

Safe Harbor(s)	<p><b>1.g. and 1.h.</b></p> <ul style="list-style-type: none"> <li>i. The Tenant Payment in public housing and the Tenant Payment in HCV must not exceed 32% of income for non-elderly/non-disabled families if the agency is utilizing flexibility under activities 1.r., 1.t. and/or 1.v. (for 1.g.) or 1.s., 1.u. and/or 1.w. (for 1.h.).</li> <li>ii. The Tenant Payment in public housing and the Tenant Payment in HCV must not exceed 35% of income for non-elderly/non-disabled families if the agency is not utilizing flexibility under activities 1.r., 1.t. and/or 1.v. (for 1.g.) or 1.s., 1.u. and/or 1.w. (for 1.h.).</li> <li>iii. Agency must exempt elderly and disabled families from rent policy.</li> <li>iv. Agency must conduct an impact analysis.*</li> <li>v. Agency must implement a hardship policy.*</li> </ul>	
<b>1i.,1.j. Alternative Utility Allowance</b>		
Activity	<p><b>1i. Alternative Utility Allowance (PH)</b> - The agency may create a utility schedule(s) for all units.</p>	<p><b>1j. Alternative Utility Allowance (HCV)</b> - The agency may create a utility schedule(s) for all HCV units based upon bedroom size, the unit location and/or the types of utilities paid by participant. The agency may establish a site-based utility allowance in PBV.</p>
Statutes and Regulations Waived	<p><b>Alternative Utility Allowance (PH)</b> - Certain provisions of 24 CFR. 965.503-506.</p>	<p><b>Alternative Utility Allowance (HCV)</b> - Certain provisions of section 8(o)(2)(D)(i) of the 1937 Act and 24 CFR 982.517 and 983.301(f)(2)(ii).</p>
Safe Harbor(s)	<p><b>1.i. and 1.j.</b></p> <ul style="list-style-type: none"> <li>i. The utility schedule must be based upon number of bedrooms, the property location, and/or the types of utilities paid by participant.</li> <li>ii. The agency must review its schedule of utility allowances each year and revise its allowance for a utility category if there has been a change of 10 percent or more of the cost from the prior year. The agency must maintain information supporting its annual review of utility allowances and any revisions made in its utility allowance schedule.</li> <li>iii. The agency must not include items in the utility schedule that are excluded under HUD regulations.*</li> </ul>	
<b>1.k.,1.l. Fixed Rents/Subsidies</b>		
Activity	<p><b>1.k. Fixed Rents (PH)</b> - The agency may establish fixed rents based on bedroom size.</p>	<p><b>1.l. Fixed Subsidy (HCV)</b> - The agency may establish a fixed subsidy based on bedroom size. Under this model, the family pays the difference between the gross rent for the unit and the fixed subsidy as the family share/tenant rent.</p>

