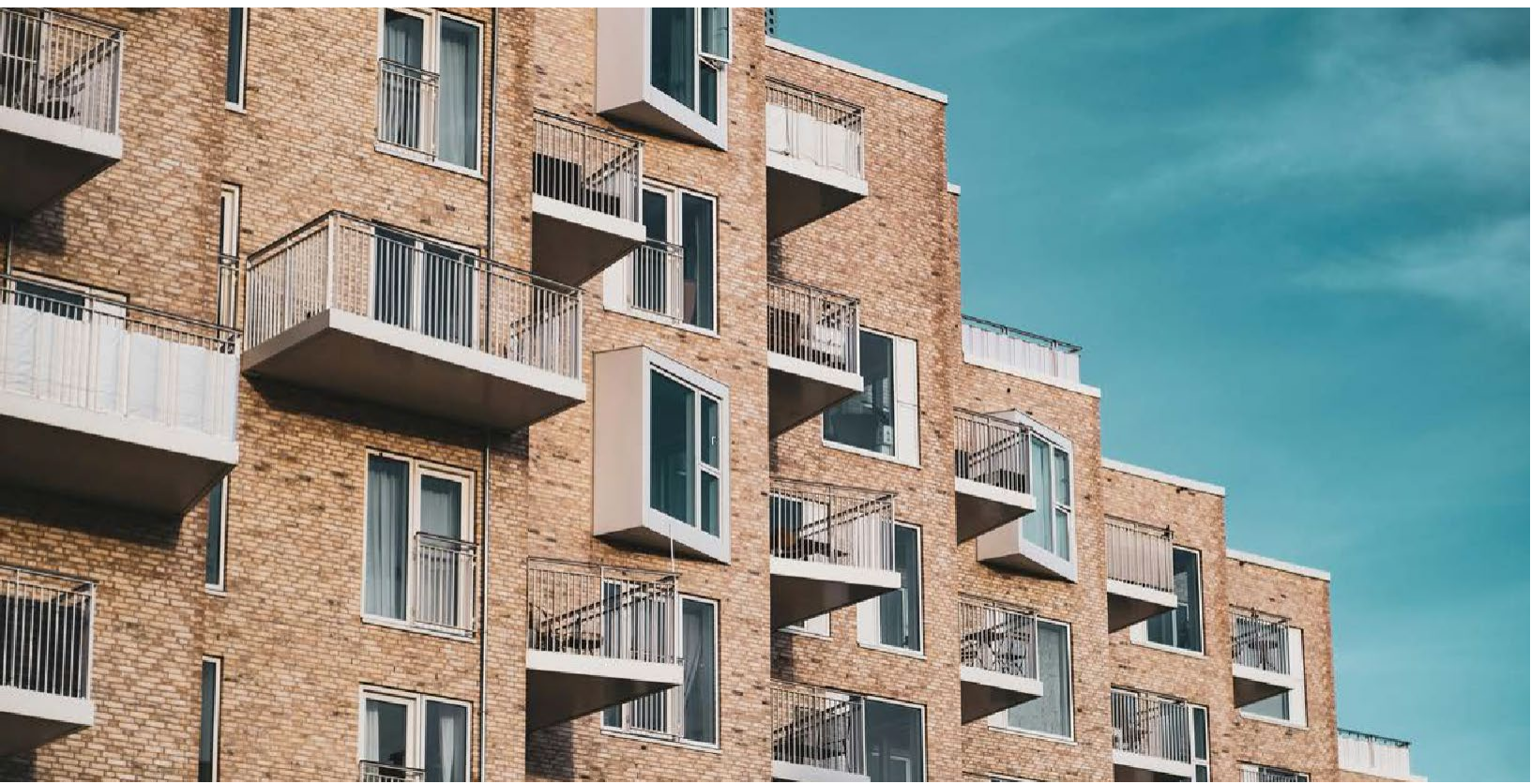


# **HOTMA MANDATORY AND DISCRETIONARY POLICY CHANGES**



# ASSET LIMITATION

## ASSET LIMITATION FOR NEW ADMISSIONS

24 CFR 5.618



### Mandatory Policy

PHAs must deny admission of an applicant to the public housing or Housing Choice Voucher (HCV) program if they are determined to not meet the requirements of the asset limitation. The asset limitation has two components: families must not have 1) Net family assets that exceed \$100,000 (adjusted annually for inflation); and/ or 2) A present ownership interest in, a legal right to reside in, and the effective legal authority to sell (based on laws of the state or locality in which the property is located), real property that is suitable for occupancy by the family as a residence.



### Discretionary Policy

While the asset limitation must be enforced for new applicants, PHAs have discretion in deciding how, or if, to enforce the asset limitation (i.e., the real property requirement and the \$100,000 net family assets requirement) at annual and interim recertifications (reexaminations) of existing residents.

### **\*\*PHA ADDITIONS TO ECKAN ADMIN PLAN:**

#### ***3-III.B. MANDATORY DENIAL OF ASSISTANCE [24 CFR 982.553(a)]***

**HUD requires the PHA to deny assistance in the following cases:**

- Any applicant(s) that are out of compliance with the asset limitation [24 CFR 5.618]
  - Before denying an application on this ground alone, the PHA will offer an opportunity for the applicant to explain why any property or asset should be excluded, or why real property owned by the family is exempt or not suitable for occupancy. (pg. 44-45)

#### ***11-I.C. CONDUCTING ANNUAL REEXAMINATIONS [24 CFR 982.551(b)]***

#### ***DETERMINING ONGOING ASSET LIMITATION ELIGIBILITY OF PARTICIPANTS [24 CFR 5.618(a)]***

**\*\* During the annual reexamination process, the PHA will not enforce the Asset Limitation [24 CFR 5.618(a) after interim or annual reexaminations. Therefore, the PHA will not make a determination about compliance with that limitation after interim or annual reexaminations. (pg. 213)**

