

Hardship Policy - Activity 1c and 1d – Stepped Rent Policy

This is a Stepped Rent-specific hardship to protect tenants from potential rent burden caused by the stepped rent policy. It applies to Stepped Rent group households only.

This is an income-based hardship that applies at recertification and/or upon household request. The Stepped Rent remedy is rent being set at 40% of *current monthly gross income*.

Hardship due to income reduction (or income not increasing to keep up with increasing TTP)

- The family will be granted up to one hardship request per year for families whose Total Tenant Payment (TTP) exceeds 40% of current monthly gross income. The hardship may not exceed 90 days (3-months). If granted a hardship, the household's new rent would be based on 30% of their current gross monthly income for up to 90 days (3 months). If the hardship still exists after 90 days the hardship may be extended by the PHA for another 90 days up to a maximum 180 days (6 months). At the end of the hardship period, the household will resume the stepped rent increases.

Hardship due to eligible out-of-pocket child care expenses above a minimum threshold per household of \$3,500 for children under age 13 that allows someone in the household to work, look for work or go to school:

- Households are eligible for a hardship exemption if they are paying more than \$3,500 in child care and not deducting child care expenses from their *current gross income* makes their rent burden (TTP) exceed 40%. The temporary hardship remedy is based on *current monthly gross income* minus child care expenses (i.e., average current monthly child care expenses anticipated for the duration of the hardship period). The hardship period may not exceed 12 months. In this case the family's hardship will be reassessed within 12 months of granting the hardship due to child-care.
- If the family had child care deductions on its most recent recertification leading up to the first recertification following study enrollment, the PHA should check the family's child care expenses to see if they qualify the hardship.

Automatic hardship exemptions at the first recertification following study enrollment.

- If the TTP exceeds 40% of the *current monthly gross income* the FWHA will automatically grant a hardship exemption of up to 90 days that temporarily sets the household's TTP to 40% of current gross income.

Minimum Rent Hardship Request (\$50)

- FWHA's existing hardship policies related to minimum rent policies apply per the ACOP and Administrative Plan