Olmsted County HRA has an ongoing subscription with Nan McKay, an organization that provides professional services to public housing agencies, including direct program management, operational support, performance improvement tools, consulting, and training. Every year they provide the HRA with an updated Admissions and Continued Occupancy Policy (ACOP) for the public housing program, complete with all HUD changes in mandatory regulations. Staff has completed the 2024 updates to the HRA’s ACOP and has provided a complete updated copy of the Policy on the website. Changes to the plan were mandatory, provided updated references to federal regulations and HUD notices, or provided clarifying language to existing regulations. Additionally, within some mandatory changes, HUD has allowed PHA’s to set permissive policies.

Per the Public Housing Agency (PHA) Five-Year Plan, Olmsted County HRA considers any change to PHA preferences, the organization of a PHA waiting list, or a PHA’s grievance procedure a significant amendment. With a significant amendment, the PHA must provide a public hearing for the change.

Significant mandatory amendment changes throughout the ACOP are as follows:

* Introducing the Housing Opportunity Through Modernization Act of 2016 (HOTMA) which requires changes to:
	+ Eligibility Factors
	+ Calculation of Annual Income, Assets and Expenses
	+ Annual Reexamination Processing
	+ Interim Reexamination Processing
	+ Introducing “Non-Interim Reexamination Transactions”
	+ EIV Report Processing
	+ Verification Hierarchy
	+ Introducing “De Minimis Errors”
* Expiration of Earned Income Disregard
* Updating required Violence Against Women Act (VAWA) language, expanding currently policies to account specifically for VAWA, and adding in HUD VAWA form exhibits.

Proposed significant discretionary amendment changes throughout the PHA policy are as follows:

* Adding the Enterprise Income Verification (EIV) Use and Security Policies directly into the plan.
* Discretionary Policies related to HOTMA

For details of discretionary changes by chapter, please review the attachment.

**Attachment:**

**Chapter 1: Overview of the Program and Plans**

***1-III.C. Updating and Revising the Policy - ACOP***

***From:*** The PHA will review and update the plan as needed, to reflect changes in regulations, PHA operations, or when needed to ensure staff consistency in operation.

Lease and/or ACOP revisions will use the following process for approval. First, the PHA will propose the changes to the LIPH tenants and give them a 30-day comment period. At the end of the comment period, the policy and any comments received will be brought before the HRA Board of Commissioners for approval. After Board approval, the tenants will be given a 60-day notice period before the revisions take effect.

***To:*** The PHA will review and update the ACOP as needed, to reflect changes in regulations, PHA operations, or when needed to ensure staff consistency in operation.

**Rationale**

The PHA will follow the PHA’s Five-Year Plan for mandated ACOP revisions which states Olmsted County HRA considers any change to PHA preferences, the organization of a PHA waiting list, or a PHA’s grievance procedure a significant amendment. With a significant amendment, the PHA must provide a public hearing for the change.

**Chapter 2: Fair Housing and Equal Opportunity**

***2-I.C. Discrimination Complaints***

***From:*** Applicants or tenant families who believe that they have been subject to unlawful discrimination may notify the PHA either orally or in writing. The PHA will investigate and attempt to remedy discrimination complaints made against the PHA. The PHA will provide a copy of a discrimination complaint form to the complainant and provide them with information on how to complete and submit the form to HUD’s Office of Fair Housing and Equal Opportunity (FHEO).

***To:*** Applicants or tenant families who believe that they have been subject to unlawful discrimination may notify the PHA either orally or in writing. Within 10 business days of receiving the complaint, The PHA will investigate and attempt to remedy discrimination complaints made against the PHA. The PHA will provide a copy of a discrimination complaint form to the complainant and provide them with information on how to complete and submit the form to HUD’s Office of Fair Housing and Equal Opportunity (FHEO) The PHA will also advise the family of their right to file a fair housing complaint with HUD’s Office of Fair Housing and Equal Opportunity (FHEO). The fair housing poster, posted in conspicuous and accessible locations in PHA lobbies, will reference how to file a complaint with FHEO. The PHA will keep a record of all complaints, investigations, notices, and corrective actions. (See Chapter 16.)

*Complaints under the Equal Access Final Rule [Notice PIH 2014-20]* Applicants or tenant families who believe that they have been subject to unlawful discrimination based on marital status, gender identity, or sexual orientation under the Equal Access Rule may notify the PHA either orally or in writing. Within 10 business days of receiving the complaint, the PHA will provide a written notice to those alleged to have violated the rule. The PHA will also send a written notice to the complainant informing them that notice was sent to those alleged to have violated the rule, as well as information on how to complete and submit a housing discrimination complaint form to HUD’s Office of Fair Housing and Equal Opportunity (FHEO). The PHA will attempt to remedy discrimination complaints made against the PHA and will conduct an investigation into all allegations of discrimination. Within 10 business days following the conclusion of the PHA’s investigation, the PHA will provide the complainant and those alleged to have violated the rule with findings and either a proposed corrective action plan or an explanation of why corrective action is not warranted. The PHA will keep a record of all complaints, investigations, notices, and corrective actions. (See Chapter 16.)

*VAWA Complaint Processing [Notice FHEO 2023-01]* Applicants or tenant families who wish to file a VAWA complaint against the PHA may notify the PHA either orally or in writing. The PHA will advise the family of their right to file a VAWA complaint with HUD’s Office of Fair Housing and Equal Opportunity (FHEO). The PHA will inform the family that not later than one year after an alleged VAWA violation has occurred or terminated, applicants and tenants who believe they have been injured by a VAWA violation or will be injured by such a violation that is about to occur may file a VAWA complaint using FHEO’s online complaint form via mail, email, or telephone. The PHA will attempt to remedy complaints made against the PHA and will conduct an investigation into all allegations of discrimination. The PHA will keep a record of all complaints, investigations, notices, and corrective actions. (See Chapter 16.)

**Rationale**

Added clarifying language separating out the three different types of complaints (General, Equal Access and VAWA).

***2-III.B. Limited English Proficiency (LEP) Oral Interpretation***

***From:*** The PHA maintains a contracted interpreting service in the event translation or interpretation is necessary, needed, and/or requested.

When exercising the option to conduct remote hearings, however, the PHA will coordinate with a remote interpretation service which, when available, uses video conferencing technology rather than voice-only interpretation.

Where LEP persons desire, they will be permitted to use, at their own expense, an interpreter of their own choosing, in place of or as a supplement to the free language services offered by the PHA. The PHA, at its discretion, may choose to use the language services even when LEP persons desire to use an interpreter of their choosing. The interpreter may be a family member or friend. If the interpreter chosen by the family is a minor, the PHA will not rely as on the minor to serve as the interpreter.

The PHA will analyze the various kinds of contacts it has with the public, to assess language needs and decide what reasonable steps should be taken. “Reasonable steps” may not be reasonable where the costs imposed substantially exceed the benefits.

Where feasible and possible, according to its language assistance plan (LAP), the PHA will train and hire bilingual staff to be available to act as interpreters and translators, will pool resources with other PHAs, and will standardize documents.

***To:*** The PHA maintains a contracted interpreting service in the event translation or interpretation is necessary, needed, and/or requested. When exercising the option to conduct hearings, however, the PHA will coordinate with a remote interpretation service which, when available, uses video conferencing technology rather than voice-only interpretation. Where LEP persons desire, they will be permitted to use, at their own expense, an interpreter of their own choosing, in place of or as a supplement to the free language services offered by the PHA. The PHA, at its discretion, may choose to use the language services even when LEP persons desire to use an interpreter of their choosing. The interpreter may be a family member or friend. If the interpreter chosen by the family is a minor, the PHA will not rely on the minor to serve as the interpreter. The PHA will analyze the various kinds of contacts it has with the public, to assess language needs and decide what reasonable steps should be taken. “Reasonable steps” may not be reasonable where the costs imposed substantially exceed the benefits. The PHA may use an “I Speak” language identification card used to help identify the language spoken by the family, when necessary.

***(Modified) Exhibit 2-2: Limited English Plan***

***From:*** Mix of Language Assistance

OCHRA has substantial flexibility in determining the type of language assistance necessary to provide meaningful access. Meaningful access should be at a time and place that avoids the effective denial of the program or an undue burden or delay in the rights, benefits or services to the LEP person.