## **11-II.D. PROCESSING THE INTERIM REEXAMINATION**

### **DETERMINING ONGOING ASSET LIMITATION ELIGIBILITY OF PARTICIPANTS [24 CFR 5.618(A)]**

**\*\* During an interim reexamination process, the PHA will not enforce the Asset Limitation [24 CFR 5.618(a) after interim or annual reexaminations. Therefore, the PHA will not make a determination about compliance with that limitation after interim or annual reexaminations. (pg. 219)**

## **DETERMINING NET FAMILY ASSETS**

**24 CFR 5.603(b)(3) and (4)**



### **Mandatory Policy**

**When calculating Net Family Assets, the PHA must include the value of non-necessary items of personal property if the combined value exceeds \$50,000.**



### **Discretionary Policy**

**PHAs have the discretion to define in written policy the types of items that constitute necessary and non-necessary personal property, as long as the policy does not conflict with any guidance from HUD on what constitutes necessary vs. non-necessary personal property. Any policy must be applied consistently across the program.**

### **\*\*PHA ADDITIONS TO ECKAN ADMIN PLAN:**

#### **6-I.G. ASSETS [24 CFR 5.609(b)(3) and 24 CFR 5.603(b)]**

##### **Personal Property [HCV GB, pg. 5-25].**

**\*\* When determining Net Family Assets, the PHA will take the following steps:**

- 1. Provide the family with a description of non-necessary personal property and ask the family to estimate the total value of their non-necessary personal property. If the family estimates that their non-necessary personal property is valued under \$50,000 (as adjusted annually for inflation) then the PHA will not ask the family to report the individual items of non-necessary personal property, except every third year when the PHA is fully verifying all assets.**
- 2. If the family's non-necessary personal property has a net value over \$50,000, the PHA will ask the family to report a full list of their non-necessary personal property. The PHA will assess the list to determine if any of the items are necessary personal property. The PHA will make a determination as to each item identified, based on HUD (or PHA) guidance, and if the item is determined to be necessary, or otherwise excluded from net family assets, like a retirement account, etc, it will be excluded from the family's net assets.**

**\*\* The PHA will consider the following to be necessary items of personal property:**

- Any automobile regularly used by a member of the family to commute to work, school, or childcare**
- Any computer or electronic device (such as laptop, tablet, monitor, or**

cellphone) that is used by any family member to work, look for work, or study

- Any item used for religious purposes (such as a historic book of scripture)
- Jewelry or other keepsakes which hold religious or cultural value, or deep family significance. For example, a watch which has been in the family and passed down from generation to generation

**\*\* The PHA will consider the following to be non-necessary items of personal property:**

- Bank accounts and other financial investments (e.g., checking account, savings account, stocks/bonds)
- Any automobile that is used purely for recreation (such as an RV or camping trailer) and not for any of the defined “necessary” uses, is a “non-necessary” item of personal property and is included in the calculation of net family assets
- Collectible items (such as sports cards or trading cards) that are not used for a work-related purpose by a family member

**\*\* The PHA may make case-specific determinations of other “necessary” items. (pg. 98-99)**

**\*\*PHA REMOVAL OF ECKAN ADMIN PLAN:**

***6-I.G. ASSETS [24 CFR 5.609(b)(3) and 24 CFR 5.603(b)]***

***Personal Property [HCV GB, pg. 5-25].***

**\*\* Necessary personal property consists of only those items not held as an investment, and may include clothing, furniture, household furnishings, jewelry, and vehicles, including those specially equipped for persons with disabilities. (pg. 98)**

# SELF-CERTIFICATION OF NET FAMILY ASSETS

---

24 CFR 5.603(b) “Net Family Assets” para. (2); 5.618(b)



## Mandatory Policy

**PHAs must determine the value of net family assets, and the income earned on assets, at admission and annually. Additionally, PHAs must fully verify assets every three years by obtaining third-party verification of all family assets. Third-party verification of assets is always required when net family assets exceed \$50,000, adjusted annually by HUD.**

**When fully verifying assets, PHAs are required to obtain a minimum of one account statement to verify the balance of accounts and any interest accrued on the account, such as checking and savings accounts.**



## Discretionary Policy

**The PHA may choose to determine net family assets and anticipated income earned from assets based on a family self-certification, certifying that their net family assets are equal to or less than \$50,000 without taking additional steps to verify accuracy, including at admission. However, assets will be fully verified, using third-party documentation every three years.**

### **\*\*PHA ADDITIONS TO ECKAN ADMIN PLAN:**

#### ***6-I.G. ASSETS [24 CFR 5.609(b)(3) and 24 CFR 5.603(b)]***

**\*\* The PHA will fully verify net family assets at the time of admission and at interim and annual reexaminations. When fully verifying assets, the PHA will obtain a minimum of one account statement to verify the balance and any interest on accounts, including any checking and savings accounts. (pg. 91)**

#### ***11-I.A. OVERVIEW***

**\*\*The PHA will determine each family's net family assets at the time of annual and interim reexamination. The PHA will accept anticipated income earned from assets based solely on a family self-certification that their net assets are equal to or less than \$50,000. After a family's assets of \$50,000 or less have been self-certified for two years in a row, at the next annual reexamination, the PHA will fully verify net family assets and anticipated income earned from assets. The PHA will resume accepting self-certification until the third annual reexam following the most recent full verification. If assets are greater than \$50,000, assets will always be fully verified.**

**\*\*When fully verifying assets, the PHA will obtain a minimum of one account statement to verify the balance and any interest on accounts, including any**

checking or saving accounts. (pg. 211)

