

ADMINISTRATIVE/ACTION PLAN
FOR THE
FAMILY SELF-SUFFICIENCY PROGRAM (FSS)
OF THE
LOUISVILLE METRO HOUSING AUTHORITY

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Updated: 8/18/2020

1. INTRODUCTION

(NB: References to appropriate Code of Federal Regulations Title 24 are found in brackets [] with referenced part, i.e. [§984.303(b)(2)] refers to Title 24 CFR Part 984.303, b, 2. Other references are denoted with a footnote.)

This Administrative/Action Plan has been prepared as an addendum to the Section 8 Program Administrative Plan.

This plan addresses those areas that are pertinent to the Family Self-Sufficiency (FSS) Program only. [§984.104(b) and §984.201]

The following is the list of written guidelines utilized in the operation of the FSS Program:

Housing Choice Voucher Program Guidebook, 7420.10G (Chapter 23 – “Family Self-Sufficiency”)

All HUD Policies and Procedures in particular 24 CFR 984 of the Code of Federal Regulations (“Section 8 and Public Housing Family Self-Sufficiency Program)

Family Self-Sufficiency Program Administrative/Action Plan

Section 8/Housing Choice Voucher Program Administrative Plan

2. PURPOSE

- A. FSS is a program established by LMHA within its jurisdiction to promote economic self-sufficiency among participating families. [§984.101]
- B. The specific objectives of the program are:
 1. To develop innovative local strategies that effectively coordinate public and private resources toward the goal of economic independence for low- income families. [§984.101(a)(1)]
 2. To integrate effectively the Section 8 and Public Housing Programs with other public and private benefit programs to assist low- income families to achieve eventual independence from government assistance programs. [§984.101(a)(1)]
 3. To provide families with stable rental assistance support while participating in the FSS Program, allowing them to invest their energy in other efforts that are necessary to achieve self-sufficiency without undue concern for the welfare and safety of their families. [§984.102]

3. ELIGIBILITY

- A. Applicants are not required to have an interim or annual recertification within 120 days prior to FSS enrollment. LMHA will use the last completed certification prior to the effective date of the Contract of Participation (COP).¹
- B. Section 8 and Public Housing Programs Heads of Household, HOH (head of household for eligibility and rent determination) [§984.101(c)(1 & 2)] or adult co-head of household (COH) with head of households permission per a signed document.²

¹ MTW Activity #2020-4; HUD approved 8/2/2019

² MTW Activity #2020-4, HUD approved 8/6/2020

- C. Family Unification Program (FUP) Foster Youth participants. 3 Year Contract - (See special requirements for FUP Foster Youth participants under Graduation.³)
- D. Section 8 households who are at \$0 HAP or have a pending future change, which will be \$0 HAP, may not enroll in FSS.
- E. Public Housing residents who are at Flat Rent may enroll in FSS.
- F. Mod-Rehab residents are excluded from FSS as per guidance from HUD.
- G. Homeowners receiving a Section 8 subsidy may not enroll in FSS.
- H. Demonstration of intent to participate, as evidenced by the completion of FSS enrollment process. [§984.203(c)]
- I. Participation is voluntary. A resident's election not to participate in the FSS Program will not affect the resident's participation in LMHA's rental assistance programs, UNLESS the original housing subsidy was contingent upon FSS participation. [§984.201(d)(4)]
- J. Previous FSS graduates from LMHA or any housing authority may re-enroll in the program for a second time if served by LMHA and five (5) years have passed since FSS graduation. All previous escrow funds received by the graduate will count toward the current escrow cap.
- K. Previous termination from the Program due to failure to complete the Contract (including voluntary withdrawal) does not bar a participant from enrolling in the FSS Program again if eligible; however, participants must wait one year from termination or voluntary withdrawal before being eligible to re-enroll.
- L. Unsuccessful FSS participants may make as many attempts as needed to complete the program.
- M. At the sole discretion of LMHA, residents may be deemed eligible for additional FSS attempts or a shortened waiting period for re-enrollment, but only if requested and approved prior to termination or voluntary withdrawal.

4. FSS PORTING [§984.306(d)]

- A. The porting of an LMHA participant's FSS Contract and accrued escrow funds is permissible only when the receiving Housing Authority (HA) "absorbs" the participant into its Section 8 Program. If the receiving HA will bill LMHA for the participant's HAP, the LMHA FSS participant must graduate, terminate or voluntarily withdraw from the program.
- B. An FSS participant who is porting from another HA is eligible for LMHA's FSS Program only if LMHA's Section 8 program will absorb the transfer and if the original HA is willing to port the original FSS Contract and accrued funds. Porting families will not receive any preference on the LMHA FSS Waiting List and may have to wait to be assigned a Case Manager. If LMHA absorbs the participant into its Section 8 Program but the FSS port is disallowed by the original HA's FSS Action Plan, that participant is eligible to enroll in LMHA's FSS Program, but begins all over again.

³ MTW Activity #2020-4, HUD approved 8/6/2020

- C. An LMHA Section 8 or Public Housing resident not previously in another HA’s FSS Program may enroll in the LMHA FSS Program so long as LMHA is not billing another HA for the HAP.

5. RECRUITMENT

Recruitment efforts are directed toward all Section 8 voucher and public housing program participants and may include, but are not limited to, the following: program fliers in the Section 8 lobby, Public Housing offices, the LMHA website, program information in briefing packets and recertification mailings, information provided to and by other HA staff, information distributed to other services providers who serve HA residents, direct mailings, special mailings including a second chance letter to those who had previously failed to complete FSS, cross marketing with other HA special programs, and additional outreach to HOPE VI and/or Choice Neighborhoods residents served by LMHA.

