

R-39 REV 12/04
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STATE OF CONNECTICUT
REGULATION
OF

Name of Agency Department of Social Services

Subject Matter of Regulation
Eviction and Foreclosure Prevention Program

Section 1. The Regulations of Connecticut State Agencies are amended by adding sections 17b-804-1 to 17b-804-13, inclusive, as follows:

(New) Section 17b-804-1. Statement of Purpose

The purpose of the Eviction and Foreclosure Prevention Program (EFPP), as created by General Statutes of Connecticut Sections [17b-804 through 17b-805, is to prevent homelessness among families whose income does not exceed 60 percent of the state median income and who are at risk of becoming homeless or in imminent danger of eviction or foreclosure.

(New) Sec. 17b-804-2. Definitions

As used in sections 17b-804-1 through 17b-804-15, inclusive, of the Regulations of Connecticut State Agencies:

- (1) "Applicant" means any person who is eighteen or older, or an emancipated minor, who has requested eviction prevention services from a mediation agency under this regulation and is being assessed for eligibility on behalf of his or her family
- (2) "Arrearage" means money which is overdue and unpaid to the property owner, mortgage holder or condo association that includes the dwelling unit in which a family resides
- (3) "Client" means a family who qualifies for, and is approved for, eviction and foreclosure prevention services
- (4) "Department" means the Department of Social Services or its agent
- (5) "Desk Review" means a file review conducted by the Department of Social Services in response to a written appeal filed by an applicant pursuant to the appeals process
- (6) "Dwelling Unit" means any house or building including a mobile manufactured home in a mobile manufactured home park as defined in section 21-64 of the General Statutes of Connecticut, or portion thereof, which is occupied, is

designed to be occupied or is rented, leased or hired out to be occupied as a home or residence for one or more persons including a rooming house

- (7) "Eviction" means the legal process used to terminate a person's right to remain in his or her rental dwelling unit
- (8) "Family" means any individual, or related and unrelated individual(s) who live together and share living expenses including a family of one
- (9) "Foreclosure" means a legal termination of all rights of the mortgagor or his or her grantee in the property covered by the mortgage or action taken by a condo association to foreclose for unpaid fees
- (10) "Gross family income" means all income, from whatever source derived including, but not limited to:
 - (a) Earned income, such as compensation paid by an employer to an employee for personal services, and includes, but is not limited, to wages, salaries, tips, commissions, bonuses, and earning from self-employment or contractual agreements
 - (b) Unearned cash income including, but not limited to, pensions, annuities, dividends, interest, rental income, estate or trust income, royalties, social security or supplemental security income, unemployment compensation, workers' compensation, alimony, child support and cash assistance from Federal, state, or municipal assistance programs
- (11) "Imminent danger" means having received a written threat to terminate the applicant's right to remain in the dwelling unit including, but not limited to, one or more of the following: an original letter from the property owner, a housing authority pre-termination letter, a notice to quit, a default notice threatening foreclosure, a past-due letter or statement that the homeowner is more than thirty days in default, or court papers in support of an eviction or foreclosure
- (12) "Lease" means a rental agreement between a property owner and a family, either oral or written, authorizing a person or persons to occupy a dwelling unit for a certain length of time
- (13) "Property owner" means the owner, lessor, sublessor or property manager of a dwelling unit, the building of which a dwelling unit is a part or the premises on which the dwelling unit is located
- (14) "Mediation" means intervention in disputes between parties to help them reconcile differences, find compromises or reach mutually satisfactory agreements between tenants and property owners as well as mortgage mortgage holders and borrowers

- (15) "Mediation agency" means an entity under contract with the Department of Social Services to mediate disputes between tenants and property owners or creditors or mortgagors-in-possession on behalf of the Department of Social Services
- (16) "Mortgage" means a written instrument in which real estate is used as a security for repayment of a debt or obligation and
- (17) "Net monthly income" means all gross monthly income minus mandatory deductions including, but not limited to, Federal income tax based upon all allowable exemptions; social security tax; retirement plan deductions; union dues or fees; group life insurance premiums; health insurance premiums for all legal dependents; and for self-employed individuals, all legitimate business expenses

