

the owners enter into leases directly with the tenants. This subpart is not applicable to the Low-Rent Housing Homeownership Opportunities Program (Turnkey III), to the Mutual Help Homeownership Opportunities Program, or to Indian Tribal Housing Authorities.

§ 960.203 [Reserved]

§ 960.204 Tenant selection policies.

(a) *Selection policies.* (1) The PHA shall establish and adopt written policies for admission of tenants.

(2) These policies shall be designed:

(i) To attain, to the maximum extent feasible, a tenant body in each project that is composed of families with a broad range of incomes and to avoid concentrations of the most economically deprived families with serious social problems;

(ii) To preclude admission of applicants whose habits and practices reasonably may be expected to have a detrimental effect on the residents or the project environment;

(iii) To give a preference in selection of tenants to applicants who qualify for a federal preference, ranking preference, or local preference, in accordance with 24 CFR part 5; and

(iv) To establish objective and reasonable policies for selection by the PHA among otherwise eligible applicants.

(3) The PHA tenant selection policies shall include the following:

(i) Requirements for applications and waiting lists (see 24 CFR 1.4);

(ii) Description of the policies for selection of applicants from the waiting list that includes the following:

(A) How the "federal preferences" (described in 24 CFR part 5) will be used;

(B) How any "ranking preferences" (described in 24 CFR part 5) will be used;

(C) How any "local preferences" (described in 24 CFR part 5) will be used; and

(D) How any residency preference will be used;

(iii) Policies for verification and documentation of information relevant to acceptance or rejection of an applicant, including documentation and

verification of citizenship and eligible immigration status under 24 CFR part 5; and

(iv) Policies for participant transfer between units, projects, and programs. For example, a PHA could adopt a criterion for voluntary transfer that the tenant had met all obligations under the current program, including payment of charges to the PHA.

(b) These selection policies shall:

(1) Be duly adopted; and

(2) Be publicized by posting copies thereof in each office where applications are received and by furnishing copies to applicants or tenants upon request, free or at their expense, at the discretion of the PHA.

(c) Such policies shall be submitted to the HUD field office upon request from that office.

[59 FR 36655, July 18, 1994, as amended at 60 FR 14861, Mar. 20, 1995; 61 FR 9048, Mar. 6, 1996; 61 FR 13626, Mar. 27, 1996]

§ 960.205 Standards for PHA tenant selection criteria.

(a) The tenant selection criteria to be established and information to be considered shall be reasonably related to individual attributes and behavior of an applicant and shall not be related to those which may be imputed to a particular group or category of persons of which an applicant may be a member. The PHA may use preferences based on the employment status of family members.

(b) The criteria to be established in relation to avoiding concentration of families with serious social problems in PHA projects and information to be considered shall be reasonably related to whether the conduct of the applicant in present or prior housing has been such as would not be likely to interfere with other tenants in such a manner as to diminish their enjoyment of the premises by adversely affecting their health, safety or welfare or to affect adversely the physical environment or the financial stability of the project if the applicant were admitted to the project. Relevant information respecting habits or practices to be considered may include, but is not limited to:

(1) An applicant's past performance in meeting financial obligations, especially rent;

(2) A record of disturbance of neighbors, destruction of property, or living or housekeeping habits at prior residences which may adversely affect the health, safety or welfare of other tenants; and

(3) A history of criminal activity involving crimes of physical violence to persons or property and other criminal acts which would adversely affect the health, safety or welfare of other tenants.

(c) The criteria to be established shall be reasonably related to attaining, to the maximum extent feasible, a tenant body in each project that is composed of families with a broad range of incomes. PHAs shall develop criteria, by local preference or otherwise, which will be reasonably calculated to attain the basic objective. The criteria developed shall be sufficiently flexible to assure administrative feasibility. A dwelling unit should not be allowed to remain vacant for the purpose of awaiting application by a family falling within the appropriate range.

(d) In the event of the receipt of unfavorable information with respect to an applicant, consideration shall be given to the time, nature, and extent of the applicant's conduct and to factors which might indicate a reasonable probability of favorable future conduct or financial prospects. For example:

(1) Evidence of rehabilitation;

(2) Evidence of the applicant family's participation in or willingness to participate in social service or other appropriate counseling service programs and the availability of such programs;

(3) Evidence of the applicant family's willingness to attempt to increase family income and the availability of training or employment programs in the locality.

[40 FR 33446, Aug. 8, 1975. Redesignated at 49 FR 6714, Feb. 23, 1984, and amended at 49 FR 21492, May 21, 1984; 50 FR 9269, Mar. 7, 1985; 59 FR 36656, July 18, 1994; 61 FR 9048, Mar. 6, 1996]

§ 960.206 Verification procedures.

(a) *General.* Adequate procedures must be developed to obtain and verify

information with respect to each applicant. (See 24 CFR parts 5 and 913.) Information relative to the acceptance or rejection of an applicant or the grant or denial of a ranking preference, or a local preference under 24 CFR part 5 must be documented and placed in the applicant's file.

(b) *Suggested sources of information.* Sources of information may include, but are not limited to, the applicant (by means of interviews or home visits), landlords, employers, family social workers, parole officers, court records, drug treatment centers, clinics, physicians or police departments where warranted by the particular circumstances.

(c) *Tenant advisory boards.* The PHA may establish Tenant Advisory Boards for consultation in connection with the tenant selection process.

(Approved by the Office of Management and Budget under control number 2577-0083)

[40 FR 33446, Aug. 8, 1975. Redesignated at 49 FR 6714, Feb. 23, 1984, and amended at 53 FR 1179, Jan. 15, 1988; 53 FR 6601, Mar. 2, 1988; 54 FR 39711, Sept. 27, 1989; 56 FR 7545, Feb. 22, 1991; 59 FR 36656, July 18, 1994; 60 FR 14861, Mar. 20, 1995; 61 FR 13627, Mar. 27, 1996]

§ 960.207 Notification to applicants.

(a) The PHA must promptly notify any applicant determined to be ineligible for admission to a project of the basis for such determination, and must provide the applicant upon request, within a reasonable time after the determination is made, with an opportunity for an informal hearing on such determination.

(b) When a determination has been made that an applicant is eligible and satisfies all requirements for admission, including the tenant selection criteria, the applicant must be notified of the approximate date of occupancy insofar as that date can be reasonably determined.

[53 FR 1179, Jan. 15, 1988 and 53 FR 6601, Mar. 2, 1988, as amended at 59 FR 36656, July 18, 1994; 61 FR 9048, Mar. 6, 1996]

§ 960.208 Rent.

The amount of rent payable by the tenant to the PHA shall be the Tenant