6. SELECTION OF FAMILIES FOR PARTICIPATION [§984.201(d)(4)]

- A. LMHA markets its FSS program to all Section 8 voucher and public housing program participants who are interested, without regard to race, color, religion, national origin, familial status, disability, sex, gender identity, or sexual orientation. [§984.104(c)]
- B. Rental assistance program participants self-select by participating in an FSS Program orientation and completing enrollment process. [§984.203(b)]

7. PRIMARY COMPONENTS OF THE FSS PROGRAM

- A. Case Management (CM) services
 - 1. Defined: CM is a practice in which the service recipient is a partner, to the greatest extent possible, in assessing needs, obtaining services, treatments and supports, and in preventing and managing crisis. The unit of concern is the entire family. The focus of the partnership is the management of life. The goal is to stabilize the family as needed and then assist in maximizing their potential for long-term change and self-sufficiency. Activities include utilizing the community’s social services system as well as the family’s own support system. Tasks include assessing, planning, linking & coordinating, monitoring and advocating in conjunction with the family (definition borrowed in part from the National Association of Case Management and from the definition historically accepted by this agency). LMHA primarily requires home or other out-of-office visits.
 - 2. Sources of services are LMHA Case Managers.
 - 3. In fulfillment of LMHA obligation, as contained in the FSS Contract of Participation: “During the term of the contract, the HA will try to provide the resources and services listed in the Individual Services and Training Plan...”
 - a. Identification of family support needs: The Case Manager will employ several tools to identify needs and strengths and appropriate social services, including the Tracking-at-a-Glance assessment screens, the interview, the enrollment paperwork, career interest assessment and the Individual Training and Services Plan. Broad goals will be prioritized and broken down into

manageable steps. Contacts with the participant will be assessments of progress, barriers, changes and successes. Anticipated social service needs include: education/training, day care, employment-related needs (finding job, interview skill building, resume writing, maintaining job), transportation, time management, legal services, mental and medical health care, insurance, clothing, financial aid, financial literacy, home ownership counseling, etc.

- b. Activities and supportive services: these will vary by participant. Some services may be available directly from the Case Manager; others are available in the community by self- or case manager-referral. Examples of the first may include budgeting, debt reduction, resume writing, etc. Examples of available community support services include career planning through KentuckianaWorks; GED classes through Jefferson County Public Schools; HA and other scholarships; financial skills building through LMHA, the IDA program and many other sources; homeownership counseling through the Louisville Urban League or other acceptable HUD-approved housing counseling agency; bus passes via TARC; mental health and domestic violence services through Centerstone, Family and Children's Place, and the Center for Women and Families; child care subsidies via local service providers; alcohol and drug abuse counseling services through JADAC; and many others. Case Manager and programmatic responsibilities will include remaining current with regard to area resources and cultivating an active relationship with those resources.

B. Escrow Account

1. An Escrow Account will be established upon enrollment, pursuant to HUD regulation, for FSS participating families. Statements reflecting account balances are provided at least annually to the participant. [§984.305(a)]
2. LMHA will modify the escrow calculation methodology by calculating FSS credits using the same method for all participants regardless of income level. The method used for very low income households will apply to all participants. This method will provide an opportunity to obtain escrow funds for clients who would otherwise be ineligible for the escrow component of the FSS due to their level of income.⁴
3. HCV FSS participants whose 30% exceeds FMR will be eligible to receive escrow for six (6) months or until they are no longer served by LMHA, whichever is shorter.⁵
4. The participant will have no ownership interest in the account until conditions for graduation are met (See Section 9.) [§984.305(f)]
5. The account balance, less up to one (1) month's Total Tenant Payment (TTP) owed to LMHA, will be paid to the Head of the FSS family, when conditions for graduation are met; use of the funds upon graduation are unrestricted, although the participant is required to plan with the Case Manager how best to use those funds to further economic self-sufficiency. [§984.305(b)]

⁴ MTW Activity #2020-4; HUD approved 8/2/2019

⁵ MTW Activity #2020-4, HUD approved 8/6/2020

6. The amount in the account shall be subject to forfeiture pursuant to HUD requirements, if conditions for graduation are not met. [§984.305(f)]
7. An Interim Disbursement may be made to the participant in accordance with HUD regulations, at the discretion of LMHA. LMHA shall maintain written policies (see Attachment A) and procedures and appropriate forms, pertaining to an Interim Disbursement. [§984.305(c)(2)]
8. Escrow credits will continue to accrue for participants who purchase homes through LMHA Section 8 with the following conditions:
 - a. Ongoing Section 8 participation is required
 - b. If purchase is during an extension participant must graduate from FSS at that time
9. LMHA operates an Individual Development Account (IDA) program that matches participant's savings of up to \$2,000 over three years at a rate of 2-to-1. FSS participants who have limited ability to accumulate escrow as defined in the IDA policy may be authorized to join the IDA program as a supplement to the escrow account.
10. An absolute cap set at \$16,000 per household will be set and periodically reviewed and updated at LMHA's discretion. Generally, incentive payments will count toward the \$16,000 escrow. The escrow cap will exclude the homebuyer purchase bonus which may be used for down payment or closing costs.⁶
11. Incentive payments based upon achieving goals can contribute to a participant's escrow. LMHA reserves the right to disburse incentive payments upon final escrow disbursement, at the time of goal completion or a combination of both. A list of goal specific incentive payments can be found in Attachment F.³

