Agreements will be allowed for repayment agreements caused by a retroactive rent adjustment.

Failure to report income resulting in a retro rent charge will not be approved for a repayment agreement

Family will continue to pay any monthly rent pursuant to the obligations set forth under the Lease Agreement. Nothing in this Agreement alters the obligation to pay rent under the Lease Agreement.

Notwithstanding Federal Requirements that allow rent adjustments based upon percentage of adjusted income, the minimum monthly payment shall be \$25 per month and under no circumstances shall a repayment agreement extend beyond one year except as otherwise stated herein.

Under no circumstances will the Housing Authority enter into more than one repayment agreement with a family at a time. In the event a second repayment agreement is requested for a circumstances other than unpaid rent or retroactive rent, the Executive Director has discretion to modify any term of the first repayment agreement to incorporate a second debt due.

All adult household members, except live-in aides are required to sign any repayment agreement.

#### 1.1.2 MAINTENANCE AND OTHER CHARGES (24 CFR (966.4)

The Reexamination Housing Processors will encourage Tenants to pay maintenance and other charges in full. The threshold for entering into a Repayment Agreement for other charges is Seventy-Five Dollars (\$75.00). This may be one (1) charge of Seventy-Five Dollars (\$75.00) or a number of charges that are billed in the same month that total Seventy-Five Dollars (\$75.00) or more. Exception to policy for documented hardship may be approved by the Deputy Director or designee.

The minimum monthly payment is Twenty-Five Dollars (\$25.00) for all Repayment Agreements. The monthly payment will be billed on the Tenant's rent statement.

#### 1.1.3 DUE DATES/DEFAULT

All repayments will be due as stated on the Repayment Agreement. If a payment is not received on the due date, a late letter will be sent by the twentieth (20<sup>th</sup>) day of the following month. If payment is not received based on late notice, a Default Notice will be issued. If payment in full is not made based on Default Notice, a Notice of Lease Termination will be issued.

Failure to comply with the terms of the Repayment Agreement is a material program violation. PHA will not consider the payment late if made by the fifth calendar day after the date due. The PHA may charge a late fee equal to five (5) percent of the monthly repayment amount after the fifth (5th) calendar day if not timely paid. If after a termination notice is issued, the Executive Director has discretion to waive the default



only if full payment of the entire debt due is made. No new repayment agreement will be entered.

### **REDUCTION IN PAYMENTS**

The monthly payment is subject to renegotiation based upon a verified change of household income and the approval of the Director of Housing or Designee. The burden is on Family to report any changes in income and provide any required supporting information in a timely manner such that any change in the Monthly Repayment Amount and the monthly rent will take effect on the first month following submission of all information required to support the change. Any decrease in Monthly Repayment Amount will not be retroactive unless due to error or undue delay by the PHA in processing a change in the Monthly Repayment Amount. If the Monthly Repayment Amount is decreased at any point, the Monthly Repayment Amount may be increased again if the Family's monthly income increases. Notwithstanding, the PHA will not extend any repayment period beyond twenty-four (24) months in total. Family may make additional payments at any time. Any additional payment will be applied to the total balance and does not replace the next monthly payment due unless Family specifically identifies in writing which month the payment is intended to replace.