RELOCATION ASSISTANCE TO DISPLACED HOMEOWNER OCCUPANTS

U. S. Department of Housing and Urban Development
Office of Community Planning and Development

www.hud.gov/relocation

Introduction

This booklet describes the relocation payments and other relocation assistance provided under the **Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended** (URA) to most homeowners whose home is acquired by a public agency for a Federal project or a project in which Federal funds are used.

To be eligible for the assistance described in this booklet, you must have owned and occupied your home for at least 180 days before the Agency offered to buy it. If you have owned and occupied your home for less than 180 days but for 90 days or more before the Agency offered to buy it, you should refer to the HUD booklet entitled, **"Relocation Assistance to Tenants Displaced From Their Homes"** for a summary of relocation assistance and payments for which you may be eligible (if you have owned and occupied your home for less than 90 days, you may still be eligible for relocation assistance, contact the Agency for additional information).

If you are notified that your home will be acquired and you will be displaced, it is important that you do not move before you learn what you must do to receive the relocation payments and other assistance to which you are entitled.

Pursuant to Public Law 105-117, aliens not lawfully present in the United States are not eligible for relocation assistance, unless such ineligibility would result in exceptional hardship to a qualifying spouse, parent, or child. All persons seeking relocation assistance will be required to certify that they are a United States citizen or national, or an alien lawfully present in the United States.

This booklet may not answer all of your questions. If you have more questions, contact the Agency responsible for the project. (Check the back of this booklet for the name of the person to contact at the Agency.) Ask your questions before you move. Afterwards, it may be too late.

Summary of Relocation Assistance

As an eligible displaced homeowner occupant, you will be offered the following advisory and financial assistance:

Advisory Services. This includes referrals to comparable replacement homes, the inspection of replacement housing to ensure that it meets established standards, help in preparing claim forms for relocation payments and other assistance to minimize the impact of the move.

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- **Payment for Moving Expenses.** You may choose either a:

  - **Payment for Your Actual Reasonable Moving and Related Expenses, or**
  - **A Fixed Moving Payment, or**
  - **A combination of both, based on circumstances.**

- **Replacement Housing Payment.** To enable you to buy or, if you prefer, rent a comparable replacement home, you may choose either:

  - **Purchase Assistance, or**
  - **Rental Assistance.**

If you disagree with the Agency's decision as to the relocation assistance for which you are eligible, you may appeal that decision.

General Questions

Will I Be Paid For My Property Before I Have To Move?

If you reach an agreement to sell your property to the Agency, you will not be required to move before you receive the agreed purchase price. If the property is acquired through an eminent domain proceeding, you cannot be required to move before the estimated fair market value of the property has been deposited with the court. (You should be able to withdraw this amount immediately, less any amounts necessary to pay off any mortgage or other liens on the property and to resolve any special ownership problems. Withdrawal of your share of the money will not affect your right to seek additional compensation for your property.)

Will I Have To Pay Rent To The Agency Before I Move?

You may be required to pay a fair rent to the Agency for the period between the acquisition of your property and the date that you move. The rent will not exceed that charged for the use of comparable properties.

How Will I Know I Am Eligible For Relocation Assistance?

You should receive a written notice explaining your eligibility for relocation assistance. You will become eligible for relocation assistance on the date you receive the Agency's written offer of "just compensation" to purchase your home. You should not move before receiving that purchase offer. If you do, you may not receive relocation assistance. For information about the acquisition of your home, ask the Agency for a copy of the booklet, "When a Public Agency Acquires Your Property."

How Will The Agency Know How Much Help I Need?

You will be contacted at an early date and personally interviewed by a representative of the Agency to determine your relocation needs and preferences for replacement housing and advisory services. The interviewer will ask certain questions about you and other members of your household. It is to your advantage to provide the information so that the Agency can assist you in moving with a minimum of hardship. The information you give will be kept in confidence.

