

Date Created: 2/22/2017
Date Approved: 2/22/2017 Resolution 2017-05

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Over-Income Lease to Own Program

Purpose: The Housing Authority of the Absentee Shawnee Tribe of Oklahoma is aware that not all members of the Absentee Shawnee Tribe or other members of a Federally Recognized Tribe may qualify for a home loan program offered by private lenders. To assist in this obstacle for individuals or families in need of affordable housing, the Over-Income Lease to Own Program has been developed. The Over-Income Lease to Own Program has been designed to provide a homeownership opportunity for individuals or families that are truly committed to owning a home and meeting homeownership responsibilities. This program may be used for the purchase, acquisition, new construction, or modernization of existing homes owned by the Absentee Shawnee Housing Authority. **The TDHE will be utilizing its program income as the source of funds to administer the program.**

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SECTION 1
GENERAL REQUIREMENTS

- A. **Purpose.** This Over-Income Lease to Own Policy is designed to serve as:
1. A guide regarding participant eligibility, admission, selection and occupancy standards;
 2. A system to provide consistent, equitable and uniform treatment of clients and applicants; and
 3. A basis for decision-making by officers and employees of the Absentee Shawnee Housing Authority.
- B. **Compliance with Applicable Law.** This Over-Income Lease to Own Policy shall be implemented and may be conformed to comply with applicable provisions of the rules and regulations for tribal, state and federal laws.
- C. **Tribal Preference.** The Board of Commissioners (“Board”) of the Absentee Shawnee Housing Authority (“TDHE”) hereby enacts this Over-Income Lease to Own Program Operating Policy (“Policy”) in order to provide decent, safe, sanitary and affordable housing to income-eligible Native Americans living within its housing service area. Enrolled members of the Absentee Shawnee Tribe of Oklahoma (“Tribe”) will receive preferential consideration in the allocation of housing services and other resources under the Over-Income Lease to Own Program (“Program”).
- D. **Sovereign Immunity.** The TDHE specifically retains all governmental immunities associated with its sovereign status. The TDHE subsidiaries, employees, officers and agents shall share in its sovereign immunity from suit. The TDHE does not waive its sovereign immunity in any respect, and this Policy shall not be construed as such waiver.
- E. **Notice.** All continuing and incoming program participants shall receive a copy of this Policy, and shall acknowledge receipt in writing. The TDHE shall keep a copy of this Policy at the lobby front desk of its headquarters and on its operating website.

SECTION 2 **RESTRICTIONS**

- A. **Participant Status.** Program Participants are considered Lessees and do not acquire any legal or equitable interests in the property that is the subject of the Lease Agreement (“program unit”) or other attributes of homeownership until the debt owed to the TDHE is paid in full and the option to purchase is exercised. This Policy and any Lease Agreement executed pursuant thereto shall not be construed as a land contract, contract for deed or constructive mortgage.
- B. **Unit Disposition Upon Death.** In the event of death, succession is subject to Section 11 of this Policy, the TDHE shall have the right and discretion to transfer or reassign program units in the best interests of the Program and the Tribe.
- C. **Remedies of the TDHE.** In the event that any Participant fails to comply with any provision of this Policy, the TDHE may terminate his or her participation in the Program pursuant to the provisions of Section 12 of this Policy and applicable laws governing landlord/tenant relationships.

SECTION 3 **ELIGIBILITY REQUIREMENTS**

- A. **Participant Eligibility Criteria.** The following criteria shall govern eligibility for Program participation.
 - 1. The Applicant must be a member of a federally-recognized Tribe, with first preference extended to members of the Absentee Shawnee Tribe and second preference extended to members of other federally-recognized Tribes who are descendants by blood of the Absentee Shawnee Tribe;
 - 2. The Applicant must be at least eighteen (18) years of age;
 - 3. The program unit must be located within the Tribe’s housing service area of Pottawotomie, Cleveland, Oklahoma and Lincoln County;
 - 4. The applicant must meet minimum income guidelines at the time of move-in (minimum income guidelines are attached as Appendix “C” to this Policy and are incorporated herein by reference);
 - 5. The applicant and/or spouse of the applicant must have income sufficient to meet the financial obligations of Program participation at the time of move-in;

6. The applicant and/or spouse of the applicant must demonstrate a satisfactory record of employment history up to five (5) years.
7. The Applicant must be ready, willing and able to meet all obligations of participation in the Program, including but not limited to financial and maintenance obligations;
8. The Applicant must intend to use the program unit as his/her principal residence throughout the term of the lease; and
9. The applicant and/or spouse of the applicant must demonstrate a satisfactory record of prior rental history up to five (5) years.

B. Computation of Income. The Applicant's annual income shall be determined by estimating anticipated total income from **all** sources received by any and all household members, either in their own names or on behalf of another household member. Income attributable to any and all household member(s), excluding children under the age of eighteen (18) years, shall be included in the total household income, provided that the following amounts may not be considered as income under this paragraph:

1. Any amounts not actually received by the family;
2. Any amounts that would be eligible for exclusion under section 1613(a)(7) of the Social Security Act; and
3. Any amounts received by any member of the family as disability compensation under chapter 11 of title 38, United States Code, or dependency and indemnity compensation under chapter 13 of such title.

