

Streamlined Annual PHA Plan <i>(High Performer PHAs)</i>	U.S. Department of Housing and Urban Development Office of Public and Indian Housing	OMB No. 2577-0226 Expires 03/31/2024
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Purpose. The 5-Year and Annual PHA Plans provide a ready source for interested parties to locate basic PHA policies, rules, and requirements concerning the PHA’s operations, programs, and services, including changes to these policies, and informs HUD, families served by the PHA, and members of the public of the PHA’s mission, goals and objectives for serving the needs of low- income, very low- income, and extremely low- income families

Applicability. The Form HUD-50075-HP is to be completed annually by **High Performing PHAs**. PHAs that meet the definition of a Standard PHA, Troubled PHA, HCV-Only PHA, Small PHA, or Qualified PHA do not need to submit this form.

Definitions.

- (1) **High-Performer PHA** – A PHA that owns or manages more than 550 combined public housing units and housing choice vouchers and was designated as a high performer on both the most recent Public Housing Assessment System (PHAS) and Section Eight Management Assessment Program (SEMAP) assessments.
- (2) **Small PHA** - A PHA that is not designated as PHAS or SEMAP troubled, and that owns or manages less than 250 public housing units and any number of vouchers where the total combined units exceed 550.
- (3) **Housing Choice Voucher (HCV) Only PHA** - A PHA that administers more than 550 HCVs, was not designated as troubled in its most recent SEMAP assessment and does not own or manage public housing.
- (4) **Standard PHA** - A PHA that owns or manages 250 or more public housing units and any number of vouchers where the total combined units exceed 550, and that was designated as a standard performer in the most recent PHAS or SEMAP assessments.
- (5) **Troubled PHA** - A PHA that achieves an overall PHAS or SEMAP score of less than 60 percent.
- (6) **Qualified PHA** - A PHA with 550 or fewer public housing dwelling units and/or housing choice vouchers combined and is not PHAS or SEMAP troubled.

A.	PHA Information.
A.1	<p> PHA Name: Housing Authority of the City of La Crosse PHA Code: WI006 PHA Type: <input checked="" type="checkbox"/> High Performer PHA Plan for Fiscal Year Beginning: (MM/YYYY): 01/2025 PHA Inventory (Based on Annual Contributions Contract (ACC) units at time of FY beginning, above) Number of Public Housing (PH) Units 593 Number of Housing Choice Vouchers (HCVs) 199 Total Combined 792 PHA Plan Submission Type: <input checked="" type="checkbox"/> Annual Submission <input type="checkbox"/> Revised Annual Submission </p> <p> Public Housing Units: <ul style="list-style-type: none"> ○ 75 Units - Stoffel Court, 333 S. 7th Street, La Crosse, WI 54601 ○ 73 Units – Stokke Tower, 421 S. 6th Street, La Crosse, WI 54601 ○ 82 Units – Sauber Manor, 1025 Liberty St., La Crosse, WI 54603 ○ 75 Units – Becker Plaza, 415 S. 7th Street, La Crosse, WI 54601 ○ 78 Units – Solberg Heights, 215 S. 6th Street, La Crosse, WI 54601 ○ 84 Units – Schuh Homes Development, Winneshiek Rd, Wood St., Redbird Ct., John Flynn Drive, La Crosse, WI 54601 ○ 56 Units – Mullen Homes Development, Winneshiek Rd & St. James Street, La Crosse, WI 54601 ○ 40 Units – Huber Homes Development, Gladys St. & Huber Ct., La Crosse, WI 54601 ○ 30 Units – Grover Estates Development, Taylor St. & Hamilton St., La Crosse, WI 54603 </p> <p> Section 8 Housing Choice Vouchers: <ul style="list-style-type: none"> ○ 144 - Tenant Based Vouchers ○ 40 - Mainstream Vouchers ○ 2 - Tenant Based VASH Voucher ○ 13 - VASH Project Based Vouchers – Garden Terrace, 809 Kane Street, La Crosse, WI 54603 </p> <p> Availability of Information. In addition to the items listed in this form, PHAs must have the elements listed below readily available to the public. A PHA must identify the specific location(s) where the proposed PHA Plan, PHA Plan Elements, and all information relevant to the public hearing and proposed PHA Plan are available for inspection by the public. Additionally, the PHA must provide information on how the public may reasonably obtain additional information of the PHA policies contained in the standard Annual Plan but excluded from their streamlined submissions. At a minimum, PHAs must post PHA Plans, including updates, at each Asset Management Project (AMP) and main office or central office of the PHA. PHAs are strongly encouraged to post complete PHA Plans on their official website. PHAs are also encouraged to provide each resident council a copy of their PHA Plans. </p> <p> A 45-Day public comment period for the draft PHA 2025 Annual Plan and the Five-Year 2025-2029 Capital Fund Program Plan will commence on August 16, 2024 and conclude on October 2, 2024 @ 8:00 a.m. CST. The public hearing is scheduled for Wednesday, October 9, 2024 at 1:00pm CST at Ping Manor, 1311 Badger Street, La Crosse, WI 54601. </p>

The Public Hearing will provide an opportunity for residents of the City of La Crosse, including LHA Residents and Non-Residents, to express their comments regarding LHA's proposed PHA 2025 Annual Plan and the Five-Year 2025-2029 Capital Fund Program Plan.

Draft copies are available for review at the Housing Authority website www.lacrossehousing.org, as well as at the Administrative Office, located at 1307 Badger Street, La Crosse, WI 54601. Office hours are from 9:00 a.m. to Noon and 12:30 to 3:00 p.m. Monday through Friday. Written comments will be considered until October 2, 2024 at 8:00 a.m. CST.

PHA Consortia: (Check box if submitting a Joint PHA Plan and complete table below)

Participating PHAs	PHA Code	Program(s) in the Consortia	Program(s) not in the Consortia	No. of Units in Each Program	
				PH	HCV
Lead PHA:					

B. Plan Elements

B.1 Revision of Existing PHA Plan Elements.

(a) Have the following PHA Plan elements been revised by the PHA since its last **Annual PHA Plan** submission?

Y N

- Statement of Housing Needs and Strategy for Addressing Housing Needs.
- Deconcentration and Other Policies that Govern Eligibility, Selection, and Admissions.
- Financial Resources.
- Rent Determination.
- Homeownership Programs.
- Safety and Crime Prevention.
- Pet Policy.
- Substantial Deviation.
- Significant Amendment/Modification

(b) If the PHA answered yes for any element, describe the revisions for each element below:

Implementation of the Housing Opportunity Through Modernization Act (HOTMA) section 102 and 104 changes in LHA policy. LHA intends to implement provisions on January 1, 2025 (latest date possible) pending the release of HUD's new Housing Information Program (HIP) system. Currently, PHAs remain unable to select a compliance date because HOTMA compliance depends on transitioning from HUD's IMS/PIC system to HUD's new HIP system. However, policy revisions are being made based on the January 1, 2025 date.

The following details discretionary policies which HUD allows PHAs to implement prior to their HOTMA compliance date. Early adoption of such policies is optional. The PHA may adopt some, all, or none of the policies listed below prior to their HOTMA compliance date.

(Note: Although HUD's 2/22/24 FAQs list Zero Income Reviews (as described in Section J.8 of revised Notice PIH 2023-27) as an area where PHAs may adopt HOTMA policies prior to the PHA's implementation date, HOTMA did not make any significant changes in this area. The PHA may continue to use their current zero income policies. Therefore, no policy decision point has been listed below.)

ACOP (SEE ATTACHMENT 3) & Administration (SEE ATTACHMENT 4) HOTMA Provisions Policy Supplement: SEE ATTACHMENT 2

- I. Earned Income Disallowance (EID) - Since HOTMA removed the statutory authority for the EID as of January 1, 2024, regardless of the PHA's HOTMA compliance date, the PHA must not enroll any new families in the EID. This is mandatory. The EID is only available to families that were eligible for and participating on the program as of December 31, 2023, or before; no new families are to be added on or after January 1, 2024. If a family was receiving the EID prior to or on December 31, 2023, they are entitled to the full amount of the benefit for a full 24-month period. PHA policies governing the EID are applicable only to such families.

LHA Implementation date: January 1, 2024.

- II. Form HUD-9886-A - Section J.1 of Notice PIH 2023-27 provides that PHAs were able to begin having families sign the new HUD-9886-A on January 1, 2024. As such, if the PHA will begin using the new Form HUD-9886-A prior to the PHA's compliance date and adoption of such policy, the PHA should also implement policies governing revocation of consent at the same time.
LHA Implementation date: January 1, 2024.
- III. Safe Harbor Income Determinations - Section J.4 of Notice PIH 2023-27 allows PHAs to use income determinations from other means-tested federal public assistance programs to verify annual income. These are known as Safe Harbor income determinations. PHAs that choose to adopt this policy before migrating to HIP must list the annual income from the other program's determination in Section 7 of the HUD-50058 for the head of household using the "Other Non-Wage Sources" income code.
LHA will not adopt the Safe Harbor Income Determination policy.
- IV. Verification Dated within 120 Days - Section J.5 of Notice PIH 2023-27 updated the guidance for Level 4 documentation (Written Third-Party Verification) to include an original or authentic document generated by a third-party source dated within 120 days of the date received by the PHA, rather than 60 days as is currently required.
LHA Implementation date: January 1, 2025.
- V. Verification of Fixed Income Sources - In accordance with Section J.5 of Notice PIH 2023-27, PHAs may accept a statement dated within the appropriate benefit year for fixed income sources.
LHA Implementation date: January 1, 2025.
- VI. Verification of Social Security Numbers (SSN) - Section J.6 of Notice PIH 2023-27, HUD noted that it is adjusting what HUD considers acceptable documentation of SSN under 24 CFR 5.216(g)(1). PHAs have the option of accepting a self-certification and a third-party document (such as a bank statement, utility or cell phone bill, or benefit letter) with the applicant's name printed on it to satisfy the SSN disclosure requirement if the PHA has exhausted all other attempts to obtain the required documentation. If verifying an individual's SSN using this method, the PHA must document why the other SSN documentation was not available.
LHA Implementation date: January 1, 2025.