How Soon Will I Have To Move?

If possible, a mutually agreeable date for the move will be worked out. You will be given enough time to make plans for moving. Unless there is a health or safety emergency, you will not be required to move without at least 90 days advance written notice of (1) at least one "comparable replacement home" that is available to you and (2) the earliest date by which you must move.

What Is A Comparable Replacement Home?

A comparable replacement home is:

- Decent, safe, and sanitary.
- Functionally equivalent to your present home.
- Actually available for you to buy.
- Affordable.
- Reasonably accessible to your place of employment.
- Generally as well located with respect to public and commercial facilities, such as schools and shopping, as your present home.
- Not subject to unreasonable adverse environmental conditions.
- Available to all persons regardless of race, color, religion, sex, or national origin.

What is Decent, Safe, and Sanitary Housing?

Decent, safe, and sanitary housing is housing that:

- Meets local housing and occupancy requirements.

Additionally, it is housing that:

- Is structurally sound, weather tight, and in good repair.
- Contains a safe, adequate electrical wiring system.
- Has adequate living space for the occupants.
- Has a kitchen with a sink, hot and cold running water, and connections for a stove and refrigerator.
- Has a separate, complete bathroom with hot and cold running water and sewage system.
- Has heating as required by climatic conditions.
- Has an unobstructed exit to safe, open space at ground level.
- Is free of any barriers that would preclude your reasonable use of the unit, if you are

a person with a physical disability.

Will The Agency Help Me Find A Replacement Home?

Yes. You will be provided with referrals to comparable replacement housing. If possible, you will be referred to at least three comparable replacement homes. The maximum financial assistance for which you may qualify will be based on the cost of the most representative comparable replacement home that is available to you. When the Agency gives you its initial written purchase offer, it will typically inform you at that time, or shortly thereafter, of your eligibility for relocation assistance, identifying the most comparable replacement home and explain the maximum amount of relocation assistance available to you.

Once the Agency representative has a clear understanding of your needs and preferences, he or she will work with you to assure that you are given the best possible choice of housing and offer you transportation to inspect these units.

If there is a mortgage on your present home, the Agency will refer you to lenders that can provide mortgage financing for your new home. If the money paid for your old home is applied to the purchase of your new home, there should not be any increase in the number or amount of your monthly payments for mortgage interest and principal.

What If I Find My Own Replacement Housing?

You have every right to find your own replacement housing. However, before you buy or rent, ask the Agency to inspect the unit to make sure that it is decent, safe, and sanitary. If the housing unit is not decent, safe, and sanitary, you will not receive a replacement housing payment.

What If I Encounter A Problem In Obtaining Housing Of My Choice?

If you encounter a problem in buying or renting housing of your choice, notify the Agency immediately. The Agency will look into the matter and try to resolve it. You will receive this help whether you were referred to the housing unit or found it yourself.

If you are unable to buy or rent a housing unit because of discriminatory practices on the part of a real estate broker, rental agent, lender, or a property owner, the Agency will help you file a formal housing discrimination complaint with the U.S. Department of Housing and Urban Development or the appropriate State or local fair housing agency.

What Other Services Will I Receive?

In addition to help in obtaining a comparable replacement home, other assistance, as necessary, will be provided in order to minimize the impact of your move. This assistance may include referral to appropriate public and private agencies that provide

services concerning housing financing, employment, health, welfare, or legal assistance. The range of services depends on the needs of the person being displaced. You should ask the Agency representative to tell you about the specific services that will be available to help you and your family.

What Is a Payment For Actual Reasonable Moving And Related Expenses?

You are entitled to a relocation payment to cover the actual reasonable cost of your move. If you choose a Payment For Actual Reasonable Moving And Related Expenses, you may include in your claim the reasonable costs for:

- Transportation for you and your family.
- Packing, moving and unpacking your household goods.
- Disconnecting and reconnecting household appliances and other personal property (e.g., telephone and cable TV).
- Storage of household goods, as may be necessary.
- Insurance for the replacement value of your property during the move and necessary storage.
- The replacement value of property lost, stolen or damaged in the move (but not through your neglect) if insurance is not reasonably available.