***To:*** Interpreter Services

The HRA maintains a contracted interpretation service in the event oral interpretation is necessary, needed, and/or requested. Oral interpretation services may be provided using informal or formal interpreters including telephone interpretation services, contracted in-person interpreters, and informal interpreter networks. Added Information Interpreters type: If a LEP client prefers an informal interpreter, after OCHRA has offered free interpreter services, the informal interpreter may interpret. If a LEP client wants an informal interpreter, OCHRA may also have a formal interpreter present. Added Outside Resources type note: Outside Resources may be used for interpretive services at public or informal meetings or events.

***Added:*** Translation Services

The HRA will weigh the costs and benefits of translating documents for LEP groups, considering the expense of translating the documents, the barriers to meaningful translation of technical housing information, the likelihood of frequent changes in documents, the existence of multiple dialects within a single language group, the literacy rate of an LEP group and other relevant factors. The HRA will undertake the examination when an eligible LEP group constitutes 5 percent of an eligible client group or 1,000 persons, whichever is less.

***Added Section 5: CLIENT NOTIFICATION***

The HRA will provide notification of free language services by providing notice in appropriate languages explaining how LEP persons can receive assistance. Examples of client notification may include, but are not limited to, multilingual posters, signs.

***(Added) Exhibit 2-3: I Speak Statements***

**Rationale**

Adds language and options to existing resources that will better detail the LEP services and accommodations available.

**Chapter 3: Eligibility**

***3-I.K. Foster Children and Foster Adults***

***From:*** A foster child is a child that is in the legal guardianship or custody of a state, county, or private adoption or foster care agency, yet is cared for by foster parents in their own homes, under some kind of short-term or long-term foster care arrangement with the custodial agency.

***To:*** A foster child or foster adult may be allowed to reside in the unit if their presence would not overcrowd the unit.

**Rationale**

The definition of Foster Child has been changed and relocated to the regulation description section as the PHA may no longer set that definition. The definition is now set by HUD regulations under HOTMA.

***3-II.D. Family Consent to Release of Information***

***New Policy:*** The PHA has established a policy that revocation of consent to access financial records will result in denial of admission.

**Rationale**

Under HOTMA, HUD now requires PHA’s to establish a policy stating what action will be taken when a family revokes consent form HUD-9886. Since accessing financial records is vital in establishing both eligibility and rent, the PHA sees no other viable alternative than to terminate assistance.

**Chapter 4: Applications, Waiting List and Tenant Selection**

**Rationale for the below Waiting List Changes (Selection Method)**

***4-III.B. Selection Method***

From: The PHA will use the following local preference: In order to bring higher income families into public housing, the PHA will establish a preference for “working” families, where the head, spouse, cohead, or sole member is employed at least 20 hours per week. As required by HUD, families where the head and spouse, or sole member is a person age 62 or older, or is a person with disabilities, will also be given the benefit of the working preference [24 CFR 960.206(b)(2)].

The PHA will offer a preference to families that include victims of domestic violence, dating violence, sexual assault, stalking, or human trafficking who has either been referred by a partnering service agency or consortia or who is seeking an emergency transfer under VAWA from the PHA’s housing choice voucher program or other covered housing program operated by the PHA.

The PHA will work with the following partnering service agencies:

**The Women's Shelter**

The applicant must certify that the abuser will not reside with the applicant unless the PHA gives prior written approval.

Local preferences will be aggregated using a system in which each preference will receive an allocation of points. The more preference points an applicant has, the higher the applicant’s place on the waiting list.

The preference for victims of domestic violence, dating violence, sexual assault, or stalking seeking an emergency transfer will be equal to two points.

The preference for working families will be equal to one point.

Applicants qualifying for both preferences will thus be assigned a total of three points. Among applicants who qualify for two preferences, date and time of application will be used to determine placement on the waiting list.

**To:** The PHA will use the following local preference:

**Involuntary Displacement (5 points):** Individuals who are displaced according to the following:

a. Federal Disaster (e.g. flood or fire) that makes units uninhabitable as a result of disaster declared or otherwise formally recognized pursuant to Federal disaster relief laws.

b. Government action: 1. Federal, State, or local body or agency.

2. In connection with code enforcement or public improvement of development program.

**Victims of Domestic Violence, Dating Violence, Sexual Assault, Stalking, and Human Trafficking (2 points):**

The PHA will offer a preference to families that include victims of domestic violence, dating violence, sexual assault, stalking, or human trafficking who has either been referred by a partnering service agency or consortia or who is seeking an emergency transfer under VAWA from the PHA’s housing choice voucher program or other covered housing program operated by the PHA.

The PHA will work with the following partnering service agencies:

The Women's Shelter

The applicant must certify that the abuser will not reside with the applicant unless the PHA gives prior written approval.

**Working Family (1 point):**

In order to bring higher income families into public housing, the PHA will establish a preference for “working” families, where the head, spouse, cohead, or sole member is employed at least 20 hours per week. As required by HUD, families where the head and spouse, or sole member is a person age 62 or older, or is a person with disabilities, will also be given the benefit of the working preference [24 CFR 960.206(b)(2)].

Local preferences will be aggregated using a system in which each preference will receive an allocation of points. The more preference points an applicant has, the higher the applicant’s place on the waiting list.

Applicants qualifying for ~~both~~ all preferences will thus be assigned a total of ~~three~~ eight points. Among applicants who qualify for ~~two~~ all preferences, date and time of application will be used to determine placement on the waiting list.

**Rationale**

The PHA would like to add in the additional preference for involuntary displacement.

**Chapter 5: Occupancy (no significant changes)**

**Chapter 6: Income and Subsidy Determinations**

***6-I.B. Temporarily Absent Family Members***

***Addition:*** Unless specifically excluded by the regulations, the income of all family members approved to live in the unit will be counted, even if the family member is temporarily absent from the unit.

**Rationale**

The current regulations governing annual income do not specifically address temporarily absent family members. The regulations also do not define “temporarily” or “permanently” absent or specify a timeframe associated with a temporary versus a permanent absence. The PHA has policies in place that specify how long a member can be gone from the unit and when that must be reported. Therefore, if a member is gone but expected to return within a reasonable timeframe and the family does not want to remove the household member, all income will be included.

***6-I.C. (Anticipating) Calculating Annual Income***

***From:*** When EIV is obtained and the family does not dispute the EIV employer data, the PHA will use current tenant-provided documents to project annual income. When the tenant provided documents are pay stubs, the PHA will make every effort to obtain current and consecutive pay stubs dated within the last 60 days. The PHA will obtain written and/or oral third-party verification in accordance with the verification requirements and policy in Chapter 7 in the following cases: If EIV or other UIV data is not available, If the family disputes the accuracy of the EIV employer data, and/or if the PHA determines additional information is needed. In such cases, the PHA will review and analyze current data to anticipate annual income. In all cases, the family file will be documented with a clear record of the reason for the decision, and a clear audit trail will be left as to how the PHA annualized projected income. When the PHA cannot readily anticipate income based upon current circumstances (e.g., in the case of seasonal employment, unstable working hours, or suspected fraud), the PHA will review and analyze historical data for patterns of employment, paid benefits, and receipt of other income and use the results of this analysis to establish annual income. Any time current circumstances are not used to project annual income, a clear rationale for the decision will be documented in the file. In all such cases the family may present information and documentation to the PHA to show why the historic pattern does not represent the family’s anticipated income.

***To:*** When the PHA cannot readily anticipate income based upon current circumstances (e.g., in the case of temporary, sporadic, or variable employment, seasonal employment, unstable working hours, or suspected fraud), the PHA will review and analyze historical data for patterns of employment, paid benefits, and receipt of other income and use the results of this analysis to establish annual income. Any time current circumstances are not used to project annual income, a clear rationale for the decision will be documented in the file. In all such cases the family may present information and documentation to the PHA to show why the historic pattern does not represent the family’s anticipated income. In all cases, the family file will be documented with a clear record of the reason for the decision, and a clear audit trail will be left as to how the PHA annualized projected income.

**Rationale**

Methods of verification and calculation of income are discussed in other sections and depend on the type of certification involved (due to HOTMA regulation changes).

***6-I.D. Earned Income***

***Addition:*** The PHA will include in annual income the full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation.

**Rationale**

Added for clarity.

***6-I.D., 6-I.E. Temporary, Nonrecurring, or Sporadic Income, State and Local Employment Training Programs, HUD Funded Training Programs, Earned Income Tax Credit, Earned Income Disallowance, Periodic Payments Excluded from Annual Income.***

(policy removed)

**Rationale**

Separate policies regarding these types of income are no longer needed as HUD has redefined income within the HOTMA regulations. Exclusions from income are now listed in 6-I.M. The focus has shifted to what Annual Income includes vs. excludes. Additionally, the Earned Income Disregard will sunset on January 1, 2026 and is currently only available to families that were participating in the program prior to January 1, 2024.

