

Presentation to the House Committee on General and Housing

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Testimony: H. 772



Overview: Impact on Federally Assisted Tenants

H.772 introduces significant supports for renters—including eviction protections, increased confidentiality, credit-building pathways, and VSHA-managed funding. At the same time, several provisions may create challenges for households receiving federal housing assistance.

Understanding these impacts requires examining the bill through the lens of federal program requirements that govern federally-assisted tenancies

Why Alignment with Federal Law Matters



Federal regulations preempt state law in all HUD-funded housing programs.

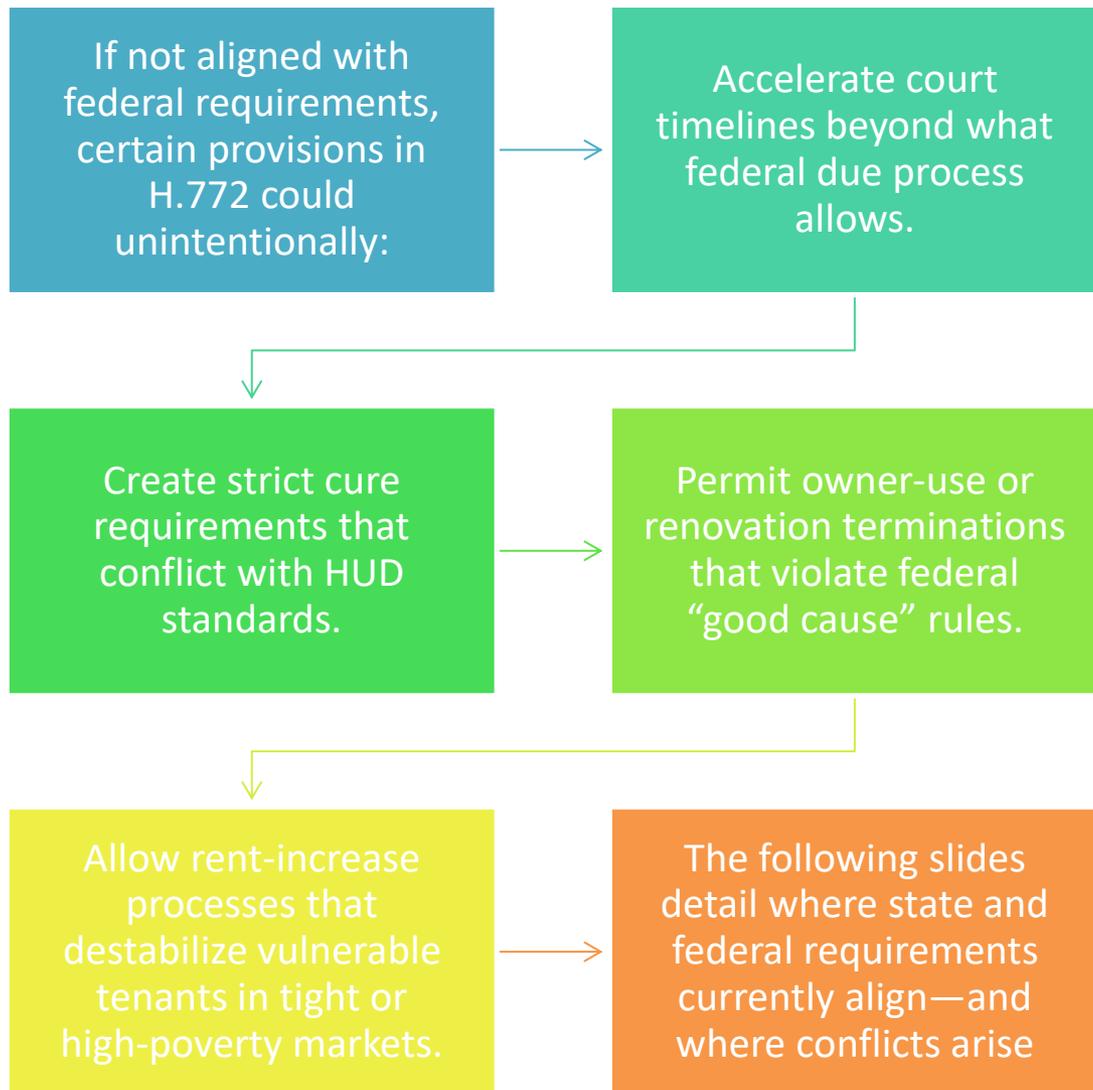
Alignment is essential to:

Protect program integrity and ensure continued receipt of federal funds.

Prevent conflicting obligations for landlords.

Safeguard thousands of Vermont households that rely on federal housing assistance

Challenges and Risks in H.772



Areas of Alignment with Federal Regulations

H.772 supports several objectives that are consistent with federal policy:

Reflects federal “good cause” expectations for lease enforcement.