#### ***11-II.A. OVERVIEW***

**\*\*The PHA will determine each family's net family assets at the time of annual and interim reexamination. The PHA will accept anticipated income earned from assets based solely on a family self-certification that their net assets are equal to or less than \$50,000. After a family's assets of \$50,000 or less have been self-certified for two years in a row, at the next annual reexamination, the PHA will fully verify net family assets and anticipated income earned from assets. The PHA will resume accepting self-certification until the third annual reexam following the most recent full verification. If assets are greater than \$50,000, assets will always be fully verified.**

**\*\*When fully verifying assets, the PHA will obtain a minimum of one account statement to verify the balance and any interest on accounts, including any checking or saving accounts. (pg. 214)**

# HARDSHIP EXEMPTIONS

## HARDSHIP EXEMPTIONS FOR HEALTH/MEDICAL CARE EXPENSES & REASONABLE ATTENDANT CARE & AUXILIARY APPARATUS EXPENSES – GENERAL RELIEF

24 CFR 5.611(c)(1) and 5.611(c)(2)



### Mandatory Policy

There are two types of hardship exemptions to the ten percent threshold for deducting unreimbursed health and medical care expenses (for elderly and disabled families) and reasonable attendant care and auxiliary apparatus expenses (for families that include a person with disabilities). The first category, **Phased-In Relief**, defined in § 5.611(c)(1), is for families eligible for and taking the unreimbursed health and medical care expenses and reasonable attendant care and auxiliary apparatus expenses deduction in effect prior to January 1, 2024.

- The second category, **General Relief**, defined in § 5.611(c)(2), is for families that can demonstrate that the family's health and medical care expenses or reasonable attendant care and auxiliary apparatus expenses increased, or the family's financial hardship is a result of a change in circumstances that would not otherwise trigger an interim reexamination.



### Discretionary Policies

#### General Relief

Families that can demonstrate that the family's health and medical care expenses or reasonable attendant care and auxiliary apparatus expenses increased, or the family's financial hardship is a result of a change in circumstances that would not otherwise trigger an interim reexamination may qualify for General Relief. With qualifying hardships, the PHA will deduct eligible expenses in excess of 5 percent of the family's income for a period of up to 90 days. The PHA must develop written policies in their ACOP/ Admin Plan to define what constitutes a qualifying hardship for General Relief. Specifically, the PHA must establish policies regarding the types of circumstances that will allow a family to qualify for financial hardship and when such deductions may be eligible for additional 90-day extensions.

**\*\*PHA ADDITIONS TO ECKAN ADMIN PLAN:**

#### ***6-II.D. MEDICAL EXPENSES DEDUCTION [24 CFR 5.611(a)(3)(i)]***

**All families who received a deduction for unreimbursed health and medical care and /or reasonable attendant care or auxiliary apparatus expenses based on their most recent income examination prior to January 1, 2024, will begin receiving the 24-month phased-in relief at their next annual or interim reexamination, whichever occurs first after the PHA implements HOTMA.(January 1<sup>st</sup>, 2027)**

**Families who receive this phased-in relief will have eligible expenses deducted as follows:**

- **1<sup>st</sup> twelve months – in excess of 5% of annual income.**
- **2<sup>nd</sup> twelve months – in excess of 7.5% of annual income.**
- **After 24 months – in excess of 10% threshold will phase in and remain in effect.**

**Once a family chooses to obtain General Relief, a family may no longer receive the phased-in relief.**

**A family may request a hardship exemption, referred to as General Relief, for health or medical care expenses, reasonable attendant care, or auxiliary apparatus expenses.**

- **Eligibility: A family must demonstrate that their applicable expenses increased or they experienced a change in circumstances that resulted in a financial hardship, as defined below, that would not otherwise trigger an interim reexamination. This relief is available regardless of whether the family previously received health and medical deductions or is currently receiving, or previously received, a phased-in hardship exemption under 5.611(c)(1).**
- **A change in circumstances includes the need for new, qualifying, health/medical reasonable attendant care and auxiliary apparatus expenses or an increase in the cost of qualifying expenses so that qualifying expenses exceed 5% of the family's annual income.**
- **The exemption ends when the circumstances that made the family eligible for the exemption no longer apply or after 90 days, whichever comes earlier.**
- **If the family wishes to request a successive 90-day period for the exemption, they must make that request within 5 days of the end of the current eligibility period and must demonstrate to the PHA why an additional period of exemption is warranted.**

**If the PHA determines that the expense giving rise to the hardship exemption will not end within 90 days, the PHA may grant one or more 90-day extensions in advance.**

**The PHA will not consider more than 4 consecutive requests for this hardship exemption.**

**The PHA must obtain third-party verification of the family's inability to pay rent or must document in the file the reason third-party verification was not available. The PHA must attempt to obtain third-party verification prior to the end of the 90-day period.**

**The PHA must comply with the Health Insurance Portability and Accountability Act (HIPAA)(Pub. L. 104-191, 110 Stat. 1936) and the Privacy Act of 1974 (Pub. L. 93-579, 88 Stat. 1896) when requesting documentation to determine eligibility for a financial hardship exemption for unreimbursed health and medical care expenses.**

**The PHA may not request documentation beyond what is sufficient to determine anticipated health and medical care and/or reasonable attendant care and auxiliary apparatus costs or when a change in circumstances took place. Before placing bills and documentation in the tenant file, the PHA will redact all personally identifiable information. The PHA will comply with all federal nondiscrimination and civil rights statutes and requirements, including, but not limited to, the Fair Housing Act, Title VI of the Civil Rights Act, Section 504, and the Americans with Disabilities Act, as applicable. Among other obligations, this includes providing for reasonable accommodations that may be necessary for persons with disabilities.**