Statement of Housing Needs and Strategy for Addressing Housing Needs:

It shall be noted that no revisions referencing housing needs or strategy are proposed in this plan. This is for informational purposes only.

Data from City of La Crosse Consolidated Plan 2020-2024 and 2021-2022 Annual Consolidated Plan

The following Housing needs were identified in both data and in public engagement:

- The poor quality of housing available in the city.
- The lack of affordable rental housing, especially for extremely low-income families (2873 of these households are paying more than 50% of their income in rent).
- A large homeless population, particularly people with mental and physical health challenges, alcohol/drug dependency issues.
- Prevent and help end homelessness in La Crosse.
- The declining number of families living in the City of La Crosse, due to overall demographic changes and the increasing number of households living outside the city.

Strategy for Addressing Housing Needs:

The La Crosse Housing Authority plans to maximize the number of affordable units available to the PHA within its current resources by a variety of means:

- Employ effective maintenance and management policies to minimize the number of public housing units off-line.
- Reduce turnover time for vacated public housing units, reduce time to renovate public housing units.
- Seek replacement of public housing units available within fair cloth limit.
- Maintain or increase Section 8 lease-up rates by establishing payment standards that will enable families to rent throughout the jurisdiction.
- Continue measures to ensure access to affordable housing among families assisted by the PHA, regardless of unit size required.
- Participate in the Consolidated Plan development process to ensure coordination with broader community strategies.
- Support the "Pathways Home" plan as well as the "Great Eight" action pathways to functional zero as listed in the plan.

The PHA also plans to increase the number of affordable housing units by means of constructing single story fully ADA accessible units when land becomes available.

We are consistent with the City's consolidation plan as well as the Analysis of Impediments to Fair Housing, which outline priorities. We are consistent with a variety of specific housing objectives, listed below:

- Promote affordable housing opportunities to residents as well as assist them in achieving self-sufficiency.
- Support programs to preserve existing affordable housing stock.
- Support residents with low income to achieve greater stability and self-reliance by providing safe, affordable, and quality housing. Including links to community service.
- Promote homeownership for first-time homebuyers.
- Support affordable rental housing in collaboration with the La Crosse County Housing Authority.
- Support the City's Renovation Programs.
- Support the County and City's goal to end homelessness in La Crosse.

The La Crosse Housing Authority (LHA) relies on a number of resources to identify the greatest needs for assisted housing. These sources include the City of La Crosse Consolidated Plan, Impediments to Fair Housing Report, as well as the LHA vacancy and wait list data.

	<p>Safety and Crime Prevention:</p> <p>It shall be noted that no revisions to Safety and Crime Prevention are proposed in this plan. The Housing Authority of the City of La Crosse has established this statement, which incorporates the following requirements: A. Safety measures are reviewed on a jurisdiction-wide basis to ensure the safety of the residents living in public housing owned and operated by the La Crosse Housing Authority. B. The La Crosse Housing Authority Safety and Crime Prevention statement describe measures to ensure the safety of public housing residents and for crime prevention. This statement further describes the coordination undertaken between the La Crosse Housing Authority and the La Crosse Police & Fire Departments for carrying out the objectives of this statement. The La Crosse Housing Authority currently has partnerships with six different Neighborhood Resource Police Officers (NRO) who visit and patrol our developments daily as well as meet with staff on an as needed basis. The Neighborhood Resource Officers focus their efforts on development concerns within their assigned neighborhoods. They are the front line of the community policing and enforcement efforts, working with the Housing Authority to address the needs of the specific neighborhoods and the greater La Crosse community. In addition to the NRO's, we carry partnerships with the La Crosse Fire Department as well as an investigator from the City's Community Resource Unit, which works to help in mental health crisis situations. The La Crosse Housing Authority also generates no trespass letters that give the police an additional tool to keep unauthorized individuals off public housing properties. In addition to the aforementioned efforts, the La Crosse Housing Authority hires a security company that patrols all La Crosse Housing Authority owned property seven days a week at random hours of the night. Reports are generated daily by security as well as police records are obtained and reviewed by Housing Authority staff to ensure that our residents are safe and secure. In 2020 the La Crosse Housing Authority completed the installation of security cameras systems in seven high-rise buildings as well as five community buildings located in our family developments. Since 2020, we continue to provide improvements and new installations to our systems.</p> <p>(c) The PHA must submit its Deconcentration Policy for Field Office Review. SEE ATTACHMENT 1</p> <p>(d) EIV Security Policy and Procedures HOTMA Updates. SEE ATTACHMENT 6</p>
<p>B.2</p>	<p>New Activities.</p> <p>(a) Does the PHA intend to undertake any new activities related to the following in the PHA's current Fiscal Year?</p> <p>Y N</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Hope VI or Choice Neighborhoods.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Mixed Finance Modernization or Development.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Demolition and/or Disposition.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Conversion of Public Housing to Tenant Based Assistance.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Conversion of Public Housing to Project-Based Rental Assistance or Project-Based Vouchers under RAD.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Project Based Vouchers.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Units with Approved Vacancies for Modernization.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Other Capital Grant Programs (i.e., Capital Fund Community Facilities Grants or Emergency Safety and Security Grants).</p> <p>(b) If any of these activities are planned for the current Fiscal Year, describe the activities. For new demolition activities, describe any public housing development or portion thereof, owned by the PHA for which the PHA has applied or will apply for demolition and/or disposition approval under section 18 of the 1937 Act under the separate demolition/disposition approval process. If using Project-Based Vouchers (PBVs), provide the projected number of project-based units and general locations, and describe how project basing would be consistent with the PHA Plan.</p> <ul style="list-style-type: none"> o LHA had a study conducted on the possibility of converting some of the existing family development two-bedroom single story units into fully accessible one-bedroom units. Work of this caliber will require coordination with HUD to receive approval to take units off-line to complete the work. The current family development portfolio consists of the following: (30) one-bedroom units, (102) two-bedroom units, (52) three-bedroom units, (22) four-bedroom units, and (4) five-bedroom units. LHA family development one-bedroom waiting list indicates a high demand. o Partnering for Solutions. Work with local collaboratives to monitor housing needs in the community.
<p>B.3</p>	<p>Progress Report.</p> <p>Provide a description of the PHA's progress in meeting its Mission and Goals described in the PHA 5-Year Plan.</p> <ul style="list-style-type: none"> • Improved the quality and management of the Housing Authority by obtaining an overall "High Performer Status." Goal met. • Continue to fully utilize Public Housing program by obtaining a 99% lease-up utilization rate. Currently at 100% occupied. • Mainstream Voucher Program – fully utilized vouchers by obtaining a 100% lease-up utilization rate. Currently at 100%. • Completed phase I of Section 504/ADA modernization work. This work will continue throughout LHA's housing portfolio and will continue to be placed in our Capital Fund Five Year Plan. • Continue improvement of the quality of the LHA's existing housing portfolio. See 5-year plan for scheduled improvements. • Continue to achieve recommended activities and goals based on the "Affirmatively Furthering Fair Housing Analysis." • Continue to assist families and individuals with low income to achieve greater stability and self-reliance by providing safe, affordable, quality housing and links to community service.

B.4.	<p>Capital Improvements. Include a reference here to the most recent HUD-approved 5-Year Action Plan in EPIC and the date that it was approved.</p> <p>See HUD form 50075.2 Five-Year Action Plan 2024-2028 - Approved by HUD 11/01/2023</p>		
B.5	<p>Most Recent Fiscal Year Audit.</p> <p>(a) Were there any findings in the most recent FY Audit?</p> <p>Y N <input type="checkbox"/> <input checked="" type="checkbox"/></p> <p>(b) If yes, please describe:</p>		
C. Other Document and/or Certification Requirements.			
C.1	<p>Resident Advisory Board (RAB) Comments.</p> <p>(a) Did the RAB(s) have comments to the PHA Plan?</p> <p>Y N <input type="checkbox"/> <input type="checkbox"/></p> <p>(b) If yes, comments must be submitted by the PHA as an attachment to the PHA Plan. PHAs must also include a narrative describing their analysis of the RAB recommendations and the decisions made on these recommendations.</p>		
C.2	<p>Certification by State or Local Officials.</p> <p>Form HUD-50077-SL, <i>Certification by State or Local Officials of PHA Plans Consistency with the Consolidated Plan</i>, must be submitted by the PHA as an electronic attachment to the PHA Plan.</p>		
C.3	<p>Civil Rights Certification/Certification Listing Policies and Programs that the PHA has Revised since Submission of its Last Annual Plan.</p> <p><i>Form 50077-ST-HCV-HP, PHA Certifications of Compliance with PHA Plan, Civil Rights, and Related Laws and Regulations Including PHA Plan Elements that Have Changed</i> must be submitted by the PHA as an electronic attachment to the PHA Plan.</p>		
C.4	<p>Challenged Elements. If any element of the PHA Plan is challenged, a PHA must include such information as an attachment with a description of any challenges to Plan elements, the source of the challenge, and the PHA's response to the public.</p> <p>(a) Did the public challenge any elements of the Plan?</p> <p>Y N <input type="checkbox"/> <input type="checkbox"/></p> <p>If yes, include Challenged Elements.</p>		
D. Affirmatively Furthering Fair Housing (AFFH).			
D.1	<p>Affirmatively Furthering Fair Housing.</p> <p>Provide a statement of the PHA's strategies and actions to achieve fair housing goals outlined in an accepted Assessment of Fair Housing (AFH) consistent with 24 CFR § 5.154(d)(5). Use the chart provided below. (PHAs should add as many goals as necessary to overcome fair housing issues and contributing factors.) Until such time as the PHA is required to submit an AFH, the PHA is not obligated to complete this chart. The PHA will fulfill, nevertheless, the requirements at 24 CFR § 903.7(o) enacted prior to August 17, 2015. See Instructions for further detail on completing this item.</p> <table border="1" data-bbox="180 1822 1453 1923"> <tr> <td data-bbox="180 1822 1453 1885">Fair Housing Goal:</td> </tr> <tr> <td data-bbox="180 1885 1453 1923"> </td> </tr> </table>	Fair Housing Goal:	
Fair Housing Goal:			

As outlined in Section B of this document. The Housing Authority will continue efforts to meet impediments identified in the Regional Affirmatively Furthering Fair Housing (AFFH) Market Study that was completed. This identifier is also referenced in our 5-Year PHA Plan.