Statutes and Regulations Waived	<b>Fixed Rents (PH)</b> - Certain provisions of sections 3(a)(1)- (2) and 3(a)(3)(A) of the 1937 Act and 24 CFR 5.628, 5.634(b), and 960.253.	<b>Fixed Subsidy (HCV)</b> - Certain provisions of sections 8(o)(2)(A)-(C) and 8(o)(3) of the 1937 Act and 24 CFR 5.628, 5.630, 982.505, 982.508, 983.351(c), 983.353(b)(1), and 983.353(d)(1).
Safe Harbor(s)	<p><b>1.k. and 1.l.</b></p> <ul style="list-style-type: none"> <li><b>i.</b> Tenant rent under the public housing portion of this activity must not exceed 30% of income under the HUD rent calculation as defined by the 1937 Act.</li> <li><b>ii.</b> For the HCV portion of this activity, the fixed subsidy must not result in a family paying more than 30% of income under the HUD rent calculation as defined by the 1937 Act.</li> </ul>	
<b>1.m.,1.n. Utility Reimbursements</b>		
Activity	<b>1.m. Utility Reimbursements (PH)</b> - The agency may eliminate utility reimbursement payments in the public housing program when the utility allowance is greater than the total tenant payment.	<b>1.n. Utility Reimbursements (HCV)</b> - The agency may eliminate utility reimbursement payments in the HCV program when the utility allowance is greater than the total tenant payment.
Statutes and Regulations Waived	<b>Utility Reimbursements (PH)</b> - Certain provisions of section 3(a)(1) of the 1937 Act and 24 CFR 5.632.	<b>Utility Reimbursements (HCV)</b> - Certain provisions of sections 8(o)(2)(A)-(C) of the 1937 Act and 24 CFR 982.514 and 983.353(d).
<b>1.o. Initial Rent Burden (HCV only)</b>		
Activity	N/A	<b>1o. Initial Rent Burden (HCV)</b> - The agency may waive the maximum family share at initial occupancy of 40% of the family's monthly income.
Statutes and Regulations Waived	N/A	<b>Initial Rent Burden (HCV)</b> - Certain provisions of section 8(o)(3) of the 1937 Act and 24 CFR 982.508.
Safe Harbor(s)	N/A	<p><b>1.o.</b></p> <ul style="list-style-type: none"> <li><b>i.</b> Agency must implement an impact analysis. *</li> <li><b>ii.</b> Agency must not allow the family share at initial occupancy to exceed 60% of the family's monthly income.</li> </ul>
<b>1.p.,1.q. Imputed Income</b>		
Activity	<b>1.p. Imputed Income (PH)</b> - Agency may base rent on an assumed number of hours worked per week.	<b>1.q. Imputed Income (HCV)</b> - Agency may base TTP on an assumed number of hours worked per week.

Statutes and Regulations Waived	<b><u>Imputed Income (PH)</u></b> - Certain provisions of sections 3(a)(1) and 3(b)(4)-(5) of the 1937 Act and 24 CFR 5.609, 5.611, 5.628, 960.255, 960.253, and 960.257.	<b><u>Imputed Income (HCV)</u></b> - Certain provisions of sections 3(b)(4)-(5) and 8(o)(2)(A)-(C) of the 1937 Act and 24 CFR 5.609, 5.611, 5.628, and 982.516.
Safe Harbor(s)	<p><b>1.p. and 1.q.</b></p> <ul style="list-style-type: none"> <li>i. The rent calculation must be based on no more than 15 hours worked per person, per week at the Federal Minimum Wage.</li> <li>ii. The rent calculation must be based on no more than 30 hours worked per week per household at the Federal Minimum Wage.</li> <li>iii. Agency must conduct an impact analysis. *</li> <li>iv. Agency must exempt elderly and disabled families from rent policy. *</li> <li>v. Agency must implement a hardship policy. *</li> </ul>	
<b>1.r.,1.s. Elimination of Deduction(s)</b>		
Activity	<b>1.r. <u>Elimination of Deduction(s) (PH)</u></b> - The agency may eliminate one, some, or all deductions.	<b>1.s. <u>Elimination of Deduction(s) (HCV)</u></b> - The agency may eliminate one, some, or all deductions.
Statutes and Regulations Waived	<b><u>Elimination of Deduction(s) (PH)</u></b> - Certain provisions of sections 3(a)(1), 3(b)(4)-(5) of the 1937 Act and 24 CFR 5.611, 960.253, 960.255, and 960.257.	<b><u>Elimination of Deduction(s) (HCV)</u></b> - Certain provisions of sections 3(a)(1), 3(b)(4)-(5) and 8(o)(2)(A)-(C) of the 1937 Act and 24 CFR 5.611, and 982.516.
Safe Harbor(s)	<p><b>1.r. and 1.s.</b></p> <ul style="list-style-type: none"> <li>i. Agency must conduct an impact analysis. *</li> <li>ii. Agency must exempt elderly and disabled families from rent policy. *</li> <li>iii. Agency must implement a hardship policy. *</li> </ul>	
<b>1.t.,1.u. Standard Deductions</b>		
Activity	<b>1.t. <u>Standard Deductions (PH)</u></b> - The agency may replace existing deduction(s) with a single standard deduction(s).	<b>1.u. <u>Standard Deductions (HCV)</u></b> - The agency may replace existing deduction(s) with a single standard deduction(s).
Statutes and Regulations Waived	<b><u>Standard Deductions (PH)</u></b> - Certain provisions of sections 3(a)(1) and 3(b)(4)-(5) of the 1937 Act and 24 CFR 5.611, 960.253, 960.255, and 960.257.	<b><u>Standard Deductions (HCV)</u></b> - Certain provisions of sections 3(a)(1), 3(b)(4)-(5), and 8(o)(2)(A)-(C) of the 1937 Act and 24 CFR 5.611, and 982.516.
Safe Harbor(s)	<p><b>1.t. and 1.u.</b></p> <ul style="list-style-type: none"> <li>i. Agency must conduct an impact analysis. *</li> <li>ii. Agency must implement a hardship policy. *</li> </ul>	