C. Ineligible Applicants; Participant Exclusion Criteria.

1. Ownership or acquisition of an additional residence that is decent, safe, and sanitary before or during occupancy of a program unit shall disqualify an Applicant or Participant from the Program.
2. Previous Participants or homeowners who owe a debt to the TDHE, Tribe or to any public or Indian Housing Authority will not be eligible for Program participation until the owed monies are paid in full as evidenced by appropriate documentation. In order for a previous Participant to be reconsidered for readmission to the program, such former participant must wait a period of five (5) year from the date of termination of participation to re-apply for assistance under the program.
3. Previous Participants or homeowners who have been assisted through the TDHE and have received a deed will not be eligible for Program participation.
4. The TDHE, in its sole discretion, may withhold admission to the Program if it is

determined during the application verification process that the Applicant and/or any adult household member(s):

- a. Have been evicted from any public or Indian Housing Authority or private rental property
- b. Have previously abandoned, relinquished and/or damaged a unit owned by this or another tribal housing program;
- c. Owe a debt to the TDHE or Tribe for past-due rent or damages to a program unit;
- d. Owe debts incurred from prior occupancy of a unit at any other Housing Authority or private rental property;
- e. Have a history of conduct which would be detrimental to the Program or other residents; and/or
- f. Have been implicated in or convicted of, any crime related to drug use or distribution, child abuse, or domestic violence.
- g. Is a sex offender, housing provided to such person is prohibited.

Such Applicant(s) shall be referred to the Executive Director pursuant to Sub-section 5, below, provided that the TDHE shall have no discretion to waive the prohibition against sex offenders set for in sub-section (g), above.

5. In order to evaluate the detrimental effect an Applicant's conduct may have on the Program or other residents, the TDHE may conduct personal or telephonic interviews of reliable sources (including the Applicant during a home visit, current and previous landlords and employer(s) and research court records. The TDHE staff shall document the name and title of any source contacted and summarize the information received. The Applicant, by applying for Program participation, consents to the TDHE's investigation regarding his or her:
 - a. Past performance in meeting financial obligations, especially rent;
 - b. Compatibility with neighbors;
 - c. Treatment of leased property;
 - d. Living or housekeeping habits;
 - e. History of criminal activity; and/or
 - f. Other past conduct which may adversely affect the health, safety or welfare of other residents.
6. In the event that adverse background information is discovered during the verification process, the Board, in its sole discretion, shall determine whether the Applicant(s) is suitable for Program participation. The Board may consider factors which indicate a probability of favorable future conduct or financial prospects, such as: evidence of rehabilitation, evidence of willingness to participate in appropriate counseling service

programs, and availability thereof, evidence of willingness to attempt to increase income and availability of training or employment programs in the locality. The Board shall have no discretion to waive the prohibition against sex offenders set for in sub-section 4(g), above

- D. Selection of Applicants pursuant to this Policy is dependent upon the availability of an appropriately-sized unit in accordance with Section 6, below.**

SECTION 4

APPLICATION PROCEDURES

- A. **Application Requirements.** The application is the basic record of each family applying for admission to the Program. Each Applicant is required to provide any and all information requested and to sign the application and related forms. All information and statements made by the Applicant are subject to verification. **Providing false statements renders the Applicant ineligible. Incomplete applications will not be accepted.**
- B. **Application Procedure**
1. Applications are accepted by the Intake Clerk. Each application shall reflect the date and time received. Copies may be provided to the Applicant upon request.
 2. All adult household members must sign an authorization for release of information, which is required for third party verification.
 3. In the event it is determined that an applicant has an immediate family tie to any TDHE employee, Board member or elected tribal official, the TDHE will publish a "Public Disclosure" in accordance with its Conflict of Interest Policy.
 4. The application and all information relating to the family's eligibility shall be maintained in a file, along with all relevant correspondence. Files will be placed in one of three categories, as follows:
 - a. **"Eligible"** - Applicant has met initial eligibility requirements and has been placed on the waiting list for the program;
 - b. **"Ineligible"** - Applicant has not met initial eligibility requirements and/or has been determined to be ineligible for the program; or
 - c. **"Inactive"**— Applicant has not updated the application within thirty (30) days of notification and has been removed from the waiting list pursuant to Section 4(E), below.

5. If during the application intake and screening process it is determined that the applicant is ineligible for program participation, the applicant will be informed of such determination and the application classified as ineligible. In such instances, sufficient information and findings pertaining to the denial of services will be documented for the file. A letter will be mailed to the applicant within thirty (30) days of the date of denial. The notice shall specify the grounds for the denial of service and notify the Applicant of his/her right to appeal the decision pursuant to the Grievance Policy and Procedure of the TDHE.
6. All entries will be made in ink or typed. Corrections or changes will be made by striking through the original entry and entering the correct information. Such changes are to be dated and initialed by the person recording the change, with all changes and explanations noted in the record.

C. Verification and Documentation of Application Information. Verification and documentation of Application is submitted by each Applicant and shall be verified to ensure that the information is true and correct. Complete and accurate verification records will be maintained. Each Applicant shall provide the following documents and information to substantiate his or her Indian status, identity, income and other conditions of eligibility. Each Applicant shall provide:

1. The tribal membership card of the Head of Household and/or other household member(s) claiming Indian status;
2. Social Security cards and birth certificates for all household members;
3. Federal tax returns or transcripts filed for the previous year or a notarized statement from the applicant explaining why a tax return was not filed;
4. Copies of documents in the applicant's possession which substantiate his or her statements, or a brief summary of the pertinent contents of such documents, signed and dated by the staff member who viewed them;
5. Certified statements or summary data from books of account from self-employed persons and from persons whose earnings are irregular, such as salesmen, seasonal workers, etc., setting forth gross receipts, itemized expenses and net income;
6. Statements or award letters from agencies documenting unearned income (including but not limited to Social Security, General Assistance, Retirement, Unemployment Benefits, Department of Human Services Assistance, Oil and Gas Royalty and Veterans benefits); and/or
7. Memoranda of verification data obtained by personal interview, telephone or other means, with source, date of review and identity of the person receiving the information clearly indicated.

