



Council of Large Public Housing Authorities

455 Massachusetts Avenue, NW, Suite 425

Washington, DC 20001-2621

Executive Director: Sunia Zaterman

phone: 202.638.1300 | **fax:** 202.638.2364

web: www.clpha.org

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Regulations Division
Office of the General Counsel
Attention: Comments/RIN 2577-AD09
U.S. Department of Housing and Urban Development
451 7th Street, SW
Room 10276
Washington, D.C. 20410-0500

Re: FR-6114-P-01 Streamlining and Implementation of Economic Growth, Regulatory Relief, and Consumer Protection Act Changes to Family Self-Sufficiency Program, Docket ID HUD-2020-0063

To Whom It May Concern:

The Council of Large Public Housing Authorities (“CLPHA”) is pleased to submit comments on the Proposed Rule regarding “Streamlining and Implementation of Economic Growth, Regulatory Relief, and Consumer Protection Act Changes to Family Self-Sufficiency (FSS) Program”, as defined in the Proposed Rule, by the Department of Housing and Urban Development (HUD).

CLPHA is a non-profit organization that works to preserve and improve public and affordable housing through advocacy, research, policy analysis, and public education. Our membership of more than seventy large public housing authorities (“PHAs”) own and manage nearly half of the units in the nation’s public housing program, administer more than a quarter of the subsidies in the Housing Choice Voucher program, and operate a wide array of other housing programs.

Comments to Changes to the FSS Rule:

CLPHA and its members were pleased to see many of the changes to the FSS program outlined in this proposed rule released by HUD. We note that several improvements made to the FSS program seem to benefit both participants and PHAs. However, there are quite a few changes to program requirements that make the FSS program even more burdensome for families to participate and successfully graduate, and for PHAs to efficiently administer the program.

See our organization’s comments to recommended questions below:

Question 1: HUD requests feedback on how the proposed rule defines the effective date of the CoP. Specifically are there rent or other implications which would cause the proposed definition to be an issue?

We are concerned about the potential administrative burdens, and the possibility of this change not benefiting the participants of the FSS programs. HUD also doesn't provide a clear and convincing rationale for this change to the program.

Question 2: HUD welcomes feedback regarding this change. Specifically, do commenters agree that five years is a more reasonable duration for a HUD approved exception? Or is there another timeframe that would more accurately balance changes in circumstances and the PHA's administrative responsibilities at the end of the exception?

The proposed rule changes the duration of any HUD-approved exception from three years to five years. We support moving to a five-year exception period, and we would like to see this become a permanent change.

Question 3: HUD specifically requests comments on whether this list is comprehensive or if other items should be required of PHAs and owners entering into a Cooperative Agreement.

How would this change to allow multifamily owners to participate in FSS, affect the overall funding of the program while ensuring adequate disbursement of funds to participating PHAs?

Question 4: While HUD has carefully considered all areas of the regulation that are impacted by this change, and revised them accordingly, HUD requests comment on whether there are other places that such clarification should be included.

While we see many benefits to this change to allow any non-head of household adult to enter into a CoP, we realize this could complicate other matters which we would like to be more clearly defined. HUD needs to provide guidance on these areas if these changes are included in the final rule.

- How many in a household can participate in the program?
- Will there be a requirement for consent from the head of household?
- How will escrows be disbursed if a non-head of household is participating in FSS? Who receives the escrow?
- What happens to the escrow if the non-head of household participating in FSS leaves the household, prior to graduating from the program?

Question 5: Would commenters recommend giving PHAs the discretion to set a specified time period (up to a maximum)? Is 12 months a reasonable maximum? What are some of the benefits and challenges PHAs face with the current 12-month time period?

We support this change to the proposed rule. In the context of the current health and financial crisis facing the nation and specifically lower-income communities, we see no benefit to placing a mandatory timeframe for participants to be independent of welfare assistance, outside of the date of graduation from the program. PHAs should be provided the flexibility to set their own timeframes and limitations to graduate in reference to welfare assistance.