As indicated in directions above, the AFFH is not a federal regulation or requirement; however, the Housing Authority of the City of La Crosse remains committed to equality and opportunity for all. We have done this by partnering with the City of La Crosse, La Crosse County, Monroe County, La Crosse County Housing Authority, Tomah Housing Authority, and the Monroe County Housing Authority by having an AFFH study completed. In addition, agency training continues to commence annually in this area.

To view a copy of the AFFH please visit:

<https://www.cityoflacrosse.org/your-government/departments/community-development-and-housing/fair-housing>

Instructions for Preparation of Form HUD-50075-HP Annual Plan for High Performing PHAs

A. PHA Information. All PHAs must complete this section. (24 CFR §903.4)

A.1 Include the full **PHA Name**, **PHA Code**, **PHA Type**, **PHA Fiscal Year Beginning** (MM/YYYY), **PHA Inventory**, **Number of Public Housing Units and or Housing Choice Vouchers (HCVs)**, **PHA Plan Submission Type**, and the **Availability of Information**, specific location(s) of all information relevant to the public hearing and proposed PHA Plan. (24 CFR §903.23(4)(e))

PHA Consortia: Check box if submitting a Joint PHA Plan and complete the table. (24 CFR §943.128(a))

B. Plan Elements.

B.1 Revision of Existing PHA Plan Elements. PHAs must:

Identify specifically which plan elements listed below that have been revised by the PHA. To specify which elements have been revised, mark the “yes” box. If an element has not been revised, mark “no.”

Statement of Housing Needs and Strategy for Addressing Housing Needs. Provide a statement addressing the housing needs of low-income, very low-income, and extremely low-income families and a brief description of the PHA’s strategy for addressing the housing needs of families who reside in the jurisdiction served by the PHA and other families who are on the public housing and Section 8 tenant-based assistance waiting lists. The statement must identify the housing needs of (i) families with incomes below 30 percent of area median income (extremely low-income); (ii) elderly families (iii)

households with individuals with disabilities, and households of various races and ethnic groups residing in the jurisdiction or on the public housing and Section 8 tenant-based assistance waiting lists based on information provided by the applicable Consolidated Plan, information provided by HUD, and other generally available data. The statement of housing needs shall be based on information provided by the applicable Consolidated Plan, information provided by HUD, and generally available data. The identification of housing needs must address issues of affordability, supply, quality, accessibility, size of units, and location. Once the PHA has submitted an Assessment of Fair Housing (AFH), which includes an assessment of disproportionate housing needs in accordance with 24 CFR §5.154(d)(2)(iv), information on households with individuals with disabilities and households of various races and ethnic groups residing in the jurisdiction or on the waiting lists no longer needs to be included in the Statement of Housing Needs and Strategy for Addressing Housing Needs. (24 CFR §903.7(a).

The identification of housing needs must address issues of affordability, supply, quality, accessibility, size of units, and location. (24 CFR §903.7(a)(2)(i)) Provide a description of the ways in which the PHA intends, to the maximum extent practicable, to address those housing needs in the upcoming year and the PHA's reasons for choosing its strategy. (24 CFR §903.7(a)(2)(ii))

Deconcentration and Other Policies that Govern Eligibility, Selection and Admissions. Describe the PHA's admissions policy for deconcentration of poverty and income mixing of lower-income families in public housing. The Deconcentration Policy must describe the PHA's policy for bringing higher income tenants into lower income developments and lower income tenants into higher income developments. The deconcentration requirements apply to general occupancy and family public housing developments. Refer to 24 CFR §903.2(b)(2) for developments not subject to deconcentration of poverty and income mixing requirements. (24 CFR §903.7(b)) Describe the PHA's procedures for maintaining waiting lists for admission to public housing and address any site-based waiting lists. (24 CFR §903.7(b)) A statement of the PHA's policies that govern resident or tenant eligibility, selection and admission including admission preferences for both public housing and HCV. (24 CFR §903.7(b)) Describe the unit assignment policies for public housing. (24 CFR §903.7(b))

Financial Resources. A statement of financial resources, including a listing by general categories, of the PHA's anticipated resources, such as PHA operating, capital and other anticipated Federal resources available to the PHA, as well as tenant rents and other income available to support public housing or tenant-based assistance. The statement also should include the non-Federal sources of funds supporting each Federal program, and state the planned use for the resources. (24 CFR §903.7(c))

Rent Determination. A statement of the policies of the PHA governing rents charged for public housing and HCV dwelling units, including applicable public housing flat rents, minimum rents, voucher family rent contributions, and payment standard policies. (24 CFR §903.7(d))

Homeownership Programs. A description of any homeownership programs (including project number and unit count) administered by the agency or for which the PHA has applied or will apply for approval. For years in which the PHA's 5-Year PHA Plan is also due, this information must be included only to the extent that the PHA participates in homeownership programs under section 8(y) of the 1937 Act. (24 CFR §903.7(k)) and 24 CFR §903.12(b).

Safety and Crime Prevention (VAWA). A description of: 1) Any activities, services, or programs provided or offered by an agency, either directly or in partnership with other service providers, to child or adult victims of domestic violence, dating violence, sexual assault, or stalking; 2) Any activities, services, or programs provided or offered by a PHA that helps child and adult victims of domestic violence, dating violence, sexual assault, or stalking, to obtain or maintain housing; and 3) Any activities, services, or programs provided or offered by a public housing agency to prevent domestic violence, dating violence, sexual assault, and stalking, or to enhance victim safety in assisted families. (24 CFR §903.7(m)(5))

Pet Policy. Describe the PHA's policies and requirements pertaining to the ownership of pets in public housing. (24 CFR §903.7(n))

Substantial Deviation. PHA must provide its criteria for determining a "substantial deviation" to its 5-Year Plan. (24 CFR §903.7(r)(2)(i))

Significant Amendment/Modification. PHA must provide its criteria for determining a "Significant Amendment or Modification" to its 5-Year and Annual Plan. For modifications resulting from the Rental Assistance Demonstration (RAD) program, refer to the 'Sample PHA Plan Amendment' found in Notice PIH-2012-32 REV-3, successor RAD Implementation Notices, or other RAD Notices.

If any boxes are marked "yes", describe the revision(s) to those element(s) in the space provided.

PHAs must submit a Deconcentration Policy for Field Office review. For additional guidance on what a PHA must do to deconcentrate poverty in its development and comply with fair housing requirements, see 24 CFR 903.2. (24 CFR §903.23(b))

B.2 New Activities. If the PHA intends to undertake any new activities related to these elements or discretionary policies in the current Fiscal Year, mark "yes" for those elements, and describe the activities to be undertaken in the space provided. If the PHA does not plan to undertake these activities, mark "no."

HOPE VI. 1) A description of any housing (including project name, number (if known) and unit count) for which the PHA will apply for HOPE VI; and 2) A timetable for the submission of applications or proposals. The application and approval process for Hope VI is a separate process. See guidance on HUD's website at: https://www.hud.gov/program_offices/public_indian_housing/programs/ph/hope6. (Notice PIH 2011-47)

Mixed Finance Modernization or Development. 1) A description of any housing (including name, project number (if known) and unit count) for which the PHA will apply for Mixed Finance Modernization or Development; and 2) A timetable for the submission of applications or proposals. The application and approval process for Mixed Finance Modernization or Development is a separate process. See guidance on HUD's website at: https://www.hud.gov/program_offices/public_indian_housing/programs/ph/hope6/mfph#4

Demolition and/or Disposition. With respect to public housing only, describe any public housing development(s), or portion of a public housing development projects, owned by the PHA and subject to ACCs (including project number and unit numbers [or addresses]), and the number of affected units along with their sizes and accessibility features) for which the PHA will apply or is currently pending for demolition or disposition approval under section 18 of the 1937 Act (42 U.S.C. 1437p); and (2) A timetable for the demolition or disposition. This statement must be submitted to the extent that approved and/or pending demolition and/or disposition has changed as described in the PHA's last Annual and/or 5-Year PHA Plan submission. The application and approval process for demolition and/or disposition is a separate process. Approval of the PHA Plan does not constitute approval of these activities. See guidance on HUD's website at: http://www.hud.gov/offices/pih/centers/sac/demo_dispo/index.cfm. (24 CFR §903.7(h))

Conversion of Public Housing under the Voluntary or Mandatory Conversion programs. Describe any public housing building(s) (including project number and unit count) owned by the PHA that the PHA is required to convert or plans to voluntarily convert to tenant-based assistance; **2)** An analysis of the projects or buildings required to be converted; and **3)** A statement of the amount of assistance received to be used for rental assistance or other housing assistance in connection with such conversion. See guidance on HUD's website at: <http://www.hud.gov/offices/pih/centers/sac/conversion.cfm>. (24 CFR §903.7(j))

Conversion of Public Housing under the Rental Assistance Demonstration (RAD) program. Describe any public housing building(s) (including project number and unit count) owned by the PHA that the PHA plans to voluntarily convert to Project-Based Assistance or Project-Based Vouchers under RAD. See additional guidance on HUD's website at: [Notice PIH 2012-32 REV-3, successor RAD Implementation Notices, and other RAD notices.](#)

Project-Based Vouchers. Describe any plans to use HCVs for new project-based vouchers. (24 CFR §983.57(b)(1)) If using project-based vouchers, provide the projected number of project-based units and general locations and describe how project-basing would be consistent with the PHA Plan.

