

Figure 2: 10 TAC §2.302(k)

Penalty schedule for Multifamily Rental Findings of Noncompliance. These are the maximum potential administrative penalty amounts possible for each finding of noncompliance. When an administrative penalty is to be considered, the matrix below must be considered in conjunction with the statutory factors at Tex. Gov't Code §2306.042:		
Finding of Noncompliance	Maximum First Time Administrative Penalty assessment	Maximum Administrative Penalty Assessment for a Responsible Party that has previously paid a penalty for the same finding type
Violations of the Uniform Physical Condition Standards	Up to \$500 for level 3 deficiencies, up to \$250 for level 2 deficiencies, up to \$125 for level 1 deficiencies, plus an optional \$100 per day for each level 2 or level 3 deficiency that remains uncorrected 6 months from the corrective action deadline	Up to \$1,000 for level 3 deficiencies, up to \$500 for level 2 deficiencies, up to \$250 for level 1 deficiencies, plus an optional \$200 per day for each level 2 or level 3 deficiency that remains uncorrected 6 months from the corrective action deadline
Violations of National Standards for Physical Inspections of Real Estate	Up to \$500 for life threatening and severe deficiencies, up to \$250 for moderate deficiencies, up to \$125 for low deficiencies, plus an optional \$100 per day for each life threatening or severe deficiency that remains uncorrected 6 months from the corrective action deadline	Up to \$1,000 for life threatening and severe deficiencies, up to \$500 for moderate deficiencies, up to \$250 for low deficiencies, plus an optional \$200 per day for each life threatening or severe deficiency that remains uncorrected 6 months from the corrective action deadline
Violations of National Standards for Physical Inspections of Real Estate, relating to inoperable elevators	If an elevator-serviced building has no operable elevators: Up to \$1,000.00 per inoperable elevator, plus an optional \$2,500.00 per week	If an elevator-serviced building has no operable elevators: Up to \$1,000.00 per inoperable elevator, plus an optional \$5,000.00 per week

	If an elevator-serviced building has an inoperable elevator, but other operable elevators are available in the building: Up to \$1,000.00 per inoperable elevator, plus an optional \$500.00 per week	If an elevator-serviced building has an inoperable elevator, but other operable elevators are available in the building: Up to \$1,000.00 per inoperable elevator, plus an optional \$1,000.00 per week
Noncompliance related to Affirmative Marketing requirements described in §10.801 of this title.	Up to \$250	Up to \$500
TDHCA has received notice from HUD, the DOJ, the TWC, or another party of a judgement from a court of competent jurisdiction regarding a Fair Housing Violation and/or reported general public use violations, unless such violation has already been disclosed in the Annual Owner's Compliance Report.	Up to \$1,000	Up to \$1,000
TDHCA has referred unresolved Fair Housing design and construction issues to the Texas Workforce Commission Civil Rights division	Up to \$1,000	Up to \$1,000
Development is not available to the general public because of leasing issues	Up to \$1,000 per day per violation	Up to \$1,000 per day per violation
Development is never expected to comply due to failure to report or allow monitoring	Up to \$1,000 per day	Up to \$1,000 per day

Owner did not allow on-site monitoring or failed to notify residents, resulting in inspection cancellation (including failure to appear for review)	Up to \$1,000 per day	Up to \$1,000 per day
LURA not in effect	Up to \$1,000 per day	Up to \$1,000 per day
Project failed to meet minimum set aside	Up to \$1,000 per day	Up to \$1,000 per day
No evidence of, or failure to certify to material participation and/or ownership by a non-profit or HUB, if required by LURA	Up to \$750	Up to \$1,000
Development failed to meet additional state required rent and occupancy restrictions	Up to \$250 per day per violation	Up to \$500 per day per violation
Noncompliance with social service requirements (provision of services)	Up to \$250 per violation, with each required service considered a separate violation	Up to \$500 per violation, with each required service considered a separate violation
Noncompliance with social service requirements (expenditure amounts)	Double the monthly expenditure deficiency, up to a maximum of \$1,000 per day	Triple the monthly expenditure deficiency, up to a maximum of \$1,000 per day.
Development failed to provide housing to the elderly as promised at application	Up to \$5 per day per violation	Up to \$10 per day per violation
Failure to provide special needs housing, or to follow preferences and limitations as required by rule or LURA	Up to \$1,000 per violation	Up to \$1,000 per violation
Changes in Eligible Basis or Applicable percentage in violation of the IRS 8823 Audit Guide or other IRS guidance	Up to \$1,000 per day per violation	Up to \$1,000 per day per violation