**The PHA will accept written third-party documents provided by the family. If the family provided documents are not available, the PHA will provide a third-party verification form directly to the care provider requesting the needed information. Examples of verification documents include receipts, cancelled checks, third-party form signed by the provider, billing statements, or other evidence of monthly payments or total payments. (pg. 108-110)**

#### ***7-IV.B. MEDICAL EXPENSE DEDUCTION***

**Policies related to medical expenses are found in 6-II.D. The amount of the deduction will be verified following the standard verification procedures described in Part I.**

#### ***Amount of Expense***

**\*\* Medical expenses will be verified through:**

- Written third-party documents provided by the family, such as pharmacy printouts or receipts.**
- The PHA will make a best effort to determine what expenses from the past are likely to continue to occur in the future. The PHA will also accept evidence of monthly payments or total payments that**

**will be due for medical expenses during the upcoming 12 months.**

- **Written third-party verification forms, if the family is unable to provide acceptable documentation.**
- **If third-party or document review is not possible, written family certification as to costs anticipated to be incurred during the upcoming 12 months.**

**In addition, the PHA must verify that:**

- **The household is eligible for the deduction.**
- **The costs to be deducted are qualified medical expenses.**
- **The expenses are not paid for or reimbursed by any other source.**
- **Costs incurred in past years are counted only once.**

### ***Eligible Household***

**The medical expense deduction is permitted only for households in which the head, spouse, or co-head is at least 62 years of age, or a person with disabilities. The PHA must verify that the family meets the definition of an elderly or disabled family provided in the Eligibility chapter and as described in Chapter 7 (7-IV.A.) of this plan.**

### ***Qualified Expenses***

**To be eligible for the medical expenses deduction, the costs must qualify as medical expenses. See Chapter 6 (6-II.D.) for the PHA's policy on what counts as a medical expense.**

### ***Unreimbursed Expenses***

**\*\* The family will be required to certify that the medical expenses are not paid or reimbursed to the family from any source. If expenses are verified through a third party, the third party must certify that the expenses are not paid or reimbursed from any other source.**

### ***Expenses Incurred in Past Years***

**\*\* When anticipated costs are related to on-going payment of medical bills incurred in past years, the PHA will verify:**

- **The anticipated repayment schedule**
- **The amounts paid in the past, and**
- **Whether the amounts to be repaid have been deducted from the family's annual income in past years**

### ***7-IV.C. DISABILITY ASSISTANCE EXPENSES***

**Policies related to disability assistance expenses are found in 6-II.E. The amount of the deduction will be verified following the standard verification procedures described in Part I.**

#### ***Amount of Expense Attendant***

##### ***Care***

**\*\* The PHA will accept written third-party documents provided by the family.**

**\*\* If family-provided documents are not available, the PHA will provide a third-party verification form directly to the care provider requesting the needed information.**

**Expenses for attendant care will be verified through:**

- Written third-party documents provided by the family, such as receipts or cancelled checks.**
- Third-party verification form signed by the provider, if family-provided documents are not available.**
- If third-party verification is not possible, written family certification as to costs anticipated to be incurred for the upcoming 12 months.**

#### ***Auxiliary Apparatus***

**\*\* Expenses for auxiliary apparatus will be verified through:**

- Written third-party documents provided by the family, such as billing statements for purchase of auxiliary apparatus, or other evidence of monthly payments or total payments that will be due for the apparatus during the upcoming 12 months.**
- Third-party verification form signed by the provider, if family-provided documents are not available.**
- If third-party verification is not possible, written family certification of estimated apparatus costs for the upcoming 12 months.**

**In addition, the PHA must verify that:**

- **The family member for whom the expense is incurred is a person with disabilities (as described in 7-II.F above).**
- **The expense permits a family member, or members, to work (as described in 6- II.E.).**
- **The expense is not reimbursed from another source (as described in 6-II.E.).**

### ***Family Member is a Person with Disabilities***

**To be eligible for the disability assistance expense deduction, the costs must be incurred for attendant care or auxiliary apparatus expense associated with a person with disabilities. The PHA will verify that the expense is incurred for a person with disabilities (See 7-II.F.).**

### ***Family Member(s) Permitted to Work***

**\*\* The PHA will request third-party verification from a rehabilitation agency or knowledgeable medical professional indicating that the person with disabilities requires attendant care or an auxiliary apparatus to be employed, or that the attendant care or auxiliary apparatus enables another family member, or members, to work (See 6-II.E.).**

**\*\* This documentation may be provided by the family.**

**\*\* If third-party verification has been attempted and is either unavailable or proves unsuccessful, the family must certify that the disability assistance expense frees a family member, or members (possibly including the family member receiving the assistance), to work.**

### ***Unreimbursed Expenses***

**\*\* The family will be required to certify that attendant care or auxiliary apparatus expenses are not paid by or reimbursed to the family from any source. (pg. 157-160)**

---

# HARDSHIP EXEMPTION TO CONTINUE CHILD CARE EXPENSES DEDUCTION

24 CFR 5.611(a)(4)



## Mandatory Policy

PHAs must develop policies requiring families to report if the circumstances that made the family eligible for the hardship exemption are no longer applicable.



## Discretionary Policy

PHAs may extend hardship exemptions for additional 90-day periods based on family circumstances as stated in their written policies.

### **\*\*PHA ADDITIONS TO ECKAN ADMIN PLAN:**

#### **6-II.F. CHILD CARE EXPENSE DEDUCTION**

##### ***Hardship Exemption to Continue Child Care Expenses Deduction***

The PHA may extend the child care expense deduction for additional 90-day periods if the family demonstrates that they are unable to pay their rent because of loss of the child care expense deduction, and the child care expense is still necessary even though the family member is no longer employed, looking for work, or furthering his or her education

- The PHA may extend the hardship exemption for additional 90-day periods based on family circumstances.
- The PHA may terminate the hardship exemption if it is determined that the family no longer needs the exemption.
- The child care deduction may continue to be necessary when the family has a hardship so that they continue to need child care.