### 3. Reexaminations

The agency is authorized to implement a reexamination program that differs from the reexamination program currently mandated in the 1937 Act and its implementing regulations. The terms “low-income families” and “very low-income families” shall continue to be defined by reference to section 3(b)(2) of the 1937 Act. MTW agencies must continue to determine the initial eligibility of the family in accordance with provisions of 24 CFR 5.609.

#### 3.a.,3.b. Alternative Reexamination Schedule for Households

Activity	<b>3.a. <u>Alternative Reexamination Schedule for Households (PH)</u></b> - The agency may establish an alternative reexamination schedule for households.	<b>3.b. <u>Alternative Reexamination Schedule for Households (HCV)</u></b> - The agency may establish an alternative reexamination schedule for households.
Statutes and Regulations Waived	<b>Alternative Reexamination Schedule for Households (PH)</b> - Certain provisions of sections 3(a)(1) and 3(a)(2)(E) of the 1937 Act and 24 CFR 960.257(a)-(b).	<b>Alternative Reexamination Schedule for Households (HCV)</b> - Certain provisions of section 8(o)(5) of the 1937 Act and 24 CFR 982.516 (a)(1) and 982.516(c)(2).
Safe Harbor(s)	<b>3.a. and 3.b.</b> <ul style="list-style-type: none"> <li>i. Reexaminations must occur at least every three years.</li> <li>ii. The agency must allow at least one interim adjustment per year at the request of the household, if the household gross income has decreased 10% or more.</li> <li>iii. Agency must implement an impact analysis. *</li> <li>iv. Agency must include a hardship policy. *</li> </ul>	

#### 3.c.,3.d. Self-Certification of Assets

Activity	<b>3.c. <u>Self-Certification of Assets (PH)</u></b> - At reexamination, the agency may allow the self-certification of assets.	<b>3.d. <u>Self-Certification of Assets (HCV)</u></b> - At reexamination, the agency may allow the self-certification of assets.
Statutes and Regulations Waived	<b>Self-Certification of Assets (PH)</b> - Certain provisions of sections 3(a)(1) and 3(a)(2)(E) of the 1937 Act and 24 CFR. 960.259(c)(2).	<b>Self-Certification of Assets (HCV)</b> - Certain provisions of section 8(o)(5) of the 1937 Act and 24 CFR. 982.516 (a)(3).
Safe Harbor(s)	<b>3.c. and 3.d.</b> <ul style="list-style-type: none"> <li>i. At reexamination, the agency may allow the self-certification of assets only up to \$50,000.</li> </ul>	

### 4. Landlord Leasing Incentives

The agency is authorized to determine a damage claim and/or vacancy loss policy and payment policy for units that differ from the policy requirements currently mandated in the 1937 Act and its implementing regulations. All policies are subject to state and local laws. The agency may combine activities 4a and 4b into one voucher leasing incentive. For voucher activities related to this waiver, the Department has developed a standard rider to the HAP contract that reflects MTW authorizations that amend the current provisions of the HAP contract.

