

Exhibit 10-5 Step Extension Process

AHFC Policy

Under the Step Extension Process, Step Program families may ask for two consecutive one-year extensions of assistance under the following circumstances:

1. The family has received a Termination of Assistance notice due to the pending expiration of their Step Program assistance.
2. At exit, the family will pay more than 50 percent of monthly income toward rent and tenant-paid utilities.
3. The family is in compliance with family obligations under their rental assistance program.
4. The family is active in Jumpstart.
 - a. First Extension: Family must enroll or be enrolled in Jumpstart prior to the scheduled end of Step Year 5.
 - b. Second Extension: Family must remain active in Jumpstart throughout the first extension period.

1. Step Extension Eligibility and Notification

Each family approaching the end of their Step Program participation will receive a written notification from AHFC. The notice will provide:

- The termination date for Step Program assistance
- The qualifications for participating in the Step Extension process
- The deadline date for requesting participation in the Step Extension process

Families may ask for a Step Extension after the initial deadline due to a Bridge Process-qualifying change in family circumstances.

- The change must have occurred after the issuance of the initial AHFC termination of assistance notice and result in a financial hardship.
- AHFC will require verification of the family's change in circumstance.
- AHFC will not accept a Step Extension Application in the last 30 days of a family's assistance.

AHFC will attempt to process late requests in a timely manner. The family will be responsible for the full payment of their rent if the request cannot be processed prior to the family's end of assistance date.

2. Step Extension Participation

A family that receives a Step Extension is expected to comply with all family obligations under their rental assistance program and remain active in Jumpstart.

2.A Subsidy

- Housing Choice Voucher families determined eligible for a Step Extension will receive 20 percent of the applicable current local payment standard as assistance. The family will be responsible for paying the balance.
- Public Housing families determined eligible for a Step Extension will pay 80 percent of the contract rent applicable during Year 5 of Step and the unit size the family occupies.

2.B Family Failure to Remain Active in Jumpstart

A family that does not remain active in Jumpstart during their first Step Extension is not eligible for a second extension. Failure to remain active in Jumpstart is not cause to end a family's rental assistance.

2.C Bridge Process While on an Extension

A family may request a Bridge Application to address a financial hardship while on a Step Extension. AHFC will follow the policy and procedures for that process. Any exemption or reduction granted may not extend beyond the family's end of assistance date. AHFC will not accept a Bridge Application in the last 30 days of a family's assistance.

2.D Change in Family Status

If a family's composition or status changes such that the family will qualify for Classic status, the family must request to have their status changed. The family will submit a Step Extension Application and documentation verifying their change in eligibility status to begin that process.

3. Decision Review Process

See Hardship Policy and Process for family rights to appeal decisions made in the Step Extension Process.

Numbered Memo

19-24 Changes to Step Extension Application Process