***6-I.F. Business and Self-Employment Income***

***New Policy:*** To determine business expenses that may be deducted from gross income, the PHA will use current applicable Internal Revenue Service (IRS) rules for determining allowable business expenses [see IRS Publication 535], unless a topic is addressed by HUD regulations or guidance as described herein.

**Rationale**

The PHA is required to disclose how expenses (and therefore net income) will be determined. Business/Self-Employment income is one of the very few types of income that HUD requires a Net income figure to be used instead of a Gross.

***6-I.G. Student Financial Assistance***

***New Policy:*** If a student only receives financial assistance under Title IV of the HEA and does not receive any other student financial assistance, the PHA will exclude the full amount of the assistance received under Title IV from the family’s annual income. The PHA will not calculate actual covered costs in this case. If the student does not receive any assistance under Title IV of the HEA but does receive assistance from another source, the PHA will first calculate the actual covered costs to the student in accordance with 24 CFR 5.609(b)(ii). The PHA will then subtract the total amount of the student’s financial assistance from the student’s actual covered costs. The PHA will include any amount of financial assistance in excess of the student’s actual covered costs in the family’s annual income. When a student receives assistance from both Title IV of the HEA and from other sources, the PHA will first calculate the actual covered costs to the student in accordance with 24 CFR 5.609(b)(ii). The assistance received under Title IV of the HEA will be applied to the student’s actual covered costs first and then the other student financial assistance will be applied to any remaining actual covered costs. If the amount of assistance excluded under Title IV of the HEA equals or exceeds the actual covered costs, none of the assistance included under other student financial assistance” would be excluded from income. If the amount of assistance excluded under Title IV of the HEA is less than the actual covered costs, the PHA will exclude the amount of other student financial assistance up to the amount of the remaining actual covered costs.

**Rationale**

Under HOTMA, both the definition and calculation method of financial aid changed. Because the new method of calculation is complicated, the PHA is choosing to describe this in detail as well as include examples of calculation in the plan.

***Assets Section – Removed from Chapter 6, Part I, Section G and reassigned as Part II due to the extensive changes from HOTMA. Due to these changes, some policies are not subject to PHA discretion and have not been included in the new Part.***

***6-I.H. Lump-Sum Payments for the Delayed Start of a Periodic Payment***

***From:*** When a delayed-start payment is received report during the period in which the PHA is processing an annual reexamination, the PHA will adjust the family’s share and PHA subsidy retroactively for the period the payment was intended to cover. The family may pay in full any amount due or request consideration to enter into a repayment agreement with the PHA.

***To:*** The PHA will include in annual income lump sums received as a result of delays in processing periodic payments (other than those specifically excluded by the regulation), such as unemployment or welfare assistance. When a delayed-start payment is received that is to be included and the family reports this during the period in which the PHA is processing an annual reexamination, the PHA will adjust the family’s rent share retroactively for the period the payment was intended to cover. If the delayed-start payment is received outside of the time the PHA is processing an annual reexamination, then the PHA will consider whether the amount meets the threshold to conduct an interim reexamination. If so, the PHA will conduct an interim in accordance with PHA policies in Chapter 11. If not, the PHA will consider the amount when processing the family’s next annual recertification.

**Rationale**

The reasons and thresholds of when an interim reexamination can occur have been changed due to HOTMA regulations. Language has been added to reflect this and expanded upon for clarity.

***6-I.H. Social Security Benefits***

***From:*** The PHA must make a special calculation of annual income when the (SSA) overpays an individual, resulting in a withholding or deduction from their benefit amount until the overpayment is paid in full, the amount and duration of the withholding will vary depending on the amount of the overpayment and the percent of the benefit rate withheld. Regardless of the amount withheld or the length of the withholding period, the PHA must use the reduced benefit amount after deducting only the amount of the overpayment withholding from the gross benefit amount [Notice PIH 2018-24].

***To:*** Annual income includes “all amounts received,” not the amount that a family may be legally entitled to receive but which they do not receive. When the Social Security Administration (SSA) overpays an individual, resulting in a withholding or deduction from their benefit amount until the overpayment is paid in full, the PHA will use the reduced benefit amount after deducting only the amount of the overpayment withholding from the gross benefit amount.

**Rationale**

Language simplified to provide clarity.

***6-I.H. Alimony and Child Support***

***From:*** The PHA will count court-awarded amounts for alimony and child support unless the PHA verifies that: (1) the payments are not being made, and (2) the family has made reasonable efforts to collect amounts due, including filing with courts or agencies responsible for enforcing payments [HCV GB, pp. 5-23 and 5-47]. Families who do not have court-awarded alimony and child support awards are not required to seek a court award and are not required to take independent legal action to obtain collection.

***To:*** The PHA will count all regular payments of alimony or child support awarded as part of a divorce or separation agreement. The PHA will count court-awarded amounts for alimony and child support unless the family certifies and the PHA verifies that the payments are not being made. In order to verify that payments are not being made, the PHA will review child support payments over the last three months. If payments are being made regularly, the PHA will use the amount received during the last 12 months (excluding any lump sums received). If payments have been made for a period less than 12 months, the PHA will average all payments that have been made. At new admission or interim recertification, if any lump sum payments were made in the past 12 months, the PHA will determine the likelihood of the family receiving another similar payment within the next 12 months before deciding whether or not this amount will be included in the calculation of annual income. If the PHA determines and can appropriately verify that the family in all likelihood will not receive a similar payment, then the amount will not be considered when projecting annual income. If the PHA determines that it is likely that the family will receive a similar payment and can appropriately verify it, the amount will be included when projecting annual income. If no payments have been made in the past three months and there are no lump sums, the PHA will not include alimony or child support in annual income.

**Rationale**

The PHA feels reviewing the last 3 months of child support payments will provide a more accurate picture of the household’s current income. Child support can fluctuate greatly and the prior policy of including the last 12 months of support earned may have a negative impact on a family that only received a few months of child support, or a significantly higher amount at the beginning of the 12-month period.

***Regular Contributions or Gifts***

(policy removed)

**Rationale**

HOTMA regulations specifically define this type of income and PHA discretion is no longer permitted.

***6-I.M. Additional Exclusions (Training Program and Incremental Earnings)***

***New Policy:*** The PHA defines *training program* as “a learning process with goals and objectives, generally having a variety of components, and taking place in a series of sessions over a period of time. It is designed to lead to a higher level of proficiency, and it enhances the individual’s ability to obtain employment. It may have performance standards to measure proficiency. Training may include but is not limited to: (1) classroom training in a specific occupational skill, (2) on-the-job training with wages subsidized by the program, or (3) basic education” [expired Notice PIH 98-2, p. 3]. The PHA defines *incremental earnings and benefits* as the difference between (1) the total amount of welfare assistance and earnings of a family member prior to enrollment in a training program and (2) the total amount of welfare assistance and earnings of the family member after enrollment in the program [expired Notice PIH 98-2, pp. 3–4]. In calculating the incremental difference, the PHA will use as the pre-enrollment income the total annualized amount of the family member’s welfare assistance and earnings reported on the family’s most recently completed HUD-50058. End of participation in a training program must be reported in accordance with the PHA’s interim reporting requirements (see Chapter 11).

**Rationale**

This section was moved from earlier in the chapter and expanded upon.

***6-II.A. Overview (Assets)***

***From:*** Anytime current circumstances are not used to determine asset income, a clear rationale for the decision will be documented in the file. In such cases the family may present information and documentation to the PHA to show why the asset income determination does not represent the family’s anticipated asset income.

***To:*** The PHA generally will use current circumstances to determine both the value of an asset and the anticipated income from the asset. The PHA will use other than current circumstances to anticipate income when (1) an imminent change in circumstances is expected, (2) it is not feasible to anticipate a level of income over 12 months, or (3) the PHA believes that past income is the best indicator of anticipated income. For example, if a family member owns real property that typically receives rental income, but the property is currently vacant, the PHA can take into consideration past rental income along with the prospects of obtaining a new tenant. Any time current circumstances are not used to determine asset income, a clear rationale for the decision will be documented in the file. In such cases the family may present information and documentation to the PHA to show why the asset income determination does not represent the family’s anticipated asset income.

**Rationale**

Use of current circumstances is generally encouraged, however, there are occasions when this is not possible or is not a good indicator. The policy is expanded to include the reasons that the PHA will use information that is not “current”.