<b>4.a.,4.b.,4.c. Vacancy Loss, Damage Claims, and Other Landlord Incentives</b>	
Activity	<b>4.a. Vacancy Loss (HCV - Tenant-Based Assistance)</b> - To incentivize a landlord's continued participation in the HCV program, the agency is authorized to make additional payments to the landlord.
Statutes and Regulations Waived	<b>Landlord Voucher Leasing Incentives (HCV - Tenant-Based Assistance)</b> - Certain provisions of section 8(o)(9) of the 1937 Act, and 24 CFR 982.311 and 982.352(c).
Safe Harbor(s)	<p><b>4.a.</b></p> <ul style="list-style-type: none"> <li>i. Payments made to the landlord must be equal to no more than one month of the contract rent.</li> <li>ii. The payment must be made to the landlord when the next HAP contract is executed between the owner and the PHA. *</li> <li>iii. The agency must update its Administrative Plan to reflect the vacancy loss policy. *</li> </ul>
Activity	<b>4.b. Damage Claims (HCV - Tenant-Based Assistance)</b> - To incentive a landlord's continued participation in the HCV program, the agency may provide landlords with compensation.
Statutes and Regulations Waived	<b>Landlord Voucher Leasing Incentives (HCV - Tenant-Based Assistance)</b> - Certain provisions of section 8(o)(9) of the 1937 Act, and 24 CFR 982.311 and 982.352(c).
Safe Harbor(s)	<p><b>4.b.</b></p> <ul style="list-style-type: none"> <li>i. If the tenant leaves the unit damaged, the amount of damage claims must not exceed the lesser of the cost of repairs or two months of contract rent.</li> <li>ii. In implementing this activity, the participant's security deposit must first be used to cover damages and the agency may provide up to two months of contract rent minus the security deposit to cover remaining repairs.</li> <li>iii. The payment must be made to a landlord when the next HAP contract is executed between the owner and PHA. *</li> <li>iv. The agency must update its Administrative Plan to reflect the damage claim policy. *</li> </ul>
Activity	<b>4.c. Other Landlord Incentives (HCV - Tenant-Based Assistance)</b> - In order to incentivize new landlords to join the HCV program, the agency may provide incentive payments. Agencies may target incentive payments to landlords leasing properties in high opportunity neighborhoods or in areas located where vouchers are difficult to use as defined in an agency's Administrative Plan.
Statutes and Regulations Waived	<b>Landlord Voucher Leasing Incentives (HCV - Tenant-Based Assistance)</b> - Certain provisions of section 8(o)(9) of the 1937 Act, and 24 CFR 982.311 and 982.352(c).
Safe Harbor(s)	<p><b>4.c.</b></p> <ul style="list-style-type: none"> <li>i. Payments made to the landlord must be equal to no more than one month of the contract rent.</li> <li>ii. The payment must be made to the landlord when the HAP contract is executed between the owner and the PHA. *</li> </ul>