(New) Sec. 17b-804-3. Program description

- (a) The Eviction and Foreclosure Prevention Program prevents homelessness through the intervention of trained community-based mediators who use assessment, mediation and, when necessary, rent bank resources to keep families in their dwelling units.
- (b) The Eviction and Foreclosure Prevention Program benefits families by preventing homelessness, improving property owner-tenant relationships and stabilizing potentially homeless families in permanent housing.
- (c) No applicant shall be eligible for grants from the rent bank without participation in the assessment and mediation process.
- (d) No family shall receive grant assistance under the Eviction and Foreclosure Prevention Program in excess of \$1,200 during any eighteen consecutive months beginning with the date of the mediated agreement.
 - (1) A family member who is under the age of eighteen at the time an application is filed, and who has moved out of the dwelling unit, shall be eligible to receive assistance during the eighteen-month period set forth in subsection (d) of this section, provided that he or she is eighteen years of age or older at the time of filing an application for assistance or is an emancipated minor. A family member who meets the requirements of this subsection is eligible to receive assistance not in excess of \$1,200.
 - (2) A family member eighteen years of age, but not older than twenty-five years of age, who has moved out of the dwelling unit and provides satisfactory proof that he or she was a full-time student at the time of the family's application for assistance shall be eligible to receive assistance during the eighteen-month period set forth in subsection (d) of this section. For purposes of this subdivision, "full time student" means a high school student, an undergraduate student who is enrolled for at least twelve semester hours of credit or the equivalent thereof or a graduate student whose registration

in credit-bearing courses or their equivalent is equal to, or greater than, nine credit hours per academic term.

(3) A family member, other than a family member who satisfies the requirements set forth in subdivisions (1) and (2) of subsection (d) of this section, who has moved out of the dwelling unit during the eighteen-month period set forth in subsection (d) of this section, shall be eligible to apply for rent bank funds within the eighteen-month period. The maximum amount of grant assistance available to a family member under this subdivision is \$1,200 minus the amount of grant assistance already awarded to the family during the eighteen-month period.

(e) The Eviction and Foreclosure Prevention Program is not an entitlement program. Assessment and mediation services, as well as rent bank resources, are contingent upon the availability of funds.

(New) Sec. 17b-804-4. Eligibility

The Eviction and Foreclosure Prevention Program is available to an applicant who meets the following criteria:

- (a) Resides in Connecticut
- (b) Has gross family income at or below 60 percent of the state median income adjusted for family size and
- (c) Is at risk of becoming homeless or is in imminent danger of eviction or foreclosure

(New) Sec. 17b-804-5. Procedures

- (a) Each mediation agency shall have, and utilize a written intake procedure which shall include, but not be limited to:
 - (1) A procedure for making and accepting referrals; and
 - (2) A procedure for determining whether or not the family meets the program's admission criteria and is appropriate for the program
- (b) Each mediation agency shall, during the intake procedure, collect at least the following information on an application form from each family seeking admission to the program:
 - (1) Name(s)
 - (2) Proof of home address
 - (3) Telephone number

- (4) Date of birth
- (5) Family status
- (6) Income source(s)
- (7) Currently family income (of all household members)
- (8) Amount of arrearage or delinquency
- (9) Reasons for arrearage or delinquency
- (10) Social security number(s)
- (11) Referral source
- (12) Date of initial contact
- (13) Signature of intake worker and date
- (14) Applicant's signature and date; and
- (15) Each mediation agency shall, during the intake or mediation procedure, collect from the property owner or homeowner a completed IRS W-9 form

(New) Sec. 18b-804-6. Income verification

- (a) All applicants shall be required to document gross family income for the previous four weeks or for the previous six calendar months, if self-employed.
- (b) All applicants have the option of having their eligibility determination documented based on gross family income for the previous fifty-two weeks from the date of application if they believe that it more accurately reflects gross annual family income.
- (c) Participating mediation agencies shall require an applicant to substantiate gross family income by furnishing one or more of the following:
 - a. Self-employment worksheet
 - b. Wage stubs
 - c. A letter from an employer, customer, or other source of income
 - d. A Certificate for Disclosure of Gross Wages, Salary or Commission

- e. Federal income tax returns
- f. State income tax returns
- g. Financial reports or statements
- h. Checks
- i. A contract or lease
- j. A payment authorization regarding cash benefits
- k. Identification and verification of residence