***6-II.C. Investment Accounts***

***From:*** In determining the market value of an investment account, the PHA will use the value of the account on the most recent investment report. How anticipated income from an investment account will be calculated depends on whether the rate of return is known. For assets that are held in an investment account with a known rate of return (e.g., savings certificates), asset income will be calculated based on that known rate (market value multiplied by rate of earnings). When the anticipated rate of return is not known (e.g., stocks), the PHA will calculate asset income based on the earnings for the most recent reporting period.

***To:*** The PHA will include interest or dividends earned by investment accounts as actual income from assets even when the earnings are reinvested. The cash value of such an asset is determined by deducting from the market value any broker fees, penalties for early withdrawal, or other costs of converting the asset to cash. In determining the market value of an investment account, the PHA will use the value of the account on the most recent investment report.

**Rationale**

Using a rate of return is not the most accurate representation of what the asset is actually earning, which is what is required to be included. The language regarding rate of return has been replaced with interest/dividends.

***6-II.C. Necessary and Non-Necessary Personal Property***

***From:*** In determining the value of personal property held as an investment, the PHA will use the family’s estimate of the value. The PHA may obtain an appraisal to confirm the value of the asset if there is reason to believe that the family’s estimated value is off by $50 or more. The family must cooperate with the appraiser but cannot be charged any costs related to the appraisal. Generally, personal property held as an investment generates no income until it is disposed of. If regular income is generated (e.g., income from renting the personal property), the amount that is expected to be earned in the coming year is counted as actual income from the asset.

***To:*** In determining the value of non-necessary personal property, the PHA will use the family’s estimate of the value. The PHA may obtain an appraisal if there is reason to believe that the family’s estimated value is off by $50 or more. The family must cooperate with the appraiser but cannot be charged any costs related to the appraisal.

**Rationale**

Under HOTMA, the definitions regarding necessary and non-necessary personal property have been expanded and no longer include only items held as an investment. The policy has been updated to reflect that change.

***6-II.C. Lump Sum Additions to Net Family Assets***

***New Policy:*** Any lump-sum receipts are only counted as assets if they are retained by a family in a form recognizable as an asset. [RHIIP FAQs]. For example, if the family receives a $1,000 lump sum for lottery winnings, and the family immediately spends the entire amount, the lump sum will not be counted toward net family assets.

**Rationale**

Added for clarification.

***6-III.A. Anticipating Expenses***

***Addition:*** When calculating health and medical care expenses, the PHA will include those expenses anticipated to be incurred during the 12 months following the certification date which are not covered by an outside source, such as insurance. The allowance is not intended to give a family an allowance equal to last year’s expenses, but to anticipate regular ongoing and anticipated expenses during the coming year. Since these expenses are anticipated, the *PH Occupancy Guidebook* states “it is likely that actual expenses will not match what was anticipated. Typically, this would not be considered an underpayment as long as at the time of the annual reexamination, the expenses were calculated based on the appropriate verification” [New PH OCC GB, *Income Determinations,* p. 30]. For annual reexaminations, the PHA will use information for the previous 12-month period.

**Rationale**

The treatment of expenses has been broken down into two categories depending on the certification type – a projection for initial certification, due to HUD’s restriction on including expenses paid in full for new admissions and a historical view for reexaminations.

***Definition of Medical Expenses & Eligible Auxiliary Apparatus***

(policies removed)

**Rationale**

HOTMA regulations state that PHA’s may not directly align medical expenses with IRS Publication 502.

***6-III.E. Eligible Attendant Care***

***From:*** Attendant care includes, but is not limited to, reasonable costs for home medical care, nursing services, in-home or center-based care services, interpreters for persons with hearing impairments, and readers for persons with visual disabilities.

***To:*** Attendant care expenses will be included for the period that the person enabled to work is employed plus reasonable transportation time. The cost of general housekeeping and personal services is not an eligible attendant care expense. However, if the person enabled to work is the person with disabilities, personal services necessary to enable the person with disabilities to work are eligible. If the care attendant also provides other services to the family, the PHA will prorate the cost and allow only that portion of the expenses attributable to attendant care that enables a family member to work. For example, if the care provider also cares for a child who is not the person with disabilities, the cost of care must be prorated. Unless otherwise specified by the care provider, the calculation will be based upon the number of hours spent in each activity and/or the number of persons under care.

**Rationale**

These types of expenses only apply when there is a disabled individual in the unit and the use of the attendant allows a member to work or go to school. This was not made clear in the original policy.

***6-III.G. Hardship Exemptions: Phased-In Relief***

***New Policy:*** The PHA will continue the phased-in relief for families who move from any program that is required to utilize the phased-in relief. to These families will be required to provide proof that they were receiving deduction and at what phase-in stage they exited the prior program at. The required documentation will consist of their most recent fully executed HUD-50058 or HUD-50059 that was effective within 12 months of the effective date of the new move-in.

**Rationale**

With HOTMA, the medical expense threshold is increasing from 3% to 10%. HUD is automatically phasing in this increase for current program participants but is allowing PHA’s to decide whether or not to continue an existing phase-in for households that are new admissions but are coming from another subsidized unit/property. This phase-in is done over a three-year period, starting with the first year increasing the threshold from 3% to 5%, then in the second year to 7.5% and the third year to the full 10%. As this is a very large increase and has the ability to severely affect a household with expenses, the PHA will allow the phase-in to continue where it left off at the family’s prior residence.

***6-III.G. Hardship Exemptions: General Relief***

***New Policy:*** The PHA has opted to not utilize any General Relief hardship exemptions.

**Rationale**

A policy is only required when the PHA will utilize additional hardship exemptions outside of the automatic phase-in. Having an additional exemption would further the administrative burdens on the staff, including but not limited to, the need to track exemption timeframes and process additional certifications, for a very limited benefit. The PHA feels that the Phased-In Relief that HUD is providing automatically is sufficient.

***6-III.G. Hardship Exemptions: Childcare Expense***

***New Policy:*** The PHA has opted to not utilize any Childcare Expense hardship exemptions.

**Rationale**

A policy is only required when the PHA will utilize additional hardship exemptions. Having an exemption would cause further administrative burdens on the staff, for very limited benefit. The PHA feels that the current restrictions on childcare expenses approved by HUD are sufficient (where the childcare expense is limited to those who are working, attending school or seeking employment).

***6-III.H. Permissive Deductions***

***New Policy:*** The PHA has opted not to use permissive deductions.

**Rationale**

HUD has provided the allowances for PHA’s to establish additional deductions from annual income. The PHA feels that the current allowances in place for the elderly, disabled, and care of children is sufficient and adding additional allowances would increase subsidy costs.

***6-IV.D. Applying Utility Allowances: Reasonable Accommodation and Individual Relief***

***New Policy:*** The family must request the higher allowance and provide the PHA with information about the amount of additional allowance required. The PHA will consider the following criteria as valid reasons for granting individual relief: The family’s consumption was mistakenly portrayed as excessive due to defects in the meter or errors in the meter reading. The excessive consumption is caused by a characteristic of the unit or owner-supplied equipment that is beyond the family’s control, such as a particularly inefficient refrigerator or inadequate insulation. The allowance should be adjusted to reflect the higher consumption needs associated with the unit until the situation is remedied. The resident should be granted individual relief until the allowance is adjusted. The excessive consumption is due to special needs of the family that are beyond their control, such as the need for specialized equipment in the case of a family member who is ill, elderly, or who has a disability. In determining the amount of the reasonable accommodation or individual relief, the PHA will allow a reasonable measure of additional usage as necessary. To arrive at the amount of additional utility cost of specific equipment, the family may provide information from the manufacturer of the equipment, or the family or PHA may conduct an internet search for an estimate of usage or additional monthly cost. Information on reasonable accommodation and individual relief for charges in excess of the utility allowance will be provided to all families at admission as part of the information on payment standards and utility allowances in the briefing packet. The PHA will also provide information on utility relief programs or medical discounts (sometimes referred to as “Medical Baseline discounts”) that may be available through local utility providers. At its discretion, the PHA may reevaluate the need for the increased utility allowance at any regular reexamination. If the excessive consumption is caused by a characteristic of the unit or PHA-supplied equipment that is beyond the family’s control, such as a particularly inefficient refrigerator or inadequate insulation, the individual relief to the resident will cease when the situation is remedied.

**Rationale**

New requirement to establish criteria for granting individual relief, notifying residents about the availability of individual relief, and notifying participants about the availability of individual relief programs offered by the local utility company.

***Exhibit 6-1 & 6-2***

***From:*** Income Inclusions and Exclusions lists

***To:*** Annual Income Full Definition

**Rationale**

Under HOTMA, HUD has redefined annual income and is no longer providing separate categories for Inclusions and Exclusions.