Families must report if the circumstances that made the family eligible for the hardship exemption are no longer applicable.

Examples of Hardship include the following:

- A death has occurred in the family. In order to qualify under this provision, a family must describe how the death has created a need for child care
- A health/medical issue in the family which has created the need for child care. In order to qualify under this provision, a family must describe how the health or medical issues have created a need for child care.

If the family reports the change in circumstances within a timely manner, 7 days of the

change in circumstances, the PHA will provide the family with 30 days advance notice of any rent increase, and such rent increase will be effective the first day of the month beginning after the end of that 30-day notice period.

If the family does not report the change in a timely manner, the adjustment will be made retroactive to the date it would have been effective had the information been provided on a timely basis. The family will be responsible for any underpaid rent and may be offered a repayment agreement. (pg. 115-116)

---

## **POLICY FOR DETERMINATION OF THE FAMILY'S INABILITY TO PAY RENT**

**24 CFR 5.611(e)**



### **Discretionary Policy**

PHAs have discretion to establish policies for the purpose of determining eligibility for general hardship relief for the health and medical care expense deduction and for the childcare expenses hardship exemption.

**\*\*PHA ADDITIONS TO ECKAN ADMIN PLAN:**

### ***6-II.A. INTRODUCTION***

#### ***General Hardship Relief***

It is the policy of the PHA to offer general hardship relief for the regular health and medical expenses deduction and the child care deduction. Hardship includes the following situations:

#### ***Child Care***

- **A death has occurred in the family. In order to qualify under this provision, a family must describe how the death has created a need for child care.**
- **A health/medical issue in the family which has created the need for child care. In order to qualify under this provision, a family must describe how the health or medical issues have created a need for child care.**

**A family is considered to have a hardship when:**

- **The household's family share of total housing costs exceeds 35 percent of adjusted household income.**
- **Or when the family would be evicted because it is unable to pay the**

**tenant portion of the rent.**

### ***Family health and medical expenses***

- **A change in circumstances includes the need for new, qualifying, health/medical, reasonable attendant care and auxiliary apparatus expenses or an increase in the cost of qualifying expenses so that qualifying expenses exceed 5% of the family's annual income.**
- **For hardship conditions based on loss of income, the hardship condition will continue to be recognized until new sources of income are received that are at least equal to the amount lost.**
- **For hardship conditions based upon hardship-related expenses, the minimum rent exemption will continue to be recognized until the cumulative amount exempted is equal to the expense incurred.**
- **The family may receive a deduction of all eligible expenses exceeding 5% of their annual income.**
- **The exemption ends when the circumstances that made the family eligible for the exemption no longer apply or after 90 days, whichever comes earlier. (pg. 108-110)**

## **ADDITIONAL (PERMISSIVE) DEDUCTIONS**

**24 CFR5.611(b)**



### **Mandatory Policy**

**In addition to deductions that PHAs are required to consider, they may establish other “permissive” deductions by policy.**



### **Discretionary Policies**

**PHAs can respond to community needs by establishing a wide range of permissive deductions, including permissive deductions to provide incentives for families to work, encourage self-sufficiency, and for economic mobility.**

**\*\*PHA ADDITIONS TO ECKAN ADMIN PLAN:**

### ***6-II.A. INTRODUCTION***

**The PHA has opted not to use permissive deductions. (pg. 107)**

# DE MINIMIS ERRORS

---

24 CFR §§ 5.609(c)(4); 960.257(f); 982.516(f); 882.515(f); and 882.808(i)(5)



## Mandatory Policy

De minimis errors occur when a PHA's determination of a family's income deviates from the correct income determination by no more than \$30 per month in monthly adjusted income (or \$360 in annual adjusted income). HUD may revise the amount of de minimis error through rulemaking.

PHAs must implement a policy to credit or repay a family if the family was overcharged tenant rent because of the PHA's error in income determination, regardless of the dollar amount of the error (including de minimis errors). The credit or repayment must be retroactive to the effective date of the action the error was made. Families will not be required to repay the PHA in instances where the PHA miscalculated income resulting in a family being undercharged rent.



## Discretionary Policies

PHAs may choose how they will repay or credit a family the amount they were overcharged.

### **\*\*PHA ADDITIONS TO ECKAN ADMIN PLAN:**

#### ***14-I.C. INVESTIGATING ERRORS AND PROGRAM ABUSE***

**Once the PHA becomes aware of the existence of an income calculation error, the error(s) will be corrected retroactive to the effective date of the action resulting in an error regardless of the dollar amount associated with the error.**

**Families will not be required to repay the PHA in instances where the PHA miscalculated income resulting in a family being undercharged for rent. Once the PHA becomes aware of the error the family will be provided with a 30-day notice of the increase to their rent portion.**

**The PHA will take corrective action to credit or repay a family if the family was overcharged tenant rent, including de minimis errors, in the income determination.**

- **The families rent portion will be temporarily adjusted down with additional HAP going to the property owner. The PHA will send a letter to the family and landlord prior to the change in payments notifying them of the change and the duration of the change. If the participant has vacated the unit, the credit will be mailed or provided to the family within 1 month of becoming aware of the error. (pg. 260)**

# INTERIM REEXAMINATIONS

**24 CFR §§ 960.257(b)(6); 982.516(c)(4); and 882.515(b)(4) - (b)(5).**

**A family may request an interim determination of family income or composition because of any changes since the last determination. The PHA must conduct any interim reexamination within a reasonable period of time after the family request or when the PHA becomes aware of a change in the family's adjusted income that must be processed in accordance with the final rule.**