<b>5. Housing Quality Standards (HQS)</b>	
Subject to state and local laws, the agency is authorized by the Secretary to develop flexibilities around an HQS inspection's timing and frequency, the independent-entity requirement, and penalties for failing an HQS inspection, as detailed below. Implementation of any of the below discrete HQS activities meets the requirements of the 1996 MTW Statute, which requires housing to meet HQS established or approved by the Secretary.	
<b>5.a. Pre-Qualifying Unit Inspections</b>	
Activity	<b>5.a. Pre-Qualifying Unit Inspections (HCV)</b> - The agency may allow pre-qualifying unit inspections (also known as a pre-inspection).
Statutes and Regulations Waived	<b>Pre-Qualifying Unit Inspections (HCV)</b> - Certain provisions of section 8(o)(8) of 1937 Housing Act and 24 CFR 983.103, 24 CFR 982.405.
Safe Harbor(s)	<p><b>5.a.</b></p> <ul style="list-style-type: none"> <li>i. The pre-inspection must have been conducted within 90 days of the participant occupying the unit.</li> <li>ii. The participant must be able to request an interim inspection. *</li> <li>iii. HQS inspection standards must not be altered as found at 24 CFR 982.401. *</li> </ul>
<b>5.b. Reasonable Penalty Payments for Landlords</b>	
Activity	<b>5.b. Reasonable Penalty Payments for Landlords (HCV)</b> - The agency is authorized to establish a reasonable penalty fee for landlords who failed HQS inspections to encourage positive HQS inspection outcomes and to reduce costs associated with re-inspections. Examples may include a fee imposed at the agency's discretion on a landlord for failed initial, annual, or re-inspections, or for a submission of a Request for Tenancy Approval on a unit that has failed its most recent inspection within a specified timeframe.
Statutes and Regulations Waived	<b>Reasonable Penalty Payments for Landlords (HCV)</b> - Certain provisions of section 8(o)(8) of 1937 Housing Act and 24 CFR 983.101, 24 CFR 983.103, and 24 CFR 982.405.
Safe Harbor(s)	<p><b>5.b.</b></p> <ul style="list-style-type: none"> <li>i. The agency must establish its penalty process in its Administrative Plan. *</li> <li>ii. HQS inspection standards must not be altered as found at 24 CFR 982.401. *</li> <li>iii. All fees collected must be used for eligible MTW activities. *</li> </ul>
<b>5.c. Third-Party Requirement</b>	
Activity	<b>5.c. Third-Party Requirement (HCV)</b> - The agency is authorized to perform HQS inspections on PBV units that it owns, manages, and/or controls.
Statutes and Regulations Waived	<b>Third-Party Requirement (HCV)</b> - Certain provisions of section 8(o)(11) of the 1937 Act, 24 CFR 982.352(b)(iv) and 24 CFR 983.103(f).

Safe Harbor(s)	<p><b>5.c.</b></p> <ul style="list-style-type: none"> <li>i. The agency shall establish and make available a quality assurance method to ensure an objective analysis. *</li> <li>ii. The participant must be able to request an interim inspection. *</li> <li>iii. HQS inspection standards must not be altered as found at 24 CFR 982.401. *</li> <li>iv. At the Department's request, the agency must obtain the services of a third-party entity to determine if PHA-owned units pass HQS. *</li> </ul>
<b>5.d. Alternative Inspection Schedule</b>	
Activity	<b>5.d. Alternative Inspection Schedule (HCV)</b> - The agency is authorized to establish a local inspection schedule for all or a portion of its HCV units.
Statutes and Regulations Waived	<b>Alternative Inspection Schedule (HCV)</b> - Certain provisions of 24 CFR 983.103.
Safe Harbor(s)	<p><b>5.d.</b></p> <ul style="list-style-type: none"> <li>i. Units must be inspected at least once every three years.</li> <li>ii. The participant must be able to request an interim inspection. *</li> <li>iii. HQS inspection standards as found at 24 CFR 982.401 must not be altered. *</li> <li>iv. The Department must be able to conduct or direct the agency to perform an inspection at any time for health and safety, as well as accessibility, purposes. *</li> </ul>

## 6. Short-Term Assistance

The agency may develop and adopt a Short-Term Assistance Program in HCV or PH for specific populations (i.e., hard to house, at-risk, homeless, etc.).<sup>35</sup> The agency will ensure that these programs do not adversely affect participation in, benefits of, or otherwise discriminate against persons on the basis of race, color, national origin, sex, religion, familial status, or disability or other protected bases. The agency's programs shall be operated in a manner that is consistent with the requirements of nondiscrimination and equal opportunity authorities, and will be accessible to persons with disabilities in accordance with the Fair Housing Act, section 504 of the Rehabilitation Act, Titles II and III of the Americans with Disabilities Act, as applicable, and the Architectural Barriers Act. More specifically, under no circumstances will participants of such programs be required to participate in supportive services that are targeted to persons with disabilities in general, or persons with any specific disability. In addition, admission to any of the programs or priority for supportive services developed under this section will not be conditioned on a diagnosis or specific disability of a member of an applicant or participant family. This section is not intended to govern the designation of housing that is subject to section 7 of the 1937 Act. The agency must determine initial eligibility in accordance with 24 CFR 5.609 and must comply with section 3(b)(2) of the Act.