We would also support changing the rule so that welfare independence is only required for the participating member of the family in the FSS program, not the entire household. The participation in TANF or other welfare programs should not reflect the progress and eligibility for graduation of the participating member.

Question 7: HUD requests comments on whether this definition should be clarified to include additional circumstances, like serious illness or involuntary loss of employment, which are already causes for extension.

We support this expanded definition of “good cause” for a contract extension, “to include the active pursuit of a goal that will further self-sufficiency, such as a college degree or credit repair program.” However, we believe this definition should be expanded further to include all involuntary loss of employment, like a disability or a natural disaster, similar to the COVID-19 pandemic.

Question 8: HUD requests comments on the removal of this automatic completion provision; and, whether there are circumstances where an FSS contract should be automatically completed.

We support the removal of the provision that automatically completes the FSS contract when thirty percent (30%) of the family’s adjusted monthly incomes equals or exceeds the Fair Market Rent. CLPHA agrees with HUD that this requirement was arbitrary and created confusion among FSS coordinators and participants.

Question 9: HUD requests comments about the language added regarding the handling of escrow funds in the case of nullification.

Current policies dictate FSS funds are forfeited if FSS contract is nullified because supportive services integral to the FSS are unavailable. The proposed rule change states escrow funds must be disbursed to the family upon nullification of the FSS contract. We support this change ensuring escrow funds be dispersed to the family upon nullification of the FSS contract.

Question 10:

Under the proposed change, during the term of the CoP, the PHA must determine the monthly escrow credit amount at each reexamination of income occurring after the effective date of the CoP. That amount is then deposited (i.e., credited) every month into each family’s FSS account. This new rule is likely to create an administrative burden on PHAs. We support the continued calculating and depositing of escrow funds annually at the time of recertification but believe that PHAs should have the flexibility to independently determine the efficiency of a monthly or annual examination and disbursement of escrow funds.

Question 11: Current regulations do not address whether escrow should be credited to a family’s FSS account if the family does not pay rent on time. HUD requests comments on whether the family’s FSS account should be credited for late payments. Please provide comments both on regulation and on how the regulation could be implemented, especially in the case of the voucher programs where rent is paid to landlords and not directly to the PHAs.

CLPHA believes it would be more equitable to allow participants to receive their escrow even if rent is not paid on time as the household member participating in FSS may not be the individual responsible for paying rent. Not crediting late rent payments would be difficult and burdensome for PHAs to track participants in voucher programs.

Question 12: While HUD recognizes that owners would not have the same flexibility that PHAs have for this type of income recertification, HUD requests comments from the public as to whether this should be available to multifamily owners as it is for PHAs.

We support multifamily owners having the same flexibility for the 120-day rule, as is provided to PHAs. We also support equal discretion for multifamily owners and PHAs administering the FSS program.

Question 14: HUD requests comment on what definition should apply for “participants in good standing” and whether HUD should add items to the eligible activities list for which forfeited escrow funds may be used?

We agree with the list of eligible activities provided for the use of forfeited escrow funds to benefit FSS participants in good standing. Additional activities we recommend to cover other parts of the program, include one-time costs like tuition, training, and equipment – books, supplies, uniforms, computers, etc. This is especially important now, within the context of the COVID-19 pandemic and subsequent barriers to access digital technology, which is essential to take classes and work from home or at an off-site location.

Question 15: HUD requests comment on these proposed changes and additions to the FSS portability provisions and whether there are more effective ways to address the balance between the administrative complexity for the PHA and the family’s desire to participate in FSS.

We do not support requiring the receiving PHA to enroll into its FSS program FSS families that port. We prefer it be left to the discretion of the receiving PHA if they choose to take on a porting FSS family/participant. We have concerns with the ability for PHAs to take on new participants if their FSS programs are operating at full capacity.

In sum,

Thank you for the opportunity to submit these comments.

Sincerely,



Sunia Zatterman
Executive Director