

TABLE OF CONTENTS

Eviction Prevention

Purpose 17-619- 1

Definitions 17-619- 2

Program description 17-619- 3

Eligibility 17-619- 4

Referrals for vendor payments. 17-619- 5

Procedures 17-619- 6

Income verification. 17-619- 7

Assessment and mediation 17-619- 8

Rent bank. 17-619- 9

Grants. 17-619-10

Loans 17-619-11

Loan/grant 17-619-12

Payments 17-619-13

Reporting requirements 17-619-14

Appeal process 17-619-15

Fair hearings 17-619-16

Eviction Prevention

Sec. 17-619-1. Purpose

The purpose of the Eviction Prevention Program (EPP), as created by Connecticut General Statutes Sections 17-619 et al, is to prevent homelessness among families whose income does not exceed 60% of the state median income and who are at risk of becoming homeless or in imminent danger of eviction or foreclosure.

(Effective October 1, 1993)

Sec. 17-619-2. Definitions

For the purpose of Sections 17-619-1 through 17-619-16, inclusive, the following definitions shall apply:

(a) “Applicant” means any person who is eighteen or older or the head of a household who has requested eviction prevention services from a mediation agency under this regulation.

(b) “Arrearage” means money which is overdue and unpaid.

(c) “Desk review” means an informal hearing conducted by a mediation agency in response to a written appeal filed by an applicant.

(d) “Eviction” means the legal process used to terminate a person’s right to remain in his or her rental home.

(e) “Family” means any individual or related and unrelated individual(s) who live together and share living expenses, including a family of one.

(f) “Foreclosure” means a legal termination of all rights of the mortgagor or his or her grantee in the property covered by the mortgage.

(g) “Gross family income” means all income, from whatever source derived, including, but not limited to:

(1) Earned income such as compensation paid by an employer to an employee for personal services and includes wages, salaries, tips, commissions, bonuses, and earnings from self-employment or contractual agreements.

(2) Unearned cash income such as 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.

(h) “Imminent danger” means having received a threat to terminate the applicant’s right to remain in the home, including but not limited to, a notice to quit, a default notice threatening foreclosure, or court papers in support of an eviction or foreclosure.

(i) “Lease” means a rental agreement, either oral or written, authorizing a person to occupy a home for a certain length of time.

(j) “Mediation agency” means an entity under contract with the Department of Human Resources to mediate disputes between tenants and landlords or creditors and mortgagors-in-possession on behalf of the Department.

(k) “Mortgage” means a written instrument in which real estate is used as a security for repayment of a debtor obligation.

(l) “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.

(Effective October 1, 1993)

Sec. 17-619-3. Program description

(a) The Eviction Prevention Program prevents homelessness through the intervention of trained community-based mediators who use assessment, mediation and, when necessary, rent bank resources, including grants and loans, to keep families in their homes.

(b) The Eviction Prevention Program benefits families by preventing homelessness, improving landlord-tenant relationships, establishing a credit record for families who utilize the loan component, and stabilizing potentially homeless families in permanent housing.

(c) No applicant shall be eligible for grants and/or loans from the rent bank without participation in the assessment and mediation program.

(d) No family shall receive grant assistance under the Eviction Prevention Program in excess of one thousand dollars, nor loan assistance in excess of \$1,200 more than once in any eighteen (18) month period beginning with the date of the mediated agreement.

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

(Effective October 1, 1993)

Sec. 17-619-4. Eligibility

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

(a) resides in Connecticut;

(b) has a gross family income at or below 60% of the state median income adjusted for family size;

(c) is at risk of becoming homeless or is in imminent danger of eviction or foreclosure; and

(d) is not in default on any Eviction Prevention Program loan.

(Effective October 1, 1993)

Sec. 17-619-5. Referrals for vendor payments

Mediation agencies may refer to the appropriate regional office of the Department of Income Maintenance (DIM) any applicants for Eviction Prevention services who are recipients of Aid to Families with Dependent Children (AFDC) or the optional State Supplemental Income program, when the risk of eviction is due to nonpayment, for assistance with the vendoring of payments toward back rent or current rent.