Units with Approved Vacancies for Modernization. The PHA must include a statement related to units with approved vacancies that are undergoing modernization in accordance with [24 CFR §990.145\(a\)\(1\)](#).

Other Capital Grant Programs (i.e., Capital Fund Community Facilities Grants or Emergency Safety and Security Grants).

B.3 Progress Report. For all Annual Plans following submission of the first Annual Plan, a PHA must include a brief statement of the PHA's progress in meeting the mission and goals described in the 5-Year PHA Plan. (24 CFR §903.7(r)(1))

B.4 Capital Improvements. PHAs that receive funding from the Capital Fund Program (CFP) must complete this section. (24 CFR §903.7 (g)). To comply with this requirement, the PHA must reference the most recent HUD approved Capital Fund 5 Year Action Plan in EPIC and the date that it was approved. PHAs can reference the form by including the following language in the Capital Improvement section of the appropriate Annual or Streamlined PHA Plan Template: "See Capital Fund 5 Year Action Plan in EPIC approved by HUD on XX/XX/XXXX."

B.5 Most Recent Fiscal Year Audit. If the results of the most recent fiscal year audit for the PHA included any findings, mark "yes" and describe those findings in the space provided. (24 CFR §903.7(p))

C. Other Document and/or Certification Requirements

C.1 Resident Advisory Board (RAB) comments. If the RAB had comments on the annual plan, mark "yes," submit the comments as an attachment to the Plan and describe the analysis of the comments and the PHA's decision made on these recommendations. (24 CFR §903.13(c), 24 CFR §903.19)

C.2 Certification by State of Local Officials. Form HUD-50077-SL, *Certification by State or Local Officials of PHA Plans Consistency with the Consolidated Plan*, must be submitted by the PHA as an electronic attachment to the PHA Plan. (24 CFR §903.15). Note: A PHA may request to change its fiscal year to better coordinate its planning with planning done under the Consolidated Plan process by State or local officials as applicable.

C.3 Civil Rights Certification/ Certification Listing Policies and Programs that the PHA has Revised since Submission of its Last Annual Plan. Provide a certification that the following plan elements have been revised, provided to the RAB for comment before implementation, approved by the PHA board, and made available for review and inspection by the public. This requirement is satisfied by completing and submitting form HUD-50077 ST-HCV-HP, *PHA Certifications of Compliance with PHA Plan, Civil Rights, and Related Laws and Regulations Including PHA Plan Elements that Have Changed*. Form HUD-50077-ST-HCV-HP, *PHA Certifications of Compliance with PHA Plan, Civil Rights, and Related Laws and Regulations Including PHA Plan Elements that Have Changed* must be submitted by the PHA as an electronic attachment to the PHA Plan. This includes all certifications relating to Civil Rights and related regulations. A PHA will be considered in compliance with the certification requirement to affirmatively further fair housing if the PHA fulfills the requirements of §§ 903.7(o)(1) and 903.15(d) and: (i) examines its programs or proposed programs; (ii) identifies any fair housing issues and contributing factors within those programs, in accordance with 24 CFR 5.154; or 24 CFR 5.160(a)(3) as applicable (iii) specifies actions and strategies designed to address contributing factors, related fair housing issues, and goals in the applicable Assessment of Fair Housing consistent with 24 CFR 5.154 in a reasonable manner in view of the resources available; (iv) works with jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement; (v) operates programs in a manner consistent with any applicable consolidated plan under 24 CFR part 91, and with any order or agreement, to comply with the authorities specified in paragraph (o)(1) of this section; (vi) complies with any contribution or consultation requirement with respect to any applicable AFH, in accordance with 24 CFR 5.150 through 5.180; (vii) maintains records reflecting these analyses, actions, and the results of these actions; and (viii) takes steps acceptable to HUD to remedy known fair housing or civil rights violations. impediments to fair housing choice within those programs; addresses those impediments in a reasonable fashion in view of the resources available; works with the local jurisdiction to implement any of the jurisdiction's initiatives to affirmatively further fair housing; and assures that the annual plan is consistent with any applicable Consolidated Plan for its jurisdiction. (24 CFR §903.7(o)).

C.4 Challenged Elements. If any element of the Annual PHA Plan or 5-Year PHA Plan is challenged, a PHA must include such information as an attachment to the Annual PHA Plan or 5-Year PHA Plan with a description of any challenges to Plan elements, the source of the challenge, and the PHA's response to the public.

D. Affirmatively Furthering Fair Housing.

D.1 Affirmatively Furthering Fair Housing.

The PHA will use the answer blocks in item D.1 to provide a statement of its strategies and actions to implement each fair housing goal outlined in its accepted Assessment of Fair Housing (AFH) consistent with 24 CFR § 5.154(d)(5) that states, in relevant part: "To implement goals and priorities in an AFH, strategies and actions shall be included in program participants' ... PHA Plans (including any plans incorporated therein) ... Strategies and actions must affirmatively further fair housing" Use the chart provided to specify each fair housing goal from the PHA's AFH for which the PHA is the responsible program participant – whether the AFH was prepared solely by the PHA, jointly with one or more other PHAs, or in collaboration with a state or local jurisdiction – and specify the fair housing strategies and actions to be implemented by the PHA during the period covered by this PHA Plan. If there are more than three fair housing goals, add answer blocks as necessary.

Until such time as the PHA is required to submit an AFH, the PHA will not have to complete section D., nevertheless , the PHA will address its obligation to affirmatively further fair housing by fulfilling the requirements at 24 CFR 903.7(o)(3) enacted prior to August 17, 2015, which means that it examines its own programs or proposed programs; identifies any impediments to fair housing choice within those programs; addresses those impediments in a reasonable fashion in view of the resources available; works with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement; and maintain records reflecting these analyses and actions. Furthermore, under Section 5A(d)(15) of the U.S. Housing Act of 1937, as amended, a PHA must submit a civil rights certification with its Annual PHA Plan, which is described at 24 CFR 903.7(o)(1) except for qualified PHAs who submit the Form HUD-50077-CR as a standalone document.

This information collection is authorized by Section 511 of the Quality Housing and Work Responsibility Act, which added a new section 5A to the U.S. Housing Act of 1937, as amended, which introduced the 5-Year and Annual PHA Plan. The 5-Year and Annual PHA Plans provide a ready source for interested parties to locate basic PHA policies, rules, and requirements concerning the PHA's operations, programs, and services, and informs HUD, families served by the PHA, and members of the public of the PHA's mission, goals and objectives for serving the needs of low- income, very low- income, and extremely low- income families.

Public reporting burden for this information collection is estimated to average 7.02 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. HUD may not collect this information, and respondents are not required to complete this form, unless it displays a currently valid OMB Control Number.

Privacy Act Notice. The United States Department of Housing and Urban Development is authorized to solicit the information requested in this form by virtue of Title 12, U.S. Code, Section 1701 et seq., and regulations promulgated thereunder at Title 12, Code of Federal Regulations. Responses to the collection of information are required to obtain a benefit or to retain a benefit. The information requested does not lend itself to confidentiality.

DRAFT

10.4 DECONCENTRATION POLICY

It is the LHA's policy to provide for deconcentration of poverty and encourage income mixing by bringing higher income families into lower income developments and lower income families into higher income developments. Toward this end, we will skip families on the waiting list to reach other families with a lower or higher income. We will accomplish this in a uniform and non-discriminating manner.

The LHA will affirmatively market our housing to all eligible income groups. Lower income residents will not be steered toward lower income developments and higher income people will not be steered toward higher income developments

Prior to the beginning of each fiscal year, we will analyze the income levels of families residing in each of our developments, and the income levels of the families on the waiting list. Based on this analysis, we will determine the level of marketing strategies and deconcentration incentives to implement.

HOTMA POLICY OVERVIEW- HUD

ADMISSIONS AND CONTINUED OCCUPANCY & ADMINISTRATIVE PLAN SUPPLEMENTAL

While full compliance with HOTMA is mandatory by January 1, 2025, PHAs select a HOTMA compliance date sometime in 2024 on which to begin fully applying all HOTMA provisions to their programs. All transactions with an effective date on or after that date must follow HOTMA regulations and the PHA's updated policies.

While the majority of HOTMA provisions cannot be implemented until the Housing Information Portal (HIP) and the PHA's software is ready, HUD encourages PHAs to implement certain specific provisions of HOTMA that do not require HIP implementation irrespective of the PHA's HOTMA compliance date. HUD described which provisions of HOTMA may be implemented early in FAQs published February 22, 2024. **All other provisions of HOTMA are not applicable until the LHA's HOTMA compliance date of January 1, 2025.**

The following details discretionary policies which HUD allows PHAs to implement prior to their HOTMA compliance date. Early adoption of such policies is optional. The PHA may adopt some, all, or none of the policies listed below prior to their HOTMA compliance date.

(Note: Although HUD's 2/22/24 FAQs list Zero Income Reviews (as described in Section J.8 of revised Notice PIH 2023-27) as an area where PHAs may adopt HOTMA policies prior to the PHA's implementation date, HOTMA did not make any significant changes in this area. The PHA may continue to use their current zero income policies. Therefore, no policy decision point has been listed below.)

LHA policies attached:

- I. Earned Income Disallowance (EID)
- II. Form HUD-9886-A
- III. Safe Harbor Income Determinations
- IV. Verification Dated within 120 Days
- V. Verification of Fixed Income Sources
- VI. Verification of Social Security Numbers (SSN)

I. Earned Income Disallowance (EID)

Since HOTMA removed the statutory authority for the EID as of January 1, 2024, regardless of the PHA's HOTMA compliance date, the PHA must not enroll any new families in the EID. This is mandatory. The EID is only available to families that were eligible for and participating on the program as of December 31, 2023, or before; no new families are to be added on or after January 1, 2024. If a family was receiving the EID prior to or on December 31, 2023, they are entitled to the full amount of the benefit for a full 24-month period. PHA policies governing the EID are applicable only to such families.

Implementation date: January 1, 2024

LHA Policy: Admissions and Continued Occupancy Policy & Administrative Plan were previously updated. No changes necessary.

