

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

**Office of the Secretary**

**24 CFR Parts 215, 235, 236, 280, 813, 913, and 950**

[Docket No. N-95-3900; FR-3856-N-01]

**Treatment of Holocaust Reparation Payments in Assisted Housing Programs: Notification of Affected Individuals**

**AGENCY:** Office of the Secretary, HUD.  
**ACTION:** Notification of policy.

**SUMMARY:** Before April 23, 1993, the Department of Housing and Urban Development counted Holocaust reparation payments made by foreign governments as income in its means-tested rental housing assistance programs. This policy may have caused some applicants to be denied admission to assisted housing, and some residents of the housing to pay a higher contribution to rent, because these payments were included in their income.

This document announces that the Department will attempt to provide relief to individuals adversely affected by this policy. As described more fully below, the Department will attempt to inform those who were denied eligibility of their potential current eligibility for rental assistance. For those whose rents were increased, the Department will attempt to find an administrative way to recompense them for the increased rent they paid.

The policy announced in this document applies to all initial and continuing income determinations that were conducted before April 23, 1993. The policy also applies to the Section 235 Homeownership Program. Members of the public who believe they may qualify for relief are encouraged to contact the appropriate Departmental official listed below for more information. It should be noted that in some cases, recompense may not be possible without further congressional action.

**FOR FURTHER INFORMATION CONTACT:** *For Public and Indian Housing programs:* Contact Sherone Ivey, Acting Director, Office of Assisted Housing, Room 4206, telephone (202) 708-0744 (voice), (202) 708-9300 (TDD).

*For the Rent Supplement Program; the Section 236 Program (including RAP); Section 8 Programs (including New Construction, Substantial Rehabilitation, State Agency Set-Aside, and Loan Management Set-Aside); the Section 515/8 Farmers Home Set-Aside*

*Program, and the Nehemiah Housing Opportunity Grants Program:* Contact Barbara Hunter, Acting Division Director, Planning and Procedures Division, Office of Multifamily Housing Management, Room 6180, telephone (202) 708-3944 (voice), (202) 708-4594 (TDD).

*For the Section 202 and Section 202/8 Housing for the Elderly and Handicapped Programs; the Section 202 Supportive Housing for the Elderly Program; the Section 811 Supportive Housing for Persons with Disabilities Program; and the HOPE 2 Program:* Contact Margaret Milner, Acting Director, Office of Elderly and Assisted Housing, Room 6130, telephone (202) 708-4542 (voice), (202) 708-4594 (TDD).

*For the Section 235 Homeownership Program:* Contact Joseph Bates, Director, Single Family Servicing Division, Room 9178, telephone (202) 708-1672 (voice), (202) 708-4594 (TDD).

*For the HOPE 3 Program:* Contact Clifford Taffet, Program Policy Division, Office of Community Planning and Development, Room 7168, telephone (202) 708-3226 (voice), (202) 708-2565 (TDD).

The address for all the above-listed persons is: Department of Housing and Urban Development, 451 Seventh Street, SW, Washington, DC 20410. The telephone numbers listed above are not toll-free.

**SUPPLEMENTARY INFORMATION:**

**Paperwork Reduction Act Statement**

The information collection requirements in this notice have been submitted to the Office of Management and Budget (OMB) for review. These information collection requirements are not effective until such time that OMB grants its approval. The approval numbers will be published in the **Federal Register** through separate notice.

**Background**

The Department provides means-tested housing assistance to eligible low-income families under a variety of programs. Rental assistance programs include the following: Rent Supplement,<sup>1</sup> Section 236,<sup>2</sup> Section 8 and Public and Indian Housing,<sup>3</sup> and Supportive Housing for Elderly<sup>4</sup> and

Disabled Persons.<sup>5</sup> Programs using Section 8 assistance include Section 8 new construction, substantial rehabilitation, certificate/voucher, State Housing Agency, Farmers Home Administration, moderate rehabilitation, loan management, property disposition, and Section 202/Section 8. The Department also provides means-tested subsidies in the Section 235 Homeownership Program.<sup>6</sup>

In these programs, the Department takes family income into account in determining initial program eligibility, and uses periodic income reexaminations to determine the level of benefits to be provided eligible families. The Department also uses family income to determine eligibility for the HOPE Programs (1, 2, and 3),<sup>7</sup> the Nehemiah Housing Opportunity Grants program,<sup>8</sup> and the Section 23 Housing Assistance Payments Program.<sup>9</sup>

In establishing criteria for calculating family income, the Department historically counted the full amount of periodic payments received by program applicants and participants.<sup>10</sup> Since reparation payments made by foreign governments in connection with the Holocaust are made periodically (normally on a monthly basis), they were traditionally included in family income.

Almost two years ago, the Department reversed this position. On March 24, 1993, the Department published a final rule in the **Federal Register**<sup>11</sup> that excluded reparation payments, paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era, from family income under the rental assistance programs described above.<sup>12</sup>

<sup>5</sup> Section 811 of the Cranston-Gonzalez National Affordable Housing Act.

<sup>6</sup> Section 235 of the National Housing Act. New business under this program was terminated effective October 1, 1989, by section 401(d) of the Housing and Community Development Act of 1987.

<sup>7</sup> Title IV of the Cranston-Gonzalez National Affordable Housing Act.

<sup>8</sup> Title VI of the Housing and Community Development Act of 1987, repealed by section 289(b) of the Cranston-Gonzalez National Affordable Housing Act.

<sup>9</sup> Section 23 of the U.S. Housing Act of 1937, repealed by section 201(a) of the Housing and Community Development Act of 1974.

<sup>10</sup> See the following regulations, as they existed before April 23, 1993: Rent Supplement—24 CFR 215.21(b)(7); Section 236—24 CFR 236.3(b)(4); Section 8—24 CFR 813.106(b)(4); and Public Housing—24 CFR 913.106(b)(4).

<sup>11</sup> 58 FR 15773, effective April 23, 1993.

<sup>12</sup> This final rule did not include amendments to the Section 235 regulations. The Department intends to implement the exclusion of reparation payments from income in this program through administrative instructions. Anyone who believes his or her reparation payments were included in

<sup>1</sup> Section 101 of the Housing and Urban Development Act of 1965.

<sup>2</sup> Section 236 of the National Housing Act.

<sup>3</sup> The United States Housing Act of 1937.

<sup>4</sup> Section 202 of the Housing Act of 1959, as amended by section 801 of the Cranston-Gonzalez National Affordable Housing Act.