(Effective October 1, 1993)

Sec. 17-619-6. 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;

(2) home address;

(3) telephone number;

- (4) date of birth;
 - (5) family status;
 - (6) income source(s);
 - (7) current family income (of all household members);
 - (8) amount of arrearage or delinquency;
 - (9) reason(s) for arrearage or delinquency;
 - (10) social security number;
 - (11) referral source;
 - (12) date of initial contact;
 - (13) date of interview;
 - (14) signature and title of intake worker; and
 - (15) applicant's signature.
- (Effective October 1, 1993)

Sec. 17-619-7. Income verification

(a) All applicants shall be required to document gross family income for the previous four (4) weeks or for the previous six (6) 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 52 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:

- (1) self-employment worksheet;
- (2) wage stubs;
- (3) a letter from an employer, customer, or other source of income;
- (4) a Certificate for Disclosure of Gross Wages, Salary or Commission;
- (5) federal income tax returns;
- (6) state income tax returns;
- (7) financial reports or statements;
- (8) checks;
- (9) a contract or lease;
- (10) a payment authorization regarding cash benefits; and
- (11) identification and verification of residence.

(Effective October 1, 1993)

Sec. 17-619-8. Assessment and mediation

(a) All eligible applicants shall participate in assessment and mediation pursuant to Section 17-620 of the Connecticut General Statutes as may be amended.

(b) Participation in assessment and mediation is a 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 landlord-tenant mediation to provide the assessment and mediation services described herein.

(d) 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 (5) working days of receipt of the completed application by the mediation agency. A copy of the notice of disposition shall be provided to any state agency responsible for the referral. The applicant shall be referred to other agencies and social services for assistance, if appropriate.

(e) If the applicant is denied service, he or she shall be advised in writing of the right to a desk review with the mediation agency pursuant to Section 17-619-15

and of the right to a fair hearing pursuant to Section 17-619-16. 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.

(f) The mediation agency shall conduct a comprehensive assessment of the eligible family in accordance with this section.

(g) The mediation agency shall determine, within the exercise of professional judgment, the feasibility of mediating a settlement between the family and the landlord or creditors with or without financial assistance.

(h) 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.

(i) The mediation agency shall conduct follow-up on all successful mediations at 120 and 360 day intervals.

(Effective October 1, 1993)

Sec. 17-619-9. Rent bank

(a) In order to receive rent bank resources, a family shall participate in the assessment and mediation program as described in Section 17-619-8, and 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; or
- (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% of the family's gross income, including the cash value of food stamps, or

(2) Where monthly rent or mortgage payments exceeds 60% of gross income, other factors shall be examined to determine affordability. 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 non-payment of rent or mortgage delinquency.

(B) The inclusion of heat or utilities in the family's rent.

(C) Whether the family expects to receive contributions from other family members or friends who may share in the cost of housing.

(D) Whether there is a reasonable expectation that family income will increase in the near future.

(c) When a successful mediation of a case requires a financial payment and the criteria listed in subsections (a) and (b), of Section 17-619-9 are satisfied, the mediation agency may authorize, in accordance with the professional judgment of the mediator(s), the payment of grants, loans, or a combination thereof to the landlord or creditor on behalf of the participating family.

(d) The amount of the grant and/or loan 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 (6) times the monthly family rental contribution, not to exceed a maximum grant of \$1,000 or a maximum loan 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 landlord or creditor desire that the family remain in the dwelling unit for twelve (12) additional months.

(Effective October 1, 1993)

Sec. 17-619-10. Grants

(a) Participating families whose income levels are at or below 30% of the state median income level shall only qualify for a grant.

(b) No grant shall exceed \$1,000.

(Effective October 1, 1993)

Sec. 17-619-11. Loans

(a) Families whose income levels are between 30 and 60 per cent of the state median income adjusted for family size may qualify for a loan.

(b) Participating mediation agencies may authorize a loan under this program in an amount not less than \$200 and not greater than \$1,200 for a term not to exceed twelve (12) months. Loans may be approved for any increment and timeframe within the provisions listed in subsection (b) of Section 17-619-11 in accordance with the professional judgment of the mediator(s).

