



MONTANA
DEPARTMENT OF COMMERCE

Tenant Based
Section 8 Program



UTILITY ALLOWANCES

» Why is there a utility allowance schedule:

> 24 CFR 982.517(a) requires:

- + PHA must maintain a utility allowance schedule for all tenant-paid utilities (except telephone), for the cost of tenant-supplied refrigerators and ranges, and for other tenant-paid housing services (e.g., trash collection (disposal of waste and refuse)).

» When are utility allowances updated:

> 24 CFR 982.517(c)(1) states:

- + A PHA must review its schedule of utility allowances each year and **must** revise it if there has been a change of 10 percent or more in utility rates since the last time schedule was revised

» When is the schedule used?

> 24 CFR 982.517(d)(1 & 2):

- + When a family leases up
- + At annual reexamination – HCV Guidebook, Chapter 18, Page 18-9

UTILITY ALLOWANCES 2

- » When is the allowance for range and/or refrigerator used?
 - > When tenants have to provide for one or both of these appliances
- » How do I know when to apply the allowance?
 - > If the RTA (Request for Tenant Approval) shows that the tenant is providing/supplying the range/refrigerator and the lease agreement indicates it is the tenant's responsibility to provide the range and/or refrigerator – HUD website instructions at: https://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/rhiip/faq_gird
- » What does the range/refrigerator allowance do for tenants?
 - > Provides them with an allowance for their cost of leasing the equipment or purchasing the equipment on an installment plan
 - > It does NOT pay for the energy used to operate the appliances – that's covered under the utility allowances for “Cooking” and/or “Other Electricity”
- » What is the tenant wants to provide own range/refrigerator – do they still get the allowance?
 - > No, the allowance is only given if the owner does not provide the appliances. The lease should determine what the owner provides – see above referenced HUD website

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