D. **Waiting List.**

1. A waiting list shall be maintained for the Over Income Lease to Own Program. All eligible applicants shall be placed on the waiting list according to the selection preferences set forth in Section 5 of this Policy.
2. The waiting list shall be updated on a regular basis. Any Applicant wishing to be removed from the list must submit a written request; otherwise, no eligible applicant may be removed from the waiting list except for failure to update his or her application in accordance with Section 4(E) of the Policy, below.

- E. **Application Updates.** Applicants shall update their applications and supporting documents and maintain current contact information on file on an annual basis. This is the responsibility of the Applicant and not the TDHE. Applicants who have not updated their applications within thirty (30) days of notification of the duty to update will be removed from the waiting list and will have to re-apply to be placed back on the waiting list. These Applicants will receive a new approval date.

SECTION 5

SELECTION OF PARTICIPANTS

- A. **First preference.** Shall be given where the applicant(s) is an enrolled member of the Absentee Shawnee Tribe (qualified applicant-households shall receive a total of 50 points priority consideration); an additional 25 points will be given if the applicant is a first time homebuyer and
- B. **Second preference.** Shall be given where the applicant(s) is a member of another federally-recognized Tribe and is a descendant by blood of the Absentee Shawnee Tribe (qualified applicant-households shall receive a total of 20 points priority consideration) an additional 15 points will be given if they are first time homebuyers and
- C. **Third preference.** Shall be given to all other tribes (OT) with no descendant by blood of the Absentee Shawnee Tribe (qualified applicant-households shall receive a total of 5 points priority consideration); an additional 10 points will be given if they are first time homebuyers.
- B. **Notification of Selection to Applicant.** The TDHE shall notify applicants who are selected for Program participation in writing. The notification shall include, at a minimum, the following information:

1. A statement that the family has been documented as eligible for participation in the Over Income Lease to Own Program;
2. If applicable, the time and place for training activities and execution of the Lease Agreement;
3. The address of the unit; and
4. Notification that the family has three (3) days in which to respond to the notice, either by accepting or rejecting the unit offered. Failure to respond shall be regarded as a rejection of the offer.

C. **Rejection of Offer.** The TDHE offers units based on its selection preferences listed above. If the applicant refuses a unit being offered they will remain on the waiting list until another unit is available.

SECTION 6

OCCUPANCY; LEASE AGREEMENT

- A. **Method of Determining Household Size.** Every household member regardless of age (except for unborn children) shall be included by name on the Application and counted as a person for purposes of applying the occupancy standards set forth in Section Six (6) of this Policy.
- B. **Occupancy Standards.** To avoid overcrowding and prevent waste of space, program units shall be assigned in accordance with the occupancy standards set forth below, except that such standards may be waived by the Executive Director when necessary to achieve and maintain full occupancy or to comply with the preference provisions set forth in Section five (5), above.

Bedroom Size	Minimum Household Size	Maximum Household Size
3	1	7
5	5	9

C. **Lease Agreement.** A lease agreement shall be executed by the Executive Director (or his/her designee) and the Participant. The form of Lease set forth at Appendix "A" of this Policy hereby is adopted and incorporated by reference. In the case of subsequent participants or successors, a lease agreement must be executed prior to occupancy of the home. The Participant shall receive a copy of the original lease agreement, and the original shall be retained by the TDHE.

- D. **Commencement of Occupancy. Selected Applicants must take possession of the assigned unit within thirty (30) days of the date of the response to the notice of availability or forfeit their eligibility to occupy that unit.** Applicants who notify the TDHE within thirty (30) days of defaulting under this Section shall be returned to the waiting list without further penalty. Failure to execute the lease agreement, to secure utility service or to take occupancy of an assigned program unit may constitute grounds for termination of participation in the Program.

SECTION 7

COLLECTION OF PAYMENT AND COMPUTATION

- A **Determination of Purchase Price and Monthly Payment.** The purchase price and monthly payment of the unit shall be established in accordance with the following terms and provisions:
1. Monthly Payment. The monthly payment shall be an amount equal to the unit's appraised loan value amortized for three-hundred (300) months plus a five percent (5%) interest rate.
 2. Initial Purchase Price. The initial purchase price shall be an amount equal to the appraised value of the unit plus a five percent (5%) interest rate. The TDHE shall determine the initial purchase price prior to execution of the lease agreement and shall issue a purchase price/amortization schedule to the Participant within thirty (30) days of move-in. The Participant also shall receive statements at least annually, detailing the payments made, balance owed and anticipated pay-off.
 3. Participant Purchase Price for Successorship. The TDHE shall establish the purchase price for participants who are successors, the remaining balance owed on the home shall be the purchase price.
 4. Subsequent Participant Purchase Price. The TDHE shall establish the purchase price for subsequent participants prior to move-in. Subsequent participants shall be issued a purchase price/amortization schedule and periodic statements of account based on the appraised value.
- B. **Payment of Rent.** All monthly payments are due on or before the first day of the month. The payment is delinquent if not received in the TDHE office by close of business on the fifth working day of the month. Late charges in the amount of \$20.00 will be added beginning the 6th working day of the month. "Insufficient Funds" will not be resubmitted for payment. A \$25.00 fee will be imposed for the returned check, and the TDHE will not accept any personal checks on the account for a period of six (6) months. In the event of two returned check for insufficient funds, checks will no longer be accepted. Mailed payments must be received prior to close of business on the fifth working day regardless

of envelope being post marked on the fifth business day. Required monthly payments will be accepted between the hours of 8:00 am and 4:30 pm (including the noon hour), Monday through Friday.

Payments will be accepted at the TDHE office located at:

Absentee Shawnee Housing Authority
107 North Kimberly
Shawnee, Oklahoma 74801

Payments are to be in the form of check, automatic draft, Visa, MasterCard, Discover, cashier's check or money order when made in person at the office. The Housing Authority has a drop box to accept payments after hours located south of the office building. Payments left in the drop box are to be in the form of check, cashier's check or money order.

