

Commonwealth of Massachusetts EXECUTIVE OFFICE OF HOUSING & LIVABLE COMMUNITIES

Maura T. Healey, Governor 🔶 Kimberley Driscoll, Lieutenant Governor 🔶 Edward M. Augustus Jr., Secretary

To: Regional Administering Agencies
From: Kristin Haas, Assistant Director, Policy & Implementation, Division of Rental Assistance
Date: July 14, 2023
Re: Final Guidance for HCV Security Deposit Program

Effective September 1, 2023 (unless otherwise instructed by EOHLC), eligible households in the Executive Office of Housing and Livable Communities' (EOHLC, f/k/a DHCD) Housing Choice Voucher program and certain other voucher programs will be eligible for one-time security deposit assistance.

Voucher Eligibility

Security deposit assistance will be available to both new admissions and existing participants with the following types of subsidies:

- Housing Choice Voucher (including Project-Based, if applicable)
- Mainstream
- FUP
- VASH
- EHV
- Stability Vouchers
- YTTSP and YTTSP College Track
- Family Economic Stability (FES) (Metro Housing Boston only)
- Other special voucher/subsidy as directed by EOHLC

For households enrolled in special voucher programs (e.g., EHV, Stability Vouchers) that may include funding to cover security deposits, that funding should be utilized when possible instead of utilizing the HCV Security Deposit Program.

Tenant Eligibility

So long as a tenant is **in good standing with the RAA** and eligible to move to a new unit, the tenant is eligible for one-time security deposit assistance.

Unit Eligibility

A household may only receive security deposit assistance when they are moving into a **new unit**. The new unit must first be approved by the RAA, and the new property owner must request a security deposit on the Request for Tenancy Approval (RFTA) form (see more on the process below). No security deposits may be requested after the tenant has moved in.

Cap on Assistance

A household may only receive security deposit assistance through this program **one time** during their participation in the voucher program. Furthermore, as per the Massachusetts Security Deposit Law, M.G.L. c.186 sec. 15B, the security deposit cannot exceed one month's approved contract rent for the unit.

Duplicate Security Deposit Payments

The RAA, the tenant, and the property owner all bear some responsibility for avoiding duplicate security deposit payments (meaning more than one party making payment for the same security deposit).

RAA staff should communicate with the tenant prior to lease-up to determine how the tenant would like to cover the security deposit. For example, does the tenant prefer to a) pay the security deposit themselves, b) have it covered by the HCV Security Deposit Program, or c) have it covered by some other assistance program like RAFT? The tenant is expected to disclose whether they have applied for funding through another assistance program (e.g., RAFT) and is expected to withdraw their request for other funding if their preference is for the HCV Security Deposit Program to cover the deposit. If the property owner does receive two or more payments for the same security deposit, they are expected to repay the duplicative payment(s) to the appropriate party/parties. This expectation will be explained in the "Security Deposit Program Overview for Tenants and Property Owners" document, which will be included in briefing/relocation packets.

Transfers

In situations where the tenant is leasing up in a different RAA's region, the receiving RAA will be responsible for paying the security deposit.

Returning the Security Deposit Upon Move-Out

After the household moves out of the unit where a security deposit was paid through this program, the property owner will return any security deposit funds directly to the participant in accordance with M.G.L. c.186 sec. 15B. These returned funds are for the participant's own use. The participant *may* apply the funds to a future security deposit but there is no requirement to do so.

Security Deposit Request and Payment Process

Property owners seeking a security deposit for a new unit should do so by filling in the "Security Deposit Amt." box on the Request for Tenancy Approval (RFTA) form. Property owners cannot request security deposits after the tenant's lease start date.

Request for Tenancy Approval Housing Choice Voucher Program		U.S Department of Housing and Urban Development Office of Public and Indian Housing		ОМВ Арј	OMB Approval No. 2577-016 exp. 7/31/202	
The public reporting burden instructions, searching exist collection of information. Th on this form by Section 8 of HUD is committed to protec with federal privacy laws, gu Housing Authorities, who co Accordance with applicable	ting data sources, gat the Department of Hous the U.S. Housing Act ting the privacy of ind uidance, and best prac ollect, use maintain, or	hering and maintair sing and Urban Dev (42 U.S.C. 1437f). ividuals' informatior ctices. HUD expect	ing the data neede velopment (HUD) is Form is only valid n stored electronica s its third-party bus	ed, and completing s authorized to coll if it includes an Of ally or in paper for siness partners, inc	g and reviewing the lect the information MB Control Number m, in accordance cluding Public	
When the participant selects		the unit completes	this form to provide	e the PHA with info	ormation about the	
unit. The information is used					this information	
except when required by law for civil, criminal, o 1. Name of Public Housing Agency (PHA)		regulatory investiga	alloris and prosecu	 Address of Unit (street address, unit #, city, state, zip code) 		
1. Marine of Fublic Housing Agend	CY (PHA)		2. Address of Unit	(street address, unit #	#, city, state, zip code)	
T. Marine of Fublic Housing Agen	су (РНА)		2. Address of Unit	(street address, unit i	#, city, state, zip code)	
	4. Number of Bedrooms	5. Year Constructed	2. Address of Unit 6. Proposed Rent		 city, state, zip code) Date Unit Available for Inspection 	
3. Requested Lease Start Date		5. Year Constructed	6. Proposed Rent 7	. Security Deposit	8. Date Unit Available for Inspection	
3. Requested Lease Start Date	4. Number of Bedrooms		6. Proposed Rent 7	. Security Deposit Amt	8. Date Unit Available for Inspection e type of subsidy:	
3. Requested Lease Start Date 9. Structure Type	4. Number of Bedrooms	roof)	6. Proposed Rent 7	. Security Deposit Amt subsidized, indicate	8. Date Unit Available for Inspection e type of subsidy:	
3. Requested Lease Start Date 9. Structure Type Single Family Detached	4. Number of Bedrooms (one family under one , attached on one side	roof)	6. Proposed Rent 7	. Security Deposit Amt subsidized, indicate	8. Date Unit Available for Inspection e type of subsidy: (d)(3)(BMIR)	

The RAA will then inspect and review the unit for approval per standard regulations and policies.

Once the unit and contract rent have been approved, the RAA will:

- 1. Verify that the requested security deposit amount does not exceed one month's approved contract rent. (If the requested security deposit amount is too high, the RAA must reduce the security deposit to equal one month's approved contract rent.)
- 2. Add the approved security deposit amount to the tenant rent share letter for new lease-ups (which both the tenant and property owner receive a copy of).
- 3. Initiate payment of the security deposit.

For ease of administration, it is recommended that the security deposit payment be issued at the same time as the first month's HAP payment; however, if the property owner requests that the security deposit be paid sooner and the RAA is able to do so, that is allowable. The security deposit payment should not be issued after the first month's HAP payment, unless there are extenuating circumstances. The payment should be made to the property owner in the same manner as the first month's HAP unless otherwise specified.

Security deposit payments must be recorded in Tenmast. Further guidance about processing security deposit payments in Tenmast will be provided separately.