

OIG Fraud Bulletin

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OFFICE of
INSPECTOR GENERAL

UNITED STATES DEPARTMENT OF
HOUSING AND URBAN DEVELOPMENT

Landlord Overcharging Section 8 Tenant Fraud Scheme

The U.S. Department of Housing and Urban Development (HUD) Housing Choice Voucher Program (Section 8 housing) is the Federal Government's major program for assisting very low-income families, the elderly, and the disabled to afford decent, safe, and sanitary housing in the private market. The voucher program helps eligible HUD beneficiaries by covering a portion of their rental costs each month.

Section 8 vouchers are administered locally by public housing agencies (PHAs) who receive Federal funding from HUD to administer the voucher program. A Housing Assistance Payments Contract (HAP contract) between the landlord or owner and the PHA establishes the "total rent" received by the landlord or owner, which consists of:

- the monthly housing assistance payments by the PHA to the owner.
- the portion of rent paid by the tenant directly to the owner.

Landlords are prohibited from requiring tenants to pay rent in excess of what is authorized by HAP contracts. The Landlord may **not** demand or accept any rent from the tenant in excess of the contracted amount and must immediately return any excess rent payment to the tenant. Further, the Landlord may **not** charge HUD-assisted tenants higher rents for Section 8 funded units than they charge to other tenants in units that are not funded with Section 8 vouchers.

Landlords cannot change the rent without obtaining approval from the local housing authority and cannot avoid Federal rent limits by making side deals with tenants.

Additional Fees or Charges - Section 8 landlords may require additional side payments from tenants above the rents stated in the lease or reported to the housing authority as a condition of leasing, however, **nonpayment of any such additional charges is not grounds for termination of tenancy.** These additional payment demands may include rental charges for:

- washers and dryers
- renter's insurance
- parking (covered and uncovered)
- garage rental
- storage space rental
- month-to-month lease fees
- pest and bedbug control
- internet and cable service



- any meals or supportive services or furniture which may be provided by the owner
- any items customarily included in rent to owner in the locality, or provided at no additional cost to unsubsidized tenants in the premises

Threatening to evict tenants or in fact evicting tenants for failure to pay any of these additional charges is illegal. Deducting any unpaid additional charges from tenants' security deposits is also prohibited.

Improperly requiring tenants to pay rent in excess of what is authorized by the applicable HAP contract is a potential criminal or civil violation of the law.

Report suspected fraud to the HUD Office of Inspector General Hotline at 1-800-347-3735 or visit our website at, <https://www.hudoig.gov/hotline>.

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