## TIMELY REPORTING OF CHANGES

**24 CFR §§ 960.257(b)(4); 982.516(d); 882.515(b)(5)); and 882.808(i)(4)**



### **Mandatory Policy**

**PHAs must adopt policies prescribing when and under what conditions the family must report a change in family income or composition. Families must report household composition changes and changes to adjusted income consistent with HOTMA and PHA requirements.**



### **Discretionary Policy**

**The PHA has discretion in determining how soon a family must report a change for it to be considered timely. A PHA may wish to specify some or all qualifying circumstances that would trigger a retroactive rent decrease in the case of late reporting.**

### **\*\*PHA ADDITIONS TO ECKAN ADMIN PLAN:**

#### ***11-II.B. CHANGES IN FAMILY AND HOUSEHOLD COMPOSITION***

**\*\* The family may request an interim determination of family income or composition because of any changes since the last determination. The PHA must make the interim determination within a reasonable time after the family request, no more than 30 days, or when the PHA becomes aware of a change in the family's adjusted income that must be processed in accordance with the final rule. (pg. 216)**

#### ***11-II.C. CHANGES AFFECTING INCOME OR EXPENSES***

##### ***Required Reporting***

**\*\* Families are required to report all changes in income, including new employment, within 10 business days of the date the change takes effect. Families are required to report all changes in household income, regardless of the source of the income. All families are required to report any changes in family income, with the exception that families are not required to report any increase in income during the last 3 months before their regular annual reexamination. No interim reexaminations will be conducted due to increases in annual adjusted income in the 3 months before the next regular reexamination.**

- **If a family fails to report an increase of income within the required time frames or fails to provide all required information within the required time frames, the increase will be applied retroactively to the first of the month following the date of the change leading to the interim reexamination. The family will be responsible for any overpaid subsidy and may be offered a repayment agreement in accordance with the policies in Chapter 16.**
- **When a family does not report a change in a timely manner that will result in a decrease in tenant rent, the PHA will implement the decrease no later than the first of the month following the reexamination.**
  - **However, the PHA may make a determination that the late report was due to circumstances outside the family's control and that the decrease will be implemented retroactively. Situations that may warrant a retroactive rent decrease might include late reporting due to, but not limited to:**
    - **Medical Emergency**
    - **Natural Disaster**
    - **Wage theft by the employer**
    - **Disruptions to PHA operations**
  - **When the determination is made that the late report was outside the family's control, then a retroactive decrease may be applied beginning on the later of the first day of the month following the date of the actual decrease in income or the effective date of the most recent admission, interim, or annual income examination. A rent adjustment cannot be retroactive to a date prior to the last income examination.**
- **In case of any rent adjustment, the family will be provided with clear, written communication after the interim reexamination that shows:**
  - **Funds will be returned to the housing provider. Funds will only be provided directly to a family if they no longer reside in the unit.**
  - **The new monthly rent due**
  - **The date the rent is due**
  - **The date of the family's next annual income reexamination (pg. 218-219)**

**\*\*PHA REMOVAL OF ECKAN ADMIN PLAN:**

***11-II.C. CHANGES AFFECTING INCOME OR EXPENSES***

***PHA-Initiated Interim Reexaminations***

**For families receiving the Earned Income Disallowance (EID), the PHA will conduct an interim reexamination at the start and conclusion of the second 12 month exclusion period (50 percent phase-in period). interim reexamination every 3 months as long as the family continues to report that they have no income. (pg. 217)**

***11-II.D. PROCESSING THE INTERIM REEXAMINATION***

***Method of Reporting***

**The PHA will not accept the recertification questionnaire or the release of authorization form by fax or email. These documents must be returned completed and signed to the PHA in their original format. (pg. 219)**

***Effective Dates [24 CFR 982.516(d)] [HCV GB, pg. 12-10]***

- **If a family fails to report a change within the required time frames or fails to provide all required information within the required time frames, the increase will be applied retroactively to the date it would have been effective had the information been provided on a timely basis first of the month following the date of the change leading to the interim reexamination. The family will be responsible for any overpaid subsidy and may be offered a repayment agreement in accordance with the policies in Chapter 16.**
- **In cases where the change cannot be verified until after the date the change would have become effective, and the family notified the PHA within the time required, the change will be made retroactively. (pg. 219)**

# DECREASES & INCREASES IN INCOME

24 CFR §§ 960.257(b)(2); 982.516(c)(2); and 882.515(b)(2)



## Mandatory Policy

A family may request an interim reexamination of family income for any change since the last determination, however, the PHA may decline to conduct an interim reexamination of family income if the PHA estimates the family's adjusted income will decrease or increase by an amount that is less than 10% of the family's annual adjusted income (or a lower amount established by HUD through notice), or a lower threshold established by the PHA which must be included in the ACOP/ Admin Plan, as applicable. A series of smaller increases reported in adjusted income may cumulatively meet the 10% increase threshold, at which point the PHA must conduct an interim reexamination. However, PHAs may not consider any increases in earned income when estimating or calculating whether the family's adjusted income has increased, unless the family had a previous interim examination where the family's income decreased during the same reexamination cycle (earned, unearned, or combined).

PHAs do not have the discretion to disregard increases in unearned income for the purposes of conducting an interim reexamination.



## Discretionary Policy

The PHA, by discretion, may set an income reduction threshold that is lower than 10%.

If the family has undergone an interim certification for a decrease in income after the completion of the last annual reexamination, the PHA has discretion regarding whether or not to conduct an interim reexamination based on any increases in earned income.

PHAs may choose not to conduct an interim reexamination if a family reports an increase in income that would be effective within the final three months of the next annual reexamination effective date.

