

# FACT SHEET

## Family Self-Sufficiency (FSS) Program

Office of Public Housing and Voucher Programs &  
Office of Public Housing Investments

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### General Program Information:

#### What is the FSS Program?

FSS is a program that enables HUD-assisted families to increase their earned income and reduce their dependency on welfare assistance and rental subsidies.

Public Housing Agencies (PHAs) work in collaboration with a Program Coordinating Committee (PCC) to secure commitments of public and private resources for the operation of the FSS program, to develop the PHA's FSS Action Plan (the FSS policy framework), and to implement the program.

#### How does the program work?

Once an eligible family is selected to participate in the program, the PHA, and the head of each participating family execute a FSS Contract of Participation that specifies the rights and responsibilities of both parties. The term of the FSS contract is generally 5 years, but it may be extended for another 2 years by the PHA for good cause.

The FSS contract also incorporates the family's individual training and services plan (ITSP). The ITSP is the document that records the plan for the family. That is, the series of intermediate and long-term goals and the steps the family needs to take – and the services and resources they may need to access – to achieve those goals.

Some of the services coordinated through the program include: child care, transportation, education, job training, employment counseling, financial literacy, and homeownership counseling, among others. Services are generally not provided by the PHA, but rather outsourced to service providers in the community.

An interest-bearing escrow account is established by the PHA for each participating family.

Any increases in the family's rent as a result of increased earned income during the family's participation in the program result in a credit to the family's escrow account. Once a family graduates from the program, they may access the escrow and use it for any purpose.

### **Who administers the FSS program?**

The FSS program is administered locally by PHAs in collaboration with the PCC. The PCC is made up of an array of organizations and the composition may vary by PHA. Some of the most common PCC partners include:

- Workforce Investment Boards
- Financial Literacy and Credit Counseling Providers
- City or County Government
- City or County Human Services/TANF Agency
- City or County Departments of Health and Mental Health
- Community and/or 4-Year Colleges

Regulations require that the PCC include representatives from the PHA and public housing resident representatives (or HCV participants if the PHA serves HCV families under their FSS program). The PCC assists the PHA in developing the FSS action plan and operating procedures and in identifying service gaps and securing service commitments from public and private resources.

See the "Design and Administration" section below for more information about how the FSS is administered.

### **Who is eligible to participate in the FSS program?**

The FSS program is available to Public Housing (PH) residents, Housing Choice Voucher (HCV) program participants, residents of NAHASDA-assisted housing, and, recently, residents of project-based rental assistance (PBRA) projects. **How do families enroll in the program?**

Eligible families should discuss participation in the FSS program with their **local PHA**. For a list of PHAs and Tribes that have received FSS funding from HUD between 2011 and 2015, [click here](#). Please note that FSS funding for tribes is only applicable to the PH FSS program. Also note that if you are a PBRA resident you will need to contact the PBRA owner of the property where your unit is located (if different than the PHA) for more information.

## **Administration of the FSS Program:**

### **What is the FSS Action Plan?**

The FSS Action Plan describes the policies and procedures to operate an FSS program. A PHA that wishes to operate a joint FSS program with other PHAs may do so under a joint Action Plan. The PHA's local HUD Field Office must approve the FSS Action Plan.

### **What is the role of the FSS Program Coordinator?**

FSS program coordinators assist the family in the development of the ITSP, they assure that FSS program participants are linked to the supportive services they need to achieve economic self-sufficiency, and that the escrow account is properly maintained, among other responsibilities.

### **Can PHAs operate voluntary FSS programs?**

Yes. PHAs may operate voluntary FSS programs and are encouraged to do so.

## **Program Funding:**

### **How is the program funded?**

Congress appropriates funding for the FSS program through Annual Appropriation Acts to pay the salaries of FSS program coordinators. Generally HUD allocates these funds through a Notice of Funding Availability (NOFA), which is posted on [HUD's website](#) and on [Grants.gov](#). In the past, separate NOFAs were posted for the PH and the HCV FSS programs. Starting in fiscal year 2014, FSS funding for the PH and the HCV FSS programs was combined. As a result, there are no longer two separate NOFAs for the HCV FSS program and the PH FSS program, and funding may be used to serve all eligible families. PHAs also rely on their own resources and other local resources to operate the program.

### **Who is eligible to apply for funding?**

Eligibility requirements are established in each annual NOFA, but only PHAs and Indian tribes have been eligible to apply in the past. Note that while PBRA owners may implement and administer an FSS program, they are not eligible to apply for FSS funding.

Eligible families who are interested in participating in the FSS program may contact a PHA in their area that administers an FSS program. Please note that not all PHAs administer the FSS program. For a list of PHAs and Tribes that have received FSS funding from HUD between 2011 and 2015, [click here](#).