Failure to submit all or parts of the Annual Owner's Compliance Report	Up to \$500	Up to \$1,000
Failure to respond to Compliance Division requests for clarification regarding answers on the Annual Owner's Compliance Report	Up to \$250	Up to \$750
Failure to submit quarterly reports as required by §10.607 of this title	Up to \$100, then and additional \$250 for each subsequent quarter that the report is not received	Up to \$250, then an additional \$500 for each subsequent quarter that the report is not submitted
Noncompliance with utility allowance requirements described in §10.614 of this title and/or Treasury Regulation 26 CFR §1.42-10	Up to \$50 per unit	Up to \$100 per unit
Noncompliance with lease requirements described in §10.613 of this title (relating to failure to execute required lease provisions)	Up to \$500	Up to \$1,000
Noncompliance with lease requirements described in §10.613 of this title (relating to failure to provide lease brochures, guides or notices described in §10.613 currently including but not limited to the Tenant Rights and Resources Guide)	Up to \$250	Up to \$500
Asset Management has reported that Development has failed to establish and maintain a reserve account in accordance with §10.404 of this title	Up to \$1,000	Up to \$1,000

Failure to provide a notary public as promised at application	Up to \$500	Up to \$750
Violation of the Unit Vacancy Rule	Up to \$250 per violation	Up to \$500 per violation
Failure to provide pre-onsite documentation	Up to \$250 per pre-onsite documentation item	Up to \$500 per pre-onsite documentation item
Failure to provide amenity as required by LURA	Up to \$1,000 per violation	Up to \$1,000 per violation, plus \$100 for each subsequent day the violation continues
Failure to pay asset management, compliance monitoring or other required fee	Up to \$250 for the first day plus \$10 per day for each subsequent day the violation continues	Up to \$500 for the first day plus \$50 per day for each subsequent day the violation continues
Change in ownership without department approval (other than removal of a general partner in accordance with §10.406 of this title)	Up to \$1,000 for the first day plus \$100 per day for each subsequent day the violation continues	Up to \$1,000 for the first day plus \$200 per day for each subsequent day the violation continues
Noncompliance with written policy and procedure requirements described in §10.802 of this title (written policy violations)	Up to \$500 per violation	Up to \$1,000 per violation
Noncompliance with written policy and procedure requirements described in §10.802 of this title (notice of termination language requirements)	Up to \$250 per violation	Up to \$500 per violation
Noncompliance with Reasonable Accommodation Policy requirements as described in §10.802 of this title	Up to \$500 per violation	Up to \$1,000 per violation

Program Unit not leased to Low-Income household (either because the household's income exceeds the allowable limit or because the owner did not gather adequate documentation to establish household eligibility)	Up to \$1,000 per violation	Up to \$1,000 per violation
Program unit occupied by nonqualified full- time students	Up to \$1,000 per violation	Up to \$1,000 per violation
Low-Income units used on a transient basis	Up to \$500 per violation	Up to \$1,000 per violation
Violation of the Available Unit Rule	Up to \$500 per violation	Up to \$1,000 per violation
Gross rent exceeds the highest rent allowed under the LURA or other deed restriction	Up to \$50 per unit per day	Up to \$150 per unit per day
Failure to provide Tenant Income Certification and documentation	Up to \$100 per violation	Up to \$250 per violation
Unit not available for rent	Up to \$50 per unit per day	Up to \$100 per unit per day
Failure to collect data required by §10.612(b)(1) and/or (2) of this title (Annual Eligibility Certifications)	Up to \$50 per violation	Up to \$100 per violation
Development evicted or terminated the tenancy of a low- income tenant for other than good cause	Up to \$1,000 per violation	Up to \$1,000 per violation
Household income increased above 80 percent at recertification and Owner failed to properly determine rent	Up to \$500 per violation	Up to \$1,000 per violation

