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[Page 46-47]

TITLE 24--HOUSING AND URBAN DEVELOPMENT

CHAPTER VIII--OFFICE OF THE ASSISTANT SECRETARY FOR HOUSING-FEDERAL

PART 880\_SECTION 8 HOUSING ASSISTANCE PAYMENTS PROGRAM FOR NEW  
CONSTRUCTION--Table of Contents

Subpart A - Summary and Applicability

Sec. 880.101 General.

Subpart A - Summary and Applicability

Sec.

880.101 General.

880.104 Applicability of part 880.

880.105 Applicability to proposals and projects under 24 CFR part 811.

Subpart B -Definitions and Other Requirements

880.201 Definitions.

880.205 Limitation on distributions.

880.207 Property standards.

880.208 Financing.

880.211 Audit.

Subparts C-D [Reserved]

Subpart E -Housing Assistance Payments Contract

880.501 The contract.

880.502 Term of contract.

880.503 Maximum annual commitment and project account.

880.504 Leasing to eligible families.

880.505 Contract administration and conversions.

880.506 Default by owner (private-owner/HUD and PHA-owner/HUD projects).

880.507 Default by PHA and/or owner (private-owner/PHA projects).

880.508 Notice upon contract expiration.

**Subpart F -Management**

**880.601 Responsibilities of owner.**

880.602 Replacement reserve.

880.603 Selection and admission of assisted tenants.

880.604 Tenant rent.

880.605 Overcrowded and underoccupied units.  
880.606 Lease requirements.  
880.607 Termination of tenancy and modification of lease.  
880.608 Security deposits.  
880.609 Adjustment of contract rents.  
880.610 Adjustment of utility allowances.  
880.611 Conditions for receipt of vacancy payments.  
880.612 Reviews during management period.  
880.612a Preference for occupancy by elderly families.

Authority: 42 U.S.C. 1437a, 1437c, 1437f, 3535(d), 12701, and 13611-13619.

[[Page 47]]

Source: 44 FR 59410, Oct. 15, 1979, unless otherwise noted.

(a) The purpose of the Section 8 program is to provide low-income families with decent, safe and sanitary rental housing through the use of a system of housing assistance payments. This part contains the policies and procedures applicable to the Section 8 new construction program. The assistance may be provided to public housing agency owners or to private owners either directly from HUD or through public housing agencies.

(b) This part does not apply to projects developed under other Section 8 program regulations, including 24 CFR parts 881, 882, 883, 884, and 885, except to the extent specifically stated in those parts. Portions of subparts E and F of this part 880 have been cross-referenced in 24 CFR parts 881 and 883.

[61 FR 13587, Mar. 27, 1996]

[Code of Federal Regulations]  
[Title 24, Volume 4]  
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[Page 55-56]

## TITLE 24--HOUSING AND URBAN DEVELOPMENT

### CHAPTER VIII--OFFICE OF THE ASSISTANT SECRETARY FOR HOUSING-FEDERAL

#### PART 880\_SECTION 8 HOUSING ASSISTANCE PAYMENTS PROGRAM FOR NEW CONSTRUCTION--Table of Contents

##### Subpart F -Management

##### Sec. 880.601 Responsibilities of owner.

(a) Marketing. (1) The owner must commence diligent marketing activities in accordance with the Agreement not later than 90 days prior to the anticipated date of availability for occupancy of the first unit of the project.

(2) Marketing must be done in accordance with the HUD-approved Affirmative Fair Housing Marketing Plan and all Fair Housing and Equal Opportunity requirements. The purpose of the Plan and requirements is to assure that eligible families of similar income in the same housing market area have an equal opportunity to apply and be selected for a unit in projects assisted under this part regardless of their race, color, creed, religion, sex or national origin.

(3) With respect to non-elderly family units, the owner must undertake marketing activities in advance of marketing to other prospective tenants in order to provide opportunities to reside in the project to non-elderly families who are least likely to apply, as determined in the Affirmative Fair Housing Marketing Plan, and to non-

[[Page 56]]

elderly families expected to reside in the community by reason of current or planned employment.

(4) At the time of Contract execution, the owner must submit a list of leased and unleased units, with justification for the unleased units, in order to qualify for vacancy payments for the unleased units.

(b) Management and maintenance. The owner is responsible for all management functions, including determining eligibility of applicants, selection of tenants, reexamination and verification of family income and composition, determination of family rent (total tenant payment, tenant rent and utility reimbursement), collection of rent, termination of tenancy and eviction, and performance of all repair and maintenance functions (including ordinary and extraordinary maintenance), and replacement of capital items. (See part 5 of this title.) All functions must be performed in accordance with applicable equal opportunity requirements.

(c) Contracting for services. (1) For this part 880 and 24 CFR part 881 projects, with HUD approval, the owner may contract with a private

or public entity (except the contract administrator) for performance of the services or duties required in paragraphs (a) and (b) of this section.

(2) For 24 CFR part 883 projects, with approval of the Agency, the owner may contract with a private or public entity (but not with the Agency unless temporarily necessary for the Agency to protect its financial interest and to uphold its program responsibilities where no alternative management agent is immediately available) for performance of the services or duties required in paragraphs (a) and (b) of this section.

(3) However, such an arrangement does not relieve the owner of responsibility for these services and duties.

(d) Submission of financial and operating statements. After execution of the Contract, the owner must submit to the contract administrator:

(1) Financial information in accordance with 24 CFR part 5, subpart H; and

(2) Other statements as to project operation, financial conditions and occupancy as HUD may require pertinent to administration of the Contract and monitoring of project operations.

(e) Use of project funds. (1) Project funds must be used for the benefit of the project, to make required deposits to the replacement reserve in accordance with Sec. 880.602 and to provide distributions to the owner as provided in Sec. 880.205, Sec. 881.205 of this chapter, or Sec. 883.306 of this chapter, as appropriate.

(2) For this part 880 and 24 CFR part 881 projects:

(i) Any remaining project funds must be deposited with the mortgagee or other HUD-approved depository in an interest-bearing residual receipts account. Withdrawals from this account will be made only for project purposes and with the approval of HUD.

(ii) Partially-assisted projects are exempt from the provisions of this section.

(iii) In the case of HUD-insured projects, the provisions of this paragraph (e) will apply instead of the otherwise applicable mortgage insurance provisions.

(3) For 24 CFR part 883 projects:

(i) Any remaining project funds must be deposited with the Agency, other mortgagee or other Agency-approved depository in an interest-bearing account. Withdrawals from this account may be made only for project purposes and with the approval of the Agency.

(ii) In the case of HUD-insured projects, the provisions of this paragraph will apply instead of the otherwise applicable mortgage insurance provisions, except in the case of partially-assisted projects which are subject to the applicable mortgage insurance provisions.

(Approved by the Office of Management and Budget under control number 2502-0204)

[44 FR 59410, Oct 15, 1979, as amended at 45 FR 18924, Mar. 24, 1980; 51 FR 11224, Apr. 1, 1986; 53 FR 846, Jan. 13, 1988; 53 FR 1145, Jan. 15, 1988; 53 FR 6601, Mar. 2, 1988; 54 FR 39702, Sept. 27, 1989; 56 FR 7536, Feb. 22, 1991; 60 FR 14841, Mar. 20, 1995; 61 FR 13588, Mar. 27, 1996; 63 FR 46593, Sept. 1, 1998; 65 FR 16722, Mar. 29, 2000]