**Washington State Department of Commerce**

**Landlord Mitigation Program**

**Program Overview**

The Department of Commerce was directed by the Washington State Legislature to develop and implement a Landlord Mitigation Program (per [ESHB-2380, Laws of 2016, Section 1010](http://leap.leg.wa.gov/leap/budget/lbns/2016Cap2380-S.SL.pdf)). The Landlord Mitigation Program (the Program) is designed to provide financial assistance to landlords of private market units to mitigate qualifying damages caused by tenants who use HUD’s [Housing Choice Voucher Program](http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/hcv/about) to pay for their rent.

**Who can apply? (Eligibility Requirements)**

To be eligible for the Program, a landlord must have leased a private market unit to a tenant using the HUD Housing Choice Voucher Program. For more details on the various Housing Choice Voucher types, visit HUD’s Housing Choice Voucher Program [website](http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/hcv/about). The damages to the rented unit/property must exceed normal wear and tear.

To qualify for this Program assistance, the landlord must first obtain a judgment against the tenant from a court in the county in which the rental property is located. The judgment claim must have been initiated no earlier than April 18, 2016 (which is the date the bill became law). An application [add link to app] for reimbursement under the Landlord Mitigation Program must be submitted to Department of Commerce within one year of the date of the judgment.

The rented unit/property in question must also be located in a jurisdiction that prohibits landlords to deny tenancy based solely on the tenant's source of income. To the Department of Commerce’s knowledge, the locations in Washington that currently have such protections are:

* Unincorporated King County
* Bellevue
* Redmond
* Kirkland
* Seattle
* Olympia
* Tumwater
* Vancouver

Program assistance is limited to reimbursement for those amounts covered in a final judgment against a tenant who was a Housing Choice Voucher-holder during their tenancy, providing that the subject damage was incurred on or after April 18, 2016. The landlord must submit an application [add link to app] for Program assistance to the Department of Commerce within one year of obtaining a judgment against a qualified tenant. The time frame for appeal of the judgment must have expired without appeal *or* the judgment must otherwise not be subject to further judicial review (i.e., there is no outstanding appeal on the judgement).

**How much can I be reimbursed for?**

Damages must exceed normal wear and tear on the property and be in excess of $500 but not more than $5,000 per tenancy. Program assistance for damages may be provided on a judgment that is in excess of $5,000, however, assistance cannot exceed $5,000. For example, if a landlord has obtained a judgment for $7,000 for qualifying damages, she/he may seek reimbursement for up to $5,000 of the qualifying damages. In such cases, the damages to be covered by this Program funds must be clearly identified in the application [add link to app] the landlord must submit to Department of Commerce. All reimbursement requests must be clearly substantiated by paid invoices of work performed; Commerce will not disburse funds for requests based solely on estimates.

**What damages are covered?**

The following costs can be considered “damages” eligible for reimbursement under this Program:

* 1. Repairs or replacements due to property damage that exceed normal wear and tear
	2. Unpaid rent
	3. Other damages caused as a result of the tenant’s occupancy and which are included in the judgment

If the judgment is $5,000 or less and the landlord received payment of some amount of the judgment, to include any deposits retained, from the tenant in question or from a third party, the landlord must deduct the amount received from the total amount requested from the Landlord Mitigation Program. If a judgment is in excess of the $5,000 Program reimbursement limit, and the received funds, if any, do not reduce the total unpaid amount of the judgment below $5,000, the landlord may request assistance up to the $5,000 Program limit. For example, if $500 has been received toward satisfaction of a $7,000 judgment, the landlord may still apply for the full $5,000 allowable from the Program. However, if, after submitting an application [add link to app] for Program assistance, a landlord receives payment for any claimed damages from a tenant or a third party, the landlord must notify the Department of Commerce within ten (10) days of such payment. If payment from another source (the tenant or a third party) results in an overpayment by the Department of Commerce, the landlord must provide restitution to the Department for the overpaid Program assistance within forty-five (45) days. The Department of Commerce will maintain a record of Program assistance provided to landlords to assist in determining if there have been any overpayments.

**What is the process for applying and receiving the funds?**

The application and submittal instructions are available for download here [add link to app]. After submission of the application and supporting materials, the Department of Commerce will notify the landlord within ten (10) days that the application was received and ask for additional information or clarifications, if needed. The Department of Commerce will process applications on a first come, first served basis, and, if all criteria for reimbursement are met, provide payments to the landlord within forty-five (45) days from the date of receipt.

After receiving financial assistance, the landlord must file a satisfaction of judgment (or partial satisfaction if the judgement is for more than the amount received from Department of Commerce) within thirty (30) days in the court in which the judgment against the tenant was obtained, in the amount of the assistance received from the Department of Commerce. A copy of this filed satisfaction of judgment must be delivered to the Department of Commerce within forty (40) days of the landlord’s receipt of Program assistance. Note that if the assistance received from the Department of Commerce does not cover the full amount of the judgement, the landlord receiving assistance is not prohibited from pursuing other means to complete the judgement.

**For more information**

Any questions about the Landlord Mitigation Program should be directed to Sean Harrington in the Housing Finance Unit, at 360.725.2983 or via email at sean.harrington@commerce.wa.gov.

The Department of Commerce anticipates that the Landlord Mitigation Program will encounter issues requiring clarification; the Department will post updates to this site as necessary. Additionally, the Department will post questions received, and answers to those questions, in a regularly-updated Frequently Asked Questions (FAQ) file, to be made available on this site. [REMOVE THIS TEXT ONCE FAQ COMPILED]