(New) Sec. 17b-804-7. Assessment and mediation

- (a) All eligible applicants shall participate in assessment and mediation pursuant to section 17b-805 of the General Statutes of Connecticut.
- (b) Participation in assessment and mediation is prerequisite to eligibility for rent bank resources.
- (c) Each participating mediation agency shall designate trained staff or contract with individuals or organizations with expertise in property owner-tenant mediation to provide the assessment and mediation services described herein.
- (d) Applications, once filed, shall be kept active for thirty days in order to accept documentation to complete the application process. Any uncompleted application exceeding thirty days shall be considered withdrawn and the file shall be closed. This does not preclude the applicant from re-applying at a later date.
- (e) All completed applications shall be reviewed, and the applicant shall be notified of the disposition of the application and the reasons for the action taken, within five working days of receipt of the completed application by the mediation agency. A copy of the notice of disposition shall be provided upon request to any state agency responsible for the referral. The applicant shall be referred to other agencies and social services for assistance, if appropriate.
- (f) If the applicant is denied service, he or she shall be advised in writing of the right to an informal conference with the mediation agency and of the right to a desk review by the Department of Social Services if the applicant has been denied at an informal conference. This written notification shall also include a statement of the right of the applicant and his or her representative to review all information used in the decision to deny assistance.
- (g) The mediation agency shall conduct a comprehensive assessment of the eligible family in accordance with this section.

- (h) The mediation agency shall determine, within the exercise of professional judgment, the feasibility of mediating a settlement between the family and the property owner or creditors with or without financial assistance and document the basis for its determination in the case records.
- (i) If the mediation agency determines, within the exercise of professional judgment, through the assessment that mediation is appropriate, a mediation shall be scheduled and conducted.
- (j) The mediation agency shall conduct follow-up on all successful mediations at one hundred twenty days and at three hundred sixty-five days and document if the tenant or homeowner is currently residing in the same dwelling unit and if the family is current in paying their rent or mortgage payment on a timely basis. This shall be accomplished by contacting either the tenant or the property owner, or, in the case of homeownership, the homeowner, either by phone or by mail to verify current tenancy status.

(New) Sec. 17b-804-8. Rent Bank

- (a) In order to receive rent bank resources, a family shall participate in the assessment and mediation program as described in Section 17b-807-7 of the General Statutes of Connecticut and shall document the existence of a severe hardship which, in accordance with the professional judgment of the mediator(s), is not likely to recur including, but not limited to:
 - (1) Loss of income or increase in expenses
 - (2) Loss of employment
 - (3) Medical disability or emergency
 - (4) Loss or delay in receipt of other benefits
 - (5) Natural or man-made disaster
 - (6) Substantial and permanent change in household composition
- (b) A family may qualify for rent bank assistance only if, in accordance with the professional judgment of the mediator(s), the family's housing is affordable. Housing is considered affordable if:
 - (1) The monthly rent or mortgage payment for the dwelling does not exceed 60 percent of the family's gross income and that the family is capable of paying current rent and the back-owed balance that is considered to be client responsibility.

- (2) Where monthly rent or mortgage payments exceeds 60 percent of gross income, other factors may be examined to determine affordability and documented in the client file. Such factors include, but are not limited to:
 - (A) The duration of the family's tenancy or occupancy in the current housing prior to becoming delinquent and the duration of the nonpayment of rent or mortgage delinquency.
 - (B) The inclusion of heat or utilities in the family's rent or the cash value of food stamps.
 - (C) Whether the family expects to receive contributions from other family members or friends who may share in the cost of housing. A notarized statement by the contributor documenting their commitment to contribute to the applicant's rent for a specified period of time or amount shall be provided.
 - (D) Whether there is a reasonable expectation that family income will increase in the near future. Such factors may include but are not limited to, a letter or other official documentation from the employer stating that a raise is anticipated or a letter from an employer stating the applicant is a new hire with the anticipated salary.
- (c) When a successful mediation of a case requires a financial payment and the criteria listed in section 17b-804-8 of the Regulation of Connecticut State Agencies are satisfied, the mediation agency may authorize, in accordance with the professional judgment of the mediator(s), the payment of a grant on behalf of the participating family.
- (d) The amount of the grant shall be the minimum amount necessary, within the exercise of professional judgment of the mediator(s), to avoid imminent eviction or foreclosure.
- (e) All families shall contribute an amount toward their rent or mortgage arrearage with such amount to be determined on a case-by-case basis through assessment and mediation in accordance with the professional judgment of the mediator(s).
- (f) If a family is receiving a rental subsidy or resides in public housing, the maximum amount of the rent bank assistance approved by the mediation agency shall not exceed six times the monthly family rental contribution, at the time the hardship occurred, not to exceed a maximum grant of \$1,200 in accordance with the professional judgment of the mediator(s).
- (g) Prior to committing any rent bank resources, the mediation agency shall ensure that both the family and the property owner or creditor desire that the family remain in the dwelling unit for twelve additional months.

