

ALL NEW RULE

DEPARTMENT OF HUMAN SERVICES, ADDICTION SERVICES DIVISION 052 RECOVERY HOMES FOR PEOPLE IN RECOVERY FROM ALCOHOL AND DRUG ABUSE OR DEPENDENCY

415-052-0100

Purpose

(1) These rules prescribe standards for providing financial assistance in the form of loans under 42 U.S.C. 300x-25 to support the establishment of recovery homes for people in recovery from alcohol and drug abuse or dependency.

Stat. Auth.: ORS 409.050 & ORS 409.410

Stats. Implemented: ORS 90.100 to ORS 90.459; ORS 105.105 to ORS 105.168; ORS 430.265 to 430.920; ORS 279B; 42 U.S.C. 300x-25; & 45 CFR 96.129

Hist.:

415-052-0105

Definitions

(1) "Alcohol or drug abuse" means repetitive, excessive use of alcohol, a drug or controlled substance short of dependence, without medical supervision, which may have a detrimental effect on the individual, the family, or society.

(2) "Alcohol or drug dependence" means the loss of a person's ability to control the personal use of controlled substances or other substances with abuse potential, including alcohol, or use of such substances or controlled substances to the extent that the health of the person or that of others is substantially impaired or endangered or the social or economic functioning of the person is substantially disrupted. A drug-dependent person may be physically dependent, a condition in which the body requires a continuing supply of a drug or controlled substance to avoid characteristic withdrawal symptoms, or psychologically dependent, a condition characterized by an overwhelming mental desire for continued use of a drug or controlled substance.

(3) "Division" means the Addictions and Mental Health (AMH) Division of the Department of Human Services (DHS).

(4) "In recovery" means an individual who is recovering from alcohol or drug abuse or dependency.

(5) "Nonprofit Entity" means a charitable organization that has been approved for tax exemption by the Internal Revenue Code under Section 501(c)(3) or an affiliate of such charitable organization.

(6) "Recovery home" means a group home for individuals in recovery, as described in 42 U.S.C. 300x-25, that is developed by a nonprofit entity and prohibits the use of alcohol or any illegal drug on the premises. Recovery homes operate consistent with the following provisions:

(a) The use of alcohol or any illegal drugs in the housing is prohibited;

- (b) Any resident of the housing who violates this prohibition is immediately expelled;
- (c) The costs of the housing, including fees for rent and utilities, and repayment of the loan, are paid by the residents; and
- (d) The residents of the housing will, through a majority vote, otherwise establish policies governing residence in the housing, including the manner in which applications for residence in the housing are approved.

(7) "Revolving Loan Fund" or "loan" means a fund established under 42 U.S.C. 300x-25 for the purpose of making loans to cover the cost of establishing a recovery home for 6 or more persons in recovery.

Stat. Auth.: ORS 409.050 & ORS 409.410

Stats. Implemented: ORS 90.100 to ORS 90.459; ORS 105.105 to ORS 105.168; ORS 430.265 to 430.920; ORS 279B; 42 U.S.C. 300x-25; & 45 CFR 96.129

Hist.:

415-052-0110

Revolving Loan Fund

(1) Establishment of the Revolving Loan Fund. The Division will establish and administer a revolving loan fund to assist the establishment of recovery homes. This fund shall be known as the "Oregon Recovery Homes Revolving Loan Fund". The revolving loan fund will be established with federal funds allocated for this purpose under 42 U.S.C. 300x-25 and may be supplemented with state funds designated for this purpose.

(2) Administration of the Revolving Loan Fund. The Division may contract with a private, nonprofit entity to administer the revolving loan fund. The private, nonprofit entity will be selected through a competitive process consistent with state contracting practices under ORS 279B. The selection of the contractor shall be based upon a review of qualifications, expertise, experience and documented capabilities relating to the administration of a revolving loan fund. The revolving loan fund will be administered consistent with all federal, state and local laws and the following requirements:

- (a) The revolving loan fund will be maintained in an account that is separate and distinct from all other accounts maintained by the contractor that is selected by the Division. The account will be interest-bearing, if such an account is available, and be kept in a depository approved by the State of Oregon;
- (b) The contractor will adopt policies and procedures for the administration of the revolving loan fund consistent with 42 U.S.C. 300x-25, 45 CFR 96.129 and these rules. These policies and procedures will include criteria for approving loans, collecting payments, assessing penalties, and managing loans in default. These policies and procedures will be reviewed and approved by the Division;
- (c) The contractor will use forms and other written materials to provide loans. These will include, but not be limited to, a loan application form, a loan approval letter indicated loan terms, and a past due notification letter;
- (d) Loans will be limited to legitimate costs relating to the establishment or relocation of a recovery home. These costs will include, but not be limited to, first month's rent, necessary furniture, facility modifications, and purchase of appliances and equipment necessary to the operation of the household
- (e) Loans will not exceed \$5,000. This amount will include no more than \$4,000 from federal sources. No interest will be charged;

- (f) The terms for the loan shall specify that repayment will occur within two years after the date on which the loan is made;
- (g) The loan will be paid through monthly installments with funds collected from residents of the recovery home;
- (h) A reasonable penalty will be assessed for each failure to pay the monthly installment by the due date;
- (i) There will be procedures that outline liability and recourse in the case of default; and
- (j) A record for each loan shall be maintained and include the application, approval documentation, payment history, correspondence, penalties, default remedies and documentation of pay-off.

(4) **Reporting Requirements.** The contractor shall provide a monthly report to the Division on the status of the revolving loan fund and assist the Division with supplying data for an annual report to the federal government on the status of the revolving loan fund.

(5) **Non-performance.** In the event of contractor non-performance, the Division may take actions necessary to remediate problems or terminate the contract for administration of the revolving loan fund. If contract termination results in a period of time when no contractor is available to administer the fund, the Division will administer the fund until such time another contractor may be selected.

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