***Exhibit 6-2: Treatment of Family Assets***

Updated, please see Exhibit 6-2.

**Rationale**

The treatment of and calculation of assets has drastically changed under HOTMA. Exhibit 6-2 details these changes.

***Exhibit 6-4: Earned Income Disallowance for Persons with Disabilities***

Removed.

**Rationale**

The Earned Income Disallowances is being phased out by HUD.

**Chapter 7: Verification**

***7-I.A. Form HUD-9886***

***Addition:*** Family members turning 18 years of age between annual recertifications will be notified in writing that they are required to sign the required Consent to the Release of Information Form HUD-9886 at the family’s next annual or interim reexamination, whichever is earlier.

**Rationale**

Policy is required to describe when an existing household member must sign the HUD Consent Form 9886 after turning 18.

***7-I.A. Penalties for Failing to Consent***

***New Policy:*** The PHA has established a policy that revocation of consent to access financial records will result in denial of admission or termination of assistance in accordance with PHA policy.

In order for a family to revoke their consent, the family must provide written notice to the PHA.

Within 10 business days of the date the family provides written notice, the PHA will send the family a notice acknowledging receipt of the request and explaining that revocation of consent will result in denial or termination of assistance, as applicable. At the same time, the PHA will notify their local HUD office.

**Rationale**

Under HOTMA, HUD now requires PHA’s to establish a policy stating what action will be taken when a family revokes consent form HUD-9886, as well as how a family must submit the revocation. Since accessing financial records is vital in establishing both eligibility and rent, the PHA sees no other viable alternative than to terminate assistance.

***7-I.B. Use of Other Programs’ Income Determination***

***New Policy:*** When available and applicable, the PHA will accept other programs’ Safe Harbor determinations of income at annual reexamination to determine the family’s total annual income. The PHA will still require third-party verification of all deductions such as the health and medical care expense or child care expense deductions. Further, if the family is eligible for and claims the disability assistance expense or child care expense deductions, where applicable, the PHA will obtain third-party verification of the amount of employment income of the individual(s) enabled to work in order to cap the respective expenses as required. Prior to using any Safe Harbor determination from another program, the PHA will ask the family if they agree with the income amounts listed. If the family disputes the income amounts on the Safe Harbor determination, the PHA will obtain third-party verification of all sources of income and assets (as applicable). The PHA will not accept other programs’ determinations of income for any new admission or interim reexamination. The PHA will accept Safe Harbor determinations from any of the programs listed above. In order to be acceptable, the income determination must: Be dated within 12 months of the dates listed above; State the family size; Be for the entire family (i.e., the family members listed in the documentation must match the family’s composition in the assisted unit, except for household members); and Must state the amount of the family’s annual income. The determination need not list each source of income individually. If the PHA does not receive any acceptable income determination documentation or is unable to obtain documentation, then the PHA will revert to third-party verification of income for the family. When families present multiple verifications from the same or different acceptable Safe Harbor programs, the PHA will use the most recent income determination, unless the family presents acceptable evidence that the PHA should consider an alternative verification from a different Safe Harbor source. When the PHA uses a Safe Harbor income determination from another program, and the family’s income subsequently changes, the family is required to report the change to the PHA. Depending on when the change occurred, the change may or may not impact the PHA’s calculation of the family’s total annual income. Changes that occur between the time the PHA receives the Safe Harbor documentation, and the effective date of the family’s annual reexam will not be considered. If the family has a change in income that occurs after the annual reexam effective date, the PHA will conduct an interim reexam if the change meets the requirements for performing an interim reexamination as outlined in Chapter 11. In this case, the PHA will use third-party verification to verify the change.

**Rationale**

Under HOTMA, HUD now allows PHA’s to utilize other approved organization’s income determinations. This is because those other approved organizations use a method of income calculation that is acceptable to HUD, and HUD recognizes that households having more than one type of assistance are being required to undergo multiple certifications during the same time periods. Allowing this in turn also reduces the administrative burden on PHAs. PHAs are required to have policy of when this method may be used, under what circumstances it will not be accepted and from what agencies they will be accepted from. OCHRA feels that relying on another agency’s calculations is too great of a risk to take for initial certifications (as those are the certifications that establish eligibility) but will accept them at annual reexaminations, as long as the household agrees that the information is accurate. OCHRA will accept these certifications from any of the HUD pre-approved list of agency types as further limiting the sources would serve no identifiable purpose.

***7-I.C. Streamlined Income Determinations***

***New Policy (in this Chapter):*** When the PHA does not use a Safe Harbor income determination from a federal assistance program to determine the family’s annual income as outlined above, then PHA will use a streamlined income determinations where applicable. Whether or not 90 percent or more of a family’s unadjusted income is from fixed income sources: The PHA will streamline the annual reexamination process by applying the verified inflationary adjustment factor to fixed-income sources. The PHA will document in the file how the determination that a source of income was fixed was made. Third-party verification of non-fixed income will be obtained annually as outlined in Notice PIH 2023-27 and Chapter 7 of this policy. If the family’s sources of fixed income have changed from the previous year, the PHA will obtain third-party verification of any new sources of fixed income. In the following circumstances, the PHA will obtain third-party verification as outlined in Notice PIH 2023-27 and Chapter 7 of this policy: Of all assets when net family assets exceed $50,000; Of all deductions and allowances from annual income; If a family member with a fixed source of income is added; If verification of the COLA or rate of interest is not available; During the intake process and at least once every three years thereafter.

**Rationale**

Due to the extensive changes under HOTMA, an expanded version of the Streamlined Income Determination policy (mentioned in Chapter 11) was necessary to address the new family asset self-certification limit and when full third-party verification will be required.

***7-I.C. Up Front Income Verification and 7.I.D. Third Party Written and Oral Verification***

(policies removed)

**Rationale**

Under HOTMA, HUD has established a required verification hierarchy that must be followed and how long verification are considered valid. Any available discretionary policies are described in their individual sections.

***7-I.E. EIV Income and IVT Reports***

***From:*** The PHA will obtain income and IVT reports for annual reexaminations on a monthly basis. Reports will be generated as part of the regular reexamination process. Income and IVT reports will be compared to family-provided information as part of the annual reexamination process. Income reports may be used in the calculation of annual income, as described in Chapter 6-I.C. Income reports may also be used to meet the regulatory requirement for third party verification, as described above. Policies for resolving discrepancies between income reports and family-provided information will be resolved as described in Chapter 6-I.C. and in this chapter. Income and IVT reports will be used in interim reexaminations 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 and IVT reports will be retained in participant files with the applicable annual or interim reexamination documents. When the PHA determines through income EIV reports and third-party verification that a family has concealed or under-reported income, corrective action will be taken pursuant to the policies in Chapter 14, Program Integrity.

***To:*** Except for when Safe Harbor verification from another means-tested federal assistance program is used to determine the family’s annual income, the PHA will obtain EIV income and IVT reports for all annual reexaminations for all families that have an annual reexamination due within 120 days of review. The PHA will ensure that all EIV Income Reports are pulled within 120 days of the effective date of the annual reexamination. Income and IVT reports will only be used for interim reexaminations as necessary. For example, EIV may be used to verify that families claiming zero income are not receiving income from any sources listed in EIV. Income and IVT reports will be retained in participant files with the applicable annual documents or interim reexamination documents (if applicable) for the duration of the family’s participation. When the PHA determines through EIV reports and third-party verification that a family has concealed or under-reported income, corrective action will be taken pursuant to the policies in Chapter 14, Program Integrity.

**Rationale**

Under HOTMA, PHAs are not required to run EIV Income and IVT reports at interim reexamination and at annual reexamination when a Safe Harbor verification is used. The PHA agrees that running these reports at annual reexamination is not necessary when using a Safe Harbor verification – as on these verifications only one annual figure is provided, and no breakdown of sources is available. Additionally, for interim reexaminations, due to the extensive changes regarding when interims can be completed, the PHA feels it unnecessary to constantly pull and investigate these reports.

***7-I.E. New Hires Report***

***New policy:*** In accordance with PHA policies in Chapter 9, the PHA does not process interim reexaminations for families who have increases in earned income. Except for instances in which the PHA uses Safe Harbor income determinations to determine a family’s annual income, the PHA will only review the New Hires Report at annual reexamination.