(New) Sec. 17b-804-9. Grants.

- (a) Only families whose income levels are at or below 60 percent of the state median income level shall qualify for a grant.
- (b) No grant shall exceed \$1,200.

(New) Sec. 17b-804-10. Payments

Payments of rent bank financial assistance for grants shall be made payable to the creditor or property owner or his or her designated agent. For tax purposes, payments for mortgages may be made co-payable to the family and the lending institution holding the mortgage.

(New) Sec. 17b-804-11. Fraud

- (a) An applicant who provides false information in applying for EFPP assistance shall be subject to prosecution and recoupment of any benefits provided and the family will automatically be denied services. In addition, said family will also be prohibited from participation for a period of two program years following the year in which the misrepresentation occurred. Persons who divert benefits to ineligible households shall be subject to the same penalties.
- (b) Property owners committing fraud or misrepresentation are subject to suspension from participation in the EFPP for a period of two years from the date of the misrepresentation and are subject to prosecution and recoupment of any benefits provided.

(New) Sec. 17b-804-12. Reporting requirements

All mediation agencies shall comply with reporting and audit procedures established by the state funding agency for purposes of monitoring and evaluating the Eviction and Foreclosure Prevention Program.

(New) Sec. 17b-804-12. Appeal process

Any applicant who is denied assistance may appeal the decision in accordance with the following procedures:

- (a) The applicant shall file a written request for an informal conference not later than fifteen days from the date of the receipt of the notice of disposition. The request shall be addressed to the chief executive officer or other authorized official of the mediation agency and signed by the applicant.
- (b) The written request shall clearly state the reason(s) why the applicant believes he or she should receive services.

- (c) An informal conference by the mediation agency shall be scheduled not later than ten business days from the receipt of the request by the applicant, and the mediation agency shall inform the applicant of the informal conference date by written notice. The notice of informal conference shall include the date, time and place for the conference and the reason why the informal conference has been requested.
- (d) The mediator for the case, or his or her supervisor, shall prepare and provide to the chief executive officer, or his or her designee, a file containing all relevant documentation used in forming the denial decision. The mediator or supervisor shall include a written summary stating the reason(s) for the denial and the accompanying sections of the regulations. This file and summary shall be made available to the chief executive officer not later than two working days prior to the informal hearing.
- (e) The applicant may be accompanied by an attorney or other representative or family member. The applicant may bring to the informal conference additional documentation in support of his or her appeal.
- (f) The applicant and the applicant's attorney or other representative may review the informal hearing file prior to the hearing by contacting the mediation agency to set up an agreed-upon time within the twenty-four hours prior to the hearing.
- (g) The mediation agency shall request the presence of mediation staff at the informal conference.
- (h) The chief executive officer or designee, who has not participated in the decision being appealed, shall conduct the informal conference and act as hearing officer.
- (i) The applicant may request one postponement for good cause by contacting the mediation agency. The mediation agency shall document this call in the client file.
- (j) If the applicant does not appear at the scheduled informal conference, the case shall be closed and noted in the client's file. If an applicant has requested a new hearing date and does not show up on the rescheduled date, the case shall be closed and noted in the client's file.
- (k) The applicant may withdraw the request for an informal conference by contacting the mediation agency. The mediation agency shall document the request in the client file.
- (l) The chief executive officer, or his or her designee, shall make a finding based on the documentation supplied at the informal conference and shall notify the applicant of his or her decision in writing no later than five business days from the date of the informal conference.

(New) Sec. 17b-804-13 Desk review

Any applicant aggrieved by an informal conference decision may request a desk review not later than fifteen days from the date of receipt of the informal conference decision by filing a written request with the Department of Social Services. The Department shall make a decision in writing to the applicant not later than seven business days after the receipt of the client's informal review file from the mediation agency. The mediation agency shall either fax or express mail the client's informal review file to the Department immediately upon request. The Department shall mail a copy of their decision to the applicant with a copy to the mediation agency.

Section 2. Sections 17-619-1 to 17b-619-16, inclusive, of the Regulations of Connecticut State Agencies are repealed.