8. ENROLLMENT

A. Contract of Participation (CofP) [§984.303]

1. Participants will execute an LMHA FSS CofP, which outlines the roles, rights and responsibilities of the participants and LMHA. Only the Section 8 or Public Housing Head of Household may sign the CofP and is responsible for completing all requirements of the program. The requirement of an interim or annual recertification within 120 days prior to FSS enrollment is waived. LMHA will use the last completed certification prior to the effective date of the Contract of Participation.³ Switching HOH for the purpose of eligibility and rent determination after the CofP is signed will void the FSS contract unless allowed by HUD FSS regulations. [§984.303(a)]
2. The initial term of the CofP is a 5-year period, beginning on the first day of the month following the month in which the CofP is signed and ends on the last day of the 60th month, unless the CofP is signed on the first day of the month. While the term of the CofP is 5 years, that in no way should be interpreted that participants should stay in FSS for the full five years. Participants who have completed at least three years (36 months) of the contract and meet all graduation requirements must graduate. [§984.303(c)]

⁶ MTW Activity #2020-4; HUD approved 8/2/2019

3. Escrow stipulations and incentive payments must be outlined within the Contract of Participation and will include the following information³:
 - a. LMHA will calculate escrow using the methodology for very low-income households for all participants regardless of income level.
 - b. Escrow will be capped at \$16,000 per household and may be periodically reviewed and updated at LMHA's discretion.
 - c. Incentive payments, excluding the Homeownership incentive, will count toward the \$16,000 escrow cap. LMHA will reserve the right to disburse incentive payments upon final escrow disbursement or at the time of goal completion.
 - d. A schedule of applicable incentives will be included as an addendum to the Contract of Participation.
4. An extension is allowable at the request of the participant and the Case Manager, for "good cause" at the sole discretion of LMHA. LMHA only considers loss of employment through no fault of the participant or reduction in work hours or pay through no fault of the participant, as outlined below, as "good cause" for the purpose of granting an extension. [§984.303(d)]
 - a. Participants meeting graduation criteria may not receive an extension.
 - b. Loss of employment or reduction of work hours or pay through no fault of the participant must occur during the final Eighteen (18) months of the FSS contract and be involuntary.
 - c. Prior to determining that employment was lost/reduced through no fault of the FSS participant, it must first be determined that if the lost/unreduced employment had continued, the participant could have met the definition of maintaining suitable employment. If not, the case manager will determine if the case should be terminated.
 - d. Case Managers will submit documentation for a preliminary determination of loss of employment/reduction of hours or pay through no fault of the participant within 60 days of either of the following:
 - (1) The beginning of the 5th year of the contract for a participant who is unemployed or under-employed and lost employment through no fault of their own during the previous six months.
 - (2) At any time a participant loses employment or work hours or pay are reduced through no fault of their own during the final year of the contract.
 - e. Only FSS participants with a preliminary determination of loss/reduction of employment through no fault of their own will be eligible to request an extension at the end of the five-year FSS contract. If a preliminary request for determination of loss/reduction of employment through no fault of the participant is denied, the case manager will determine if the case should be terminated. [§984.303(d)]
 - f. Participants who receive a preliminary determination of loss/reduction of employment through no fault of their own are not guaranteed an extension and are still required to continue making progress in the FSS program, especially in the area of searching for employment.

- g. Requests for an extension must be submitted no later than 30 days prior to the end of the FSS contract of participation. Granting an extension request is at the sole discretion of LMHA.
- h. LMHA will consider an extension when the following have been met:
 - (1) A preliminary determination of loss/reduction of employment through no fault of the participant has been made.
 - (2) Loss/reduction of earned income must be the only impediment to graduation.
 - (3) Participant has made satisfactory progress in the FSS program including meetings with case manager and employment search.
- i. Granted requests for an extension will initially be for one year, but may be extended for the second and final year if participation during the first year of the extension is deemed adequate by LMHA staff after reviewing documentation of effort.
- j. Participants granted an extension must graduate after returning to work or having hours/pay increased and the definitions of suitably maintaining employment have been met (counting previous employment), but must work a minimum of 3 months after returning to work or having hours/pay increased. All households must be K-TAP free during the extension period.
- k. Participants must continue to meet all program participation requirements during an extension and may be terminated for any program violation or when it is determined that the participant will be unable to meet employment requirements. [§984.303(b)(5)]

B. Individual Training and Services Plan (Plan)

- 1. Every participant will execute a Plan that outlines each goal, its activities, responsible parties and target dates, becoming part of the CoFP. [§984.303(b)(2)]
- 2. The Plan will contain at least nine (9) mandatory goals, with additional goals at the discretion of LMHA. At this time, the mandatory goals include: [§984.303(b)(3)]
 - a. Obtain and maintain suitable employment; LMHA has the ultimate responsibility for determining whether the job is suitable. (See Section 9). [§984.303(b)(4)(i-iii)]
 - b. K-TAP free for all household members as described under the conditions for graduation (See Section 9.)
 - c. Abide by HA rules, guidelines and procedures.
 - d. Work cooperatively with the Case Manager, which includes but is not limited to prescribed face-to-face contacts & phone calls and progress toward the completion of goals.
 - e. Complete CHOICES program with case manager.
 - i. New FSS enrollees must complete CHOICES within first four months of FSS enrollment.
 - ii. Any FSS participant unemployed 3 months or longer must complete/revisit CHOICES at the next face-to-face meeting.

