

MODEL LEASE CLAUSE

Protect Against Problems When Households Violate Student Rule Mid-Lease

Here's a clause that gives you several options to pursue if a low-income household becomes ineligible under the student rule mid-lease. Our clause gives you the right to transfer an ineligible household, raise its rent to market rate, decline to renew its lease, or end the lease in the middle of the lease term. Talk to your attorney about adding this clause to the lease you use with your low-income households and making sure it conforms to your local landlord-tenant law.

INELIGIBLE STUDENT HOUSEHOLD

Resident understands that his/her eligibility to occupy his/her low-income unit may terminate if all members of his/her household become full-time students and the household doesn't meet any of the exceptions described in Section 42 of the Internal Revenue Code. In the event that Resident's household becomes an ineligible student household, Owner may, at its sole discretion and at any point during the lease term, transfer Resident to a different unit, raise Resident's rent to market rate, refuse to renew Resident's lease, or terminate Resident's lease.