<sup>35</sup> Agencies seeking to create a short-term program that goes beyond section 8 or section 9 as modified by MTW may propose an activity under the Local Non-Traditional Activities Rental Subsidy Program Waiver.

<b>9. Project-Based Voucher Program Flexibilities</b>	
The agency is authorized to adopt and implement the activities listed below in the project-based voucher program. For voucher activities, the Department has developed a standard rider to the HAP contract that reflects any MTW authorizations that amend the current requirements of the HAP contract.	
<b>9.a. Increase PBV Program Cap</b>	
Activity	<b>9.a. Increase PBV Program Cap (HCV)</b> - The agency may increase the number of authorized units that it project-bases.
Statutes and Regulations Waived	<b>Increase PBV Program Cap (HCV)</b> - Certain provisions of section 8(o)(13)(B) of the 1937 Act and 24 CFR 983.6(a)-(b), as superseded by the Housing Opportunity through Modernization Act of 2016 (HOTMA) Implementation Notices at 82 FR 5458 and 82 FR 32461 (see implementation guidance in Notice PIH 2017-21).
Safe Harbor(s)	<b>9.a.</b> <ul style="list-style-type: none"> <li>i. The agency must not project-base more than 50% of the lower of either the total authorized units or annual budget authority.</li> </ul>
<b>9.b. Increase PBV Project Cap</b>	
Activity	<b>9.b. Increase PBV Project Cap (HCV)</b> - The agency may raise the PBV cap within a project up to 100%.
Statutes and Regulations Waived	<b>Increase PBV Project Cap (HCV)</b> - Certain provisions of section 8(o)(13)(D) of the 1937 Act and 24 CFR 983.56(a)-(b), as superseded by HOTMA Implementation Notices at 82 FR 5458 and 82 FR 32461 (see implementation guidance in Notice PIH 2017-21).
Safe Harbor(s)	<b>9.b.</b> <ul style="list-style-type: none"> <li>i. The agency is subject to Notice PIH 2013-27 where applicable, or successor. *</li> </ul>
<b>9.c. Elimination of PBV Selection Process for PHA-owned projects without improvement, development, or replacement</b>	
Activity	<b>9.c. Elimination of PBV Selection Process (HCV)</b> - The agency may eliminate the selection process in the award of PBVs to properties owned by the agency that are not public housing without engaging in an initiative to improve, develop, or replace a public housing property or site.
Statutes and/or Regulations Waived	<b>Elimination of PBV Selection Process (HCV)</b> - Certain provisions of 24 CFR. 983.51 as it was superseded by HOTMA Implementation Notices at 82 FR 5458 and 82 FR 32461 (see implementation guidance in Notice PIH 2017-21).
Safe Harbor(s)	<b>9.c.</b> <ul style="list-style-type: none"> <li>i. A subsidy layering review must be conducted. *</li> <li>ii. The agency must complete site selection requirements. *</li> <li>iii. HQS inspections must be performed by an independent entity according to 24 CFR 983.59(b) or 24 CFR 983.103(f). *</li> <li>iv. The agency is subject to Notice PIH 2013-27 where applicable, or successor. *</li> <li>v. Property must be owned by a single-asset entity of the agency, see Notice PIH 2017-21. *</li> </ul>

