



# Section 8 Owner Newsletter

JANUARY 2010

Housing Authority of the City of Los Angeles  
www.hacla.org

## Foreclosures

U.S. Department of Housing and Urban Development (HUD) issued additional guidance regarding the Protecting Tenants at Foreclosure Act [PL 111-22, May 20, 2009].

If you are gaining ownership of a property through a foreclosure sale, and there are tenants in that property receiving Section 8 subsidy you will be subject to the Housing Assistance Payment Contract, and there must be "good cause" other than vacating the property prior to sale in order to terminate the existing tenancy.

If you will be using the property as your primary residence, the lease can then be terminated effective on the date of the sale. In this case, the Section 8 tenant will still be entitled to a minimum of 90 days notice to vacate the unit.

Where State and local laws appear to cover the same ground as the statutes discussed in this notice, the law that gives the longest time frame or most protection to the existing tenant applies.

If the Housing Authority learns that the property is in foreclosure, the Housing Authority must attempt to obtain a written acknowledgement of the assignment of the Housing Assistance Payment (HAP) contract from the new owner.

The written agreement should include a request for owner information such as a Tax Identification Number (TIN), and payment instructions from the new owner. Even if the new owner does not acknowledge the assignment of the HAP contract in writing, the assignment is nevertheless effective by operation of the law.

HUD will revise the applicable forms in the Housing Choice Voucher (HAP) program to include these provisions, existing contracts and forms that have been executed do not need to be amended by the Public Housing Authorities.

If you have property(ies) that are being foreclosed on, please notify your tenant's advisor.

**These new provisions will end on December 31, 2012.**

## Direct Deposit

Enclosed with your monthly Housing Assistance Payment (HAP) check is a form to sign up for Direct Deposit, please complete the form and return to us to enroll for direct deposit. It is a secure way to receive your HAP, and no checks are lost or stolen.

To apply for direct deposit you may download an application from our website at:  
<http://www.hacla.org/owner-info/>

Please keep in mind that the processing of direct deposit generally takes between 90 to 120 days. All ownership information needs to be current and all documents complete with the required signatures to ensure the timely arrival of your direct deposit.

**The Housing Authority will be closed on: January 1 for New Year's Day and January 18 in observance of Martin Luther King Jr.'s Birthday**

## New rules on Backup Withholdings

## Backup Withholdings

Beginning January 1, 2010, with certain limited exceptions, payers, such as the Housing Authority of the City of Los Angeles, that are required to withhold and remit backup withholding to the Internal Revenue Service will also be required to withhold and remit seven percent of the payment to the State of California Franchise Tax Board.

Assembly Bill X4-18 requires California backup withhold when federal backup withholding is required. If a payer issues a payment to a payee that is subject to federal backup withholding, and the payee is a resident of California, or if the payee is a nonresident of California and the payment is sourced to California, California backup withholding is required, except for: Payments of interest and dividends, and any release of loan funds made by financial institution in the normal course of business.

The California Constitution authorizes the Governor to declare a fiscal emergency and to call the Legislature into special session for that purpose. The Governor issued a proclamation declaring a fiscal emergency, and calling a special session for this purpose, on July 1, 2009.

It's Official! California Backup Withholding Begins January 1, 2010, [http://www.ftb.ca.gov/professionals/taxnews/2009/October/Article\\_6.shtml](http://www.ftb.ca.gov/professionals/taxnews/2009/October/Article_6.shtml); Assembly Bill X4-18

## List your vacancies with us

## List Your Vacancies With Us

HACLA has launched a FREE rental listing service to help our Housing Choice Voucher Holders quickly find and fill your vacancies. The new service is available online, at [www.hacla.org](http://www.hacla.org), under Section 8, "Property Listings." You can also register for free by phone (toll free) at 1-877-428-8844.

You will now be able to list properties in detail, add up to 10 photos to each listing, enjoy toll-free call center support, and many other benefits.

The new service works in collaboration with [Housing.LACounty.gov](http://Housing.LACounty.gov), which averages 4,000 - 5,000 searches for housing every day. If you are already registered to list with [Housing.LACounty.gov](http://Housing.LACounty.gov), you do not have to register again. Your properties will already be available through the new HACLA system, and the Housing Authority of the County of Los Angeles also uses this service. List your properties on one service and enjoy visibility from all sites!

## Section 8 Owner Orientation Seminars

These sessions are designed to explain how the Section 8 Program works from the property owner's perspective.

### January 2010 Orientation Schedule

Tuesday, January 5, 2010

Saturday, January 16, 2010

Thursday, January 28, 2010

The dates are also posted on our website at [www.hacla.org](http://www.hacla.org). You must reserve a seat to attend one of the January 2010 sessions by calling (213) 252-1253. NOTE: This line is set up to take messages only. You will not receive a return call. Please leave a contact number, since the schedule may be subject to change.

Persons with a hearing impairment should call the TDD Line at (213) 252-1639.

Attend our free  
Owner Orientation  
Seminars to receive  
valuable information  
about the Section 8  
Program