

Chapter 16

TERMINATION OF THE LEASE AND HAP CONTRACT

The initial term of the lease and the HAP contract must be for one year except as provided in CFR§ 982.309 (a) (2). The lease may be terminated by the owner, by the participant, or by the mutual agreement of both. The term of the HAP contract begins on the first day of the lease and ends on the last day of the lease term. The HAP contract may be terminated by IHFA. Under some circumstances the contract automatically terminates.

16.1 TERMINATION OF THE LEASE

A. By the family

The family may terminate the lease without cause upon proper notice to the owner and to IHFA after the initial lease term. The length of the notice that is required is stated in the lease (generally 30 days).

B. By the owner

1. The owner may terminate the lease during its term (initial term or any extension term) only on the following grounds:
 - a. Serious or repeated violations of the terms or conditions of the lease;
 - b. Violation of Federal, State, or local law that imposes obligations on the participant in connection with the occupancy or use of the unit and its premises;
 - c. Criminal activity or alcohol abuse by the household, a guest, or another person under the control of the household that threatens the health or safety of, or the right to peaceful enjoyment of the premises by other residents, property management staff, or persons residing in the immediate vicinity of the premises;
 - i. Any violent criminal activity on or near the premises; or
 - ii. Any drug-related criminal activity on or near the premises.
 - d. Other good cause (refer to section B2)
2. During the initial term of the lease, other good cause for termination of tenancy must be something the family did or didn't do, and may include:

- a. Disturbance of neighbors;
 - b. Destruction of property; or
 - c. Living or housekeeping habits that cause damage to the unit or premises.
3. After the initial least term such good cause may include:
 - a. Failure by the family to accept the offer of a new lease;
 - b. The owner's desire to utilize the unit for personal or family use or for a purpose other than use as a residential rental unit;
 - c. A business or economic reason such as sale of the property, renovation of the unit, desire to rent at a higher rental amount.
 4. The owner may only evict the participant by instituting court action after or simultaneously providing written notice to the participant specifying the grounds for termination. The owner must give IHFA a copy of any owner eviction notice to the participant at the same time that the owner gives the notice to the participant.
 5. By mutual agreement
 - a. The family and the owner may at any time mutually agree to terminate the lease. If the mutual termination occurs within the first year, the participant must obtain approval from IHFA (Also see Section 7.0 for participant moves).

16.2 TERMINATION OF HAP CONTRACT

A. Automatic termination of the contract.

1. If IHFA terminates assistance to the family, the contract terminates automatically.
 - a. IHFA will check the Deceased Tenants report in HUD's EIV system monthly. In the case of a single-member household or where the remaining household member is a live-in aide, assistance and the HAP contract will terminate no later than the first of the following month in which the death occurred. No HAP will be paid for any month following the death.
2. If the family moves out of the unit, the contract terminates automatically.

3. 180 calendar days after the last housing assistance payment to the owner the contract automatically terminates.

B. Termination of the HAP contract by the owner

The owner may only terminate the HAP contract when tenancy is terminated in accordance with lease and HUD requirements.

C. Termination of the HAP contract by IHFA

IHFA may terminate the HAP contract because:

1. IHFA has terminated assistance to the family.
2. The unit does not meet HQS space standards because of an increase in family size or change in family composition.
3. When the family breaks up and IHFA determines that the family members who move from the unit will continue to receive the assistance.
4. IHFA determines that there is insufficient funding in their contract with HUD to support continued assistance for families in the program.

In the event this becomes necessary, IHFA will terminate the minimum number of HAP contracts needed to reduce costs to a level within IHFA's annual budget authority (excluding elderly and disabled households), and by the following criteria:

- a. IHFA will remove households based on gross income – highest to lowest. In the event there are multiple households with the same income, they will be ranked by date of admission from longest voucher holder to newest. This policy will not be implemented until all other cost cutting measures have been exhausted and after consulting with HUD representatives.

These households will be removed in order, using these criteria. All households removed from the program will be offered the opportunity to apply to the waiting list, using the original date of application. As soon as adequate funding is available, they will be issued a voucher.

If, after exhausting all other options, it becomes necessary to terminate HAP contracts for Special Use Vouchers (VASH and NED), IHFA will do so in the same order it used for Section 8 HAP contracts. When IHFA resumes issuing vouchers, it will first issue vouchers to VASH and NED qualifying families.

5. The owner has breached the contract in any of the following ways:

- a. If the owner has violated any obligation under the HAP contract for the dwelling unit, including the owner's obligation to maintain the unit in accordance with the HQS.
 - b. If the owner has violated any obligation under any other housing assistance payments contract under Section 8 of the 1937 Act.
 - c. If the owner has committed fraud, bribery, or any other corrupt or criminal act in connection with any Federal housing program.
6. For projects with mortgages insured by HUD or loans made by HUD, if the owner has failed to comply with the regulations for the applicable mortgage insurance or loan program, with the mortgage or mortgage note, or with the regulatory agreement.
 7. If the owner has engaged in drug-related criminal activity or any violent criminal activity.

16.3 VOLUNTARY TERMINATION

The family may voluntarily terminate assistance from the Section 8 HCV program, providing they have given the proper notice to IHFA in writing. If the family wishes to receive rental assistance in the future, they will be required to reapply and be placed on the waiting list. A family's decision to voluntarily terminate assistance from the program will not be accepted in the event that negative actions are pending against the participant.

16.4 FINAL HAP PAYMENT

The HAP payment stops when the lease terminates. The owner may keep the payment for the month in which the family moves out, if proper notice was not given by the family. When a participant vacates a unit as a result of an owner's 3 day pay or quit notice, IHFA will consider the family to have moved without proper notice. If proper notice (30 days) was given, then the HAP payment will be prorated through the end of the notice term (for example, if 30 day notice was given on the 15th of the month, then HAP would be paid to the 15th of the following month). If the owner has begun eviction proceedings and the family continues to occupy the unit, IHFA will continue to make payments until the owner obtains a judgment or the family moves out.

In the case of a death in a single-member household, or where the remaining household member is a live-in aide, no HAP will be paid for any month following the month in which the death occurred.

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