- f. Financial planning in conjunction with the Case Manager with regard to the Escrow Account balance.
 - g. Completion of the workshop requirement, with an emphasis on financial skills building; LMHA shall maintain written policies (see Attachment B) pertaining to this requirement.
 - h. FSS participants must have a checking and savings account at the time of program graduation.
 - i. Must be in compliance with Debt Policy as described in 9., G.
3. Keeping with HUD’s emphasis on home ownership, LMHA maintains written policies (see Attachment D) regarding initiation of home ownership counseling for participants who have identified home ownership as a goal. [§984.305(e)]
 4. The Plan will provide for the development of additional, family-specific goals that can further enhance a positive outcome, as appropriate; this is done in conjunction with the Case Manager. While participating in the case management process, personal goals are open to revision, in keeping with the participant’s goals and circumstances. If the participant requests graduation due to “completion of goals,” personal goals included in the current plan must likewise be completed or sufficiently underway, if the goal is long-term. A goal may be discontinued by the participant in consultation with the Case Manager, but the change must occur at least six months prior to graduation.
 5. The Plan shall be reviewed by the participant and the Case Manager at least quarterly to ensure ongoing adherence and appropriateness. Revisions to the Plan must be made in writing and include the signature of the participant and the Case Manager. The participant should receive a copy of each updated Plan. [§984.303(f)]
- C. FSS Program Addendum—FSS Coordinators will complete and update the FSS Addendum as needed.
- D. LMHA will apply the new MTW escrow calculation to all eligible FSS participants regardless of enrollment date. Participants who enrolled before 10/01/2019 will have the right to opt-in to the LMHA MTW FSS program incentives and escrow cap. Existing participants opting in will sign a new FSS CofP reflecting the original enrollment and completion dates, income and earned income, but which in the MTW FSS program features and requirements. Incentives and escrow cap will apply as of the effective date of the new Contract of Participation.⁷
- E. Release of Information
1. Each participant will sign the Release of Information, giving permission for the LMHA, the FSS Program and the assigned Case Manager to release and obtain appropriate information between the parties. Participants may add or remove parties from the Release during their program participation.
 2. This Release expires upon graduation or termination from the Program.

⁷ MTW Activity #2020-4; HUD approved 8/2/2019

9. GRADUATION

- A. A participant and the Case Manager should consider requesting that the participant be graduated from the FSS Program, when they believe any of the four following set of conditions are met:
1. “Completion of All Goals” [§984.303(g)(1)]
 - a. This includes all mandatory program goals, as noted in Section 8.B.2., as well as personal goals established by the participant.
 - b. If eligible, FSS graduates may continue to receive a housing subsidy.
 2. “Completed or in the process of completing maximum months allowed @ \$0 HAP” – Section 8
 - a. Participant has been KTAP-free (as defined for this Program’s purpose) for 12 months or while at \$0 HAP, whichever comes first
 - b. Participant meets suitably employed income level
 - c. Participant has met definition of maintaining employment or employed during 6 months at \$0 HAP, whichever comes first
 - d. Participant has met all other requirements
 3. “30% of the HCV family’s monthly adjusted income equals or is greater than the Fair Market Rent amount for the unit size for which the family qualifies” – Section 8 [§984.303(g)(2)]
 - a. Participant has been KTAP-free (as defined for this Program’s purpose) for 12 months or while exceeding FMR /Payment Standard, whichever comes first
 - b. The participant meets suitably employed income level
 - c. Participant has met definition of maintaining employment or employed while exceeding FMR/Payment Standard, whichever comes first
 - d. The participant has met all other requirements
 - e. Participant may remain in FSS for up to six months as long as still served by LMHA.⁸
 4. “30% of the family’s monthly adjusted income equals or is greater than the lower-income limit for that family size” – Public Housing [§984.303(g)(2)]
 - a. Participant has been KTAP-free (as defined for this Program’s purpose) for 12 months or while exceeding lower-income limit, whichever comes first
 - b. The participant meets suitably employed income level
 - c. Participant has met definition of maintaining employment or employed while exceeding lower-income limit, whichever comes first
 - d. The participant has met all other requirements
- B. Employment is defined as receiving a paycheck or self-employment income, which can be for actual work done, vacation, sick or other paid leave from the employer. Participants receiving a paycheck, which can include vacation and/or sick leave, or receiving self-employment income can be considered for graduation. Participants receiving other paid leave such as short-term disability or workers’ compensation must have met maintaining suitable employment requirements prior to going on leave

⁸ MTW Activity #2020-4, HUD approved 8/6/2020

- to be considered for graduation. Participants on long-term paid leave without a return to work date must provide verification that they have a right to return to work.
1. Participants who are on unpaid leave and still have time left on their contract must return to work and meet the definition of “Maintaining” employment (counting time on the job prior to unpaid leave) before being considered for graduation. If insufficient time remains on the FSS contract an extension may be requested under the program’s policy.
 2. Participants on unpaid leave at the end of the FSS contract cannot be considered for graduation, but may request an extension under the program’s policy.
 3. “Suitable” employment is defined as annual earned income equal to or exceeding minimum wage times 2000 hours. This level of income must be obtained and maintained for at least the last 3 months prior to graduation. Appropriate verification will always be required. In addition to providing 3 months of pay stubs at the time of graduation, participants will provide a pay stub at the beginning and end of each job and every three months in between.
- C. “Maintaining” employment is defined as:
1. Continuously employed for at least 1 year prior to graduation.
 - a. Participants who lose employment through no fault of their own, see Section 8, A, 3, b, and have no more than a six (6) week gap in employment will be considered continuously employed.
 - b. Participants who are terminated or voluntarily resign and have no more than a three (3) week gap in employment will be considered continuously employed.
 - c. When a participant is employed by a temporary agency or engaged in seasonal employment, only the months for which the participant receives a pay check will count toward continuous employment. Twelve *consecutive* months still applies.
 2. Participants completing educational milestones can meet “Maintaining” employment as follows:
 - a. Certification program – 9 months employment in the certified field
 - b. Associate’s Degree – 6 months employment in a related field
 - c. Bachelor’s Degree or higher – 3 months employment in a related field
 3. Participants relying on a second job to meet “Suitable” employment must have started that job at least 6-months prior to graduation
 4. Length of employment required may be shorter if 30% exceeds payment standard (Section 8), adjusted gross income exceeds lower-income limit (Section 8 or public housing), 30% exceeds gross rent (Section 8) or participant purchases a home and is no longer served by LMHA.
- D. At the time of graduation, the balance of funds in the Escrow Account is disbursed to the participant.
- E. FSS Self-Employment Policy
1. All self-employed FSS participants must develop a record keeping system for their small business. This system must at least show gross income and expenses with supporting documentation. If a participant is not sure how to set up a record keeping system they can seek assistance from the Metro Business Resource