The Agency will explain all eligible moving costs, as well as those which are not eligible. You must be able to account for any costs that you incur, so keep all your receipts. Select your mover with care. The Agency can help you select a reliable and reputable mover.

You may elect to pay your moving costs yourself and be repaid by the Agency or, if you prefer, you may have the Agency pay the mover. In either case, let the Agency know before you move.

What Is A Fixed Moving Payment?

If you choose a Fixed Moving Payment, you will receive a payment based on the number of rooms of furniture you will be moving, as shown on the Fixed Residential Moving Cost Schedule. The Agency has a copy of the schedule and will help you decide whether choosing this payment is in your best interest.

If you do not have an unusually large amount of personal property to move and are capable of moving yourself, this payment should be more advantageous to you. No special documentation is required to support your claim. You need only move your personal property and complete the appropriate claim form in order to receive your payment.

I Want To Buy Another Home. How Much Purchase Assistance Will I Receive?

To help you buy a comparable replacement home, you will receive Purchase Assistance

equal to the sum of the following three costs:

- **Purchase Price Differential.** If the cost of replacement housing exceeds the amount the Agency pays for your present home, you may be eligible for a payment to cover the difference. The Agency will inform you in writing of the location and cost of comparable replacement housing (and explain the basis of its determination) so that you will know in advance how much assistance you may receive. That information should help you decide how much you wish to pay for replacement housing.

  You are free to purchase any decent, safe and sanitary housing unit of your choice. If the purchase price is less than the cost of a comparable replacement home, the payment will be limited to the actual difference. If it exceeds the cost of a comparable replacement home, the payment will be based on the cost of a comparable home.

  Examples: Let's say that the Agency pays $120,000 to purchase your home and that a comparable replacement home costs $130,000.

  - ❖ If you pay $129,000 for a replacement home, you would receive a $9,000 differential payment (the difference between the Agency's payment for the acquisition of your home and the cost of your replacement home).

  - ❖ If you pay $132,000 for the replacement home, you would receive a $10,000 differential payment (the difference between the Agency's acquisition payment and the cost of the comparable replacement home).

- **Mortgage Interest Differential Payment.** This amount covers the "present value" of the additional costs required to finance the purchase of a replacement home that result if the interest rate you must pay for a new mortgage is higher than the interest rate on the mortgage on your present home. It also covers other debt service costs. The payment is based on the lesser of: the mortgage balance on your present home or your new mortgage amount. To be eligible, the mortgage on your home must have been a valid lien for at least 180 days before the Agency's initial written purchase offer for your home.

  You should provide the Agency with a copy of your mortgage(s) as soon as possible. Based on that information and the prevailing terms and conditions of new mortgage financing, the Agency will compute the approximate mortgage interest differential payment for which you will be eligible, inform you of that amount and explain the conditions on which it is based. The payment will be made available with the purchase price differential in a timely manner to reduce the amount you must borrow to buy your new home.

- **Incidental Expenses.** This amount covers those extra costs typically charged when one buys real property, such as the cost of preparing the deed and recording fees;

the cost of title insurance, revenue stamps and transfer taxes (not to exceed the cost for comparable replacement housing); loan application, loan origination and appraisal fees; the cost of a credit report; and for other costs such as certification of structural soundness, home inspection and termite inspection. It does not cover prepaid expenses, such as property taxes and insurance.

Remember, your total replacement housing payment is the sum of the purchase price differential, mortgage interest differential, and incidental expenses.

To qualify for the payment, you must purchase and occupy a decent, safe and sanitary replacement home within one year after the later of: the date you move or the date you receive the final payment for the acquisition of your present home. However, the Agency will extend this period for good cause.