## **Participant Selection:**

### **Can a PHA use a selection preference to select families for the FSS Program?**

PHAs can give a selection preference, for up to 50 percent of their FSS slots, to eligible families with one or more family members enrolled in, or on the waiting list for, an FSS-related service program. If the PHA chooses to use a selection preference, it must include in its Action Plan the information listed in 24 CFR §984.203(a)(1)-(3). The remaining FSS slots must be filled using an objective selection system such as a lottery, the length of time the family has lived in subsidized housing, or the date the family expressed an interest in participating in the FSS program.

### **How are families selected if the PHA does not use a selection preference?**

The PHA must use an objective system, such as a lottery, the length of time the family has lived in subsidized housing, or the date the family expressed an interest in FSS.

### **Can PHAs screen families for participation in the FSS program?**

PHAs may screen families for interest, and motivation to participate in the FSS program as long as the factors used by the PHA are those which solely measure the family's interest and motivation. The PHA may not screen for education, job history, credit rating, marital status, or number of children, for example, and may not consider any factors which may result in discriminatory practices or treatment toward individuals with disabilities or minority or non-minority groups.

## **The FSS Contract of Participation:**

### **What is an FSS contract of participation?**

One of the basic requirements of the FSS program is execution of an FSS contract of participation between the Head of the FSS family and the PHA. The FSS contract of participation includes the rights and responsibilities of the FSS family and the PHA, the services to be provided to the family, and the activities to be completed by the family.

### **What is the term of the FSS contract of participation?**

The term of the FSS contract is up to five years; however, such term may be extended for up to two more years provided that there is good cause for the extension, such as serious illness or involuntary loss of employment. Participants may also successfully graduate in less than five years.

### **What are the participant's responsibilities under the FSS contract of participation?**

The FSS contract requires that the family comply with the lease, that all FSS family members (not just family members who elected to participate in FSS) are welfare-free for the 12 consecutive months before the FSS contract is completed, and that the head of the FSS family (the same as the head of household for rent and income eligibility purposes) seek and maintain suitable employment.

Noncompliance with the FSS contract without good cause may result in termination from the FSS program, or withholding or termination of supportive services. Termination (or exit) from the FSS program may not result in termination of the family's rental.

### **What is an Individual Training and Services Plan (ITSP)?**

The ITSP is a written plan that lists the services to be provided to each participating family member, the activities to be completed by the family member, and the agreed-upon completion dates of the services and activities. The ITSP also establishes specific interim and final goals by which the PHA and the family can measure the family's progress toward self-sufficiency. The ITSP is incorporated into the Contract of Participation.

### **The Escrow Account:**

#### **What is an escrow account?**

An interest-bearing account established by the PHA on behalf of the FSS family where deposits are made throughout the duration of the family's participation in the FSS program if and when a family's rent increases as a result of increased earned income of the FSS family.

#### **Can a family access the funds of its escrow account before the family successfully completes the program?**

The PHA may make a portion of the escrow account available to the family during the term of the contract if the PHA determines that the family has fulfilled certain interim goals established in the contract and requires a portion of the FSS escrow account funds for purposes consistent with the contract of participation.

#### **When does a family receive all the funds in its FSS escrow account?**

Generally, when the family has fulfilled all of its FSS obligations under the contract *on or before the expiration of the contract* (including the obligation to be welfare-free for the 12 consecutive months before the FSS contract is completed) and the head of the family certifies (on or before the FSS contract expiration date) that no family member is a recipient of welfare assistance.

### **Under what circumstances can escrow account funds be forfeited?**

A FSS family will forfeit its escrow account if the contract of participation is terminated in accordance with the regulations, the family is still receiving welfare at the expiration of the contract term, or the contract was not completed at the end of the contract term.

### **Other Program Information:**

#### **Can families be required to participate in the FSS program?**

Participation of families in the FSS program is voluntary and cannot be a condition of receipt of assistance under the HCV or PH programs.

#### **Can a family continue to receive housing assistance after completion of the FSS contract?**

While one of the objectives of the program is to reduce the dependency of low-income families on federal, state, and local housing assistance programs; most families that complete the program will still need and may continue to receive assistance for housing.

#### **What is the history of the FSS program?**

FSS was established in 1990 by section 554 of the National Affordable Housing Act, which amended Title I of the U.S. Housing Act of 1937 by adding Section 23 for the FSS program. It is a successor program to project self-sufficiency and operation bootstrap. It was modified by the Quality Housing and Work Responsibility Act (QHRWA) of 1998.

#### **What regulations cover this program?**

FSS regulations are found at 24 CFR Part 984.

#### **Where can I find more information about FSS?**

More information may be found on the FSS webpage at the following address:

[http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/public\\_indian\\_housing/programs/hcv/fss](http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/hcv/fss).