Center at the Nia Center, the Louisville Free Public Library, or other qualified source. They may also consult IRS Publication 583, Starting a Business and Keeping Records

2. All self-employed FSS participants must have a checking account, which will provide much of the information for their record keeping system and supporting documentation. While a separate business account is preferred, participants can use their personal account.
3. While not required, it is highly recommended that self-employed FSS participants purchase a computer and use business management software such as Quicken.
4. Supporting documentation for gross income and expenses must be provided. Some examples of supporting documentation are cash register tapes, bank deposit slips, receipt books, invoices, IRS Form-1099, canceled checks, account statements and appointment books. Because there are many types of businesses, the most appropriate supporting documentation will vary. FSS staff will also request quarterly estimated taxes (if applicable) and IRS Tax Returns from each year as supporting documentation.
5. Suitable employment will be determined using gross income minus expenses.
6. All FSS participants who plan to claim self-employment for the purpose of graduation must submit an employment verification proposal to FSS Coordinators through their case manager that includes the type of business operated, typical types of income and expenses, a description of the record keeping system and the supporting documentation that will be provided to verify suitable income.
 - a. FSS Coordinators can accept the proposal as is or ask the participant to make changes including providing additional/different supporting documentation and/or improving the overall record keeping system.
 - b. Self-employed FSS participants without an approved employment verification proposal will not be considered for graduation.
 - c. Employment verification proposals are due as soon as an FSS participant begins self-employment.

F. Disability and FSS Graduation

1. All FSS participants regardless of ability are required to be active in the program. This includes regularly attending workshops, enrollment in education, actively pursuing employment or working. Any FSS participant who is not active will be terminated.
2. Disabled participants enrolling in FSS
 - a. Disability upon entering FSS is defined as receiving SSI/SSD or having answered “Yes” to the initial assessment question “Do you have a health issue that limits or prevents you from working.”
 - b. FSS participants who enter the program disabled must meet all program requirements to graduate. Suitable employment level may be lowered due to disability, but not eliminated.
 - c. Disabled FSS participants who have completed REACH & Homeownership counseling, but are unable to meet graduation requirements (as determined by CM in consultation with FSS Coordinator) may utilize up to 90% of the escrow in the form of an interim disbursement in the support of Section 8

homeownership. Some of the escrow must be due to the participant's employment and participants must be in good standing with case management and housing.

3. FSS participants who become disabled and unable to work after FSS enrollment.
 - a. FSS participant would not have met definition for disabled of receiving SSI/SSD and/or having answered "No" to the assessment question "Do you have a health issue that limits or prevents you from working" at enrollment, but has since started receiving SSI/SSD or has applied for SSI/SSD and been deemed disabled and unable to work by a physician and is not working.
 - b. Participant must have been employed while in the FSS program and FSS supervisory staff determines there was a reasonable expectation of meeting maintaining suitable employment requirements prior to becoming disabled.
 - c. Participants must be K-TAP free, in good standing with case management and housing and have completed all required workshops in order to be submitted for graduation. Participants have up to six months to complete these requirements after becoming disabled.
 - d. FSS participants who become disabled after enrollment, but who can still work, must meet the graduation requirements as outlined under 9. F. 2. b.

G. Debt to LMHA and FSS Graduation

1. Any FSS participant who is not current in repayment of an LMHA debt may be subject to program termination.
2. Any debt from an incomplete interim escrow disbursement must be repaid prior to graduation.
3. FSS participants, who have a debt to LMHA, must owe less than their monthly Total Tenant Payment in order to graduate.

H. In the event of the FSS participants death, FSS participation may continue if someone takes over as Head of Household and wishes to fulfill the FSS CoFP. The new HOH must still meet the employment and K-TAP requirements, but must only complete the other previously unfinished program requirements. [§984.305(d)]

I. The decision as to whether or not a participant has met conditions for graduation or to continue in FSS with case management services after no longer receiving a housing subsidy rests with LMHA.

J. FUP Foster Youth participants will sign three (3) year FSS contracts with the graduation requirements the same as above with the following exceptions:⁹

1. FUP Foster Youth graduates must be suitably employed at least six (6) consecutive months.
2. FUP Foster Youth graduates must be KTAP free for 6 months prior to graduation.
3. FUP Foster Youth graduates must complete the three (3) additional workshops instead of six.

10. TERMINATION

⁹ MTW Activity #2020-4, HUD approved 8/6/2020

- A. Termination is possible when the participant and or family fail to comply with the Contract and/or Plan. [§984.303(h-j)]
- B. Consequences for termination:
 - 1. Termination from the FSS Program
 - 2. Termination of the Case Management services
 - 3. Forfeiture of any money accrued in the Escrow Account
 - 4. The rental assistance is not discontinued as a direct result of termination from the FSS Program unless the original rental assistance subsidy was contingent upon FSS participation; however, instances of fraud may result in possible termination of rental assistance.
- C. When a participant is judged to be no longer in compliance with the Contract and/or the Plan, the participant is sent a “Possible Termination” Letter.
 - 1. This letter notifies the participant they are in jeopardy of being terminated from the FSS Program.
 - 2. It states the reason the participant is in jeopardy of being terminated.
 - 3. It gives the participant the right to appeal the termination; such an appeal can result in reinstatement or the upholding of the termination.
 - 4. The letter specifies the deadline by which such a request must be made, after which time the termination is final.
- D. Termination can be initiated by the participant, the Case Manager or LMHA.
- E. Termination from the FSS Program is automatic when the rental assistance is terminated, except as described under 9.A.2, 3, and 4.

