



Re: (Insert Tenant Address)

According to HUD regulations, Stark Metropolitan Housing Authority (SMHA) may terminate the Housing Assistance Payments Contract (HAP) due to any breach of the HAP Contract by the landlord.

HUD's Office of Inspector General (OIG) provides policy direction in the administration of the programs and operations of HUD, and conducts program audits and investigations in effort to prevent and detect fraud and abuse in HUD programs.

The OIG has recently issued a **Fraud Information Bulletin** in the form of a Federal Register Notice dated July 10, 2008 (FR-5230-01). It addresses and specifically highlights a recurring problem in the Housing Choice Voucher (HCV) program sighting landlords are charging assisted tenants rents in excess of what is authorized by the HAP contract.

The Bulletin states, "Landlords improperly requiring tenants to pay rent in excess of what is authorized by the HAP contract represents both an actionable offense under the False Claims Act and deplorable behavior directed towards the very persons whom the HCV program was designed to serve."

Penalty for submitting false claims for HAP contract periodic rent payments under the False Claims Act is addressed as follows:

"Persons who submit to HUD or a HUD intermediary claims that are false, fictitious or fraudulent are liable for an assessment equal to three times the amount of the claim, plus a penalty of between \$5,500 and \$11,000 per claim. The United States may take the position that the entire amount of its HAP payment, not merely the amount of the excess payment by the tenant, is the claim that should be trebled where landlords make false certifications concerning excess rent charged. Additionally, each periodic rent payment constitutes a separate claim. In one case, the court levied a \$33,000.00 penalty against a landlord who had overcharged the assisted tenant by \$360.00. Housing Authority personnel with knowledge of such activity by participating landlords, must report the information to the Office of Legal Counsel, Office of the Inspector General in Washington, DC."

The following are the identified areas of your HAP contract that you have committed to uphold as they pertain to rent.

- **Rent to Owner: Reasonable Rent 6. a.** "During the HAP contract term, the rent to owner may at no time exceed the reasonable rent for the contract unit as most recently determined or re-determined by the PHA in accordance with HUD requirements."
- **Rent to Owner: Reasonable Rent 6. d.** "During the HAP contract term, the rent to owner may not exceed rent charged by the owner for comparable unassisted units in the premises. The owner must give the PHA any information requested by the PHA on rents charged by the owner for other units in the premises or elsewhere
- **Owner Certification 8. d.** "Except for the rent to owner, the owner has not received and will not receive any payments or other consideration (from the family, the PHA, HUD, or any other public or private source) for rental of the contract unit during the HAP contract term

SMHA has recently become aware of such activities by landlords participating in our local program and we are acting appropriately. **IF YOU HAVE NEGOTIATED OR ARE COLLECTING EXCESS RENT FROM YOUR SECTION 8 ASSISTED TENANT, YOU MUST STOP THIS PRACTICE IMMEDIATELY.** If SMHA receives a report from the tenant or any other source that a breach of the HAP contract has occurred we will refer the identified breach to the OIG.

The serious nature of any breach of HAP Contract is immense.