


Administering Fees, Fines, and Deposits

Presented by
Vicki Brower



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Topics

- Fees, fines and deposits – how they differ
- Lease requirements
- Factors to consider in determining amounts to charge
- Federal and State limitations
- When charges are due and collectible
- When charges are considered adverse actions and subject to grievance procedure
- What information must be included in bills

Fees, Fines & Deposits – How They Differ

- Deposits
 - Amounts established by policy
 - Often limited by State law
 - Are refundable, less any allowable deductions, when no longer required
 - Security Deposits
 - Pet Deposits
 - Escrow Deposits for grieved rent charge
 - Community Room Cleaning Deposits
 - Maintenance in interest bearing accounts with interest paid to tenant **may** be required

Fees, Fines & Deposits – How They Differ

- Fines
 - Amounts established by policy
 - Often assessed for a lease violation or “bad behavior”
 - Discouraged in public housing
 - Generally best handled through lease enforcement
 - Prohibited by some State laws
 - Are an adverse action that can be grieved

Fees, Fines & Deposits – How They Differ

- Fees
 - Amounts established by policy
 - Based on actual costs incurred by PHA
 - Often an addendum to ACOP as costs change frequently
 - Are for non-routine services and damages
 - Are not refundable
 - Are an adverse action that can be grieved
 - Amounts limited by some States



Lease Requirements

- Lease **must** include any fees, fines or deposits the tenant may be required to pay.
 - \$ amounts can be incorporated by the addendum of a schedule
 - Cannot assess if not in the lease
- PHA **cannot** include language in the lease that obligates the tenant to pay the cost of attorney fees and legal actions regardless of outcome.

Lease Requirements

- **§966.3 Tenants' opportunity for comment.**
 - Each PHA shall provide at least 30 days notice to tenants and resident organizations setting forth proposed changes in the lease form used by the PHA, and providing an opportunity to present written comments.
 - Subject to requirements of this rule, comments submitted shall be considered by the PHA before formal adoption of any new lease form.

§966.5 Posting of Policies, Rules and Regulations

- **Schedules of special charges for services, repairs and utilities and rules and regulations** which are required to be incorporated in the lease by reference shall be **publicly posted in a conspicuous manner in the Project Office** and shall be furnished to applicants and tenants on request.

- Such schedules, rules and regulations may be modified from time to time by the PHA provided that the PHA shall give **at least 30-day written notice** to each affected tenant setting forth the proposed modification, the reasons therefor, and providing the tenant an opportunity to present written comments which shall be taken into consideration by the PHA prior to the proposed modification becoming effective.
- A copy of such notice shall be:
 - Delivered directly or mailed to each tenant; or
 - Posted in at least three (3) conspicuous places within each structure or building in which the affected dwelling units are located, as well as in a conspicuous place at the project office, if any, or if none, a similar central business location within the project.

When Charges Are Due

- Not due and collectible until two (2) weeks **after** the PHA gives **written** notice of the charges.
- The written notice constitutes a notice of adverse action, and must meet the requirements governing a notice of adverse action.

Prohibited Fees and Charges

- Application Fee
- Credit Report
- Criminal Background Check
- Fees or Deposits for Motorized Scooters
- Non-Refundable Pet Fees (administrative charges) and Pet Deposits for Qualifying Assistance or Service Animals
- Notarization Cost for HA required documents

Fines vs. Lease Enforcement

- Violation of Smoke-Free Housing Policy
 - Final Rule states that HUD chose progressive lease enforcement over fining
- Disabling Smoke or CO² Detectors
 - Consider lease enforcement or reactivation fees instead of fines
- Curfew Violations/Loitering
 - Lease enforcement
 - Enforcement of Ban/Trespass Policy

Fines vs. Lease Enforcement

- Unauthorized Parking, Inoperable Vehicles
 - Comply with State law.
 - Most states stipulate requirements for:
 - Conditions under which vehicles can be towed
 - Required signage – generally on each building, property entry, etc., with name & contact information of towing company.
 - Inclusion of towing provisions in lease
 - Written consent of property owner or agent for each towing