11. PROGRAM COORDINATING COMMITTEE (PCC) [§984.202]

LMHA has combined its established PCC with its HOPE VI Community and Supportive Services (CSS) committee to form the Supportive Services Providers Committee (SSPC). The function of the SSPC is to assist in securing commitments of public and private resources for the operation of all LMHA Special Programs; the SSPC meets quarterly. [§984.202(c)]

12. WAITING LIST

- A. In the event the demand for participation in the Program outweighs case management capability, the program will maintain a Waiting List for enrollment into the program. [§984.203(b)]
- B. When a Waiting List exists, LMHA has established case management preferences. Currently, such preferences include: [§984.203(b)]
 - 1. Choice Neighborhoods Families
 - 2. Participants who are making their first attempt in the FSS program
 - 3. The date/time a participant joined the FSS waiting list

13.

MINIMUM PROGRAM SIZE (MPS)

- A. Defined: refers to the number of families LMHA is required to enroll and graduate from the FSS Program. [§984.105]
- B. Determined by: the number of housing units originally awarded under the FSS incentive award competition in FY 1991/92, plus the number of additional units reserved between FY 1993 and October 1998 (excluding renewal funding for units previously reserved), minus the number of slots permanently waived, minus the number of families who have graduated from LMHA's FSS program on or after October 21, 1998 by fulfilling their contracts of participation. [§984.105(b)(1 & 2)]

Section 8 Minimum Program Size (Original awards plus add'l units)

United Bldg: $128 + 128 + 400 \text{ (FUP)} + 200 \text{ (Mainstream)} = 856$
8th St.: $169 + 265 + 250 = 684$
1540

Minus Permanent Section 8 Waiver (related to HOPE VI)

$265 + 250 = 515$
1025

Plus Public Housing Minimum Program Size (Original awards plus add'l units)

8th St. = 210
1235

Minus FSS Graduates that effect MPS (as of 12/31/19) = 1179

MPS as of 12/31/19 = 56

While the minimum program size is 56, LMHA is committed to serving additional FSS participants as long as the agency has the required case management capacity and funding from HUD.

Attachment A ~ Interim Disbursement Policies

Interim Disbursement Policies

1. HUD requires that Interim Disbursements (ID) be consistent with the Contract of Participation, such as education, employment or building an asset, at the sole discretion of LMHA. Interim Disbursements related to home ownership do not include mortgage payments. An interim disbursement cannot be used to pay debt owed to LMHA.
2. General barrier removal interim payments and Homeownership incentive interim payments are permitted as described in Attachment F.¹⁰
3. No ID can be requested until the participant has been enrolled in FSS for one year (six months for FUP Foster participants) and must demonstrate appropriate participation in case management for at least 3 months prior to ANY request for an ID.
4. LMHA standard practice is that an ID can only be granted one time during a participant's time in the Program in advance of graduation. Exceptions to this "one time only" policy will be considered if the request is related to a direct educational expense or the building of an asset (like homeownership). Final discretion rests with the Housing Authority.
5. The granting of any additional ID requests will also depend upon how the previous opportunity was handled. Was the receipt turned in timely? Did the participant lessen their participation in case management after receiving the ID? Did the participant receive a satisfactory grade in the course taken or pass the certification exam?
6. No ID will be granted to an FSS participant who has a debt to LMHA greater than their monthly Total Tenant Payment.
7. Repayment of IDs is not generally required, but if a participant fails to meet the requirements of an ID, LMHA may determine that no future IDs may be approved. All ID payments count toward the current escrow cap.¹⁰
8. In exchange for an ID request being granted, the participant may be asked to contribute some small dollar amount toward the request or may be asked to accomplish a task (example: open a savings account and make a contribution on a regular basis). A participant's failure to honor their agreement would jeopardize the participant's continued participation in the FSS Program.
9. None of the above would constitute fraud and therefore jeopardize the housing assistance, except for failure to submit the receipt timely. The term "fraud" would only be applied and the housing assistance jeopardized if the participant evidently and clearly misrepresented their intentions in order to receive cash, goods or services not intended by the original request.

¹⁰ MTW Activity #2020-4; HUD approved 8/2/2019

10. IDs can never account for more than 50% of the money placed in the escrow account and must always relate to the goals of the participant. Monies for the down payment and closing costs on a home may exceed the 50% limit.
11. ID requests related to cars are strictly “one time only.” Car repairs require a 20% contribution from the participant.
12. Participants requesting money for a car purchase must have attended the REACH workshop on purchasing a car (or equivalent) and complete the car purchase form. Private sales must be verified by proof of transfer of the vehicle. IDs for cars will only be approved for all cash purchases. LMHA reserved the right to deny use of escrow for car purchases based on the price of the vehicle.
13. An ID for the purchase of a computer can never exceed \$700, regardless of the balance in the escrow account. Any expense over \$700 is the responsibility of the participant. The ID will be less, if \$700 would account for more than 50% of the money placed in the escrow account.
14. An ID for non-LMHA debt reduction is allowed. Participants must be up-to-date on workshops; have homeownership as a goal in the ITSP; and actively be working with a certified/accredited homeownership or credit counseling agency. The debt must be at least \$500 and the last debt interfering with a mortgage application and the participant must produce evidence he or she has been paying on the debt. Multiple debts will not be considered. An ID to pay off a final debt owed to LMHA will not be granted.
15. Section 8 homeowners who do not request escrow funds for down payment can request funds for household essentials such as appliances, windows or fencing.
16. The participant must submit a receipt, documenting the proper use of the check, within 2 weeks of the date the participant takes possession of the check.