II. Form HUD-9886-A

Section J.1 of Notice PIH 2023-27 provides that PHAs were able to begin having families sign the new HUD-9886-A on January 1, 2024. While the PHA is not required to update its policies to begin using the new Form HUD-9886-A, the new form refers to the family's ability to revoke consent with respect to the PHA's ability to access financial records from financial institutions, unless the PHA establishes policies that revocation of consent will result in a denial of admission or termination of assistance. As such, if the PHA will begin using the new Form HUD-9886-A prior to the PHA's compliance date and adoption of such policy, the PHA should also implement policies governing revocation of consent at the same time.

Implementation date: January 1, 2024

LHA Policy:

HUD 9886A form. As of January 1, 2024, any applicant or participant who has signed a HUD 9886A form does not need to sign and submit subsequent consent forms at the next interim or regularly schedule income examination except under the following circumstances:

1. When any person 18 years or older becomes a member of the family.
2. When a member of the family turns 18 years of age.
3. As required by HUD or the PHA in administrative instructions.

If a family revokes or refuses to sign the consent form the PHA is prohibited from requesting and receiving income information and financial records including pulling EIV and using EIV to verify income and the family will not be processed. If revocation occurs the PHA must notify the field office and the family's assistance will be denied or the family will be terminated.

If the family leaves the program, then the HUD 9886A form is considered to be terminated and no longer in effect. The HUD 9886A 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. PIH 2023-27.

III. Safe Harbor Income Determinations

Section J.4 of Notice PIH 2023-27 allows PHAs to use income determinations from other means-tested federal public assistance programs to verify annual income. These are known as Safe Harbor income determinations. PHAs that choose to adopt this policy before migrating to HIP must list the annual income from the other program's determination in Section 7 of the HUD-50058 for the head of household using the "Other Non-Wage Sources" income code.

Implementation date: N/A

LHA Policy:

LHA will not adopt the Safe Harbor Income Determination policy.

IV. Verification Dated within 120 Days

Section J.5 of Notice PIH 2023-27 contains updated the guidance for Level 4 documentation (Written Third-Party Verification) to include an original or authentic document generated by a third-party source dated within 120 days of the date received by the PHA, rather than 60 days as is currently required.

Implementation date: **January 1, 2025**

LHA Policy:

Written third-party verification from the source is also known as "tenant-provided verification." In order to qualify as written-third party verification from the source, the documents must be original or authentic and (generally) dated within 120 days of the date received by the LHA. For fixed-income sources, a statement dated within the appropriate benefit year is acceptable documentation. Documents may be supplied by the family or received from a third-party source.

Examples of acceptable tenant-provided documents include, but are not limited to pay stubs, payroll summary reports, employer notice, or letter of hire and termination, SSA benefit verification letters, bank statements, child support payment stubs, welfare benefit letters and/or printouts and unemployment monetary benefit notice. 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.) are an acceptable form of written, third-party verification.

All references to the age of third-party verifications in the LHA's ACOP and Administration policies are replaced with 120 days.

V. Verification of Fixed Income Sources

In accordance with Section J.5 of Notice PIH 2023-27, PHAs may accept a statement dated within the appropriate benefit year for fixed income sources.

Implementation date: January 1, 2025

LHA Policy:

HUD permits LHA to streamline the income determination process for family members with fixed sources of income. While third-party verification of all income sources must be obtained during the intake process and every three years thereafter, in the intervening years, the LHA may determine income from fixed sources by applying a verified cost of living adjustment (COLA) or other inflationary adjustment factor. Streamlining policies are optional. The LHA may, however, obtain third-party verification of all income, regardless of the source. Further, upon request of the family, the LHA must perform third-party verification of all income sources.

Fixed sources of income include Social Security and SSI benefits, pensions, annuities, disability or death benefits, and other sources of income subject to a COLA or rate of interest. The determination of fixed income may be streamlined even if the family also receives income from other non-fixed sources.

Two streamlining options are available, depending upon the percentage of the family's income that is received from fixed sources.

When 90 percent or more of a family's unadjusted income is from fixed sources, the LHA may apply the inflationary adjustment factor to the family's fixed-income sources, provided that the family certifies both that 90 percent or more of their unadjusted income is fixed and that their sources of fixed income have not changed from the previous year. Sources of non-fixed income are not required to be adjusted and must not be adjusted by a COLA, but LHA may choose to adjust sources of non-fixed income based on third-party verification. LHA have the discretion to either adjust the non-fixed income or carry over the calculation of non-fixed income from the first year to years two and three.

When less than 90 percent of a family's unadjusted income consists of fixed income, LHA may apply a COLA to each of the family's sources of fixed income. LHA must determine all other income using standard verification requirements as outlined in Notice PIH 2023-27.

LHA Policy

When the LHA does not use a Safe Harbor income determination from a federal assistance program to determine the family's annual income as outlined above, then LHA will use a streamlined income determination where applicable.

If 90 percent or more of a family's unadjusted income is from fixed income sources:

- LHA will streamline the annual reexamination process by applying the verified inflationary adjustment factor to fixed-income sources.

- The family will be required to sign a self-certification stating that 90 percent or more of their unadjusted income is fixed income and that their sources of fixed income have not changed from the previous year.
- LHA 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 regardless of the percentage of family income received from fixed sources.
- If the family's sources of fixed income have changed from the previous year, the LHA will obtain third-party verification of any new sources of fixed income.

When less than 90 percent of a family's unadjusted income consists of fixed income:

- LHA will apply a COLA to each of the family's sources of fixed income.
- All other income will be verified using third-party verification as outlined in Notice PIH 2023-27 and policy.

In the following circumstances, regardless of the percentage of income received from fixed sources, the LHA will obtain third-party verification as outlined in Notice PIH 2023-27 and 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.

Requirements that third-party verification be dated within 120 days do not apply, and all references to verification of fixed income sources throughout the policy are replaced.

VI. Verification of Social Security Numbers (SSN)

Section J.6 of Notice PIH 2023-27, HUD noted that it is adjusting what HUD considers acceptable documentation of SSN under 24 CFR 5.216(g)(1). PHAs have the option of accepting a self-certification and a third-party document (such as a bank statement, utility or cell phone bill, or benefit letter) with the applicant's name printed on it to satisfy the SSN disclosure requirement if the PHA has exhausted all other attempts to obtain the required documentation. If verifying an individual's SSN using this method, the PHA must document why the other SSN documentation was not available.

Implementation date: January 1, 2025

LHA Policy:

Prior to admission, every family member regardless of age must provide the LHA with a complete and accurate Social Security Number unless they do not contend eligible immigration status. New family members must provide this verification prior to being added to the lease. If the new family member became a member of the household within six months prior to the date of admission and is under the age of six and has not been assigned a Social Security Number, the family shall have ninety (90) calendar days after starting to receive the assistance to provide a complete and accurate Social Security Number. The LHA shall grant one ninety (90) day extension for newly added family members under the age of six if in its sole discretion it determines that the person's failure to comply was due to circumstances that could not have reasonably been foreseen and was outside the control of the person. If the Social Security Number is not provided within the required period, the assistance shall be terminated.

If a person is already a program participant and has not disclosed his or her Social Security Number, it must be disclosed at the next re-examination or re-certification. Participants aged 62 or older as of January 31, 2010, whose initial eligibility determination was begun before January 31, 2010, are exempt from the required disclosure of their Social Security Number. This exemption continues even if the individual moves to a new assisted unit.

Note that an individual who previously declared to have eligible immigration status may not change their declaration for the purpose of avoiding compliance with the SSN disclosure and documentation requirements or penalties associated with noncompliance with these requirements. Nor may the head of household opt to remove a household member from the family composition for this purpose.

The best verification of the Social Security Number is the original Social Security card. If the card is not available, the LHA will accept an original document issued by a federal or state government agency, which contains the name of the individual and the Social

Security Number of the individual, along with other identifying information of the individual or such other evidence of the Social Security Number as HUD may prescribe in administrative instructions.

If a member of an applicant family indicates they have a Social Security Number, but cannot readily verify it, the family cannot be assisted until verification is provided. If the Social Security Number of each household member cannot be provided to the LHA within 90 calendar days of it being requested, the family shall lose its place on the waiting list and drop to the bottom of the list. During these 90 calendar days, if all household members have not disclosed their SSN, the unit will be offered to the next eligible applicant family on the waiting list.

If an individual fails to provide the verification within the time allowed, the family will be denied assistance or will have their assistance terminated. The LHA may grant one ninety (90) day extension from termination if in its sole discretion it determines that the person's failure to comply was due to circumstances that could not have reasonably been foreseen and there is a reasonable likelihood that the person will be able to disclose a Social Security Number by the deadline.

While LHA must attempt to gather third-party verification of SSNs prior to admission as listed above, LHA also have the option of accepting a self-certification and a third-party document (such as a bank statement, utility or cell phone bill, or benefit letter) with the applicant's name printed on it to satisfy the SSN disclosure requirement if the LHA has exhausted all other attempts to obtain the required documentation. If verifying an individual's SSN using this method, the LHA must document why the other SSN documentation was not available.

If the tenant's SSN becomes verified in EIV, then no further verification is required. If the tenant's SSN fails the SSA identity match, then the LHA must obtain a valid SSN card issued by the SSA or an original document issued by a federal or state government agency that contains the name of the individual and the SSN of the individual, along with other identifying information of the individual. The tenant's assistance must be terminated if they fail to provide the required documentation.

LHA 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.

**PUBLIC HOUSING
ADMISSIONS AND CONTINUED OCCUPANCY PLAN
HOUSING AUTHORITY OF THE CITY OF LA CROSSE**

February 2000

RESOLUTION NUMBER: 1091

DATE APPROVED: FEBRUARY 9, 2000

**REVISED: NOVEMBER, 2001
MAY, 2004
DECEMBER, 2006
JANUARY, 2009
MARCH, 2010
MARCH, 2011
FEBRUARY, 2013
DECEMBER, 2014
OCTOBER, 2015
FEBRUARY, 2017
FEBRUARY, 2018
AUGUST, 2019
JANUARY, 2020
JANUARY, 2021
NOVEMBER, 2021**

OCTOBER, 2024 (HOTMA CHANGES)

Notice: The policies and procedures contained herein are subject to change, without prior notice, by action of the Department of Housing and Urban Development and/or the Board of Commissioners of the Housing Authority of the City of La Crosse.

