

§ 982.452

between the owner and the HA. See § 982.310(b).

(5) The HA must pay the housing assistance payment promptly when due to the owner in accordance with the HAP contract. If the HA fails to make timely payment, the HA may be obligated to pay a late payment fee in accordance with State or local law. However, unless another source is authorized by HUD the HA may only use the following sources for payment of any such late payment fee:

- (i) Administrative fee income; or
- (ii) The administrative fee reserve.

[60 FR 34695, July 3, 1995, as amended at 61 FR 27163, May 30, 1996; 63 FR 23861, Apr. 30, 1998]

§ 982.452 Owner responsibilities.

(a) The owner is responsible for performing all of the owner's obligations under the HAP contract and the lease.

(b) The owner is responsible for:

(1) Performing all management and rental functions for the assisted unit, including selecting a certificate-holder or voucher-holder to lease the unit, and deciding if the family is suitable for tenancy of the unit.

(2) Maintaining the unit in accordance with HQS, including performance of ordinary and extraordinary maintenance. For provisions on family maintenance responsibilities, see § 982.404(a)(4).

(3) Complying with equal opportunity requirements.

(4) Preparing and furnishing to the HA information required under the HAP contract.

(5) Collecting from the family:

- (i) Any security deposit.
- (ii) The tenant contribution (the part of rent to owner not covered by the housing assistance payment).
- (iii) Any charges for unit damage by the family.

(6) Enforcing tenant obligations under the lease.

(7) Paying for utilities and services (unless paid by the family under the lease).

(c) For provisions on modifications to a dwelling unit occupied or to be occu-

ped by a disabled person, see 24 CFR 100.203.

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[60 FR 34695, July 3, 1995, as amended at 60 FR 45661, Sept. 1, 1995; 63 FR 23861, Apr. 30, 1998]

§ 982.453 Owner breach of contract.

(a) Any of the following actions by the owner (including a principal or other interested party) is a breach of the HAP contract by the owner:

(1) 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.

(2) If the owner has violated any obligation under any other housing assistance payments contract under Section 8 of the 1937 Act (42 U.S.C. 1437f).

(3) If the owner has committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing program.

(4) 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; or if the owner has committed fraud, bribery or any other corrupt or criminal act in connection with the mortgage or loan.

(5) If the owner has engaged in drug-trafficking.

(b) The HA rights and remedies against the owner under the HAP contract include recovery of overpayments, abatement or other reduction of housing assistance payments, termination of housing assistance payments, and termination of the HAP contract.

§ 982.454 Termination of HAP contract: Insufficient funding.

The HA may terminate the HAP contract if the HA determines, in accordance with HUD requirements, that funding under the consolidated ACC is insufficient to support continued assistance for families in the program. See § 982.455 concerning owner notice of termination.