



U.S. Department of Housing and Urban Development

Public and Indian Housing

Special Attention of:  
Office Directors of Public Housing;  
Secretary's Representatives; Public Housing  
Agencies Administering Section 8 Programs

**Notice PIH 99-9 (HA)**

Issued: February 11, 1999

Expires: February 28, 2000

Cross References:

**Subject: Transfer of Section 8 Certificate Program Funding to the Voucher Program Annual Contributions Contract Funding Exhibit**

**PURPOSE:** This Notice is to advise housing agencies (HAs), Office of Public Housing HUBs, and Office of Public Housing Program Centers, that the Department is combining certain funding for the rental certificate and rental voucher programs under the consolidated annual contributions contract (CACC).

**BACKGROUND:** Section 545 of the Quality Housing and Work Responsibility Act of 1998 (P.L. 105-276, approved October 21, 1998) authorized the merger of the rental certificate and rental voucher programs. The merger of the certificate and voucher programs will be implemented by issuance of a regulation. In anticipation of the merger and to reduce the number of required budgets and financial statements from administering HAs, the Department intends to fund all increments of the Section 8 tenant-based programs upon renewal under a joint instrument (Exhibit B).

Beginning in April 1999, as certificate funding increments on Exhibit A of the CACC expire they will be renewed as tenant-based funding increments on Exhibit B of the CACC. This will enable the Department to transfer expiring funding increments from the CACC Exhibit A (funding for the certificate program) to Exhibit B (funding for the tenant-based certificate and voucher programs) and is an important first step in the transition to the new single tenant-based voucher program. The majority of the certificate funding increments will expire during the next 12 months.

**APPLICABILITY.** This Notice is applicable to HA certificate funding increments that expire from April 1999 through December 2000.

**IMPACT ON HA BUDGETS.** Since the conversion will occur as funding increments expire, HAs will be required to submit revised budgets and requisitions. A separate notice will provide specific instructions on budget preparation for this conversion.

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HUD 21B(3-80)  
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**REVISED CONSOLIDATED ANNUAL CONTRIBUTIONS CONTRACT FOR THE SECTION 8 TENANT-BASED PROGRAMS.**

The Department will be issuing a notice transmitting a revision of Form HUD-52520, the Consolidated Annual Contributions Contract for the Section 8 tenant-based programs soon. Instructions on executing the revised CACC will be included in the notice.

**IMPACT ON CURRENT CERTIFICATE HOUSING ASSISTANCE PAYMENTS (HAP) CONTRACTS.**

This action does not terminate current certificate program HAP contracts or provide HAs with authority to terminate a current certificate HAP contract with an owner solely to switch the family's form of assistance. The terms and conditions of currently executed HAP contracts remain in effect.

**IMPACT ON HA TENANT-BASED PROGRAM.** HAs have the option to issue certificates or vouchers with available Exhibit A or Exhibit B funding (and available amounts in the unified ACC reserve account) until the regulations implementing the merger of the certificate and voucher program go into effect. As Exhibit A certificate funding increments expire and are renewed as Exhibit B funding increments, HAs will have authority to choose to administer available Exhibit A or Exhibit B budget authority under either the certificate or voucher rules.

HAs will continue to report the actual form of the subsidy used by each individual family on Form HUD-50058, Family Report.

HAs should keep in mind that eventually all certificates will be converted to the new voucher program authorized by the Quality Housing and Work Responsibility Act of 1998 which the Department plans to implement by regulation in the Spring of 1999. The new rule will explain the rules for conversion from the certificate program.

**OVER-FMR CERTIFICATE PROGRAM TENANCIES.** HAs are reminded that implementation of the certificate program over-FMR tenancy option is not mandatory unless needed as a reasonable accommodation for a person with disabilities. An HA may wish to minimize use of this new option or issue the family a voucher since the over-FMR tenancy option will cease to exist when the certificate and voucher programs are merged.

**HA ACTIONS.** An HA may elect to begin using currently available certificate funding as voucher funding after the transfer of funds to the joint instrument (Exhibit B) voucher exhibit and to reissue turnover certificates as vouchers. In such instances, the HA must notify families on the waiting list who declined accepting a certificate and re-offer the family a voucher before removing the family's name from the waiting list. The HA must also make the appropriate revisions in its Section 8 Administrative Plan.

/s/ Deborah Vincent for  
Harold Lucas, Assistant Secretary  
for Public and Indian Housing