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6. **A remaining member of a tenant family.** If the remaining member of a tenant family is a minor or minors, it will be necessary for an adult to temporarily move into a unit to serve as a guardian for children residing in the unit. The income received by the temporary guardian will be counted in determining family income. Although typically a criminal background check is required before anyone can move into a public housing unit, this requirement will be waived for a guardian in this situation. Instead, the background check will occur after the person moves in. If the results of the check dictate that the person is ineligible for public housing, the family shall be given a reasonable time to find a replacement guardian or vacate the property.
7. A **single person** who is not an elderly person, displaced person, a person with disabilities, a near-elderly person, or any other single person. **This includes, an otherwise eligible youth who has attained at least 18 years of age and not more than 24 years of age and who has left foster care, or will leave foster care within 90 days, in accordance with a transition plan described in section 475(5)(H) of the Social Security Act (42 U.S.C. 675(5)(H)), and is homeless or is at risk of becoming homeless at age 16 or older.**

B. Income Eligibility

1. To be eligible for admission to developments or scattered-site units, the family's annual income must be within the low-income limit set by HUD. This means that family income cannot exceed 80 percent of the median income for the area.
2. Income limits apply only at admission and are not applicable for continued occupancy.
3. A family may not be admitted to the public housing program from another assisted housing program (e.g., tenant-based Section 8) or from a public housing program operated by another housing authority without meeting the income requirements of the LHA.
4. If the LHA acquires a property for Federal public housing purposes, the families living there must have incomes within the low-income limit in order to be eligible to remain as public housing residents.
5. Income limit restrictions do not apply to families transferring within our Public Housing Program.
6. The LHA may allow police officers that would not otherwise be eligible for occupancy in public housing to reside in a public

receive the assistance to provide a complete and accurate Social Security Number. The Housing Authority shall grant one ninety (90) day extension for newly added family members under the age of six if in its sole discretion it determines that the person's failure to comply was due to circumstances that could not have reasonably been foreseen and was outside the control of the person. If the Social Security Number is not provided within the required period, the assistance shall be terminated.

If a person is already a program participant and has not disclosed his or her Social Security Number, it must be disclosed at the next re-examination or re-certification.

Participants aged 62 or older as of January 31, 2010, whose initial eligibility determination was begun before January 31, 2010, are exempt from the required disclosure of their Social Security Number. This exemption continues even if the individual moves to a new assisted unit.

The best verification of the Social Security Number is the original Social Security card. If the card is not available, the Housing Authority will accept an original document issued by a federal or state government agency, which contains the name of the individual and the Social Security Number of the individual, along with other identifying information of the individual or such other evidence of the Social Security Number as HUD may prescribe in administrative instructions.

If a member of an applicant family indicates they have a Social Security Number, but cannot readily verify it, the family cannot be assisted until verification is provided. If the Social Security Number of each household member cannot be provided to the LHA within 90 calendar days of it being requested, the family shall lose its place on the waiting list and drop to the bottom of the list. During this 90 calendar days, if all household members have not disclosed their SSN at the time a unit becomes available, the LHA must offer the available unit to the next eligible applicant family on the waiting list.

If an individual fails to provide the verification within the time allowed, the family will be denied assistance or will have their assistance terminated. The Housing Authority may grant one ninety (90) day extension from termination if in its sole discretion it determines that the person's failure to comply was due to circumstances that could not have reasonably been foreseen and there is a reasonable likelihood that the person will be able to disclose a Social Security Number by the deadline.

While LHA must attempt to gather third-party verification of SSNs prior to admission as listed above, LHA also have the option of accepting a self-certification and a third-party document (such as a bank statement, utility or cell phone bill, or benefit letter) with the applicant's name printed on it to satisfy the SSN disclosure requirement if the LHA has exhausted all other

attempts to obtain the required documentation. If verifying an individual's SSN using this method, the LHA must document why the other SSN documentation was not available.

If the tenant's SSN becomes verified in EIV, then no further verification is required. If the tenant's SSN fails the SSA identity match, then the LHA must obtain a valid SSN card issued by the SSA or an original document issued by a federal or state government agency that contains the name of the individual and the SSN of the individual, along with other identifying information of the individual. The tenant's assistance must be terminated if they fail to provide the required documentation.

LHA 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.

E. Signing Consent Forms

1. In order to be eligible, each member of the family who is at least 18 years of age, and each family head and spouse regardless of age, shall sign one or more consent forms.
2. The consent form must contain, at a minimum, the following:
 - a. A provision authorizing HUD or the LHA to obtain from State Wage Information (SWICAs) any information or materials necessary to complete or verify the application for participation or for eligibility for continued occupancy; and
 - b. A provision authorizing HUD or the LHA to verify with previous or current employers, or other sources of income information pertinent to the family's eligibility for, or level of, assistance;
 - c. A provision authorizing HUD to request income information from the IRS and the SSA for the sole purpose of verifying income information pertinent to the family's eligibility or level of benefits;
 - d. A statement allowing the LHA permission to access the applicant's criminal record with any and all police and/or law enforcement agencies, and
 - e. A statement that the authorization to release the information requested by the consent form expires 15 months after the date the consent form is signed.

- f. HUD 9886A form. As of January 1, 2024, any applicant or participant who has signed a HUD 9886A form does not need to sign and submit subsequent consent forms at the next interim or regularly schedule income examination except under the following circumstances:
1. When any person 18 years or older becomes a member of the family.
 2. When a member of the family turns 18 years of age.
 3. As required by HUD or the PHA in administrative instructions.

If a family revokes or refuses to sign the consent form the PHA is prohibited from requesting and receiving income information and financial records including pulling EIV and using EIV to verify income and the family will not be processed. If revocation occurs the PHA must notify the field office and the family's assistance will be denied or the family will be terminated.

If the family leaves the program then the HUD 9886A form is considered to be terminated and no longer in effect. The HUD 9886A 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. PIH 2023-27.

F. Special College Student Eligibility Rules

In order to be eligible for public housing, college students living outside their parents or guardians' homes must have established a separate household for at least one year prior to applying to the public housing program. This will be verified by presenting to the LHA evidence of the establishment of the separate household.

The college student must not be claimed as a dependent by parents or guardians on their IRS returns. This will be verified by examining the student's IRS return for the previous year. The LHA will examine the box that asks if someone else claimed them on their tax return.

If the student is receiving an athletic scholarship that includes over \$5,000 a year for housing costs, the student shall not be eligible for public housing.

8.3 SUITABILITY

- A. Applicant families will be evaluated to determine whether, based on their recent behavior, such behavior could reasonably be expected to result in

10.8 ACCEPTANCE OF UNIT

The family will be required to sign a lease that will become effective no later than three (3) business days after the date of acceptance or the business day after the day the unit becomes available, whichever is later.

Prior to signing the lease all families (head of household) and other adult family members will be required to attend the Lease and Occupancy Orientation when they are initially accepted for occupancy. The family will not be housed if they have not attended the orientation. Applicants who provide prior notice of an inability to attend the orientation will be rescheduled. Failure of an applicant to attend the orientation, without good cause, may result in the cancellation of the occupancy process. The orientation shall include the resident's rights and responsibilities under the Violence Against Women Act.

The signing of the lease and the review of financial information are to be privately handled. The head of household and all adult family members will be required to execute the lease prior to admission. One executed copy of the lease will be furnished to the head of household and the LHA will retain the original executed lease in the tenant's file.

The family will pay a security deposit at the time of lease signing. The security deposit will be equal to one month's rent or the minimum of \$50.00. In exceptional situations, the LHA reserves the right to allow a new resident to pay their security deposit in up to three (3) payments. One third shall be paid in advance, one-third with their second rent payment, and one-third with their third rent payment. This shall be at the sole discretion of the Executive Director.

In the case of a move within public housing, the security deposit for the first unit will be transferred to the second unit. Additionally, if the security deposit for the second unit is greater than that for the first, the difference will be collected from the family. Conversely, if the security deposit is less the difference will be credited to the new units rent.

In the event there are costs attributable to the family for bringing the first unit into condition for re-renting, the family shall be billed for these charges.

11.0 INCOME, EXCLUSIONS, AND DEDUCTIONS FROM INCOME

To determine annual income, the LHA adds the income of all family members, excluding the types and sources of income that are specifically excluded. Once the annual income is determined, the LHA subtracts all allowable deductions (allowances) to determine the Total Tenant Payment.

§ 5.609 Annual income.

(a) Annual income includes, with respect to the family:

(1) All amounts, not specifically excluded in [paragraph \(b\)](#) of this section, received from all sources by each member of the family who is 18 years of age or older or is the head of household or spouse of the head of household, plus unearned income by or on behalf of each dependent who is under 18 years of age, and

(2) When the value of net family assets exceeds \$50,000 (which amount HUD will adjust annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers) and the actual returns from a given asset cannot be calculated, imputed returns on the asset based on the current passbook savings rate, as determined by HUD.

(b) Annual income does not include the following:

(1) Any imputed return on an asset when net family assets total \$50,000 or less (which amount HUD will adjust annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers) and no actual income from the net family assets can be determined.

(2) The following types of trust distributions:

(i) For an irrevocable trust or a revocable trust outside the control of the family or household excluded from the definition of net family assets under [§ 5.603\(b\)](#):

(A) Distributions of the principal or corpus of the trust; and

(B) Distributions of income from the trust when the distributions are used to pay the costs of health and medical care expenses for a minor.

(ii) For a revocable trust under the control of the family or household, any distributions from the trust; except that any actual income earned by the trust, regardless of whether it is distributed, shall be considered income to the family at the time it is received by the trust.

