



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20410-0500

NOV 16 1987

CE OF THE GENERAL COUNSEL

Clement W. Piles, Esq.
The Legal Aid Society of Columbus
40 West Gay Street
Columbus, Ohio 43215

Dear Mr. Piles:

This is in response your November 5, 1987 letter further pursuing section 8 admission policies at a privately-owned section 8 project in Ohio. Your specific question relates to the language in HUD Handbook 4350.3 Change 1, Chapter 2, Section 6, Paragraph 2-16, which states that credit checks may be useful when no rent payment history is available. You have asked whether that means that credit checks would be considered not useful when a rent payment history is available. HUD does not take that position or prohibit credit checks when rent payment histories are available. Whether a credit check would be consider helpful is a decision to be made by a project owner and if a project owner decides to seek credit checks, HUD would not prohibit the owner from doing so.

The results of a credit check may or may not be determinative of the success of applicant in that there may be other information available, such as a rent payment history, which an owner could consider. However, as we previously stated, part of the reason for a credit check is to assure that a tenant will be able to meet monthly rent obligations, which an owner should be able to expect to assure the continued financial feasibility of a project as well as the availability of a project for all of the lower income persons residing in the project. Such a procedure is not incorrect.

We have no further advise to provide on this issue. Should you wish to pursue the matter please contact Mr. Jerry Grier, Chief Counsel in the HUD Columbus Office.

Sincerely,

Betty Park

Betty Park
Acting Assistant General Counsel
Assisted Housing Division

NOV 19 1987