

SHORT-TERM RENT, MORTGAGE, AND UTILITY (STRMU) ASSISTANCE

DEFINITION/PURPOSE

Short-Term Rent, Mortgage, and Utility (STRMU) assistance is an eligible activity under the HOPWA program. STRMU is time-limited housing assistance designed to prevent homelessness and increase housing stability. Grantees may provide assistance for a period of up to 21 weeks in any 52-week period. The amount of assistance varies per client depending on funds available, tenant need, and program guidelines.

BENEFICIARY ELIGIBILITY

HOPWA Program Eligibility

Individuals must meet the following criteria to be eligible for assistance under the HOPWA program:

- Low-income (below 80% of area median income, see www.huduser.org)
- Documented HIV/AIDS status (confidentiality must be maintained)

STRMU Eligibility

STRMU is designed to be a short-term, needs-based intervention to prevent homelessness. As such, individuals must meet the following additional criteria in order to receive STRMU assistance:

- Client must be currently housed — homeless individuals are not eligible for STRMU assistance. Assistance is provided to help homeowners and renters remain in their current place of residence.
- Client must be able to document that he/she has a legal right to occupy the premises or has responsibility for the utility payment. Examples of acceptable documentation are as follows:
 - *Rental payments*: Client must be named tenant under valid lease or referenced in lease as occupant of the premises.
 - *Mortgage payments*: Client must demonstrate that he/she is owner of mortgaged real property (mortgage, deed of trust, title insurance policy).
 - *Utility payments*: Client must have account in their name or proof of responsibility to make utility payments (copies of money orders, cancelled checks, receipts).
- Client must demonstrate he/she does not have the resources to meet rent, mortgage or utility payments and, in the absence of STRMU assistance, would be at risk of homelessness.
 - Documentation of a default or late payment notice is not required; client can provide copies of bank statements and bills to demonstrate need.

ELIGIBLE EXPENSES

- Rent and mortgage assistance
 - Must be reasonable and represent actual housing costs.
 - The amount of assistance provided is not limited to Fair Market Rents or “reasonable rent” limits.

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- Unlike other forms of HOPWA assistance, tenants are not required to pay 30 percent of their income towards the rent or mortgage payment. However, if they are able, clients should pay a portion of their housing costs as any portion paid by the tenant does not count against the 21-week STRMU benefit ceiling.
- Late fees
 - Late fees and other penalties may be paid if, in the event of nonpayment, the household is at risk of eviction or loss of housing.
- Utility assistance

Note: Grantee may establish caps (limits) for rent, mortgage, or utility assistance; see section on “capped payments” below.

INELIGIBLE EXPENSES

- Security deposits and first month's rent
 - STRMU assistance is designed to help homeowners and renters stay in their current place of residence; as a result, security deposits and first month's rent are not eligible costs under STRMU. However, these costs are eligible as permanent housing placement costs (under the supportive services activity).
- Moving assistance
- Household supplies and furnishings
- Automobile expenses
- Telephone expenses
 - Telephone expenses are not payable as a utility expense under STRMU. However, such expenses may be covered as a supportive service expense in limited circumstances.

PROGRAM REQUIREMENTS

Housing Quality Standards

- Units should be decent, safe, and sanitary. However, inspection of short-term assisted units is not required to meet HOPWA habitability standards.
 - HUD does not seek to provide subsidies to substandard housing. In the event that the unit is not capable of passing HQS, the sponsor, as part of the housing services plan, should work with the assisted household to either make improvements to the premises or to secure alternative housing.
- Units must have a functioning smoke detector.
- Lead-based paint requirements do apply. Specifically, lead-based paint rules apply when:
 1. Housing to be assisted was constructed before 1978; and
 2. Residents will include a pregnant woman or a child 6 years of age or younger.
- All housing meeting the above criteria must receive a lead-based paint visual assessment before assistance may be provided.
 - Staff must complete an online training course before they are allowed to perform assessments. This training can be found at www.hud.gov/offices/lead/training/visualassessment/h00100.htm

Note: Studio units are exempt from lead-based paint requirements.