(3) Earned income of children under the 18 years of age.

(4) Payments received for the care of foster children or foster adults, or State or Tribal kinship or guardianship care payments.

(5) Insurance payments and settlements for personal or property losses, including but not limited to payments through health insurance, motor vehicle insurance, and workers' compensation.

(6) Amounts received by the family that are specifically for, or in reimbursement of, the cost of health and medical care expenses for any family member.

(7) Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member arising out of law, that resulted in a member of the family becoming disabled.

(8) Income of a live-in aide, foster child, or foster adult as defined in §§ 5.403 and 5.603, respectively.

(i) Any assistance that section 479B of the Higher Education Act of 1965, as amended (20 U.S.C. 1087uu), requires be excluded from a family's income; and

(ii) Student financial assistance for tuition, books, and supplies (including supplies and equipment to support students with learning disabilities or other disabilities), room and board, and other fees required and charged to a student by an institution of higher education (as defined under Section 102 of the Higher Education Act of 1965 (20 U.S.C. 1002)) and, for a student who is not the head of household or spouse, the reasonable and actual costs of housing while attending the institution of higher education and not residing in an assisted unit.

(A) Student financial assistance, for purposes of this paragraph (9)(ii), means a grant or scholarship received from—

- (1) The Federal government;
- (2) A State, Tribe, or local government;
- (3) A private foundation registered as a nonprofit under 26 U.S.C. 501(c)(3);
- (4) A business entity (such as corporation, general partnership, limited liability company, limited partnership, joint venture, business trust, public benefit corporation, or nonprofit entity); or
- (5) An institution of higher education.

(B) Student financial assistance, for purposes of this paragraph (9)(ii), does not include—

- (1) Any assistance that is excluded pursuant to paragraph (b)(9)(i) of this section;
- (2) Financial support provided to the student in the form of a fee for services performed (e.g., a work study or teaching fellowship that is not excluded pursuant to paragraph (b)(9)(i) of this section);
- (3) Gifts, including gifts from family or friends; or

(4) Any amount of the scholarship or grant that, either by itself or in combination with assistance excluded under this paragraph or paragraph (b)(9)(i), exceeds the actual covered costs of the student. The actual covered costs of the student are the actual costs of tuition, books and supplies (including supplies and equipment to support students with learning disabilities or other disabilities), room and board, or other fees required and charged to a student by the education institution, and, for a student who is not the head of household or spouse, the reasonable and actual costs of housing while attending the institution of higher education and not residing in an assisted unit. This calculation is described further in [paragraph \(b\)\(9\)\(ii\)\(E\)](#) of this section.

(C) Student financial assistance, for purposes of this [paragraph \(b\)\(9\)\(ii\)](#) must be:

- (1) Expressly for tuition, books, room and board, or other fees required and charged to a student by the education institution;
- (2) Expressly to assist a student with the costs of higher education; or
- (3) Expressly to assist a student who is not the head of household or spouse with the reasonable and actual costs of housing while attending the education institution and not residing in an assisted unit.

(D) Student financial assistance, for purposes of this [paragraph \(b\)\(9\)\(ii\)](#), may be paid directly to the student or to the educational institution on the student's behalf. Student financial assistance paid to the student must be verified by the responsible entity as student financial assistance consistent with this [paragraph \(b\)\(9\)\(ii\)](#).

(E) When the student is also receiving assistance excluded under [paragraph \(b\)\(9\)\(i\)](#) of this section, the amount of student financial assistance under this [paragraph \(b\)\(9\)\(ii\)](#) is determined as follows:

- (1) If the amount of assistance excluded under [paragraph \(b\)\(9\)\(i\)](#) of this section is equal to or exceeds the actual covered costs under [paragraph \(b\)\(9\)\(ii\)\(B\)\(4\)](#) of this section, none of the assistance described in this [paragraph \(b\)\(9\)\(ii\)](#) of this section is considered student financial assistance excluded from income under this [paragraph \(b\)\(9\)\(ii\)\(E\)](#).
- (2) If the amount of assistance excluded under [paragraph \(b\)\(9\)\(i\)](#) of this section is less than the actual covered costs under [paragraph \(b\)\(9\)\(ii\)\(B\)\(4\)](#) of this section, the amount of assistance described in [paragraph \(b\)\(9\)\(ii\)](#) of this section that is considered student financial assistance excluded under this paragraph is the lower of:
 - (i) the total amount of student financial assistance received under this [paragraph \(b\)\(9\)\(ii\)](#) of this section, or

(ii) the amount by which the actual covered costs under [paragraph \(b\)\(9\)\(ii\)\(B\)\(4\)](#) of this section exceeds the assistance excluded under [paragraph \(b\)\(9\)\(i\)](#) of this section.

(F) Income and distributions from any Coverdell education savings account under section 530 of the Internal Revenue Code of 1986 or any qualified tuition program under section 529 of such Code; and income earned by government contributions to, and distributions from, “baby bond” accounts created, authorized, or funded by Federal, State, or local government.

(G) The special pay to a family member serving in the Armed Forces who is exposed to hostile fire.

(H) (i) Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);

(ii) Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (e.g., special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program;

(iii) Amounts received under a resident service stipend not to exceed \$200 per month. A resident service stipend is a modest amount received by a resident for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of life in the development.

(iv) Incremental earnings and benefits resulting to any family member from participation in training programs funded by HUD or in qualifying Federal, State, Tribal, or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives and are excluded only for the period during which the family member participates in the employment training program unless those amounts are excluded under [paragraph \(b\)\(9\)\(i\)](#) of this section.

(I) Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era.

(J) Earned income of dependent full-time students in excess of the amount of the deduction for a dependent in [§ 5.611](#).

(K) Adoption assistance payments for a child in excess of the amount of the deduction for a dependent in [§ 5.611](#).

(L) Deferred periodic amounts from Supplemental Security Income and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts, or any deferred Department of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts.

(M) Payments related to aid and attendance under [38 U.S.C. 1521](#) to veterans in need of regular aid and attendance.

(N) Amounts received by the family in the form of refunds or rebates under State or local law for property taxes paid on the dwelling unit.

(O) Payments made by or authorized by a State Medicaid agency (including through a managed care entity) or other State or Federal agency to a family to enable a family member who has a disability to reside in the family's assisted unit. Authorized payments may include payments to a member of the assisted family through the State Medicaid agency (including through a managed care entity) or other State or Federal agency for caregiving services the family member provides to enable a family member who has a disability to reside in the family's assisted unit.

(P) Loan proceeds (the net amount disbursed by a lender to or on behalf of a borrower, under the terms of a loan agreement) received by the family or a third party (e.g., proceeds received by the family from a private loan to enable attendance at an educational institution or to finance the purchase of a car).

(Q) Payments received by Tribal members as a result of claims relating to the mismanagement of assets held in trust by the United States, to the extent such payments are also excluded from gross income under the Internal Revenue Code or other Federal law.

(R) Amounts that HUD is required by Federal statute to exclude from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in [paragraph \(b\)](#) of this section apply. HUD will publish a notice in the Federal Register to identify the benefits that qualify for this exclusion. Updates will be published when necessary.

(S) Replacement housing “gap” payments made in accordance with [49 CFR part 24](#) that offset increased out of pocket costs of displaced persons that move from one federally subsidized housing unit to another Federally subsidized housing unit. Such replacement housing “gap” payments are not excluded from annual income if the increased cost of rent and utilities is subsequently reduced or eliminated, and the displaced person retains or continues to receive the replacement housing “gap” payments.

(T) Nonrecurring income, which is income that will not be repeated in the coming year based on information provided by the family. Income received as an independent contractor, day laborer, or seasonal worker is not excluded from income under this

paragraph, even if the source, date, or amount of the income varies. Nonrecurring income includes:

(i) Payments from the U.S. Census Bureau for employment (relating to decennial census or the American Community Survey) lasting no longer than 180 days and not culminating in permanent employment.

(ii) Direct Federal or State payments intended for economic stimulus or recovery.

(iii) Amounts directly received by the family as a result of State refundable tax credits or State tax refunds at the time they are received.

(iv) Amounts directly received by the family as a result of Federal refundable tax credits and Federal tax refunds at the time they are received.

(v) Gifts for holidays, birthdays, or other significant life events or milestones (e.g., wedding gifts, baby showers, anniversaries).

(vi) Non-monetary, in-kind donations, such as food, clothing, or toiletries, received from a food bank or similar organization.

(vii) Lump-sum additions to net family assets, including but not limited to lottery or other contest winnings.

(U) Civil rights settlements or judgments, including settlements or judgments for back pay.

(V) Income received from any account under a retirement plan recognized as such by the Internal Revenue Service, including individual retirement arrangements (IRAs), employer retirement plans, and retirement plans for self-employed individuals; except that any distribution of periodic payments from such accounts shall be income at the time they are received by the family.

(W) Income earned on amounts placed in a family's Family Self Sufficiency Account.

(X) Gross income a family member receives through self-employment or operation of a business; except that the following shall be considered income to a family member:

(i) Net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations; and

(ii) Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family.

(Y) Calculation of Income. The PHA or owner must calculate family income as follows:

(Z) Initial occupancy or assistance and interim reexaminations. The PHA or owner must estimate the income of the family for the upcoming 12-month period:

1. (i) To determine family income for initial occupancy or for the initial provision of housing assistance; or
2. (ii) To determine family income for an interim reexamination of family income under §§ 5.657(c), 960.257(b), or 982.516(c) of this title.

When calculating a household's income, including asset income, at the time of admission to the program or during interim reexaminations, PHAs must use anticipated income (current income) (i.e., the family's estimated income for the upcoming 12-month period). This requirement is consistent with the pre-HOTMA process for conducting income examinations at admission and for interim reexaminations.

5.611 Adjusted income.

Adjusted income means annual income (as determined under § 5.609) of the members of the family residing or intending to reside in the dwelling unit, after making the following deductions:

(a) Mandatory deductions.