Deposits

- Security Deposit
 - Not required by HUD
 - Cannot exceed amount allowed by State law
 - *See state chart in handouts*
 - Must be maintained in type account stipulated in State law
 - Must be refunded within timeframe stipulated in State law
 - See next slide for types of charges that can be retained from Security Deposit

Ordinary Wear and Tear: HA Responsibility	Damage or Excessive Filth: Tenant's Responsibility
Curtains faded by the sun	Cigarette burns in curtains or carpets
Water-stained linoleum by shower	Broken tiles in bathroom
Minor marks on or nail holes in wall	Large marks on or holes in wall
Dents in the wall where a door handle bumped it	Door off its hinges
Moderate dirt or spotting on carpet	Rips in carpet or urine stains from pets
A rug worn thin by normal use	Stains in rug caused by leaking fish tank
Worn gaskets on refrigerator doors	Broken refrigerator shelf
Faded paint on bedroom wall	Water damage on wall from hanging plants
Dark patches of ingrained soil on vinyl floors that have lost their finish	Water stains on windowsills caused by windows being left open during rainstorms
Warped cabinet doors that won't close	Sticky cabinets and interiors
Stains on old porcelain fixtures that have lost their protective coating	Grime-coated bathtub and toilet
Moderately dirty mini-blinds	Missing mini-blinds
Toilet flushes inadequately because mineral deposits have clogged the jets	Toilet won't flush properly because it's stopped up with a diaper

Deposits

- Pet Deposits
 - In addition to Security Deposit
 - Not applicable to qualifying assistance/service animals for the disabled
 - Must be refundable (per HUD regulations)
 - May use the pet deposit **only** to pay reasonable expenses directly attributable to the presence of the pet, including (but not limited to) cost of repairs and replacements to, and fumigation of, the tenant's dwelling unit.
 - HA shall refund the unused portion of the pet deposit to the tenant within a reasonable time after the tenant moves from the project or no longer owns or keeps a pet in the dwelling unit.

Deposits

- Pet Deposits (*continued*)
 - Must be in type of account required by State law
 - Charged per unit, not per pet
 - Cannot exceed higher of HUD limits or State law
 - For Housing Programs- only applicable to tenants who keep cats or dogs
 - Must be non-discriminatory

Deposits

- Cleaning and Damage Deposit for use of Community Room
 - Tenant Groups and Associations – NO
 - Individual Tenants for Personal Use – YES
 - Non-Tenants - YES
- Can rental fees also be charged for use of Community Room?

Fees Requiring Consent Before Charged

- TV cable/service and Internet service
 - Each tenant must choose whether to accept the services offered by the HA
 - Document tenant's choice
 - Charge cannot be higher than available on the open market
 - Tenants must be allowed to install satellite dish or antenna if desired
 - Can regulate running of wires

Fees

- Pet Waste Removal Fee
 - ONLY in Housing Programs, not in public housing for the elderly and disabled
 - Not addressed in regulations for general or mixed occupancy buildings
- Non-refundable Pet Fee
 - General and Mixed Occupancy properties – not buildings for the elderly and disabled
 - Covers the reasonable operating costs relating to the presence of pets

Fees

- Late Fees
 - A late fee cannot be legally forced upon the tenant if there is no late fee clause in the lease
 - Make it reasonable
 - Most states do not specifically address late fees.
 - See Late Fee Chart in handout materials

Fees

- Maintenance Beyond Normal Wear and Tear
- Utility Surcharges
 - Must surcharge same rate as paid by PHA
- Copy Fees (*for copies for personal use*)
 - Must be reasonable
 - Should be based on actual costs of copies
- Key Replacement
- ID Card Replacement

In Summary

- No fees or deposits may be charged that are not listed in the lease.
- Tenants must be notified 30 days in advance of any changes in schedules of charges, fees or deposits and given an opportunity to submit written comments to be considered by the Board.
 - Changes in utility allowances require 60 day notice

In Summary

- Fees and deposits must comply with **both** HUD regulations and State Laws
 - Types
 - Amounts
 - Due Dates

