

CHAPTER 14

CONTRACT TERMINATIONS

[24 CFR 982.311, 982.314]

INTRODUCTION:

The Housing Assistance Payments (HAP) contract is the contract between the owner and the NBHA that defines the responsibilities of both parties. This chapter describes the circumstances under which the contract can be terminated by the NBHA and the owner, and the policies and procedures for such terminations.

A. CONTRACT TERMINATION: [24 CFR 982.311)

The term of the HAP contract is the same as the term of the lease. The contract between the owner and the NBHA may be terminated by the NBHA, or by the owner or by the tenant terminating the lease.

No future subsidy payments on behalf of the family will be made by the NBHA to the owner after the month in which the contract is terminated. The owner must reimburse the NBHA for any subsidies paid by the NBHA for any period after the contract termination date.

If the family continues to occupy the unit after the Housing Choice Voucher contract is terminated, the family is responsible for the total amount of rent due to the owner.

After a contract termination, if the family meets the criteria for a move with continued assistance, the family may lease-up in another unit. The contract for the new unit may not begin until the contract for the old unit has been terminated.

B. TERMINATION BY THE FAMILY: [24 CFR 982.313(c)(2)]

A family's decision to terminate the lease must be in accordance with the terms of the lease Addendum (HAP) contract.

C. TERMINATION OF TENANCY BY THE OWNER: EVICTIONS: [24 CFR 982.310, 982.455]

If the owner wishes to terminate the lease, the owner must provide proper notice as stated in the lease.

The owner must provide the tenant a written notice specifying the grounds for termination of tenancy, at or before the commencement of the eviction action. The notice may be included in, or may be combined with, any owner eviction notice to the tenant. The owner eviction notice means a notice to vacate, or a complaint, or other initial pleading used under State or local law to commence an eviction action.

During the term of the lease, the owner may not terminate the tenancy except for the grounds stated in the HUD regulations and State/local law. The owner must provide the NBHA with a copy of the eviction notice.

During the term of the lease the owner may evict for:

- Serious or repeated violations of the lease, including but not limited to failure to pay rent or other amounts due under the lease, or repeated violation of the terms and conditions of the lease;
- Violations of Federal, State or Local law that imposes obligations on the tenant in connection with the occupancy or use of the premises.
- Criminal activity by the tenant, any member of the household, a guest or another person under the tenant's control that threatens the health, safety or right to peaceful enjoyment of the premises by the other residents, or persons residing in the immediate vicinity of the premises.
- Any drug-related criminal activity on or near the premises.
- Tenant history of disturbance of neighbors, destruction of property, or behavior resulting in damage to the premises-
- Tenant history of disturbance of neighbors, destruction of property, or behavior resulting in damage to the premises.
- Other good cause (when in accordance with federal, state and local law). The eviction notice must specify the cause for the eviction.

During the initial term of the lease, the owner may not terminate the tenancy for "other good cause" unless the owner is terminating the tenancy because of something the family did or failed to do (see 982.310). After the initial term of the lease, other good cause includes:

- Business or economic reason for regaining possession;
- Owner's desire to repossess unit for personal use; or
- Tenant's refusal to accept offer of a new lease

Evidence of Criminal Activity:

The owner may terminate tenancy and evict by judicial action a family for criminal activity by a family member if the owner determines they have engaged in the criminal activity:

- Regardless of arrest or conviction
- Without satisfying the standard of proof used for a criminal conviction

Exclusion of culpable household member:

The owner may require a tenant to exclude a household member in order for the family to continue to reside in the assisted unit.

Consideration of Rehabilitation:

When determining whether to terminate the tenancy for illegal drug use or alcohol abuse, the owner may consider whether the family member:

- Is no longer participating in the drug and or alcohol abuse;

- Has successfully completed a supervised drug or alcohol rehab program;
- Has otherwise been successfully rehabilitated

The owner may require the tenant to submit evidence of any of the three (above)

Actions of termination by the owner must be consistent with the fair housing and equal opportunities as stated in 24 CFR 5.105.

Housing Assistance Payments are paid to the owner under the terms of the HAP contract. If the owner has begun eviction and the family continues to reside in the unit, the NBHA must continue to make housing assistance payments to the owner until the owner has obtained a court judgment or other process allowing the owner to evict the tenant, unless the family moves or other reasons for termination apply.

If the action is finalized in court, the owner must provide the NBHA with the documentation, including notice of the lockout date.

The NBHA must continue making housing assistance payments to the owner in accordance with the contract as long as the tenant continues to occupy the unit and contract is not violated. By endorsing the monthly checks from the NBHA, the owner certifies that the tenant is still in the unit, the rent is reasonable and the owner is in compliance with the contract.

If an eviction is not due to a serious or repeated violation of the lease, and if the NBHA has no other grounds for termination of assistance, the NBHA may issue a new voucher so that the family can move with continued assistance.

D. **TERMINATION OF THE CONTRACT BY NBHA:**
 [24 CFR 982.404(a), 982.453, 982.454, 982.5529a)(3)]

The term of the HAP contract terminates when the lease terminates, when the NBHA terminates program assistance for the family, and/or when the owner has breached the HAP contract (See “Owner Disapproval and Restriction”]

The NBHA may also terminate the contract if:

- The NBHA terminates assistance to the family
- The family is required to move from a unit when the unit does not meet the HQS space standards because of an increase in family size or a change in family composition
- Funding is no longer available under the ACC
- Family vacates without notice
- The contract will terminate if 180 days have passed since the last Housing Assistance Payment to the owner.
- If the HAP contract terminates the lease terminates automatically.

Notice of Termination:

FOR HQS SPACE STANDARDS: When the NBHA terminates the HAP contract under the violation of HQS space standards, the NBHA will provide the owner and family written notice of termination of the contract, and the HAP contract terminates at the end of the calendar month that follows the calendar month in which the NBHA gives such notice to the owner. The NBHA will provide the owner and family with at least thirty-day written notice of termination of the contract.