<b>9.g. Increase PBV Rent to Owner</b>	
Activity	<b>9.g. Increase Rent to Owner (HCV)</b> : The agency is authorized to develop a local process to determine the initial and re-determined rent to owner.
Statutes and Regulations Waived	<b>Increase Rent to Owner (HCV)</b> - See MTW Waiver #2.a. and 2.b. "Payment Standards" and associated activities, statutes and regulations waived, and safe harbors.
Safe Harbor(s)	<b>9.g.</b> <ul style="list-style-type: none"> <li>i. Any policy must comply with rent reasonableness, unless modified by waiver(s) 2.c. and/or 2.d. *</li> </ul>
<b>9.h. Limit Portability for PBV Units</b>	
Activity	<b>9.h. Limit Portability for PBV Units (HCV)</b> - The agency is authorized to waive the requirement to provide a tenant-based voucher at 12 months when requested by a PBV household.
Statutes and Regulations Waived	<b>Limit Portability for PBV Units (HCV)</b> - Certain provisions of section 8(o)(13)(E) of 1937 Act and 24 CFR 983.261 as it was superseded by HOTMA Implementation Notices at 82 FR 5458 and 82 FR 32461 (see implementation guidance in Notice PIH 2017-21).
Safe Harbor(s)	<b>9.h.</b> <ul style="list-style-type: none"> <li>i. Portability under this activity must not be restricted for more than 24 months.</li> <li>ii. The agency must have a clear and uniform policy in place to address how move requests are received and how they are approved/denied for PBV households. *</li> <li>iii. Participants must still retain the ability to request a tenant-based voucher for reasonable accommodation according to existing rules. *</li> </ul>

<b>10. Family Self-Sufficiency Program with MTW Flexibility</b>	
	<p>The agency is authorized to operate its Family Self-Sufficiency (FSS) Program, and any successor programs, exempt from certain HUD program requirements. If the agency receives dedicated funding for an FSS coordinator, such funds must be used to employ a self-sufficiency coordinator and in accordance with any requirements of any NOFA under which funds were received. Recruitment, eligibility, and selection policies and procedures must be consistent with the Department's nondiscrimination and equal opportunity requirements. An agency may make its Self-Sufficiency Program participation mandatory for any household member that is non-elderly/non-disabled by waiving the statutory and regulatory definition of FSS family or participating family which is "a family that resides in public housing or receives assistance under the rental certificate or rental voucher programs, and that elects to participate in the FSS program" (24 CFR 984.103(b)). To the extent that Family Self-Sufficiency activities include supportive services, such services must be offered to elderly and disabled persons who are participants in the covered program and eligible for such services. Notwithstanding the above, any funds granted pursuant to a competition must be used in accordance with the NOFA.</p>

<b>10.a.-10.e. FSS Program With MTW Flexibility Activities</b>	
Activity	<b>10.a. Waive Operating a Required FSS Program (PH &amp; HCV)</b> – If the agency is statutorily required to operate an FSS program, the agency is authorized to waive this requirement.
Activity	<b>10.b. Alternative Structure for Establishing Program Coordinating Committee (PH &amp; HCV)</b> - The agency is authorized to create an alternative structure for securing local resources to support an MTW Self-Sufficiency Program.
Activity	<b>10.c. Alternative Family Selection Procedures (PH &amp; HCV)</b> - The agency is authorized to develop its own recruitment and selection procedures for its MTW FSS Program. Alternatively, the agency may make participation in the MTW FSS Program mandatory for any household member that is non-elderly or non-disabled.
Activity	<b>10.d. Modify or Eliminate the Contract of Participation (PH &amp; HCV)</b> - The agency is authorized to modify the terms of or eliminate the FSS Contract of Participation (HUD-52650), in lieu of a local form. The agency may modify the terms of the Contract of Participation to align with adjustments made to its MTW FSS Program using MTW flexibility. Further, the agency may discontinue use of the Contract of Participation and instead employ a locally-developed agreement that codifies the terms of participation.
Activity	<b>10.e. Policies for Addressing Increases in Family Income (PH &amp; HCV)</b> - The agency is authorized to set its own policies for addressing increases in family income during participation in the MTW FSS Program. Consistent with the goals and structure of its MTW FSS Program, the agency may set policies for whether income increases are recognized for purposes of increasing rent (consistent with the agency's existing rent policy) or changing the amount of funds moved to escrow/savings through the program.
Statutes and Regulations Waived	<b>FSS Program with MTW Flexibility (PH &amp; HCV)</b> - Certain provisions of sections 23(b)-(d), (f), and (n)(1) of the 1937 Act and 24 CFR 984.105, 984.202(b)-(c), 984.203(a)-(c)(2), 984.303(b)-(d), (f)-(h).
Safe Harbor(s)	<p><b>10.a.-10.e.</b></p> <ul style="list-style-type: none"> <li>i. Agency must review FSS Guidance.<sup>36 *</sup></li> <li>ii. The agency must execute a Contract of Participation, or other locally developed agreement, that is at least five years but not more than ten years, with each participant participating in their FSS program.</li> <li>iii. The agency, if implementing an FSS program, even with MTW modifications, must have an up to date, approved FSS Action Plan in accordance with 24 CFR 984.201 that incorporates all modifications to the FSS program approved under the MTW Contract. *</li> <li>iv. The agency must not require MTW FSS Program participation as a condition for housing subsidy for elderly and disabled families. *</li> </ul>