Reinforces health and safety requirements similar to federal habitability standards.

Establishes security deposit limits that can improve access for voucher holders.

Supports confidentiality practices consistent with federal screening requirements.

Potential Conflicts with Federal Regulations

Specific provisions risk conflict with federal housing law:

No-cause terminations contradict federal “good cause” rules for assisted tenancies.

3-day criminal-activity notices may not meet federal due-process timelines.

Nonpayment standards do not distinguish between tenant-paid rent and PHA-paid rent—federal law prohibits eviction for nonpayment of the PHA portion.

Trespass and removal rules may interfere with tenants’ ability to meet program obligations or receive required accommodations.

Key Recommended Exemptions

To prevent compliance problems for both landlords and tenants, VSHA recommends:

Creating explicit statutory exemptions for all federally assisted tenancies regarding no-cause termination provisions.

Clarifying that federal requirements govern eviction, notice, and due-process procedures for these households.

These exemptions provide a simple and effective way to prevent conflict between state and federal rules.

Nonpayment & Due Process Clarifications

To maintain program integrity, H.772 should:

Specify that landlords may not evict a tenant for nonpayment of the PHA-paid portion of rent.

Ensure court timelines allow federally mandated due-process protections, including time for contesting termination actions.

These clarifications support fair process for tenants and legal clarity for landlords.

Disability-Related Accommodations

To remain consistent with HUD civil rights requirements, H.772 should:

Include explicit language requiring reasonable accommodations for tenants with disabilities.

Apply these accommodations to property removal, trespass orders, and other provisions that may impact a tenant's ability to comply with program requirements.

Summary of Recommendations

To ensure alignment between state and federal law, VSHA recommends:

Adopting clear exemptions for federally assisted tenancies.

Distinguishing PHA-paid rent from tenant-paid rent in nonpayment actions.

Preserving federally required due-process timelines.

Incorporating explicit disability-accommodation language.

Together, these changes support both tenant stability and landlord compliance.

Rental Arrears Assistance Fund – Background

In FY2025, VSHA received **\$2.5 million** to create the Rental Arrears Assistance Fund to prevent evictions in sustainable tenancies.

This fund, authorized under H.829 (2024), provides targeted assistance to stabilize households and reduce court-based evictions.

Rental Arrears Assistance Fund

Assistance to date by Household and County

The average per household benefit equals: \$8,850.00

County	Households	Amount Paid
Addison	3	\$26,593.43
Bennington	4	\$32,147.46
Caledonia	1	\$8,906.39
Chittenden	95	\$775,528.86
Franklin	7	\$64,328.23
Lamoille	8	\$57,887.66
Orange	1	\$10,810.00
Orleans	1	\$3,409.23
Rutland	20	\$138,366.03
Washington	10	\$115,748.83
Windham	21	\$151,537.62
Windsor	17	\$134,719.91
Total	188	\$1,519,983.65

Funding Needs and Sunset Timeline

H.772 proposes **\$1 million** to continue the program past May 2026.

Without continued funding, the Arrears Assistance Fund will sunset when current appropriations expire in May 2026.

Continued investment will sustain eviction prevention capacity statewide.

Conclusion & Call to Action

Thank you for your commitment to housing stability in Vermont.

VSHA looks forward to working with the Legislature to ensure that H.772 strengthens tenant protections while fully aligning with federal requirements, supporting families and landlords across the state.

2/5/2026



Appendix 1: Alignment Between H.772 and Federal Regulations

Topic	Alignment with Federal Regulations
Lease violations and eviction grounds	Mirrors federal “good cause” standards under 24 CFR § 982.310; helps landlords comply with HCV rules.
Health & safety defenses	Consistent with federal habitability standards enforcement and tenant protections.
Security deposit limits	No conflict with federal rules; may improve voucher holders’ access to housing.
Confidential eviction records	Aligns with federal screening processes; PHAs use their own checks regardless of sealed state records.

Appendix 2: Potential Conflicts Between H. 772 and Federal Regulations

TOPIC	POTENTIAL CONFLICT WITH FEDERAL REGULATIONS
No-cause terminations	Conflicts with federal requirement for “good cause” termination under 24 CFR § 982.310 and 883.708; federal rules preempt state authorization of no-cause eviction for federally assisted tenants.
3-day criminal-activity notices	Short notice may conflict with federally required due-process protections and hearing timelines that allow tenants to contest under federal requirements.
Nonpayment eviction standards	H.772 does not distinguish tenant vs. PHA rent portions; federal rules prohibit eviction for nonpayment of the PHA portion.
Trespass orders & property removal	May impede tenants’ access to documents needed for HCV compliance; could conflict with disability accommodation obligations.