Attachment B ~ FSS Workshop Policy

FSS Workshop Requirements will be interpreted as follows:

Financial Skills Plus Six

Participants must complete an LMHA-approved financial skills course within the first two years of program participation (Finance & You, Family Scholar House Videos with REACH #5 & 6, Dave Ramsi's Financial Peace University, etc.) plus earn six additional workshop credits prior to graduation as follows:

- Completion of CHOICES program (required)—one (1) workshop credit
- All additional workshops must be appropriate to the goals of the program and the individual participant
- No workshop topic may be repeated for multiple credit
- VITA Site tax preparation—once only
- LMHA may award workshop credit for achieving certain educational goals while participating in FSS, such as obtaining a GED, vocational certification or college degree
- LMHA may award workshop credit for meeting predetermined savings goals while participating in FSS
- Participants meeting with their case manager 12 months in a row without missing receive one (1) workshop credit.
- See the Workshop Guide for a complete list of preapproved workshops along with assigned credits

Workshop Approval

Workshops delineated in the Family Self-Sufficiency Program Workshop Guide or highlighted in the FSS Newsletter are pre-approved for workshop credit. All other workshops, including those offered by LMHA staff are subject to supervisory review and approval.

Workshops Completed Prior to Enrollment

Any participant who is in the process of completing or has completed REACH classes, a financial skills course or homeownership counseling within six (6) months of FSS enrollment will receive appropriate workshop credits. This applies in all circumstances except re-enrollment. See below.

Family Scholar House Participants

Residents of Family Scholar House (FSH) who can verify completion of the FSH financial skills videos will only be required to complete REACH #5 & 6 to satisfy the financial skills workshop requirement.

Participants Re-Enrolling in FSS

For participants who were unsuccessful in completing FSS for any reason and decide to re-enroll, no workshop credits carry over from the previous enrollment. The FSS participant must meet their entire workshop requirement.

Attachment C - FSS TARC Policies

Rationale:

TARC passes are of limited quantity and a valuable asset to the FSS Program. Thus receipt of a pass should be based not only on need, but also demonstration of active participation in case management as evidenced by working toward a specific employment or educational goal that furthers self-sufficiency.

Each FSS participant is eligible to receive a maximum of twelve (12) TARC passes during their program participation for a qualifying use.

Qualifying Uses:

- Employment
- Education (GED, vocational/technical or college)

Other:

- Passes are intended for the FSS participant only
- A pass should not be given if the participant receives transportation assistance from another source
- Receipt of a TARC pass assumes the participant has no other regular and reliable means of transportation
- Once the participant has purchased a home, he or she is ineligible for a TARC pass

Exceptions:

Exceptions to the above may be granted by the supervisor; case notes should reflect the consultation and the exception granted.

Attachment D – LMHA IDA Program Guidelines

ELIGIBILITY FOR REFERRAL

Residency

Current public housing and Section 8 FSS participants with limited escrow potential. This may include revitalized Sheppard Square HOPE VI public housing residents who are not eligible for traditional FSS.

Limited FSS Escrow Potential

LMHA has defined limited FSS Escrow potential as the reasonable expectation to receive no more than \$200/month escrow. Please note that an additional \$8,000/year in earnings will yield \$200/month in escrow. Keeping this in mind here are a few things to consider in determining escrow potential:

1. If under the current FSS contract, the participant has previously received over \$200/month escrow, it is very likely (barring unusual circumstances) that they could potentially receive over \$200/month again.
2. If working part time and wages are under \$6,500/year, just getting to the minimum program requirement will result in over \$200/month escrow.
3. If the participant is in public housing and receiving either a 100% or 50% disregard, how much escrow will the participant receive when all earnings are counted?
4. If a participant has increased earnings since the last recertification, how much escrow can be anticipated after the next recertification?
5. A participant working 40/hrs per week would need to increase hourly pay by \$3.85 to increase earnings by \$8,000. While this type of raise is unlikely for a participant planning to stay in a current career or job, it may be possible for a student studying in a field that will result in a very high paying job.
6. Is a disabled participant working the maximum hours possible based on a recent FSS Disability Form? If not, would TTP based on working the higher hours result in less than \$200/month escrow.

Income & Savings—head of household

Minimum requirements:

- Earned income, prefer annual earned equal up to or exceeding minimum wage times 2000 hours, or
- Disability income
- If a participant becomes unemployed, they have three (3) months to find new employment before exiting the program.
- Demonstrated ability to save by either saving at least \$25/month for at least six months or maintaining savings of \$150 or more for at least six months.
- Positive discretionary income in TAAG budget

No maximum income limit

Other Prerequisites

- Participants who exceed the low income limit (public housing & Section 8) or payment standard (Section 8) within the first six months of the FSS contract are not eligible for IDA.
- Participant is within the first four years of the FSS contract.
- REACH classes (or equivalent) completed.
- Public housing residents must be current with rent and all participants must be current with any LMHA debt repayments.
- Homeownership counseling enrollment encouraged if Homeownership is savings goal
- Enrollment in entrepreneurial training encouraged if Small Business start-up is savings goal

REFERRAL PROCESS

All LMHA IDA referrals must be made by the case manager using the approved IDA referral form submitted along with the IDA checklist to their supervisor who will make the final determination.

IDA PROGRAM REQUIREMENTS

- Each participant must sign the LMHA IDA Savings Agreement.
- Money deposited must be from earned income, unemployment insurance or tax refunds, but disabled participants may make deposits from disability payments.
- Participants must open the account with a minimum of \$50.
- Participants must save at least \$25 per month.
- Participants may save for up to 3 years or the end of their FSS contract, whichever comes first. This period may extend after FSS graduation.
- Participants must save in the IDA account for at least 12 months prior to purchasing an asset; this may be waived to offer an accelerated program (minimum savings of six months) for home purchase if approved by the supervisor at the time of referral.
- Participant savings up to \$2,000 will be matched 2 to 1 if an asset is purchased.
- There are no early withdrawals for emergencies.
- Homeownership counseling completion is required prior to home purchase.
- Entrepreneurial training must be completed and a business plan developed prior to Small Business Start-up purchase.
- Remain in good standing with LMHA and the case management process.
- All match monies must be applied toward the purchase of an asset within one (1) year of completing three years of saving or saving \$2,000 whichever comes first.
- Once a participant has begun purchase of an asset, no future savings will be matched.