If I Decide To Rent, Rather Than Buy, Another Home, How Much Assistance Will I Receive?

If you decide to rent rather than buy a replacement home, you may be eligible to receive **Rental Assistance**. The assistance covers a 42-month period and is computed in the following manner.

The assistance needed for one month is based on the difference between the market rent for your present home (including utilities), as determined by the agency, compared to a comparable rental dwelling available on the market (including utilities). That monthly need, if any, is multiplied by 42 to determine the total amount that you will receive. This amount will be paid directly to you in monthly installments or other periodic payments.

Examples: Let's say that the monthly "market rent" and average cost for utilities for your present home are $250 and the monthly rent and estimated average utility costs for a comparable replacement home are $350.

- If you rent a replacement home for $360 per month, including estimated utility charges, you will receive $4,200. That amount is 42 times $100 (the difference between the market rent for your present home ($250) and the cost for a comparable replacement home ($350)).

- If you rent a replacement home for $310, including estimated average monthly utility charges, you will receive $2,520. That amount is 42 times $60 (the difference between the "base monthly rent" for your present home ($250) and the actual cost of your new home ($310)).

To qualify for rental assistance, you must rent and occupy a decent, safe, and sanitary home within one year after the later of: the date you move or the date you receive the final payment for the acquisition of your present home. However, the Agency will extend this period for good cause. The amount of rental assistance cannot exceed the

computed purchase price differential.

Must I File A Claim To Obtain A Relocation Payment?

Yes. You must file a claim for each relocation payment. The Agency will provide you with the required claim forms, help you to complete them, and explain the type of

documentation, if any, that you must submit in order to receive your relocation payments.

If you must pay any relocation expenses before you move (e.g., a deposit when you contract for the purchase of a new home), discuss your financial needs with the Agency. You will be able to obtain an advance payment to meet these costs. An advance payment to purchase a home may be placed in "escrow." An advance payment for moving expenses may be paid directly to the moving contractor to ensure that the move will be completed on a timely basis.

You must file your claim within 18 months after the date you move or receive the final payment for the acquisition of your present home. However, it is to your advantage to file as soon as possible after you move. The sooner you submit your claim, the sooner it can be processed and paid. If you are unable to file your claim within 18 months, ask the Agency to extend this period.

Be careful not to confuse this 18-month period with the 12-month period within which you must buy or rent and occupy a replacement dwelling in order to be eligible for a replacement housing payment.

You will be paid promptly after you file an acceptable claim. If there is any question regarding your right to a relocation payment or the amount of the payment, you will be notified, in writing, of the problem and the action you may take to resolve the matter.

Do I Have To Pay Federal Income Taxes On My Relocation Payments?

No. Section 216 of the URA states that you need not report relocation payments as part of your gross income for Federal tax purposes. For information on State or local income taxes, you should check with the State or local income tax office in your area or with your personal tax advisor.

What If I Don't Receive The Required Assistance. Can I Appeal?

If you disagree with the Agency's decision as to your right to relocation assistance or the amount of a payment, or the adequacy of the housing to which you have been referred, you may appeal the decision to the Agency.

The Agency will inform you of its appeal procedures. At a minimum, you will have 60 days to file your appeal with the Agency. Your appeal must be in writing. However, if

you need help, the Agency will assist you in preparing your appeal.

If you are a low- or moderate-income person and are dissatisfied with the Agency's determination on your appeal, you may have an additional right to request administrative review of that decision (e.g., by HUD or the State). The Agency will explain whether this option is available.

You can expect a fair decision on any appeal. However, if you are not satisfied with the final administrative decision on your appeal, you may seek review of the matter by the courts.

I Have More Questions. Who Will Answer Them?

If you have any questions after reading this booklet, contact the Agency and discuss your concerns with an Agency representative.

Agency:

Address:

Office Hours:

Telephone Number:

Person to Contact: