

**§ 884.224**

*disabled families.* If the owner of an elderly project determines, in accordance with paragraph (f) of this section, that there are an insufficient number of non-elderly disabled families to fill all the vacant units in the elderly project reserved for non-elderly disabled families as provided in paragraph (c) of this section, the owner may give preference for occupancy of these units to disabled families who are near-elderly families.

(e) *Availability of units to families without regard to preference.* An owner shall make vacant units in an elderly project generally available to otherwise eligible families who apply for housing, without regard to the preferences and reservation of units provided in this section if either:

(1) The owner has adopted the secondary preferences and there are an insufficient number of families for whom elderly preference, reserve preference, and secondary preference has been given, to fill all the vacant units; or

(2) The owner has *not* adopted the secondary preferences and there are an insufficient number of families for whom elderly preference, and reserve preference has been given to fill all the vacant units.

(f) *Determination of insufficient number of applicants qualifying for preference.* To make a determination that there are an insufficient number of applicants who qualify for the preferences, including secondary preferences, provided by this section, the owner must:

(1) Conduct marketing in accordance with § 884.214(a) to attract applicants qualifying for the preferences and reservation of units set forth in this section; and

(2) Make a good faith effort to lease to applicants who qualify for the preferences provided in this section, including taking all feasible actions to fill vacancies by renting to such families.

(g) *Prohibition of evictions.* An owner may not evict a tenant without good cause, or require that a tenant vacate a unit, in whole or in part because of any reservation or preference provided in this section, or because of any action taken by the Secretary pursuant to subtitle D (sections 651 through 661) of title VI of the Housing and Commu-

**24 CFR Ch. VIII (4-1-04 Edition)**

nity Development Act of 1992 (42 U.S.C. 13611 through 13620).

[59 FR 65855, Dec. 21, 1994, as amended at 61 FR 9047, Mar. 6, 1996; 65 FR 16723, Mar. 29, 2000]

**§ 884.224 HUD review of contract compliance.**

HUD will review project operation at such intervals as it deems necessary to ensure that the Owner is in full compliance with the terms and conditions of the Contract. Equal Opportunity review may be conducted with the scheduled HUD review or at any time deemed appropriate by HUD.

**§ 884.225 PHA reporting requirements. [Reserved]**

**PART 886—SECTION 8 HOUSING ASSISTANCE PAYMENTS PROGRAM—SPECIAL ALLOCATIONS**

**Subpart A—Additional Assistance Program for Projects With HUD-Insured and HUD-Held Mortgages**

- Sec.
- 886.101 Applicability.
- 886.102 Definitions.
- 886.103 Allocation of Section 8 contract authority.
- 886.104 Invitations to participate.
- 886.105 Content of application; Disclosure.
- 886.106 Notices.
- 886.107 Approval of applications.
- 886.108 Maximum annual contract commitment.
- 886.109 Housing assistance payments to owners.
- 886.110 Contract rents.
- 886.111 Term of contract.
- 886.111a Notice upon contract expiration.
- 886.112 Rent adjustments.
- 886.113 Physical condition standard; physical inspection requirements.
- 886.114 Equal opportunity requirements.
- 886.115 [Reserved]
- 886.116 Security and utility deposits.
- 886.117 [Reserved]
- 886.118 Amount of housing assistance payments in projects receiving other HUD assistance.
- 886.119 Responsibilities of the owner.
- 886.120 Responsibility for contract administration.
- 886.121 Marketing.
- 886.122 [Reserved]
- 886.123 Maintenance, operation and inspections.
- 886.124 Reexamination of family income and composition.

**Office of the Assistant Secretary, HUD**

**§ 886.102**

- 886.125 Overcrowded and underoccupied units.
- 886.126 Adjustment of utility allowances.
- 886.127 Lease requirements.
- 886.128 Termination of tenancy.
- 886.129 Leasing to eligible families.
- 886.130 HUD review of contract compliance.
- 886.131 Audit.
- 886.132 Tenant selection.
- 886.138 Displacement, relocation, and acquisition.

**Subpart B [Reserved]**

**Subpart C—Section 8 Housing Assistance Program for the Disposition of HUD-Owned Projects**

- 886.301 Purpose.
- 886.302 Definitions.
- 886.303 Allocation and reservation of Section 8 contract authority and budget authority.
- 886.304 Project eligibility criteria.
- 886.305 Disclosure and verification of Social Security and Employer Identification Numbers by owners.
- 886.306 Notices.
- 886.307 Physical condition standards; physical inspection requirements.
- 886.308 Maximum total annual contract commitment.
- 886.309 Housing assistance payment to owners.
- 886.310 Initial contract rents.
- 886.311 Term of contract.
- 886.311a Notice upon contract expiration.
- 886.312 Rent adjustments.
- 886.313 Other Federal requirements.
- 886.314 Financial default.
- 886.315 Security and utility deposits.
- 886.316–886.317 [Reserved]
- 886.318 Responsibilities of the owner.
- 886.319 Responsibility for contract administration.
- 886.320 Default under the contract.
- 886.321 Marketing.
- 886.322 [Reserved]
- 886.323 Maintenance, operation, and inspections.
- 886.324 Reexamination of family income and composition.
- 886.325 Overcrowded and underoccupied units.
- 886.326 Adjustment of utility allowances.
- 886.327 Lease requirements.
- 886.328 Termination of tenancy.
- 886.329 Leasing to eligible families.
- 886.329a Preferences for occupancy by elderly families.
- 886.330 Work write-ups and cost estimates.
- 886.331 Agreement to enter into housing assistance payments contract.
- 886.332 Rehabilitation period.
- 886.333 Completion of rehabilitation.
- 886.334 Execution of housing assistance payments contract.

- 886.335 HUD review of agreement and contract compliance.
- 886.336 Audit.
- 886.337 Selection preferences.
- 886.338 Displacement, relocation, and acquisition.

AUTHORITY: 42 U.S.C. 1437a, 1437c, 1437f, 3535(d), and 13611–13619.

**Subpart A—Additional Assistance Program for Projects With HUD-Insured and HUD-Held Mortgages**

SOURCE: 42 FR 5603, Jan. 28, 1977, unless otherwise noted.

**§ 886.101 Applicability.**

(a) The policies and procedures of this subpart apply to Housing Assistance Payments under Section 8 of the United States Housing Act of 1937 on behalf of Eligible Families in Eligible Projects (see definitions in § 886.102).

(b) The primary goal of the Section 8 Loan Management Set-Aside Program is to reduce claims on the Department's insurance fund by aiding those FHA-insured or Secretary-Held projects with immediately or potentially serious financial difficulties. A first priority should be given to projects with presently serious financial problems, which are likely to result in a claim on the insurance fund in the near future. To the extent resources remain available, assistance also may be provided to projects with potentially serious financial problems which, on the basis of financial and/or management analysis, appear to have a high probability of producing a claim on the insurance fund within approximately the next five years.

[42 FR 5603, Jan. 28, 1977, as amended at 53 FR 3368, Feb. 5, 1988]

**§ 886.102 Definitions.**

The terms *Fair Market Rent (FMR)*, *HUD*, *Public Housing Agency (PHA)*, and *Secretary* are defined in 24 CFR part 5.

*Act.* The United States Housing Act of 1937.

*Annual income.* As defined in part 5 of this title.

*Contract (See Section 8 Contract).*

*Contract Rent.* The rent payable to the Owner as required by HUD in connection with its mortgage insurance