

## XI. PAYMENTS TO OWNERS/LANDLORDS

### A. CONTROLS AND ACCOUNTABILITY

1. All payments are computed according to HUD approved formulas and schedules.
2. New contracts are dated on or after the unit are approved and the participant has moved in.
3. Computations are reviewed before being submitted for payment.
4. A HAP register is maintained to monitor timeliness and accuracy.
5. The owner/landlord may not charge extra for items customarily included in rents in the locality or provided at no additional cost to the unsubsidized residents on the premises.

### B. BASIC PROCEDURES

1. Annual rent increases are effective the first of the month.
2. Request for payments are submitted by no later than the 3rd week of each month to insure that payments can be reviewed for accuracy and so that payments are made in a timely manner to the owners/landlords.
3. Payments are made to the owners/landlords by check. When applicable, Tenant's Utility Reimbursement payments are made directly to the tenant and utility company of the tenant's choice.

### C. HAP LATE PAYMENTS TO OWNERS/LANDLORDS

HAP contract provides for penalties against the CDC. To assess such fees, the policy and practice must meet the following criteria:

1. The penalties follow the generally accepted practice and law in the local housing market;
2. The owner/landlord charges both assisted and non-assisted residents;
3. The owner/landlord charges the resident for late rent payments;
4. Late fee will be paid from the Administrative fees income and reserve;
5. CDC will not be penalized for circumstances that are beyond their control;

6. The HAP payment is considered received once it has been mailed (or electronically deposited) by the CDC; and
7. The first HAP payment of a contract is not considered for a late payment.

