



U.S. Department of Housing and Urban Development  
PUBLIC AND INDIAN HOUSING

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**Special Attention of:**  
All Public Housing Agencies;  
Office of Public Housing  
Directors; Administrators,  
Office of Native American  
Programs; Indian Housing  
Authorities

**Notice** PIH 95-5 (HA)

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Cross References:

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**Subject:** Modifying the Family Self-Sufficiency Program (FSS)  
Contract of Participation

1. Introduction. The purpose of this Notice is to give guidance to field offices, public housing agencies and Indian housing authorities (HAs) on permissible modifications to the U.S. Department of Housing and Urban Development (HUD) Section 8, Public Housing and Indian Housing Programs FSS Contract of Participation.
2. Background. The FSS program promotes the development of local strategies that coordinate the use of public and Indian housing assistance and housing assistance under the Section 8 rental certificate and voucher programs with public and private resources to enable eligible families to achieve economic independence and self-sufficiency. The designated head of each family participating in an FSS program and the HA must execute an FSS contract of participation that has been provided by HUD.

This contract incorporates the individual training and services plan(s) of the family, sets forth the principal terms and conditions governing participation in the FSS program, including the rights and responsibilities of the FSS family and the HA, the services to be provided to and the activities to be completed by the head of the FSS family and each adult member of the family who elects to participate in the program. The limited modifications of this contract permitted by HUD are discussed in paragraphs 3. and 4. of this Notice.

3. Modifications Provided for in the Contract of Participation. The instructions for executing the FSS Contract of Participation that accompanied the 5/93 contract state that the contract may be changed only to modify the following:

- A. The contract term.
  - B. Designation of the head of the family.
  - C. The individual training and services plans.
4. Authorization for One Additional Modification to the Contract of Participation for Section 8 FSS. The Department has learned that some current Section 8 program participants are reluctant to participate in the Section 8 FSS program because they fear termination of their Section 8 assistance if any member of the family fails to meet his or her responsibilities under the FSS contract. Termination of Section 8 assistance for this reason is identified as a potential corrective action available to HAs in the FSS contract. Several HAs have developed local policies to never terminate Section 8 assistance because of family failure to meet FSS responsibilities and have asked to modify the FSS contract to delete the reference to termination of Section 8 assistance from the list of corrective actions available to HAs.

Since termination was intended as an option for HAs rather than a mandatory action, the Department has determined that the section of the contract entitled "Corrective Actions for Failure to meet Family Responsibilities" may also be modified by HAs to delete the third item which reads as follows: "(3) if the family is participating in the rental certificate or rental voucher program, terminate the Section 8 assistance, when allowed by HUD requirements".

5. HUD Review. No HUD review or approval of the modified FSS contract deleting the third item under "Corrective Actions for Failure to meet Family Responsibilities" is required.

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Assistant Secretary for  
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