C. Acceptable Payment Arrangements Prior to Delinquency.

1. Delayed Payment. The Executive Director, in his or her sole discretion, may approve an arrangement for delayed payment prior to delinquency under circumstances including, but not limited to:
 - a. Unusual and unexpected family expenses, such as a death in the family or extraordinary medical expenses not covered by insurance. **This does not include changes in normal living expenses, such as grocery bills, utility bills, store bills, etc.;**
 - b. Extraordinary expenses incurred as a consequence of natural disaster or otherwise uncontrollable circumstances; and/or
 - c. Sudden loss of income.
2. Partial Payment. A partial payment may be accepted at the time it is due, provided that the balance is paid in full by the end of that same month. A \$20.00 late fee will still be assessed after the 5th business day.
3. Self-Help Opportunity. A Participant experiencing difficulty making monthly payments as scheduled may request to attend budget counseling with the TDHE's Resident Counselor. The TDHE shall require any participant who has continuous compliance issues to sign an addendum to their lease agreement as a condition of continued participation in the Program.

- D. Payment Arrangements Subsequent to Delinquency.** Payback Agreements following delinquency are discouraged and shall be requested in writing to the TDHE. The TDHE may, but is not required to, authorize a Payback Agreement upon a showing of one or more of the circumstances set forth in Section 7(C)(1), above. Participants owing balances incurred prior to the effective date of this Policy (for which no Payback Agreement exists) may be given the opportunity to make arrangements for a Payback

Agreement with the TDHE within a thirty (30) day period, beginning the first (1st) day of the month following the effective date of this Policy. Participant(s) who fail to execute a written agreement within the allotted time period or to petition the TDHE for relief as set forth above shall be sent a Final Notice for the amount of any unpaid back rent. **Installment payments on Pay-back Agreements are subject to the collection procedures set forth in Section 7(C), above, and the Termination Procedures set forth in Section 12(D), below.**

SECTION 8

RULES AND CONDITIONS OF CONTINUED OCCUPANCY

- A. **Participant Code of Conduct.** All Participants, household members and guests shall abide by all rules and regulations affecting the use or occupancy of the premises and all policies of the TDHE and laws of the Tribe, including but not limited to:
1. **Principal Residency Requirement.** Program participants are required to use the program unit as their principal place of residence. A unit which has been unoccupied for a period of **thirty (30) days** or more may be determined to be abandoned and in breach of the lease agreement.
 2. **Maintenance/Repairs.** The Participants shall provide all maintenance and basic upkeep of the program unit, keeping it in an acceptable condition at all times. Participants are responsible for the cost and completion of any repairs caused by the Participants or their guest(s). Participants shall report any maintenance needs and/or problems with items that may be covered under manufacturer's warranties (including but not limited to appliances, roofs and HVAC systems) to the TDHE, so that arrangements for repair or replacement of these items may be arranged. Participants who fail to report such problems to the TDHE within the warranty period or who undertake repairs of covered items may void the manufacturer's warranty and shall be responsible for repairing or replacing such items at their own expense. A list/packet of the applicable warranties for a particular unit may be provided to the Participant upon request.
 3. **Utilities.** The Participant(s) shall activate and pay any required deposits for utility services (including, but not limited to, water, gas and electricity) in the Participant's name prior to occupancy. Documentation of such services shall be provided to the TDHE at the time the lease is executed. Disconnection of utility services to the unit for a period in excess of ten (10) days constitutes grounds for termination of participation in the Program.
- B. **Conduct Prohibited.** All Participant(s), household members and guests shall **not:**

1. Disturb the peace of the community or disturb or harass other Program participants;
2. Engage in domestic violence;
3. Appear drunk or intoxicated in public or common areas within the community;
4. Possess, consume or distribute illegal drugs, drug paraphernalia or any other controlled substances;
5. Use firearms, pellet or BB guns, or other dangerous or deadly instruments in any improper or illegal manner and/or;
6. Destroy, deface, disturb or interfere with the use of any structure, unit, building, or other property (real or personal) of the TDHE, the Tribe or other Program Participant.

C. **Use Restrictions.** All Participants, household members and guests must abide by the following restrictions on property use.

1. *Business use of Unit.* The Participant may request permission, in writing, to operate a small business. The business shall not disrupt the basic residential nature of the unit or require permanent structural changes.
2. *Structural Modifications.* The unit is the property of the TDHE, and all structural modifications and major improvements must be pre-approved by the TDHE in writing prior to actual construction. Any activities approved pursuant to this section must be paid for in full by the Participant and comply with any and all applicable construction/building codes. No liens or other encumbrances may be placed on the unit as a result of the work undertaken.
3. *Public Nuisances.* Participants shall keep the premises in a clean and sanitary condition and shall not create or permit any unsightly conditions or offensive activity. Unlicensed, inoperable (this includes a flat tire) and/or wrecked vehicles or household appliances on the premises or common areas are specifically prohibited. The TDHE may monitor the condition of the unit through periodic inspections and drive-bys. A car must have a valid license plate or it will be considered a junk car and the Participant will be required to remove it from the property. The TDHE in its sole discretion, may define and summarily abate any condition constituting a nuisance at the Participant's expense.
4. *Temporary Structures.* No structure of a temporary character (including but not limited to trailers, tents, shacks, garages or barns) may be used at any time as a residence, either temporarily or permanently. Additionally, no portable or prefabricated building or dog pen shall be located upon any lot without the prior, written permission of the TDHE.

6. Garbage. No Participant may burn or permit the burning of garbage or other refuse, nor accumulate or permit the unsightly accumulation outdoors of such refuse or garbage.
 7. Yard Maintenance; Improvements. No fence, wall, garden, pond or other modification may be erected without the prior, written permission of the TDHE. Blueprints, cost estimates and any other relevant information shall be presented to the TDHE to aid in its determination. Participant(s) must maintain any enhancements or modifications approved pursuant to this section at their own expense.
 8. Common Areas; Roads. Participant(s), household members and/or guests shall not evade speed bumps, drive through or park vehicles in yards or otherwise operate their motor vehicles in an unsafe manner. All-terrain vehicles and “four-wheelers” may not be operated on yards, roads or common areas. Tampering with manhole covers, street lamps and/or security cameras/lights is specifically prohibited.
- D. **Inspections.** The TDHE shall conduct a complete interior and exterior examination of each program unit and premises for the following situations:
1. Initial Move-in Inspection. At the time of initial occupancy, a move-in inspection shall be conducted by a TDHE Representative and the Participant. The Participant may have a representative of his/her choice present at the initial inspection. At the conclusion of the initial inspection, the Participant shall sign an inspection report detailing any deficiencies in the unit.
 2. First year of Occupancy Inspections. During the initial twelve (12) months of occupancy, the TDHE may perform quarterly inspections in order to monitor maintenance and warranty of the home. During the semi-annual inspection performed, the TDHE will determine whether a participant requires further inspections prior to the annual inspection.
 3. Annual Inspection. The TDHE shall conduct an annual inspection, which will include the interior, exterior and adjacent grounds of the unit. The Participant shall be provided with written notification of the scheduled inspection at least **ten (10) days prior** to the date of the inspection. Inspections must be conducted with an adult who is over the age of 18. The Participant shall sign and receive a copy of the inspection report. The Participant may change a scheduled inspection by notifying the TDHE at least twenty-four (24) hours in advance; however, if the Participant cancels a scheduled inspection more than one time, the Participant shall receive a notice of non-compliance in accordance with Section 12(E) of this Policy.
 4. Opportunity to Cure Deficiencies. If the inspection reveals any deficiencies in the condition of the unit, the Participant shall be notified of what deficiencies need to be corrected. The Participant shall correct the deficiencies within a period of at least

thirty (30) days, but not to exceed ninety (90) days, from the date of the notice. The TDHE shall then conduct a follow-up inspection pursuant to Section 8(D)(5), below.

5. **Follow-up Inspection.** The TDHE shall conduct a follow-up inspection to determine if the deficiencies identified in a previous inspection have been corrected. The Participant or adult over the age of 18 years old must be present at the inspection. If the Participant has not corrected the deficiencies, the lease agreement may be terminated in accordance with this Policy, or the TDHE may perform the necessary work and charge the Participant for any maintenance repairs that may be an imminent threat to the structural integrity of the unit.
 6. **Rating System.** The TDHE uses a “rating” system for the conduct of inspections. If a Dwelling Unit receives a rating of “poor,” the TDHE will conduct a follow-up inspection within thirty (30) days of the initial inspection. If the follow-up inspection results in a second rating of “poor,” the TDHE shall immediately commence eviction procedures in accordance with Section 12(E) of this Policy.
 7. **Move-out Inspections.** Upon termination of participation in the program, a move-out inspection will be conducted. The Participant may have a representative of his/her choice present at the move-out inspection. At the conclusion of the inspection, the Participant shall sign an inspection report detailing any deficiencies in the unit. Participants who fail to attend the move-out inspection (either in person or through a representative) waive their right to object to any deficiencies noted in the report and/or any charges assessed by the TDHE.
 8. **Other Inspections; Emergencies.** The TDHE may inspect the unit at any other time for any reasonable purpose. The TDHE shall provide the Participant(s) with prior notice of the inspection when possible under the circumstances and shall use its best efforts to minimize any disruption or inconvenience to the Participant(s). The TDHE may enter the unit at any time without notice to the Participant in the event of an emergency, including but not limited to participant health or safety concerns, or imminent damage or destruction of the unit. The TDHE shall notify the Participants as soon as possible subsequent to the conduct of such emergency inspection.
- F. **Counseling/Continuing Education.** Participants may be required to participate in ongoing educational programs regarding maintenance obligations, financial responsibility and other aspects of Program participation or preparation for homeownership. Attendance is mandatory for all counseling sessions scheduled by the TDHE and participation in such programs is a condition of continued occupancy. If the Participant fails to attend the counseling as required, the TDHE may commence termination proceedings pursuant to Section 12 of this Policy.
- G. **Insurance.** The TDHE shall provide required insurance on the unit structure, including fire and extended coverage. The Participant shall report all damages to the unit in a timely manner for claims processing. The TDHE’s insurance coverage does not include damages to the Participant’s personal property and/or the contents of the unit. The

Participant may obtain insurance for personal property/contents at his or her own expense.

SECTION 9

TRANSFERS

- A. **Involuntary Transfers.** The TDHE may require a Participant to transfer to another unit in order to allow for substantial rehabilitation of the unit being vacated or to correct overcrowded, unsafe or unsanitary living conditions. The Participant, as a condition of participation in the Program, consents to any such involuntary transfer.
- B. **Voluntary Transfers.** The Over Income Lease to Own Program is designed to foster homeownership, and pride thereof, among all participants. Therefore, transfer of units is discouraged and will only be allowed on a case by case basis with the prior approval of the Board of Commissioners.
- C. **Purchase Price Schedule.** All rights and obligations of Program participation shall be transferred to the new unit. The purchase price shall be the remaining balance owed on the home for which occupancy is assumed as of the effective date of the transfer.
- D. **Limitations.** All transfers are subject to the availability of units.

SECTION 10

CONVEYANCE

- A. **Purchase Option.** Participants in the Over Income Lease to Own Program will be given the opportunity to purchase their home in accordance with this Section and when all obligations of participation in the Over Income Lease to Own Program have been satisfied.
- B. **Conveyance Eligibility.** A unit shall be eligible for conveyance to the Participant(s), and the TDHE shall convey such unit, when the Participant(s) (i) have met all of the obligations of participation in the Over Income Lease to Own Program set forth in this Policy and (ii) the established purchase price of the unit has been paid by the Participant. The unit shall be conveyed to the tribal member(s) who initially qualified for program participation based in part on such tribal membership, regardless of whether the lease agreement also was executed by a spouse or co-habitant.
- C. **Conveyance Procedure.** Thirty (30) days prior to the conveyance date, the TDHE shall provide the Participant(s) with written notice of the anticipated payoff by regular mail. The notice shall include, at a minimum: (i) a statement of the balance owed, (ii) the

approximate date of payoff, and (iii) an estimate of all required charges, fees and costs to be paid by the Participant(s) at the time of settlement. The TDHE representative shall prepare all of the necessary documents and perform all required actions to enable the home to be conveyed. The TDHE shall verify all financial accounts and documents to ensure accuracy. Once the Participant has paid off the balance of the home and other necessary settlement costs, notification shall be made to the Participant of the closing date. At the closing, the Participant and a duly-authorized representative of the TDHE shall execute all of the required documents and legal instruments necessary to effectuate the conveyance of title to the unit. The Participant shall receive a copy of the settlement statement detailing all charges and a copy of the QuitClaim Deed or other instrument of conveyance. The TDHE may, but is not required to, provide an abstract of the Dwelling Unit at the time of conveyance

SECTION 11

SUCCESSORSHIP

- A. **Designation of Successor.** At the time the lease agreement is executed, the Participant(s) shall designate a successor in interest who would assume all rights and obligations of participation in the Program upon the occurrence of a recognized event. The designation may be changed at any time, provided that such changes must be made in writing on the form prescribed by the TDHE. The form of Designation of Successor set forth at Appendix "B" of this Policy hereby is adopted and incorporated by reference.
- B. **Events Authorizing Successorship.** In the event of death and/or physical or mental incapacity of the Participant(s), the person(s) designated as the successor may succeed to the rights and responsibilities of the Participant(s), provided that all eligibility and other requirements set forth in this Policy are met. A family may transfer a unit to another person, subject to Section 11(D) of this Policy and provided that the Board consents to such transfer.
- C. **Situations where Successorship will not be recognized.** Subject to Section 11(F), below, the designated successor shall not succeed if the lease agreement is terminated for any reason other than death and/or physical or mental incapacity of the participant(s). A Surviving Spouse of a participant (who does not otherwise qualify for program participation) shall have the option to purchase the unit from the TDHE in the event of the Participant's death, which shall be superior to the rights of any designated successor(s), provided that the Surviving Spouse was residing in the unit at the time of the Participant's death and further provided that the option to purchase is executed within six (6) months of the Participant's death. The purchase price shall be the amount remaining on the Participant's established payment schedule, and such amount must be paid in full within the six (6) month period. The rights of Surviving Spouses with children are addressed under Section 11(G), below, and such provision also governs and controls over any successorship designation. For purposes of this Policy, "Surviving Spouse" means and refers to the lawful, living spouse of the Participant who was married to the

Participant pursuant to the statutory procedures set forth in 43 O.S., §§ 1-20 and who is not divorced from the Participant. Non-ceremonial (“common-law”) marriages and other marriages not meeting all Oklahoma State requirements will not be recognized by the TDHE for purposes of this Policy.

- D. **Additional Requirements.** The designated successor shall assume all rights and obligations of the former Participant(s), including all outstanding amounts owed. The designated successor shall execute a new lease agreement prior to occupancy and must meet all eligibility and selection requirements at the time the agreement is executed. The successor must be a first-time recipient of homeownership assistance from the TDHE and must intend to occupy the program unit as his/her primary residence.
- E. **Procedure in the Event of Disqualification of the Designated Successor.** In the event that the successor is not eligible/qualified to succeed the original Participant(s), the Housing Authority may allow the successor to purchase the unit for the amount remaining on the participant’s established payment schedule. Such amount must be paid in full within six (6) months of the date of the original participant’s death or incapacity. If the designated successor is not eligible or does not meet admissions standards and is unable to purchase the unit for the unpaid amount, the TDHE may designate an alternate successor or place the next eligible family from the waiting list in the unoccupied unit.
- F. **Special Provision Regarding Divorce.** The Participant(s) shall notify the TDHE in writing within ten (10) days of the filing of a divorce action, and such notice shall advise the TDHE that an action has been filed, the jurisdiction of the proceeding and the case number. The program unit is the sole property of the TDHE and shall not be considered part of the parties’ marital estate. Subject to Section 14(D) of this Policy, the Board may reassign the unit to one of the parties according to the following factors:
1. Custodial arrangements for minor children;
 2. The basis of the initial determination to award housing assistance (i.e., considerations such as tribal membership and age);
 3. Each party’s respective ability to satisfy all terms and conditions of program participation, including financial and maintenance obligations.
- G. **Special Provision Regarding Minor Children.** After the occurrence of death, physical or mental incapacity of the Participant(s), and if there is no qualified/eligible successor designated on the lease, the TDHE may permit the surviving parent or other adult who has been appointed legal guardian of the children to occupy the home under a lease agreement. The surviving parent or guardian shall be responsible for performing the duties and obligations of the lease agreement on behalf of the children. This arrangement will remain intact until the oldest child reaches the age of **eighteen (18) years**, at which time that person may become the head of household and succeed to the status of program participant, if qualified. After the youngest child reaches the age of

eighteen (18) years and in the event no qualified child of the household has succeeded to the status of a program participant, the surviving parent shall purchase the home from the TDHE or vacate the unit within six (6) months. The purchase price of the unit shall be the amount remaining on the Participant's established payment schedule, and such amount must be paid in full within the six (6) month period. If at any time prior to the youngest child reaching the age of **eighteen (18) years**, the surviving parent or legal guardian is no longer willing or able to perform the obligations and duties of the agreement, and no other guardian is appointed, possession of the home shall revert back to the TDHE. Monthly Payment shall be computed and collected throughout the period of occupancy, and shall be credited to the purchase price of the home in the event of purchase.

SECTION 12

TERMINATION OF OCCUPANCY

- A. **Termination by the Participant.** The Participant may terminate the lease agreement, provided that thirty (30) days written notice is given in writing to the TDHE. The TDHE does not waive any claim to additional payments due for accrued rent and/or damages to the unit by accepting such notice.
- B. **Procedures Upon Termination of Occupancy.** Participant(s) shall provide the TDHE at least thirty (30) days written notice prior to moving out of their assigned unit, unless such notice requirement is waived in writing by the TDHE. A move-out inspection shall be conducted within three (3) days of termination of occupancy. Participant(s) who move out of their assigned unit without conveying proper notice to the TDHE will be considered to have abandoned the premises and may be responsible for damages sustained by the unit while vacant and/or any legal fees or costs incurred by the TDHE to regain possession of the unit.
- C. **Grounds.** Participant(s) may be subject to termination of occupancy and Program participation for reasons including, but not limited to, the following:
1. Non-payment of rent or installment payments pursuant to a Pay-back Agreement;
 2. The acquisition or occupancy of another home or failure to continue to use the program unit as the family's principal residence;
 3. Other material violation of any term or provision of this Policy or other tribal, state regulation.
- D. **Termination for non-payment.** Program Participants who fail to pay their monthly payment, or to pay any installment payment due pursuant to an approved Pay-back Agreement, or to enter into acceptable alternative arrangements shall be subject to termination of participation in the Program, as follows:

1. **First Past Due Notice.** When a Participant becomes delinquent with a payment, a first notice of overdue payment shall be sent on the sixth (6th) business day of the month in which the payment is due and shall state the following:
 - a. The date of the notice;
 - b. The date the monthly payment was due; and
 - c. The amount of the delinquent payment. (A late fee of \$20.00 per month will be included in the amount due).
2. **Past Due Notice.** If no payments are received or no acceptable payment arrangements are made within ten (10) days of the date of the first notice of overdue payment, the TDHE shall deliver to the Participant a Notice of Termination. The Notice shall inform the Participant that he/she must pay the overdue balance within thirty (30) days of the date of the Notice of Termination to avoid eviction proceedings.
3. **Final Notice to Pay or Vacate.** If no payment is made within thirty (30) days from the date of Notice of Termination or no acceptable payment arrangements are made within thirty (30) days of the date of the Second Past Due Notice, the TDHE shall issue a final ten (10) Day Notice to Pay or Vacate
4. **Commencement of Eviction.** If the Participant(s) does not vacate the unit within twenty-four (24) hours of the Final Termination Notice, the TDHE shall commence termination and eviction procedures in a court of competent jurisdiction. The District Court of the County where the program unit is located, the District Court of the Tribe and/or such other tribal court as may hereinafter be established shall be considered courts of competent jurisdiction for purposes of enforcement of this Policy.

E. **Termination for reasons other than non-payment of rent.** In the event of non-compliance with any of the provisions set forth in this Policy, other than for non-payment, the TDHE may terminate the Participant's participation in the Program, according to the following action steps:

1. The TDHE shall send a letter stating that the household is not in compliance with a specific provision of the Policy, describing the satisfactory means of resolving the violation and providing that such violation must be cured within ten (30) calendar days of the date of the notice.
2. If the Participant(s) do not cure the violation within the timeframe specified, the TDHE shall issue a Notice to Terminate the Lease, and commence eviction procedures in accordance with Section D(4), above.
3. Participant(s) whose conduct presents an imminent threat to the health, safety and/or welfare of the community and Participants who fail a second inspection under Section 8(D)(6) of this Policy shall not be entitled to the due process standards set forth in this section.

- F. **Enforcement Subsequent to Court Action.** The following provisions apply to the collection of any court-ordered payments due to the TDHE:
1. Repayment of delinquent amounts subsequent to a court order shall be in full unless otherwise authorized by the Executive Director.
 2. Should written arrangements be made and the provisions thereof breached, the account may be referred to an attorney without further notice or action on the part of the TDHE.
- G. **Additional Payments Due to the TDHE.** Additional charges to the Participant may include, but are not limited to:
1. Charges for extraordinary maintenance and other services;
 2. Repayments of past due accounts;
 - 3 Attorney's fees and court costs; and/or
 4. Other charges specified under any applicable tribal, state, or federal law or regulation.
- H. **Abandonment.** In the event that a program unit is abandoned, the TDHE shall post a notice of abandonment prominently on the door of the unit. If the Participant does not contact the TDHE within ten (10) days of the date of the notice, the TDHE may assume possession of the program unit without further notice or court proceedings. The TDHE does not waive any claim for past rent, damages or other amounts that may be due to the TDHE by assuming possession of the premises.