### **\*\*PHA ADDITIONS TO ECKAN ADMIN PLAN:**

#### **11-II.D. PROCESSING THE INTERIM REEXAMINATION**

##### ***Method of Reporting***

**\*\*The PHA will conduct an interim reexamination when the PHA becomes aware that the family's adjusted income has changed by an amount that is estimated to result in a 10% difference, whether being an increase or decrease of the family's annual adjusted income. The PHA will not consider any increases in earned income when estimating or**

calculating whether a family's annual adjusted income has increased, regardless of whether the family has had a interim examination where the family's income decreased since the last annual reexamination. The PHA will take into consideration not only changes to income but also changes to eligible expenses, if applicable, to determine if an interim reexamination will be completed. (pg. 219)

**\*\*PHA REMOVAL OF ECKAN ADMIN PLAN:**

***11-II.D. PROCESSING THE INTERIM REEXAMINATION***

***Required Reporting***

**PHA will only conduct interim reexaminations when families have an increase in income of \$200 or more per month. When the increase in gross income is less than \$2400 for the year, PHA will wait till the next annual reexamination to verify and re-determine any change in rent. (See "Changes in Family Household" on page 11-5.) (pg. 218)**

# FORMS HUD-9886-A

## AUTHORIZATION FOR THE RELEASE OF INFORMATION

24 CFR 5.230



### Mandatory Policy

After January 1, 2024, applicants and participants must sign and submit the HUD-9886-A, as applicable, at admission and no later than the next interim or regularly scheduled income reexamination.



### Discretionary Policy

PHAs may establish policies around when family members must sign the consent forms when they turn 18 between

#### **\*\*PHA ADDITIONS TO ECKAN ADMIN PLAN:**

**3-II.D. FAMILY CONSENT TO RELEASE OF INFORMATION [24 CFR 5.230; HCV GB, pg. 5-13]**

HUD requires each adult family member over the age of 18 to sign form HUD-9886-A, Authorization for the Release of Information/Privacy Act Notice, the form HUD-52675 Debts Owed to Public Housing Agencies and Terminations, and other consent forms as needed to collect information relevant to the family's eligibility and level of assistance. Chapter 7 provides detailed information concerning the consent forms and verification requirements. (pg. 39)

**7-I.A. FAMILY CONSENT TO RELEASE OF INFORMATION [24 CFR 982.516 AND 982.551, 24 CFR 5.230]**

#### **Consent Forms**

It is required that all adult applicants and participants over the age of 18 sign form HUD-9886-A, Authorization for Release of Information. The purpose of form HUD-9886-A (pg. 137)

## ***16-VI.C. RECORDS MANAGEMENT***

### ***Privacy Act Requirements [24 CFR 5.212, 24 CFR 5.230 and Form-9886-A]***

**Applicants and participants, including all family members above the age of 18 in the household, are required to sign a consent form, HUD-9886-A, Authorization for Release of Information on admission. At each annual or interim reexamination, the PHA will determine if any family member turned 18 and has not yet signed the HUD-9886-A form. Such a family member will be required to sign the appropriate form at the reexamination. This form incorporates the Federal Privacy Act Statement and describes how the information collected using the form may be used, and under what conditions HUD or the PHA may release the information collected. (pg. 304-305)**

# REVOCATION OF CONSENT

---

24 CFR 5.232(c)



## Mandatory Policy

The executed consent form (Form HUD-9886-A) will remain effective until the family is denied assistance, the assistance is terminated, or if the family provides written notification to the PHA to revoke consent.

Families have the right to revoke consent by notice to the PHA; however, revoking consent can result in termination or denial of assistance if the PHA has established an ACOP / Admin Plan policy that the revocation of consent will result in termination of assistance or denial of admission.

PHAs may not process interim or annual reexaminations of income, including when a family's income decreases and the family requests an interim reexamination to decrease tenant rent, without the family's executed consent form(s).



## Discretionary Policy

The PHA may establish a policy that revocation of consent will result in denial or termination of assistance or admission.

PHAs may establish policies to deny admission but allow existing participant families to continue to receive assistance after revoking their consent until the next interim or annual reexamination, whichever is sooner.

**\*\*PHA ADDITIONS TO ECKAN ADMIN PLAN:**

**16-VI.C. RECORDS MANAGEMENT**

***Privacy Act Requirements [24 CFR 5.212, 24 CFR 5.230 and Form-9886-A]***

The executed consent form, HUD-9886-A, will remain effective until the family is denied assistance, the assistance is terminated, or if the family provides written notification to the PHA to revoke consent. Families have the right to revoke consent by notice the PHA, however, revoking consent will result in immediate termination or denial of assistance. (pg. 305)

# HUD'S ENTERPRISE INCOME VERIFICATION (EIV) SYSTEM

24 CFR 5.233



## Mandatory Policies

PHAs must use EIV, in its entirety, to verify tenant employment and income information at annual and streamlined reexaminations of family composition and income. However, PHAs are no longer required to use EIV to verify tenant employment and income information during an interim reexamination.

PHAs are required to use the following reports from the EIV System: Debts Owed & Termination, Deceased Tenants, Existing Tenant Search, Failed EIV Pre-Screening, Failed SSI Identity Test, Identity Verification, Multiple Subsidy, New Hires, No Income Report by HHA or SSA, No Income Reported on 50058, Summary of Household Information.



## Discretionary Policies

PHAs may choose to use EIV to verify tenant employment and income information at interim reexaminations of family composition and income.