IDA TERMINATION AND FORFEITURE OF MATCH

- IDA participants who are unemployed three (3) months or longer will be exited from the program with the funds they saved and interest earned returned to them. Match will be forfeited.

- Participants who miss more than two (2) deposits and/or fail to save the minimum monthly amount twice in a 12 month period will be exited from the program with the funds they saved and interest earned returned to them. Match will be forfeited.
- Participants who make or attempt to make unauthorized withdraws from their IDA account will be exited from the program with the funds they saved and interest earned returned to them. Match will be forfeited.
- IDA participants who are terminated or voluntarily withdraw from the FSS program are also exited from IDA.

ALLOWED PURCHASES

Homeownership

- Closing costs and down payment
- Paying down the principle on a mortgage
- Home improvement and repair costs for home owners

Small Business

- Start-up or expansion related costs including business licensing and certifications
- Paying down the principle on a business loan

College

- Tuition, fees, books and dormitory expenses for participant or immediate family member(s) who are on the lease.
- Payment toward balance of student loan, participant only. All of the following must be met:
 1. Participant has completed the course of study for which the money was borrowed.
 2. Participant is not in default on student loans.

Cash Option

- LMHA has determined that IDA participants who complete their savings goal and choose not to purchase an asset may still receive a one-for-one match.
- To receive the one-for-one match, the participant must accomplish the following:
 - Graduate FSS.
 - Save \$2,000 in the IDA account within three years or less.
 - ITSP must include a goal related to homeownership, small business start-up or college and evidence of actively pursuing that goal.
 - LMHA housing remains in good standing.
 - Continue to meet with case manager as required.

CASE MANAGEMENT AND IDA

See case management guides for requirements.

Attachment E – Homeownership/Credit Counseling Workshop Credit and ITSP Satisfaction

Family Self-Sufficiency participants may receive workshop credit, as well as satisfy the homeownership goal of the ITSP, by enrolling with a HUD-approved homeownership counseling agency. The amount of workshop credit awarded and the participation required to meet the ITSP goal is outlined below:

Satisfying ITSP Homeownership Goal—all FSS participants submitted for graduation who have homeownership as a goal on the ITSP must have completed the process outlined below with a HUD-approved homeownership counseling agency for that goal to be considered met.

Louisville Urban League (LUL)—offers Homeownership Counseling, which begins with enrollment, an initial counseling appointment with development of a plan, a 2 - 2.5 hour personal finance class, followed by counseling appointments. FSS participants will receive three (3) workshop credits upon submission of a completed LUL Homeownership Program Verification form.

Other Agencies—at this time LMHA is not aware of any other HUD-approved agency, but will add criteria when appropriate.

Homeownership Escrow Incentive—completion of the above process and continued enrollment in homeownership counseling or the completion of Homeownership counseling is required to receive the Homeownership incentive described in Attachment F.¹¹

Completing Homeownership Counseling—FSS participants who continue with Homeownership Counseling at a HUD-approved homeownership counseling agency will receive three (3) additional workshop credits upon presenting the completion letter from the counseling agency to the case manager.

Other Workshop Credit at LUL—LUL also offers Budget & Credit Counseling, which is very similar to the first part of their Homeownership counseling program. FSS participants may receive three (3) workshop credits upon providing the case manager with the same verification outlined above. Completing this counseling may satisfy the Homeownership goal on the ITSP, but will not earn the Homeownership incentive.

¹¹ MTW Activity #2020-4; HUD approved 8/2/2019

Attachment F – Incentives¹²

The following incentives will be effective for participants who sign a Contract of Participation on or after 10/01/2019. Existing participants with an executed Contract of Participation before 10/01/2019 may opt-in upon signing a new Contract of Participation on or after 10/01/2019, but the escrow cap will apply.

Incentives may include, but are not limited to:

- A. \$50 for attendance at three FSS meetings within the first four months of enrollment in FSS (\$25 of incentive issued to the participant as a general barrier removal interim payment);
- B. \$100 for attending 12 consecutive months of case management meetings (\$50 of incentive issued to the participant as a general barrier removal interim payment);
- C. \$150 for completion of a GED, receipt of a high school diploma or completion of a vocational or technical training program;
- D. \$200 for having both a checking and savings account open at the twelfth month of program participation (\$100 of the incentive issued to the participant as a general barrier removal interim payment with encouragement to add it to the participant's savings account);
- E. \$100 for any eligible participant who does not receive D above for having both a checking and savings account open at the 24th month of program participation (\$50 of the incentive issued to the participant as a general barrier removal interim payment with encouragement to add it to the participant's savings account);
- F. \$250 for an Associates Degree (one-time limit per person);
- G. \$500 for completion of a Bachelor's or Master's degree (one-time limit per person); and
- H. Up to \$2,000 added to escrow accounts for current FSS participants who purchase a house prior to graduation or for FSS graduates who meet the requirements outlined in Attachment E. These funds will be available at the time of house purchase or for up to two (2) years after FSS graduation for down payment and closing costs. Escrow funds above the escrow cap up to \$2,000 will also be made available for a home purchase and will lower the amount of incentive funds that LMHA places into the account.

¹² MTW Activity #2020-4; HUD approved 8/2/2019