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HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS

Calculating Limits for STRMU

- The statute limits STRMU assistance to no more than 21 weeks in any 52-week period.
- Grantees must ensure that all project sponsors use the same method to determine the annual (i.e., 52-week) STRMU assistance period. Methods include:
 - A set standard annual period for all clients (either the grantee's operating year or the calendar year); or
 - A separate period of eligibility for each client based on the date a STRMU payment is first made on behalf of a client.
- Grantees must also define the 21-week period and apply this definition uniformly to all beneficiaries using one of following methods:
 - Count calendar days of assistance with max being 147 (21 x 7).
 - Round each month to 4 weeks of assistance, yielding a maximum total of 5 months of assistance.
 - Track assistance using the precise number of weeks in a month (e.g., a full month's rent would be tracked as 4.3 weeks, 75% of a month's rent would be tracked as 3.2 weeks, etc.)
- Rent and utilities
 - Provided that the rent payment and utility bill are reasonably coincidental (e.g., at least 14 days overlap between rent and utility payment period) it can be considered one month of assistance.

“Capped” Payments

To manage short-term assistance, grantees may set program-based limits ('caps') on the amount of assistance that may be provided to each household.

- Caps can be set for housing costs (rent or mortgage payments) or utilities.
- Prior to establishing caps for STRMU assistance, grantees should identify these limits in the Consolidated Plan and accept public comments on the proposed limits.
- Caps should reflect the fair market rents and/or rent reasonableness limits so that support is sufficient to prevent a continuing housing crisis.
- Caps must be applied in a uniform, consistent, and non-discriminatory manner.
- In tracking STRMU support, an assisted household can receive up to the maximum subsidy established under the cap, regardless of whether the client has exhausted the 21-week period.

Assistance for Mobile Homes

Assistance can be made to clients who live in mobile homes in limited circumstances.

- A rent, mortgage, or utility payment must be the basis for the assistance, and an applicant must provide documentation of the payment/expense.
- The home must be permanently attached to ground with utility and sewer connections as well as compliant with local guidelines for mobile homes.
- Mobile homes with wheels, capable of being relocated, are considered personal property and therefore are not eligible for STRMU assistance.

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Assistance to Clients Residing with Family Members

STRMU can be used to assist clients that have a lease or rental agreement naming them as a tenant, but who live with an adult family member, under two different scenarios.

- Under the first scenario, a client lives with an adult family member, and the entire household is assisted and total household income is taken into consideration to meet HOPWA low-income eligibility guidelines; and
- Under the second scenario, the client rents a unit/room from the adult family member and a “reasonable accommodation” is determined necessary for the client. (See HUD regulation 24 CFR 82.306(d) in permitting a “person with disabilities,” including persons with HIV/AIDS, to receive benefits when housed with a family member who owns or rents the housing unit if it is determined by a physician that living with the family member is important to the client’s overall health and well being.) The family’s income is not counted in determining eligibility for a STRMU payment and payments must be reasonable and similar to comparable units.

ADDITIONAL INFORMATION

For additional information on STRMU assistance, see the following resources:

- CPD Notice 06-07 Standards for STRMU Payments:
<http://www.hud.gov/offices/cpd/lawsregs/notices/2006/06-07.pdf>
- Frequently Asked Questions on HOPWA STRMU:
<http://www.hud.gov/offices/cpd/aidshousing/programs/strmu.pdf>

**Note on Confidentiality. HOPWA projects make use of information on the HIV/AIDS status of individuals in determining eligibility. This information must only be accessible by qualified individuals who operate or oversee HOPWA program activities. Grantees must have related written procedures and conduct training efforts. Precautions would involve actions such as maintaining paper files in locked cabinets accessible only by designated individuals, installing security software for electronic files, along with periodic monitoring reviews on the adequacy of these procedures and training efforts.*

For more information on the HOPWA program visit the HUD website at:
www.hud.gov/offices/cpd/aidshousing/index.cfm

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