<sup>36</sup> As agencies are considering potential waivers to the FSS program, they are encouraged to consult the Promising Practices Guidebook and Online Training that can be found at <https://www.hudexchange.info/programs/fss/#1-introduction>. In addition, the HUD FSS team is available to review and provide feedback on proposed waivers. Please contact [fss@hud.gov](mailto:fss@hud.gov).

	<p>v. If the agency requires MTW FSS Program participation as a condition for housing subsidy, an impact analysis must be developed and adopted in accordance with MTW guidance prior to the implementation of the activity. *</p> <p>vi. If the agency requires MTW FSS Program participation as a condition for housing subsidy, a hardship policy must be developed and adopted in accordance with MTW guidance prior to the implementation of the activity. *</p> <p>vii. The agency must not make MTW FSS Program participation mandatory for individuals that do not meet the definition of an eligible family at section 23(n)(3) of the 1937 Act, and those exempted from the Community Service Requirement under section 12(c)(2)(A), (B), (D) and (E) of the 1937 Act. *</p> <p>viii. If an agency terminates the housing subsidy or tenancy of a family for alleged violation of mandatory MTW FSS Program participation, the family will be entitled to a hearing under the agency's Grievance Procedure (24 CFR part 966, subpart B) or the HCV informal hearing process (24 CFR part 982.555). *</p> <p>ix. The agency must not use income increases during participation in the MTW FSS Program to change a family's eligibility status for purposes of participation in the MTW FSS Program or for the receipt public housing or HCV assistance. *</p>
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## 11. MTW Self-Sufficiency Program

The agency is authorized to operate any of its existing self-sufficiency and training programs, and any successor programs, exempt from certain HUD program requirements. The agency will ensure that these programs do not have a disparate impact on protected classes and will be operated in a manner that is consistent with the requirements of nondiscrimination and equal opportunity authorities, including but not limited to section 504 of the Rehabilitation Act. More specifically, under no circumstances will participants of such programs be required to participate in Self-Sufficiency Programs that are targeted to persons with disabilities in general, or persons with any specific disability. In addition, admission to any of the programs or priority for supportive services developed under this section will not be conditioned on a diagnosis or specific disability of a member of an applicant or participant family. This section is not intended to govern the designation of housing that is subject to section 7 of the 1937 Act. The agency must determine initial eligibility in accordance with 24 CFR 5.609 and must comply with section 3(b)(2) of the Act.

### 11.a.-11.b. MTW Self-Sufficiency Program Activities

Activity	<p><b>11.a. Alternative Family Selection Procedures (PH &amp; HCV)</b> - The agency is authorized to develop its own recruitment and selection procedures for its MTW Self-Sufficiency Program(s). Alternatively, the agency may make participation in the MTW Self-Sufficiency Program mandatory for any household member that is non-elderly or non-disabled. Any supportive services provided in the Program must be offered to elderly and disabled household members that qualify for such services.</p>
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