1). Payment Standards – Small Area Fair Market Rents (HCV) - The agency is authorized to adopt and implement any reasonable policy to establish payment standards based upon Small Area Fair Market Rents (SAFMR). In lieu of establishing a unique payment standard for each ZIP code area within its jurisdiction, a PHA may use this flexibility to establish payment standards for "grouped" ZIP code areas.

i. Payment standard must be between 80% and 150% of the SAFMR.
ii. The payment standard in effect for each grouped ZIP code area must be within the basic range of the SAFMR for each ZIP code area in the group.
iii. Agency must implement an impact analysis.
iv. Agency must implement a hardship policy.

2). Payment Standards – Fair Market Rents (HCV) - The agency is authorized to adopt and implement any reasonable policy to establish payment standards based upon Fair Market Rents (FMR).

i. Payment standard must be between 80% and 120% of the FMR.
ii. Agency must implement an impact analysis.
iii. Agency must implement a hardship policy.

3. Landlord Leasing Incentives

The agency is authorized to determine a damage claim and/or vacancy loss policy and payment policy for units that differ from the policy requirements currently mandated in the 1937 Act and its implementing regulations. All policies are subject to state and local laws. The agency may combine activities 4a and 4b into one voucher leasing incentive. For voucher activities related to this waiver, the Department has developed a standard rider to the HAP contract that reflects MTW authorizations that amend the current provisions of the HAP contract.

4. Vacancy Loss (HCV - Tenant-Based Assistance) - To incentivize a landlord's continued participation in the HCV program, the agency is authorized to make additional payments to the landlord.

i. Payments made to the landlord must be equal to no more than one month of the contract rent.
ii. The payment must be made to the landlord when the next HAP contract is executed between the owner and the PHA.
iii. The agency must update its Administrative Plan to reflect the vacancy loss policy.

4.b. Damage Claims (HCV - Tenant-Based Assistance) - To incentive a landlord's continued participation in the HCV program, the agency may provide landlords with compensation.

4.b. i. If the tenant leaves the unit damaged, the amount of damage claims must not exceed the lesser of the cost of repairs or two months of contract rent.
ii. In implementing this activity, the participant's security deposit must first be used to cover damages and the agency may provide up to two months of contract rent minus the security deposit to cover remaining repairs.
iii. The payment must be made to a landlord when the next HAP contract is executed between the owner and PHA.
iv. The agency must update its Administrative Plan to reflect the damage claim policy.

5). Other Landlord Incentives (HCV - Tenant-Based Assistance) - In order to incentivize new landlords to join the HCV program, the agency may provide incentive payments. Agencies may target incentive payments to landlords leasing properties in high opportunity neighborhoods or in areas located where vouchers are difficult to use as defined in an agency's Administrative Plan.

i. Payments made to the landlord must be equal to no more than one month of the contract rent.
ii. The payment must be made to the landlord when the HAP contract is executed between the owner and the PHA.

6). Housing Quality Standards (HQS)

Subject to state and local laws, the agency is authorized by the Secretary to develop flexibilities around an HQS inspection's timing and frequency, the independent-entity requirement, and penalties for failing an HQS inspection, as detailed below. Implementation of any of the below discrete HQS activities meets the requirements of the 1996 MTW Statute, which requires housing to meet HQS established or approved by the Secretary.

6a. Pre-Qualifying Unit Inspections (HCV) - The agency may allow pre-qualifying unit inspections (also known as a pre-inspection).

i. The pre-inspection must have been conducted within 90 days of the participant occupying the unit.
ii. The participant must be able to request an interim inspection.
iii. HQS inspection standards must not be altered as found at 24 CFR 982.401.

7) Alternative Inspection Schedule (HCV) - The agency is authorized to establish a local inspection schedule for all or a portion of its HCV units.

i. Units must be inspected at least once every three years.
ii. The participant must be able to request an interim inspection.
iii. HQS inspection standards as found at 24 CFR 982.401 must not be altered.
iv. The Department must be able to conduct or direct the agency to perform an inspection at any time for health and safety, as well as accessibility, purposes.