***7-I.E. Deceased Tenant Reports***

***New policy:*** The PHA will review the Deceased Tenants Report on a quarterly basis.

When the Deceased Tenants Report identifies an individual as being deceased, the PHAs will immediately send a letter to the head of household or emergency contact person (if the head of household is deceased and there is no other adult household member) to confirm the death of the listed household member. The PHA will notify the owner in writing of the deceased head of household. When there are no positive results, the report will be retained for a period of three years. When there is a positive result, the report will be notated with any action taken and retained for no longer than 3 years following the associated tenant’s EOP.

***7-I.E. Multiple Subsidy Report***

***New Policy:*** The PHA will run the Multiple Subsidy Report on a quarterly basis as required. All positive results will be investigated within 30 days of discovery. When there are no positive results, the report will be retained for a period of three years. When there is a positive result, the report will be notated with any action taken and retained for no longer than 3 years following the associated tenant’s EOP. In the event of a positive result and the reason for the result is not known to the PHA, the PHA will contact the household to determine the accuracy of the information provided. Where warranted, the PHA will process an EOP in accordance with Chapter 12.

***7-I.E. No Income Reported by HHS or SSA Report***

***New Policy:*** The PHA will not utilize this optional report.

**Rationale (New Hires, Deceased Tenant Report, Multiple Subsidy, No Income Reported)**

Previously, these reports were not mentioned in policy in the verification chapter. The PHA previously had a separate EIV Use and Security Policy that described the use of each required and optional report. As most of the requirements were already mentioned throughout the Administrative Policy, the remaining pieces have been added in an effort to consolidate them.

***7-I.E. Identity Verification Reports***

***Addition:*** When there are no positive results, the report will be retained for a period of three years. When there is a positive result, the report will be notated with any action taken and retained for no longer than 3 years following the associated tenant’s EOP.

**Rationale**

Added in retention requirements from original EIV Use policy.

***7-I.F. EIV + Self-Certification***

***New Policy:*** At annual reexamination, if the PHA is unable to use a determination of income from a means-tested federal assistance program and if there are no reported changes to an income source, the PHA will use EIV + self-certification as verification of employment income, provided the family agrees with the amounts listed in EIV. The PHA will use an average of the last two quarters of income listed in EIV to determine income from employment. The PHA will provide the family with the information in EIV. The family will be required to sign a self-certification stating that the amount listed in EIV is accurate and representative of current income. If the family disagrees with the amount in EIV, the amount is not reflective of current income, or if less than two quarters are available in EIV, the PHA will use written third-party verification from the source as outlined below. The PHA will not use this method of verification at new admission since EIV is not available for applicant families or at interim reexamination since the income information in EIV is not current.

**Rationale**

Under HOTMA, this is a new category of verification. HOTMA now allows the use of employment and unemployment figures to calculate household income. Using the last two quarters will provide the PHA will sufficient data to accurately reflect the household’s current income.

***7-I.F. Written, Third-Party Verification***

***From:*** Third-party documents provided by the family must be dated within 60 days of the PHA request date. If the PHA determines that third-party documents provided by the family are not acceptable, the PHA will explain the reason to the family and request additional documentation. As verification of earned income, the PHA will require the family to provide four weeks of current, consecutive paystubs. At the PHA’s discretion, if additional paystubs are needed due to the family’s circumstances (e.g., sporadic income, fluctuating schedule, etc.), the PHA may request additional paystubs or a payroll record.

***To:*** In general, the PHA will use third-party verification from the source in the following circumstances: At annual reexamination when EIV + self-certification is not used; For all new admissions; and For all interim reexaminations. The PHA will not use this method if the PHA is able to use an income determination from a means-tested federal assistance program or if the PHA uses EIV + self-certification as outlined above. In general, third-party documents provided by the family or the source must be dated within 120 days of the date received by the PHA. However, for fixed-income sources, a statement dated within the appropriate benefit year is acceptable documentation. The PHA may reject documentation provided by the family if the document is not an original, if the document appears to be forged, or if the document is altered, mutilated, or illegible. If the PHA determines that third-party documents provided by the family are not acceptable, the PHA will explain the reason to the family and request additional documentation from the family or will use a lower form of verification such as a written third-party verification form. When verification of assets held by a banking or financial institution is required, the PHA will obtain one statement that reflects the current balance of the account.

When pay stubs are used, the PHA will require the family to provide the two most current, consecutive pay stubs. At the PHA’s discretion, if additional paystubs are needed due to the family’s circumstances (e.g., sporadic income, fluctuating schedule, etc.), the PHA may request additional paystubs or a payroll record.

**Rationale**

Under HOTMA, HUD has reduced the minimum paystubs required from 4 to 2 and calculation of a checking account from 6 months to a current balance. The PHA agrees with these minimums as they will create less of a burden on the applicant/tenant and the PHA staff. Additionally, HUD states that verifications dated within 120 days of the certification may be used (vs. the prior 60) allowing a reduction in the need to reverify sources and delay the certification.

***7-I.G. Written, Third-Party Form***

***From:*** The PHA will send third-party verification forms directly to the third party. Third-party verification forms will be sent when third-party verification documents are unavailable or are rejected by the PHA.

***To:*** Typically, the PHA will attempt to send written third-party verification forms to the verification source whenever higher forms of verification are unavailable. However, on a case-by-case basis, the PHA may choose to obtain oral third-party verification without first attempting, and in lieu of, a written-third party verification form.

**Rationale**

The policy needed to be updated to reflect compliance with HUD’s new verification hierarchy while adding in the available allowance of using an Oral verification method when warranted.

***7-I.G. Oral Third-Party Verification***

***From:*** In collecting third-party oral verification, PHA staff will record in the family’s file the name and title of the person contacted, the date and time of the conversation (or attempt), the telephone number used, and the facts provided. When any source responds verbally to the initial written request for verification the PHA will accept the verbal response as oral verification but will also request that the source complete and return any verification forms that were provided.

***To:*** In general, the PHA will attempt to obtain written third-party verification via a form from the verification source. If written third-party verification forms are not returned within 10 business days, the PHA will accept self-certification from the family without attempting to obtain oral third-party verification. However, if the PHA chooses to obtain oral third-party verification, the PHA will document in the file the date and time of the telephone call or visit, the name of the person contacted and the telephone number, as well as the information confirmed.

**Rationale**

While HUD will accept an Oral verification without any attempt at a written third-party from, the PHA feels that this should only be done under very limited circumstances as having any kind of written verification would carry more weight in the event something was contested.

***7-I.I. Level 1: Non-Third-Party Verification Technique: Self-Certification***

***Addition:*** All self-certifications will include the following language: “I/We, the undersigned, certify under penalty of perjury that the information provided here is true and correct, to the best of my knowledge and recollection. WARNING: Anyone who knowingly submits a false claim or knowingly makes a false statement is subject to criminal and/or civil penalties, including confinement for up to five years, fines, and civil and administrative penalties (18 U.S.C. 287, 1001, 1010, 1012; 31 U.S.C. 3279, 3802).”

**Rationale**

Under HOTMA, all self-certifications must contain the above language when accepted.

***7-II.B. Social Security Numbers***

***New Policy:*** The PHA will verify an individual’s SSN in the situations described above using the method described above as a last resort when no other forms of verification of the individual’s SSN are available.

**Rationale**

Under HOTMA, HUD now allows a member to self-certify to a SSN when warranted.

***7-III Verifying Income and Assets***

***New Policy:*** The following policies do not apply when the PHA uses a safe harbor income determination from a means-tested federal assistance program.

**Rationale**

Disclaimer needed to add in when policies do not apply under HOTMA’s new Safe Harbor allowance.

***7-III.A. Earned Income***

***From:*** (Tips) Unless tip income is included in a family member’s W-2 or past four weeks of most current, consecutive paystubs by the employer, persons who work in industries where tips are standard will be required to sign a certified estimate of tips received for the prior year and tips anticipated to be received in the coming year. (Wages) For wages other than tips, the family must provide originals of the past four weeks of most current, consecutive paystubs.

***To:*** (Tips) Unless tip income is included in a family member’s W-2 by the employer or in UIV verification sources, persons who work in industries where tips are standard will be required to sign a certified estimate of tips received for the prior year or tips anticipated to be received in the coming year. (Wages) When the PHA requires third-party verification of wages, for wages other than tips, the family must provide originals of the two most current, consecutive paystubs.

**Rationale**

Updated to reflect the new HUD minimum of two pay stubs.

***7-III.B.* Business and Self-Employment Income**

***From:*** Business owners and self-employed persons will be required to provide: An audited financial statement for the previous fiscal year if an audit was conducted. If an audit was not conducted, a statement of income and expenses must be submitted and the business owner or self-employed person must certify to its accuracy. All schedules completed for filing federal and local taxes in the preceding year.

