



## **Understanding the Leasing Process**

### **Information about the lease between the owner and tenant**

- Owners are required to provide their own lease.
- Pre-leasing requirement: The initial lease you submit to Arbor Housing and Development (AHD) must *not* be signed by the owner or tenant. AHD will advise you of the effective date of the lease after the unit passes inspection.
- The lease must be in the standard form the owner uses for unassisted tenants.
- The lease must be consistent with State and local laws.
- All provisions of the HUD Tenancy Addendum (included in this packet) apply to the tenancy and must be attached to the owner's lease. If there is a conflict between the owner's lease and the Tenancy Addendum, the Tenancy Addendum shall prevail over the owner's lease.

### **Eligibility of the Housing Unit and Approval of the Tenancy**

Before a Housing Assistance Payment Contract (HAP contract) can be signed:

- The owner must complete a Request For Tenancy Approval (RFTA)
- The tenant must submit the RFTA to AHD in order to arrange an inspection of the unit. AHD will inspect the unit no later than 30 days after receipt of the RFTA.
- The unit must pass the housing quality standards (HQS) inspection. At the time of the inspection, all utilities must be connected and in service and the stove and refrigerator must be in place. The unit must be vacant or occupied by the tenant approved by AHD for rental assistance.
- The rent for the unit must be determined to be "reasonable" by AHD.
- The rent must be determined to be affordable.

### **After Unit and Tenancy Approval**

- The owner and tenant must execute the lease agreement.
- AHD will provide the owner with a HAP contract for signature. The owner will sign the HAP contract and return it to AHD.
- AHD will sign the HAP contract and return a copy to the owner.
- The owner will provide AHD with an executed copy of the lease agreement with the tenant.
- Payments cannot be initiated until all of these requirements are met.
- The HAP Contract may begin on the 1<sup>st</sup> or 15<sup>th</sup> of a month.