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Security Deposit Loan Fund

Sec. 8-337-1. Definitions

- (a) "Commissioner" means the Commissioner of the Department of Housing.
- (b) "Department" means the Department of Housing.
- (c) "Eligible Provider" or "Provider" means a public or private organization or agency which operates a program for emergency shelter services for homeless individuals and may be authorized by the Commissioner of Housing to accept applications for security deposit loans from the homeless, or the Department of Housing, the Department of Human Resources or the Department of Income Maintenance.
- (d) "Emergency Housing" or "Other Emergency Housing" means a temporary residential facility other than an emergency shelter such as a hotel, motel or rooming house in which a recipient of state assistance from the Department of Human Resources or Department of Income Maintenance resides at the time he or she makes application for a security deposit loan.
- (e) "Emergency Shelter" means a privately or publicly supported structure designed to accept persons on a temporary basis for whom shelter is not otherwise available.
- (f) "Security Deposit" means any advance rental payment other than an advance payment for the first month's rent.
(Effective October 1, 1985)

Sec. 8-337-2. Program administration

- (a) Any privately or publicly supported entity which operates an emergency shelter or other emergency housing facility for individuals and/or families may apply to the Commissioner of Housing for certification as an eligible provider under the Security Deposit Revolving Loan Fund program. The Department of Housing, the Department of Human Resources or the Department of Income Maintenance may serve as the eligible provider for persons who reside in emergency housing other than emergency shelters operated by a privately or publicly supported entity.
- (b) Privately and publicly supported entities which operate an emergency shelter who wish to apply for certification as an eligible provider shall submit to the Commissioner of Housing an application issued by the Department which shall include the name, address and length of time the emergency shelter has been in operation. In its evaluation of each application, the Department shall examine the amount and sources of funding received by the shelter, the level and qualifications of staffing of the shelter, the shelter's continuity of operation, and such other information which the Commissioner may deem necessary.
- (c) Each privately or publicly supported entity which operates an emergency shelter and is approved by the Commissioner to serve as an eligible provider under the Security Deposit Revolving Loan Fund program and each state agency which has agreed to serve as a provider shall designate one or more staff members to assist eligible persons in completing an application for a security deposit loan and a promissory note and forward them to the Department.
(Effective October 1, 1985)

Sec. 8-337-3. Eligibility

- (a) Persons eligible to receive loans under the Security Deposit Revolving Loan Fund program shall be residents of emergency shelters or recipients of state assistance from the Department of Human Resources or Department of Income Maintenance

who reside in other emergency housing at the time an application for a security deposit loan is made. Applicants must be able to afford a rental dwelling unit but, at the time application is made, have insufficient liquid assets or resources to afford a security deposit for the unit.

(Effective October 1, 1985)

Sec. 8-337-4. Loan applications and approval

(a) Persons residing in emergency shelters or other emergency housing may apply to eligible providers for a security deposit loan for a rental dwelling unit in an amount of up to \$250 per loan. The maximum security deposit approved for an applicant who proposes to live in a one room rental dwelling unit shall not exceed the rental charge for a period of two weeks. The Commissioner may, upon a documented showing of need, approve loans in excess of \$250.

(b) On an application issued by the Commissioner of Housing, an applicant for a security deposit loan shall supply an eligible provider with their name, current residence, phone number and information concerning all assets and income of the individual or, in the case of a family, all assets and income of the applicant's family. The applicant shall also supply the provider with information concerning the available rental dwelling unit which the applicant proposes to occupy, including the address of the available rental dwelling unit, the name, address and phone number of the dwelling unit's landlord, and the amount of rent and security deposit required. The application shall include a provision to be agreed to by the applicant authorizing the Department of Housing to make inquiries it deems necessary to verify the information provided in the application and to authorize the Department to advise the provider of the status of the loan.

(c) An eligible provider shall forward completed applications for a security deposit loan and promissory notes to the Commissioner of Housing for review by the Department.

(d) Subject to the availability of funds, the Commissioner of Housing may approve an applicant's request for a security deposit loan if a review of the application shows that the applicant meets the eligibility criteria as outlined in Section 8-337-3 and has the ability to repay the loan at a rate of at least \$5.00 per month.

(e) Following the approval by the Commissioner of Housing of an applicant's request for a security deposit loan, the Department shall issue a check for the amount of the loan made payable to the applicant and the landlord of the available rental dwelling unit so that the signatures of both are required for the check to be deposited.

(f) The check for the loan shall be issued to the applicant after the applicant signs a receipt for the check.

(g) The Commissioner of Housing shall establish and collect interest on each loan at a rate of no more than five per cent per annum.

(h) The Commissioner of Housing shall establish procedures for the billing and collection of all loans issued pursuant to Sections 8-337 and 8-338 of the Connecticut General Statutes. All payments of principal and interest on these loans shall be deposited in the Connecticut Security Deposit Revolving Loan Fund or any Special Operating Account authorized by the State Treasurer and State Comptroller.

(Effective October 1, 1985)

Sec. 8-337-5. Repayment of loan

(a) Repayments of loans provided under the provisions of this program shall be in accordance with the provisions of Section 8-337 of the Connecticut General Statutes and with the terms of the promissory note signed by the borrower. A

recipient of the loan who vacates the dwelling unit shall be liable for payment of the entire unpaid principal and interest within sixty days after the recipient has vacated the dwelling unit.

(Effective October 1, 1985)