



MONTANA
DEPARTMENT OF COMMERCE

Tenant Based
Section 8 Program



REPAYMENT OF DEBTS OWED TO MDOC

» Answer: Amount of rent tenant should have paid but didn't

- > Tenants are required to pay a minimum of 30% of monthly adjusted income toward rent
- > Tenants who fail to report an increase in income, are paying less rent than required by HUD's rent formula
- > The amount of money the tenant should have paid for rent minus the amount the tenant did pay each month is considered rent underpayment or retroactive rent

WHAT CONSTITUTES DEBTS OWED?



» First Offense

- > Under \$2,400
 - + First time family fails to report income increase may not be terminated
 - + May be offered a repayment agreement
 - + Agreement must be signed and returned to MDOC within 15 calendar days
- > Greater than \$2,400 but less than \$5,000
 - + Tenant may be terminated
- > \$5,000 or more
 - + MDOC may turn claim over to HUD Office of Inspector General or FBI if fraud suspected, or State Auditor or private collection agency for collection

UNREPORTED INCOME



» Second Offense

- > Second time family doesn't report income, they will be terminated from assistance
- > Not allowed back into program for 5 years

UNREPORTED INCOME – cont.



- » If MDOC offers family a repayment agreement, tenant may:
 - > Pay a partial lump sum payment and enter into a repayment agreement for remaining balance
 - > Enter into a repayment agreement for full amount
- » Agreement must be signed and returned to MDOC within 15 calendar days
- » Generally MDOC will not enter into a 2nd repayment agreement if one already exists

REPAYMENT AGREEMENT



» Due Dates

- > Pursuant to terms of repayment agreement
- > Must be received by end of business day on due date

» Late or Missed Payments

- > If no prior approval for late payment, delinquency notice will be sent
- > If no payment received by delinquency due date, breach of agreement
 - + MDOC will terminate assistance and
 - + May also send to collection agency

Repayment Agreement – cont.

