

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
Compliance Monitoring Section

POLICY STATEMENT

**PROHIBITION AGAINST APPLYING MINIMUM INCOME REQUIREMENTS
FOR PROSPECTIVE SECTION 8 RECIPIENTS**

IRC Section 42(h)(6)(B)(iv) prohibits refusing to lease to a Section 8 voucher or certificate holder simply because that person is such a holder. Leasing policies that discriminate or have the effect of excluding a large portion of Section 8 tenants are prohibited.

The Section 8 Existing certification and voucher programs provide for the monthly payment of a portion or all of the rent for its recipient. The risk of economic loss for owners/managers as a result of non-payment of rent is substantially reduced. The incomes of voucher and certificate holders must meet the HUD Section 8 guidelines in order to be eligible to participate in that program. Owners/managers may not establish minimum incomes for Section 8 applicants as a requirement for occupancy in an LIHTC development.

MSHDA's policy against imposing minimum income requirements applies only to Section 8 recipients and does not prohibit such restrictions for non-Section 8 tenants. A Section 8 household cannot be denied residency simply for its status as such or for failure to meet a development's minimum income requirement; however, a household can be denied residency if it fails to meet any other consistently applied screening criteria (e.g. criminal background, eviction history, credit rating).

This policy applies to all LIHTC projects and is effective immediately.