SECTION 13

MISCELLANEOUS PROVISIONS

- B. **Confidentiality.** All information obtained by the TDHE in order to establish suitability for program participation shall be kept strictly confidential. Additional disclosures of the information may occur during program reviews or audits, investigations by authorized law enforcement personnel or as necessary to comply with any reporting requirements of the Tribe or its funding agencies.
- C. **Limitation of Liability; Indemnification.** The TDHE and/or the Tribe shall not be liable to the Participant or any of the Participant's household members, visitors or patrons for any damage to person or property caused by any action, omission or negligence of the Participant or any other Participant of the Program. Further, the Participant(s) agree to hold the TDHE and the Tribe harmless from any claim, obligation, liability, loss, damage or expense, including without limitation attorney's fees and court costs, arising from any condition or natural feature -- known or unknown -- affecting the premises.
- D. **Disposition of Personal Property.** In the event of abandonment or termination of Program participation, the TDHE may remove and dispose of any personal property left

remaining in the program unit for a period of fifteen (15) days following the date of abandonment and/or termination.

- E. **Appeals.** Participants may appeal a denial of service or any other qualifying decision or action relating to implementation of this Policy pursuant to the Grievance Policy and Procedure of the TDHE.

**APPENDIX A
LEASE TO OWN PROGRAM UNIT
("LEASE AGREEMENT")**

The Absentee Shawnee Tribe of Oklahoma ("Tribe"), a federally recognized Indian tribe, authorized the Absentee Shawnee Housing Authority ("TDHE") to provide affordable housing through the Over Income Lease To Own Program ("Program").

The Over Income Lease to Own Program Operating Policy ("Policy") and any other policy, agreement or procedure governing the Program, as adopted and amended from time to time by the Board of Commissioners of the TDHE, are hereby incorporated by reference. Execution of this Agreement is deemed consent to amend it to conform to any provision of the TDHE's rules, regulations and policies. The Lease Agreement supersedes and replaces any existing lease agreement or contract between the Participant(s) and the TDHE.

This Lease Agreement is executed in accordance with the above-referenced substantive laws, policies and procedures governing the Over Income Lease to Own Program and is not a separately enforceable legal document.

The undersigned Participant(s) hereby acknowledge that any violation of the TDHE's rules, regulations or policies may constitute grounds for termination of participation in the Program. **The undersigned Participant(s) hereby accept liability for any damages to the unit, unpaid rental fees, attorney's fees and court costs, and collection fees arising from enforcement of this Policy or termination of participation in the Program.** The undersigned Participant(s) consent to the jurisdiction of the District Court of the Absentee Shawnee Tribe of Oklahoma for purposes of enforcement of the Policy and the lease agreement.

Premises to Be Leased:

| Project: Unit #

Street Address of Property:

| Street: City:
State: Zip:

Legal Description of Property:

Persons Authorized to Occupy Said Premises:

Name:

Age:

Relationship to Lessee(s)

ABSENTEE SHAWNEE
HOUSING AUTHORITY

PARTICIPANT(S)

TDHE Representative

Participant Signature

Executive Director

Co-Lessee's Signature (If Applicable)

Executed this _____ day of _____.

**ACKNOWLEDGEMENT OF LEASE AGREEMENT
BY
PARTICIPANT'S SPOUSE**

The undersigned spouse of _____, a qualified Lessee/Participant under the Over Income Lease-Purchase Program through the Absentee Shawnee Tribe, by execution of this Agreement, acknowledges that he/she has read and understands the Absentee Shawnee Housing Authority Over Income Lease to Own Program Operating Policy and Procedure, which sets forth specifically the rights and obligations of spouses in the event of the death of or divorce from the qualified Lessee/Participant.

Lessee's Spouse

Executed this _____ day of _____.

Project: _____

Legal Description:

ACKNOWLEDGEMENT

STATE OF OKLAHOMA)
) SS.
COUNTY OF _____)

Before me the undersigned, a Notary Public in and for said County and State on this _____ day of _____, _____, personally appeared _____, to me known to be the identical person(s) who executed the within and foregoing instrument and acknowledged to me that he/she executed the same and his/her free and voluntary act and deed for the uses and purposes therein set forth.

Given under my hand and seal the day and year first above written.

Notary Public

Date: _____

My Commission Expires: _____

**APPENDIX B
DESIGNATION OF SUCCESSOR IN INTEREST**

The Absentee Shawnee Tribe of Indians of Oklahoma (“Tribe”), a federally-recognized Indian tribe has authorized the Absentee Shawnee Housing Authority (“TDHE”) to provide affordable housing through the Lease to Own Program (“Program”).

The Over Income Lease to Own Program Operating Policy (“Policy”) and any other policy, agreement or procedure governing the Program, as adopted and amended from time to time by the Board of Commissioners of the TDHE, are hereby incorporated by reference. Execution of this Designation of Successor in Interest form is deemed consent to amend it to conform to any provision of the TDHE’s rules, regulations and policies.

Under the Policy, a Participant may designate a successor who, at the time of a recognized event of successorship would assume the status of the Participant, provided that all conditions of eligibility set forth in the Policy are satisfied. The Participant may change the designation at any time by written modification of this form.

This Designation of Successor in Interest form is executed in accordance with the above-referenced substantive laws, policies and procedures governing the Over Income Lease to Own Program and is not a separately enforceable legal document.

DESIGNATION OF SUCCESSOR IN INTEREST

The designated successor as of the date written below is:

First Name	Middle Initial	Last Name
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Street Address

City, State

Relationship

Acknowledged By:

ABSENTEE SHAWNEE
HOUSING AUTHORITY

PARTICIPANT(S)

TDHE Representative

Participant Signature

Executive Director

Co-Lessee's Signature (If Applicable)

Executed this _____ day of _____.

Appendix "C"

Absentee Shawnee Housing Authority Over Income Lease to Own Program Income Limits

Family Size	Minimum Income
1	\$36,848
2	\$42,112
3	\$47,376
4	\$52,640
5	\$56,851
6	\$61,062
7	\$65,274
8	\$69,485