(c) Families who qualify for a loan under Section 17-619-11 may not have monthly installment debt in excess of 50% of their net monthly income. The amount of installment debt shall include the following:

- (1) current rent or mortgage payment;
- (2) periodic payments due on any back rent or back-mortgage payment;
- (3) periodic payments due on a loan under this program;
- (4) any motor vehicle loan payment(s);
- (5) credit card loan payments; and
- (6) court ordered alimony and/or child support payments.

(d) Repayment of loans shall be based on a monthly repayment schedule over the life of the loan.

(e) Monthly service fees and any origination fees shall be paid from rent bank funds by the mediation agency on behalf of the borrower. In no event shall the service fee or origination fee be charged to the borrower.

(f) Rent bank loans shall bear interest at an annual rate not to exceed six (6) per cent.

(g) If a family defaults on a loan, the mediation agency shall contact the family to review the obligation, the reason for the default, and, if necessary, negotiate a new financial assistance agreement. For the purposes of these regulations, any loan that is in arrears in excess of forty (40) days shall be considered in default.

(h) After complying with subsection (g) of Section 17-619-11, any uncured or new default shall be reported to the bank servicing the loans for disclosure to any credit reporting agency and reported to the state funding agency for collection as a state debt.

(Effective October 1, 1993)

Sec. 17-619-12. Loan/grant

(a) In accordance with the eligibility criteria listed in Sections 17-619-9, 17-619-10, and 17-619-11, an applicant may be eligible for financial assistance in the form of a combination of a loan and a grant.

(b) A mediation agency may authorize a combination of a grant and a loan, in accordance with the professional judgment of the mediator(s), based on the following criteria:

(1) the amount of the loan is not less than \$200 and the total amount of financial assistance in the form of a loan and/or grant does not exceed \$1,200; and

(2) the mediation agency is satisfied that the client has the ability to repay the loan.

(c) The repayment of loans provided under this section shall be in the same manner as described in Section 17-619-11.

(Effective October 1, 1993)

Sec. 17-619-13. Payments

Payments of rent bank financial assistance for grants, loans or a combination thereof, shall be made payable to the creditor or landlord 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.

(Effective October 1, 1993)

Sec. 17-619-14. 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 Prevention Program.

(Effective October 1, 1993)

Sec. 17-619-15. Appeal process

Any applicant who is denied assistance may request a desk review in accordance with the following procedures:

(a) The applicant shall file a written request for a desk review within fifteen (15) days from the date of the receipt of the written disposition notice addressed to the executive director of the mediation agency and signed by the applicant.

(b) The written request shall state the reason(s) the applicant believes he or she should receive services and include any additional documentation in support of his or her case.

(c) The executive director of the mediation agency may designate a staff employee to conduct the desk review provided that individual has not participated in the decision which is being appealed.

(d) The executive director, or any individual he or she designates, who has not participated in the original decision regarding the applicant, shall make a finding based on the desk review.

(e) The applicant or service recipient may withdraw the request for a desk review if a satisfactory resolution of the matter has been reached.

(f) Within fifteen (15) days from the date of the receipt of the request, the mediation agency shall make a decision based on an evaluation of the evidence as submitted and shall notify the applicant in writing, of the decision. This written decision shall state the reason(s) for the decision.

(Effective October 1, 1993)

Sec. 17-619-16. Fair hearings

Any applicant aggrieved by any action or inaction of the Department may request a fair hearing in accordance with Connecticut General Statutes Sections 17-603 and 17-604 as may be amended. The Department of Human Resources' fair hearing procedures are governed by applicable provisions of the Uniform Administrative Procedure Act and Sections 17-603-1 through 17-603-13, inclusive, of the Regulations of Connecticut State Agencies. Decisions made in accordance with the professional judgment of the mediator(s) shall be affirmed unless characterized by abuse of discretion or clearly unwarranted exercise of discretion.

(Effective October 1, 1993)