***To:*** Business owners and self-employed persons will be required to provide: Income tax returns with corresponding official tax forms and schedules attached and including third-party receipt of transmission for income tax return filed (i.e., tax preparer’s transmittal receipt, summary of transmittal from online source, etc.).

**Rationale**

Many self-employed persons do not have hired financial services that perform audits. Also added language to clearly explain that a copy of the income tax form is required (in addition to the schedules).

***7-III.C. Social Security and SSI Income***

(Policy removed)

**Rationale**

HUD now has a required procedure that does not allow for PHA discretion when it comes to what may be accepted as verification and when it must be obtained.

***7-III.D. Child Support***

***Partial Removed of Policy:*** If the family declares that it ***receives irregular or no payments***, in addition to the verification process listed above, the family must provide evidence that it has taken all reasonable efforts to collect amounts due. This may include: A statement from any agency responsible for enforcing payment that shows the family has requested enforcement and is cooperating with all enforcement efforts. If the family has made independent efforts at collection, a written statement from the attorney or other collection entity that has assisted the family in these efforts.

**Rationale**

HUD has removed the requirement that child support recipients must demonstrate that they have make all attempts to collect support in order to only have the amounts received included as income. The PHA agrees with this decision as rent calculation is based upon income actually being received and not income they are entitled to.

***7-III.E. (New Category) Nonrecurring Income***

***New Policy:*** The PHA will accept self-certification from the family stating that income will not be repeated in the coming year. However, the PHA may choose, on a case-by-case basis, to require third-party verification that income sources will not be repeated in the coming year.

**Rationale**

HUD has made it clear that nonrecurring income is not to be counted. The PHA added this policy to enable staff to verify this information when needed.

***7-III.F. Net Family Assets***

***New Policy:*** For families with net assets totaling $50,000 or less, the PHA will accept the family’s self-certification of the value of family assets and anticipated asset income. The family’s declaration must show each asset and the amount of income expected from that asset. All family members 18 years of age and older must sign the family’s declaration. The PHA reserves the right to require additional verification in situations where the accuracy of the declaration is in question. Any income the family expects to receive from assets will be included in the family’s annual income. The family will be required to provide third-party verification of net family assets every three years. When verification is required, in determining the value of checking or savings accounts, the PHA will use the current balance. In determining the anticipated income from an interest-bearing checking or savings account when verification is required and the rate of return is known, the PHA will multiply the current balance of the account by the current rate of interest paid on the account. If a checking account does not bear interest, the anticipated income from the account is zero.

**Rationale**

With the new asset calculation methods and allowances for HOTMA, clear policy needed to be provided on when self-certification will be accepted. The PHA does not feel that a self-certification of assets is appropriate at initial certification but will allow the use of the self-certification after that at the HUD permitted frequency. This will greatly reduce the administrative burden for PHA staff, as this is also an increase of the previous self-certification limit of $5,000.

***7-III.F. Self-Certification of Real Property Ownership***

***New Policy:*** Both at admission and reexam, the PHA will accept self-certification from the family that the family does not have any present ownership in any real property. The certification will state that the family does not have any present ownership interest in any real property and must be signed by all family members 18 years of age and older. The PHA reserves the right to require additional verification in situations where the accuracy of the declaration is in question. If the family declares they have a present ownership in real property, the PHA will obtain third-party verification of the following factors: whether the family has the legal right to reside in the property; whether the family has effective legal authority to sell the property; and whether the property is suitable for occupancy by the family as a residence. However, in cases where a family member is a victim of domestic violence, dating violence, sexual assault, or stalking, the PHA will comply with confidentiality requirements under 24 CFR 5.2007 and will accept a self-certification.

**Rationale**

Due to HUD’s new real estate ownership restriction under HOTMA, the PHA must have a method in place to track and verify household member’s statements.

***7-III.J. Retirement Accounts***

***Partial Removal of Policy:*** The PHA will accept written third-party documents supplied by the family as evidence of the status of retirement accounts. The type of original document that will be accepted depends upon the family member’s retirement status. *Before* retirement, the PHA will accept an original document from the entity holding the account with a date that shows it is the most recently scheduled statement for the account but in no case earlier than 6 months from the effective date of the examination. *Upon* retirement, the PHA will accept an original document from the entity holding the account that reflects any distributions of the account balance, any lump sums taken and any regular payments.

**Rationale**

Under HOTMA, IRS recognized retirement accounts can no longer be considered an asset.

***7-III.L. Zero Income Status Reviews***

***From:*** The PHA will check UIV sources and/or request information from third-party sources to verify that certain forms of income such as unemployment benefits, TANF, SS, SSI, and earnings are not being received by any household member claiming to have zero annual income.

***To:*** The PHA will check UIV sources and/or may request information from third-party sources to verify that certain forms of income such as unemployment benefits, TANF, SS, SSI, earned income, child support, etc. are not being received by any household member claiming to have zero annual income. The PHA will also require that each family member who claims zero income status complete a zero-income form. If any sources of income are identified on the form, the PHA will verify the income in accordance with the policies in this chapter prior to including the income in the family’s annual income. The PHA will only conduct interims in accordance with PHA policy in Chapter 11.

**Rationale**

Under HOTMA, interim reexaminations are only required to be conducted under certain circumstances, therefore eliminating the need for additional certifications throughout the year unnecessarily. This needed to be made clear within policy. The sources of income that will be checked when warranted has also been increased to reduce the likelihood of unreported income.

***7-III.M. Student Financial Aid***

***From:*** For a student subject to having a portion of their student financial assistance included in annual income in accordance with 24 CFR 5.609(b)(9), the PHA will request written third-party verification of both the source and the amount. Family-provided documents from the educational institution attended by the student will be requested, as well as documents generated by any other person or entity providing such assistance, as reported by the student. In addition, the PHA will request written verification of the student’s tuition, fees, and other required charges. If the PHA is unable to obtain third-party written verification of the requested information, the PHA will pursue other forms of verification following the verification hierarchy in section 7-I.B.

***To:*** The PHA will request written third- party verification of both the source and the amount of student financial assistance. Family-provided documents from the educational institution attended by the student will be requested, as well as documents generated by any other person or entity providing such assistance, as reported by the student. In addition, unless the student’s only source of assistance is assistance under Title IV of the HEA, the PHA will request written verification of the cost of the student’s tuition, books, supplies, room and board, and other required fees and charges to the student from the educational institution. If the PHA is unable to obtain third-party written verification of the requested information, the PHA will pursue other forms of verification following the verification hierarchy in section 7-I.B.

**Rationale**

Policy needed to be updated to account for HUD’s change in who the income will be counted for, to the definition of includable Financial Aid (to exclude amounts received under Title IV of the HEA) and to the definition of Tuition & Fees (to include books, supplies, room and board).

**Chapter 8: Leasing**

**8-I.G. *Minimum Heating Standards***

(Policy removed)

***8-II.C. NSPIRE Inspections (Notice to Residents, 24-Hour Corrections, Non-emergency repairs,***

***Addition:*** The PHA will provide all residents with at least seven days’ notice of an NSPIRE inspection. Notice will be provided through multiple communication methods, including by posted notice on each resident’s door and through email where applicable. All materials, notices, and communications to families regarding the inspection will be clearly communicated and provided in a manner that is effective for persons with hearing, visual, and other communication-related disabilities consistent with Section 504 of the Rehabilitation Act (Section 504) and HUD’s Section 504 regulation, and Titles II or III of the Americans with Disabilities Act (ADA) and implementing regulations.

The PHA will correct all Life-Threatening and Severe deficiencies within 24 hours. Correcting the deficiency means the PHA will resolve or sufficiently address the deficiency in a manner that it no longer poses a severe health or safety risk to residents or the hazard is blocked until permanent repairs can be completed. A correction could include controlling or blocking access to the hazard by performing a temporary relocation of the resident while repairs are made.

While the PHA will complete all repairs expeditiously, if a permanent repair is not possible within 24-hours, the PHA will correct the deficiency by performing an interim repair to remove the health and safety hazard. If the correction is temporary or professional services or materials are unavailable within 24 hours, the PHA will provide a target date for permanent correction. Such interim repairs will be fully completed within a reasonable timeframe approved by HUD.

The family must allow the PHA access to the unit to make repairs.

If the PHA is unable to make repairs within the periods identified in the NSPIRE standards due to circumstances beyond the PHA’s control (e.g., required parts or services are not available, weather conditions, etc.), the PHA will provide HUD with a timeframe for completing permanent repairs and obtain HUD approval. The PHA will also notify the family of an estimated date of completion.

