

Policy Memo on Holding Fees

Date: April 1, 2021

To: Leasing Staff

Subject: Guidance on Holding Fees for MFTE, MHA & other Incentive Program Units

This memo is being issued as a supplement to MFTE/Incentive Zoning Compliance Manual. It will be incorporated into the next annual Compliance Manual update.

Background

The Office of Housing provides specific guidance on allowable fees on pages 32 and 33 of the MFTE/Incentive Zoning Compliance Manual. That document does not address whether and under what circumstances Holding Fees are allowable for MFTE, MHA and other types of Incentive Zoning units. This memo provides supplemental guidance regarding Holding Fees.

What are Holding Fees?

Holding fees are fees charged at application in addition to the standard application/credit fee, which is typically less than \$50. This guidance pertains specifically to fees charged at application and not deposits incurred after a tenant has been determined to be eligible for a unit.

New Guidance on Holding Fees

Holding fees are not required for MFTE, MHA and other types of Incentive Zoning units. However, if a Property Management company desires to charge Holding Fees, it may do so under the following conditions:

- Holding fees may not exceed \$100.
- If the applicant is determined to be ineligible for the unit or decides not to live there for any reason, the holding fee must be refunded in full within 14 business days.
- If the applicant is accepted to the unit and signs a lease, then the holding fee must be deducted from the first month's rent.

Effective Date

This guidance is effective April 30, 2021, 30 days after the publication of this memo.