### **\*\*PHA ADDITIONS TO ECKAN ADMIN PLAN:**

#### ***7-I.C. UP-FRONT INCOME VERIFICATION (UIV)]***

**\*\* Income reports will not be used in interim reexaminations. (pg. 139)**

#### ***16-VI.C. RECORDS MANAGEMENT***

##### ***Upfront Income Verification (UIV) Records***

**\*\* The PHA will use HUD's verification hierarchy when verifying each household's income, assets, deductions, and expenses.**

**\*\*The PHA will access the EIV system and obtain an Income Report for each household during annual recertifications.**

**\*\*The PHA will not use the EIV system during interim reexaminations. The PHA will advise families that if it is later determined that a family inaccurately reported income during an interim reexamination, the family may owe the PHA for any miscalculation in rent based on the family's incorrect reporting. (pg. 305)**

### **\*\*PHA REMOVAL OF ECKAN ADMIN PLAN:**

#### ***7-I.C. UP-FRONT INCOME VERIFICATION (UIV)]***

**to identify any discrepancies between reported income and income shown in**

**the EIV system, and as necessary to verify and calculate earned income, unemployment benefits, Social Security and/or SSI benefits. EIV will also be used to verify that families claiming zero income are not receiving income from any of these sources.**

**\*\* Income reports will be retained in participant files with the applicable annual ~~or interim~~ reexamination documents. (pg.139-140)**

# DETERMINATION OF INCOME USING OTHER MEANS TESTED PUBLIC ASSISTANCE, I.E., “SAFE HARBOR”

---

24 CFR 5.609(c)(3)



## Mandatory Policies

PHAs may determine the family’s income prior to the application of any deductions based on income calculation information from other means-tested forms of federal public assistance programs or agencies made within the previous 12-month period.

Safe Harbor verification must be obtained by means of third-party verification and must state the family size, must be for the entire family (i.e., the family members listed in the documentation must match the family composition in the assisted unit) and must state the amount of the family’s annual income.



## Discretionary Policy

PHAs that choose to implement such a “Safe Harbor” determination must:

1. Establish in policy when they will accept Safe Harbor income determinations, including which programs they will accept income determinations from; and
2. Create policies that outline the course of action when families present multiple verifications from the same or different acceptable Safe Harbor programs.

**\*\*PHA ADDITIONS TO ECKAN ADMIN PLAN:**

### ***3-II.A. INCOME ELIGIBILITY AND TARGETING***

**\*\*The PHA will not accept Safe Harbor income determinations. (pg. 36)**

### ***7-II.H. VERIFICATION OF PREFERENCE STATUS***

**\*\*The PHA will not accept Safe Harbor income determinations. (pg. 150)**

# VERIFICATION OF SOCIAL SECURITY NUMBER (SSN)

---

24 CFR 5.216(g)(1)



## Mandatory Policy

PHAs must attempt to gather third-party verification of SSN prior to admission, however, they have the option of accepting a tenant declaration and a third-party document with the applicant's name printed on it to satisfy the requirement.



## Discretionary Policies

When accepting a tenant declaration of SSN, PHAs must state the circumstances in which they will resort to using tenant declaration of SSN in their ACOP/Admin Plan, as applicable, and review the Failed SSA Identity Report monthly to quickly identify any participants whose identity is not verified.

### **\*\*PHA ADDITIONS TO ECKAN ADMIN PLAN:**

#### ***7-II.B. SOCIAL SECURITY NUMBERS [24 CFR 5.216, Notice PIH 2012-10]***

**The PHA requires that each family member (excepting non-eligible family members in mixed families) provide their Social Security number (SSN) and proof that the SSN belongs to that person.**

**If a member of the family is unable to provide a Social Security card or other evidence of their SSN, the PHA will accept a document stating the person's name and a declaration from the person stating 1) why they cannot obtain their Social Security card and 2) what their SSN is.**

**If the PHA has accepted any declarations as evidence of a SSN, the PHA will review the Failed SSA Identity Report monthly to quickly identify any participants whose identity is not verified.**

**The PHA must accept the following documentation as acceptable evidence of the social security number:**

- **An original SSN card issued by the Social Security Administration (SSA)**
- **An original SSA-issued document, which contains the name and SSN of the individual.**
- **An original document issued by a federal, state, or local government agency, which contains the name and SSN of the individual. (pg. 144)**

# ZERO INCOME REVIEWS

---

**24 CFR § 5.609(b)(24)(vi); 24 CFR §§ 5.657(c)(3); 960.257(b)(3); 982.516(c)(3); and 882.515(b)(3)**



## **Mandatory Policies**

**PHAs must not assign monetary values to non-monetary in-kind donations received to calculate annual income.**

**PHAs may only perform interim reexaminations due to increases in annual adjusted income that comply with 24 CFR §§ 5.657(c)(3); 960.257(b)(3); 982.516(c)(3); and 882.515(b)(3).**



## **Discretionary Policies**

**are not required to conduct periodic zero income reviews. However, PHAs may continue to conduct such reviews, as recommended by HUD.**

### **\*\*PHA ADDITIONS TO ECKAN ADMIN PLAN:**

#### ***7-III.I. ZERO ANNUAL INCOME STATUS***

**\*\*The PHA will not conduct zero income reviews for families claiming zero income. Instead, the PHA will monitor zero income families in EIV to identify increases in income. (pg. 216)**

#### ***11-II.C. CHANGES AFFECTING INCOME OR EXPENSES***

**If the family has reported zero income, the PHA will monitor the EIV to identify increases to income. (pg. 216)**

### **\*\*PHA REMOVAL OF ECKAN ADMIN PLAN:**

#### ***11-II.C. CHANGES AFFECTING INCOME OR EXPENSES***

**For families receiving the Earned Income Disallowance (EID), the PHA will conduct an interim reexamination at the start and conclusion of the second 12 month exclusion period (50 percent phase-in period).  
interim reexamination every 3 months as long as the family continues to report that they have no income. (pg. 216)**