The family must allow the PHA access to the unit to make repairs.

Except for emergencies, management will not enter the dwelling unit to perform repairs where a pet resides unless accompanied for the entire duration of the repair by the pet owner or responsible person designated by the pet owner in accordance with the pet policies in Section 10-II.D.

**Rationale**

Under HOTMA, the Real Estate Assessment Center (REAC) inspections have been replaced with National Standards for the Physical Inspection of Real Estate (NSPIRE) with new inspection standards.

**Chapter 9: Reexaminations**

***9-I.B. Notification of and Participation in the Annual Reexamination Process***

***Addition:*** Up to three notices will be sent – the first notice will be sent in the 4th month prior to the recertification effective date, the second notice will be sent in the 3rd month prior to the recertification effective date (in the event the family failed to respond in full to the 1st notice) and a final notice will be sent in the 2nd month prior to the recertification date (in the event that the family failed to respond to the prior two notices in full). The first notice will be their initial notification of their obligation. The second notice will serve as a reminder and as a notice that if the family does not respond by the following month, prior to the final notice being sent, they will lose the right to a 30-day notice of increase. The third notice will serve as the termination of assistance. If the family responds in full to the final notice prior to the effective date of the annual recertification, the termination will be cancelled but the family will still lose their right to a 30-day notice of any resulting rent increase.

**Rationale**

The timeline of events and definition of “timely” had not been previously laid out. There needed to be a clear line of when a household’s assistance will be terminated and when they will lose the right to a 30-day notice of increase. The PHA feels that 3 reminder notices, starting 4 months prior to the reexamination due date meets all due diligence requirements, giving the family ample time to respond. This policy lines up with HUD’s existing policy on the multifamily side and allows for easier tenant compliance tracking.

***9-III.B. Reporting***

***From:*** All families, those paying income-based rent as well as flat rent, must report all changes in family and household composition that occur between annual reexaminations (or annual updates) within 10 business days of the change.

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***To:*** All families, those paying income-based rent as well as flat rent, must report all changes in family and household composition that occur between annual reexaminations (or annual updates) within 30 business days of the change.

**Rationale**

Under HOTMA, there are now set requirements on when an interim must be conducted, removing the ability to create a blanket discretionary policy. The policy has been changed to list when families must report changes (vs. when the PHA will conduct them). The PHA feels that a 30-day reporting period is sufficient and fair to the household. Thirty days is also easier to track for both participants and PHA staff than 10-business days.

9***-III.B. Departure of a Family or Household Member***

***From:*** If a household member ceases to reside in the unit, the family must inform the PHA within 10 business days. This requirement also applies to a family member who has been considered temporarily absent at the point that the family concludes the individual is permanently absent.

***To:*** If a household member ceases to reside in the unit, the family must inform the PHA within 30 days. This requirement also applies to a family member who has been considered temporarily absent at the point that the family concludes the individual is permanently absent.

**Rationale for the above Changes to 11-II.B.**

Under HOTMA, there are now set requirements on when an interim must be conducted, removing the ability to create a blanket discretionary policy. The policy has been changed to list when families must report changes (vs. when the PHA will conduct them). The PHA feels that a 30-day reporting period is sufficient and fair to the household. Thirty days is also easier to track for both participants and PHA staff than 10-business days.

***9-III.C. Changes Affecting Income or Expenses***

***Removed:*** PHA-Initiated Interim Reexaminations & Family-Initiated Interim Reexaminations

***New Policies:*** *Interim Decreases -* The PHA will conduct an interim reexamination when the family’s adjusted income has decreased by at least 10%; *Increases 10 Percent or Greater -* When a family reports an increase in their earned income between annual reexaminations, the PHA will conduct an interim reexamination, when the family’s total earned income increases by at least 10% but only when, there was a previous decrease in earned income since the family’s last annual reexamination. The PHA will process an interim reexamination for any increases in unearned income of 10 percent or more in adjusted income. The PHA will not perform an interim reexamination when a family timely reports an increase in income (whether earned or unearned income) that occurred within three months prior to their annual reexamination effective date. Families who delay reporting income increases until the last three months of their certification period may be subject to retroactive rent increases in accordance with the PHA policies in Chapter 14.

**Rationale**

The PHA feels that the HUD recommended/minimum amounts are sufficient and that these policies will greatly reduce the administrative burden for both the PHA and recipients.

***9-III.C. Family Reporting***

***From:*** The family will be required to report all changes in income regardless of the amount of the change, whether the change is to earned or unearned income, or if the change occurred during the last three months of the certification period. Families must report changes in income within 10 business days of the date the change takes effect. The family may notify the PHA of changes either orally or in writing. If the family provides oral notice, the PHA may also require the family to submit the changes in writing.

Within 10 business days of the family reporting the change, the PHA will determine whether the change will require an interim reexamination. If the change will not result in an interim reexamination, the PHA will note the information in the tenant file but will not conduct an interim reexamination. The PHA will send the family written notification within 10 business days of making this determination informing the family that the PHA will not conduct an interim reexamination. If the change will result in an interim reexamination, the PHA will determine the documentation the family will be required to submit based on the type of change reported and PHA policies in Chapter 7. The PHA will ask the family to report changes in all aspects of adjusted income at this time. The family must submit any required information or documents within 10 business days of receiving a request from the PHA. This time frame may be extended for good cause with PHA approval. The PHA will accept required documentation by mail, email, fax, or in person. The PHA will conduct the interim within a reasonable time period based on the amount of time it takes to verify the information. Generally, the family will not be required to attend an interview for an interim reexamination. However, if the PHA determines that an interview is warranted, the family may be required to attend.

***To:*** The family will be required to report all changes in accordance with the above interim processing policies within 30 days of the event. The family must notify the PHA of changes in writing or by using the online portal unless a reasonable accommodation was requested and is required. In writing generally means completing the interim request form and submitting it within the required time frame. However, an email from the family describing the change in detail may also be accepted in lieu of the completed form or online portal request. Within 10 business days of the family reporting the change, the PHA will confirm whether or not the change requires an interim reexamination. If the change will not result in an interim reexamination, the PHA will note the information in the tenant file but will not conduct an interim reexamination. The PHA will send the family written notification within 10 business days of making this determination informing the family that the PHA will not conduct an interim reexamination. If the change will result in an interim reexamination, the PHA will determine the documentation the family will be required to submit based on the type of change reported and PHA policies in Chapter 7. The PHA will ask the family to report changes in all aspects of adjusted income at this time. The family must submit any required information or documents within 10 business days of receiving a request from the PHA. This time frame may be extended for good cause with PHA approval. The PHA will accept required documentation by mail, email, through the online portal, fax, or in person. The PHA will conduct the interim within a reasonable time period based on the amount of time it takes to verify the information.

**Rationale**

Updated policy to follow the 30-day reporting period allowance as mentioned prior. The ability to report items verbally only was removed as this is method of reporting is very difficult to prove for either party. Additionally, the 10-day review period was added to ensure that a household receives a timely response to their report.

***New Exhibit: 9-1 Calculating Income at Annual Reexamination***

**Rationale**

Due to the complex nature of the new Annual process under HOTMA, the PHA wanted to provide several examples of how income can be calculated.

**Chapter 10: Pets 9 (no significant changes)**

**Chapter 11: Community Service (no significant changes)**

**Chapter 12: Transfers (no significant changes)**

**Chapter 13: Lease Term (no significant changes)**

**Chapter 14: Grievance Appeals (no significant changes**

**Chapter 15: Program Integrity**

***De Minimus Errors***

***New Section Policy:*** The PHA will reimburse a family for any family overpayment of rent, regardless of whether the overpayment was the result of staff-caused error, staff program abuse, or a de minimis error. The reimbursement will be in the form of a check and will be issued within 30 days of the correction being processed.

**Rationale**

Under HOTMA, HUD introduced the concept of a “De Minimus Error” that states in the event a family is under or over charged rent, it will not be considered a violation if its result was a change in income of less than $30 per month. However, PHAs are still required to correct the issue and state how the household will be compensated in the event an overpayment of rent occurred. Having one method of reimbursement is easier to track and issuing checks means greater trackability.

this notification, the CoC or partnering agency liaison will provide the PHA with a list of eligible referrals including the name, address, and contact phone number for each adult individual who is being referred; a completed release form for each adult family member; and a written certification for each referral indicating they are SV-eligible.

**Chapter 16: Program Administration (no significant changes)**