Violation of the Integrated Housing Rule in 10 TAC 1.15	Up to \$500	Up to \$500
Failure to resolve final construction deficiencies within corrective action period	Up to \$1,000 per violation	Up to \$1,000 per violation
Noncompliance with the required accessibility requirements such as §504 of the Rehabilitation Act of 1973, the 2010 ADA standards or other accessibility related requirements of a Department Rule, including but not limited to those described in Chapter 1, Subchapter B (except those only under the Fair Housing Act for which there is a separate category)	Up to \$1,000 per violation, plus an optional \$100 per day for each accessibility deficiency that remains uncorrected 6 months from the corrective action deadline	Up to \$1,000 per violation, plus an optional \$100 per day for each accessibility deficiency that remains uncorrected 6 months from the corrective action deadline
Noncompliance with the notice to the Department requirements described in §10.609 of this title	Up to \$500	Up to \$500
Failure to provide a reasonable accommodation under 10 TAC, Chapter 1, Subchapter B	Up to \$1,000 per violation	Up to \$1,000 per violation
Violation of the Fair Housing Act and §1.205 of this Title	Up to \$1,000	Up to \$1,000
Failure to reserve units for Section 811 participants (Section 811 PRA only)	Up to \$750 per violation	Up to \$1,000 per violation

Failure to notify the Department of the availability of Section 811 units (Section 811 PRA only)	Up to \$750 per violation	Up to \$1,000 per violation
Owner failed to check criminal history and drug use of household (as required by Department Rule)	Up to \$250	Up to \$500
Failure to use Enterprise Income Verification System (section 811 PRA only)	Up to \$250	Up to \$500
Failure to properly document and calculate adjusted income (section 811 PRA only)	Up to \$500 per violation	Up to \$1,000 per violation
Failure to use required HUD forms (Section 811 PRA only)	Up to \$250	Up to \$500
Accepted funding that limits 811 PRA participation	Up to \$1,000	Up to \$1,000
Failure to properly calculate resident portion of rent (Section 811 PRA and HOME ARP Qualified Population Units only)	Up to \$50 per unit per day	Up to \$150 per unit per day
Failure to use HUD model Lease (Section 811 PRA only)	Up to \$500	Up to \$1,000
Failure to disperse 811 PRA Units according to program requirements (relates to disbursement throughout the Development. Section 811 PRA only)	Up to \$500	Up to \$1,000
Failure to conduct interim certifications (Section 811 PRA only)	Up to \$100 per violation	Up to \$250 per violation

Failure to conduct annual income recertification (Section 811 PRA only)	Up to \$100 per violation	Up to \$250 per violation
Asset Management Division has reported that Development has failed to submit rents for review on an annual basis in accordance with §10.403 of this Title	Up to \$750	Up to \$1,000
Failure to maintain status as a qualified Community Housing Development Organization (CHDO)	Up to \$1,000 + up to \$100 for each day the entity failed to comply	Up to \$1,000 + up to \$250 for each day the entity failed to comply
Failure to submit Audit Certification Form, a Single Audit, or other programmatic audit	Up to \$1,000	Up to \$1,000 plus up to \$100 for each day not in compliance
Failure to timely enter into an Information Privacy and Security Agreement	Up to \$1,000 per violation	Up to \$1,000 per violation
Failure to comply with Labor Standards requirements in accordance with program rule, policy or agreement	Up to \$500	Up to \$1,000
Failure to comply with displacement policies as required by program rule, policy or agreement	Up to \$500	Up to \$1,000
Casualty loss not corrected during restoration period	Up to \$100 per unit per day	Up to \$500 per unit per day
Unit leased to Household that is not qualified for the Section 811 PRA program	Up to \$500	Up to \$1,000

Failure to submit documentation for mail in review	Up to \$1,000 per day	Up to \$1,000 per day
Noncompliance with CHDO requirements	Up to \$500	Up to \$1,000
Failure to properly calculate security deposit (Section 811 PRA only)	Up to \$1,000	Up to \$1,000
Failure to prominently display required Fair Housing Posters (Section 811 PRA only)	Up to \$250	Up to \$500
Failure to comply with Section 3 requirements in 24 CFR Part 75in accordance with program rule, policy, or agreement	Up to \$500	Up to \$1,000