



MSHDATM

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY



LANDLORD GUIDELINES

The Housing Choice Voucher Program is a federally funded program that provides rental assistance to help eligible, low-income households pay their rent.

Tenant Selection: The Michigan State Housing Development Authority (MSHDA) does not pre-screen tenants for suitability or behavior; this is the sole responsibility of the owner/landlord.



Program Requirements

Contract: MSHDA will enter into a contract with the landlord. The contract is MSHDA's pledge to pay rent on behalf of the HCV participant.

Lease: The landlord is required to provide a lease that is consistent with all state and local laws, and the Housing Assistance Payments (HAP) contract. While the lease is between the landlord/owner and the tenant, MSHDA must approve the lease. The lease must specify which utilities and appliances are provided or paid for by the tenant, and which are the responsibility of the owner. The U.S. Department of Housing and Urban Development (HUD) Tenancy Addendum provided by MSHDA must be attached as part of the Lease Agreement. A copy of the signed lease agreement must be submitted to MSHDA.

Only persons approved by MSHDA and the landlord can be listed on the lease and reside in the assisted unit. The tenant cannot assign the lease or transfer the unit. Landlords must report any unauthorized persons or activity to MSHDA.

Security Deposit: The landlord may collect a security deposit from the tenant that does not exceed one and one-half month's rent. For an in-place tenant, an original deposit in excess of that amount may be retained.

Inspection: The unit will be inspected by MSHDA and must comply with HUD's minimum Housing Quality Standards (HQS). The landlord is responsible for any repairs required to keep the unit in compliance with HQS as notified by MSHDA. Required repairs must be made in order for MSHDA to make rental payments.

Monthly Rent: The landlord is responsible for collecting the tenant's portion of the monthly rent. Please note:

- During the initial lease term, the tenant cannot pay more than 40% of adjusted gross income toward rent and utilities.
- The monthly rent cannot exceed the reasonable rent as determined by MSHDA.

- Assuming the monthly rent is reasonable, MSHDA will contract for payment of the difference between the contract rent and the tenant's portion.
- Rent cannot exceed rent charged for other comparable units on the premises. Upon request, landlords must provide MSHDA with rent information for other units they manage/own.

Residence: The landlord cannot occupy the rental unit or be related to any member of the participant family. Relatives include parents, children, grandparents, grandchildren and siblings. An exception may be granted if it is necessary to provide reasonable accommodations for a family member with disabilities.

Proof of Ownership: The owner must provide proof of ownership and paid real estate taxes.

Owner Registration: MSHDA will provide the owner with the process to become a payee on the State of Michigan's payment system.

Rent Adjustments: Rent increases must be requested by the landlord at least 60 days in advance of the date the change will take effect. The monthly rent may be increased (subject to the program rent reasonableness requirement); however, the tenant may be responsible for paying any increase.

TERMINATING A LEASE OR TERMINATION OF A TENANT FROM THE PROGRAM

Reason For Lease Termination by Tenant: After the initial lease term the tenant may terminate the contract with 30 days advance written notice to the landlord and MSHDA, subject to the provisions in the lease.

Reason for Mutual Lease Termination: Both landlord and tenant may jointly agree to terminate the lease. However, the termination must be in writing. A Mutual Lease Termination Agreement form is available from MSHDA and may be used for this purpose.

Reasons For Lease Termination by Landlord: All reasons for landlord lease terminations require that a Notice to Quit or an Eviction Notice be sent by the landlord to the tenant with a copy to MSHDA at the same time. The landlord may terminate the lease only for the following reasons:

- Serious or repeated violations of the terms and conditions of the lease
- A family history of disturbance of neighbors or destruction of property, or of living/housekeeping habits that result in damage
- Criminal activity, criminal drug activity, alcohol abuse or violent criminal activity by the tenant, family members or guests on or near the premises that affect other residents
- Violation of federal, state, or local law which imposes obligations on the tenant in connection with the occupancy or use of the dwelling unit and surrounding premises
- Other possible causes for termination: (These causes may not be used during initial lease term)
 - > Owner's desire to utilize the unit for personal or family use, or for a purpose other than use as a HUD-assisted residential rental unit.
 - > Business or economic reasons such as sale of the property, renovation of the unit, or desire to rent the unit at a higher rental rate

Tenant Termination from the Program: If a tenant becomes ineligible to receive assistance under the program, the landlord will no longer receive payments from MSHDA. The tenant could become ineligible for a number of reasons such as excess income, failure to provide required information; failure to comply with a MSHDA repayment agreement, failure to provide and/or maintain tenant-supplied appliances or utilities, or failure to correct any damages caused by the tenant, the tenant's family, or guests. If the tenant becomes ineligible for the program, the tenant will then be responsible for the full amount of the contract rent.

Information on Foreclosures: A federal law, the Protecting Tenants at Foreclosure Act (Pub. L. No. 111-22, §§ 702 - 703 (2009), enacted on May 20, 2009, imposes new requirements on people and entities (including banks) that become the new owners of residential property as a result of foreclosure.

Under this law, new owners who take title to residential property as a result of foreclosure assume their ownership of the property subject to any existing Section 8 voucher leases and to any existing Housing Assistance Payment (HAP) contracts.

The new owners must honor the existing arrangements, including the duration of the original lease, and no matter what the length of the remaining term, must provide the tenants with at least 90 days advance notice before requiring the tenants to vacate the property.

The law contains an exemption for new owners who plan to live in the unit as their primary residence—these new owners are not required to honor the existing lease terms for more than 90 days. New owners in this situation must give the tenant at least 90 days advance notice to vacate; beginning after the new owner acquires the property and may terminate the tenancy after the 90-day period.

Landlord responsibilities under Violence Against Women Act (VAWA):

When a landlord signs a HAP contract with MSHDA, they agree to follow HUD stated protections for survivors of abuse.





FOR MORE INFORMATION
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This publication is issued for your information under authority of PA of 1996, as amended and Section 8 of the U.S. Housing Act of 1937. Previous versions are obsolete.

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