(1) \$480 for each dependent, which amount will be adjusted by HUD annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers, rounded to the next lowest multiple of \$25;

(2) \$525 for any elderly family or disabled family, which amount will be adjusted by HUD annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers, rounded to the next lowest multiple of \$25;

(3) The sum of the following, to the extent the sum exceeds ten (10%) percent of annual income:

i. Unreimbursed health and medical care expenses of any elderly family or disabled family;

Health and medical care expenses, as defined in 24 CFR § 5.603, include costs incurred for the diagnosis, cure, mitigation, treatment, or prevention of disease or payments for treatments affecting any structure or function of the body. Health and medical care expenses include medical insurance premiums and long-term care premiums that are paid or anticipated during the period for which annual income is computed. Medical insurance premiums continue to be eligible health

and medical care expenses. However, health and medical care expenses may be deducted from annual income only if they are eligible and not otherwise reimbursed and may only be deducted for elderly or disabled families. Although HUD revised the definition of health and medical care expenses to reflect the Internal Revenue Service (IRS) general definition of medical expenses, HUD is not permitting to specifically align their policies with IRS Publication 502^{C2} for determining which expenses are included in HUD's mandatory deduction for health and medical care expenses. IRS Publication 502, in some instances, may instruct that certain expenses are not to be considered medical expenses that would otherwise be allowed under HUD's definition of health and medical care expenses. PHAs Owners must review each expense to determine whether it is eligible in accordance with HUD's definition of health and medical care expenses.

The threshold to deduct health and medical care expenses and reasonable attendant care and auxiliary apparatus expenses has been increased from an excess of 3 to an excess of 10 percent of annual income. Concurrently with this increase, the regulations provide financial hardship exemptions for unreimbursed health and medical care expenses, and for reasonable attendant care and auxiliary apparatus expenses for eligible families. A family will benefit from this hardship exemption only if the family has eligible expenses that can be deducted in excess of 5 percent of annual income. In order to claim unreimbursed health and medical care expenses, the family must have a head, co-head, or spouse that is elderly or a person with a disability. In order to claim unreimbursed reasonable attendant care and auxiliary apparatus expenses, the family must include a person with a disability, and the expenses must enable any member of the family (including the member who is a person with a disability) to be employed.

To initiate, extend or conclude a hardship exemption only, PHA will process and submit a non-interim reexamination transaction.

Families may be eligible for relief under one of two categories: phased-in relief or general relief, as defined below.

Note: A family receiving phased-in relief may request to receive general hardship relief instead; once a family chooses to obtain general relief, a family may no longer receive the phased-in relief.

(ii) Unreimbursed reasonable attendant care and auxiliary apparatus expenses for each member of the family who is a person with a disability, to the extent necessary to enable any member of the family (including the member who is a person with a disability) to be employed. This deduction may not exceed the combined earned income received by

family members who are 18 years of age or older and who are able to work because of such attendant care or auxiliary apparatus; and

(iii) Any reasonable child care expenses necessary to enable a member of the family to be employed or to further his or her education.

(c) Financial hardship exemption for unreimbursed health and medical care expenses and reasonable attendant care and auxiliary apparatus expenses.

(1) Phased-in relief. This paragraph provides financial hardship relief for families affected by the statutory increase in the threshold to receive health and medical care expense and reasonable attendant care and auxiliary apparatus *expense* deductions from annual income. This phased in relief will be accomplished by an interim reexamination.

(i) Eligibility for relief. To receive hardship relief under this [paragraph \(c\)\(1\)](#), the family must have received a deduction from annual income because their sum of expenses under [paragraph \(a\)\(3\)](#) of this section exceeded 3 percent of annual income as of January 1, 2024.

(ii) Form of relief.

(A) The family will receive a deduction totaling the sum of the expenses under [paragraph \(a\)\(3\)](#) of this section that exceed 5 percent of annual income.

(B) Twelve months after the relief in this [paragraph \(c\)\(1\)\(ii\)](#) is provided, the family must receive a deduction totaling the sum of expenses under [paragraph \(a\)\(3\)](#) of this section that exceed 7.5 percent of annual income.

(C) Twenty-four months after the relief in this [paragraph \(c\)\(1\)\(ii\)](#) is provided, the family must receive a deduction totaling the sum of expenses under [paragraph \(a\)\(3\)](#) of this section that exceed ten percent of annual income and the only remaining relief that may be available to the family will be [paragraph \(d\)\(1\)](#) of this section.

(D) A family may request hardship relief under [paragraph \(c\)\(2\)](#) of this section prior to the end of the twenty-four-month transition period. If a family making such a request is determined eligible for hardship relief under [paragraph \(c\)\(2\)](#) of this section, hardship relief under this paragraph ends and the family's hardship relief shall be administered in accordance with [paragraph \(c\)\(2\)](#) of this section. Once a family chooses to obtain relief under [paragraph \(c\)\(2\)](#) of this section, a family may no longer receive relief under this paragraph.

(2) General. This [paragraph \(c\)\(2\)](#) provides financial relief for an elderly or disabled family or a family that includes a person with disabilities that is experiencing a financial hardship.

(i) Eligibility for relief.

(A) To receive hardship relief under this [paragraph \(c\)\(2\)](#), a family must demonstrate that the family's applicable 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 (as defined by the responsible entity) that would not otherwise trigger an interim reexamination.

(B) Relief under this [paragraph \(c\)\(2\)](#) is available regardless of whether the family previously received deductions under [paragraph \(a\)\(3\)](#) of this section, is currently receiving relief under [paragraph \(c\)\(1\)](#) of this section, or previously received relief under [paragraph \(c\)\(1\)](#) of this section.

(ii) Form and duration of relief.

(A) The family will receive a deduction for the sum of the eligible expenses in [paragraph \(a\)\(3\)](#) of this section that exceed 5 percent of annual income.

(B) The family's hardship relief ends when the circumstances that made the family eligible for the relief are no longer applicable or after 90 days, whichever comes earlier. However, responsible entities may, at their discretion, extend the relief for one or more additional 90-day periods while the family's hardship condition continues.

(C) Exemption to continue child care expense deduction. A family whose eligibility for the child care expense deduction is ending may request a financial hardship exemption to continue the child care expense deduction under [paragraph \(a\)\(4\)](#) of this section. The responsible entity must recalculate the family's adjusted income and continue the child care deduction if the family demonstrates to the responsible entity's satisfaction that the family is 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 or furthering his or her education. The hardship exemption and the resulting alternative adjusted income calculation must remain in place for a period of up to 90 days. Responsible entities, at their discretion, may extend such hardship exemptions for additional 90-day periods based on family circumstances.

(D) Hardship policy requirements.

(1) Responsible entity determination of family's inability to pay the rent. The responsible entity must establish a policy on how it defines what constitutes a hardship under [paragraphs \(c\) and \(d\)](#) of this section, which includes determining the family's inability to pay the rent, for purposes of determining eligibility for a hardship exemption under [paragraph \(d\)](#) of this section.

(2) Family notification. The responsible entity must promptly notify the family in writing of the change in the determination of adjusted income and the family's rent resulting from the hardship exemption. The notice must also inform the family of when the hardship exemption will begin and expire (i.e., the time periods specified under [paragraph \(c\)\(1\)\(ii\)](#) of this section or within 90 days or at such time as the responsibility entity determines the exemption is no longer necessary in accordance with [paragraphs \(c\)\(2\)\(ii\)\(B\) or \(d\)](#) of this section).

11.1 INCOME

Annual income means all amounts, monetary or not, that:

- A. Go to (or on behalf of) the family head or spouse (even if temporarily absent) or to any other family member; or
- B. Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and
- C. Are not specifically excluded from annual income.

If it is not feasible to anticipate a level of income over a 12-month period (e.g. seasonal or cyclic income), or the LHA believes that past income is the best available indicator of expected future income, the LHA may annualize the income anticipated for a shorter period, subject to a re-determination at the end of the shorter period.

Annual income includes, but is not limited to, the amounts specified in the federal regulations currently found in 24 CFR 5.6009:

- A. The full amount, before any payroll deductions, or wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services.

- y) Per capita payments made from the proceeds of Indian Tribal Trust Cases as described in PIH Notice 2013-30 “Exclusion from Income of Payments under Recent Tribal Trust Settlements” (25 U.S.C. 117b(a)); and
- z) Major disaster and emergency assistance received by individuals and families under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Pub. L. 93-288, as amended) and comparable disaster assistance provided by States, local governments and disaster assistance organizations. (42 U.S.C. 5155(d)).
- aa) ABLÉ accounts created under the Achieving a Better Life Experience Act of 2014 (ABLE Act) are excluded from the calculation of both income and assets.

Tax Refunds: Federal Tax Refunds or Refundable Tax Credits

Taxpayers have several options for receiving their tax refunds: via paper check or direct deposit into a checking or savings account; via Treasury Direct to buy savings bonds; via direct deposit into a Traditional, Roth, or Simplified Employee Pension Plan-IRA; or via purchase of savings bonds, a Health Savings Account, an Archer Medical Savings Account, or a Coverdell Education Savings Account. Refundable tax credits, such as the Earned Income Tax Credit (EITC), are determined as part of an overall tax return submission to the Internal Revenue Service (IRS). Taxpayers receive one federal tax refund reflecting the taxpayer’s tax liability, if negative, including any applicable refundable tax credits.

Note: Only the amount that the family receives is excluded from net family assets. For example, if a family anticipates a \$500 federal tax refund but only receives \$250, then only \$250 will be excluded from the net family assets because that is the amount that the family received.

PHAs are not required to verify the amount of the family’s federal tax refund or refundable tax credit(s) if the family’s net assets are equal to or below \$50,000 (adjusted annually for inflation), even in years when full verification of assets is required or if the PHA does not accept self-certification of assets. PHAs must verify the amount of the family’s federal tax refund or refundable tax credits if the family’s net assets are greater than \$50,000.

The anticipated income earned by the assets in which a family has deposited their federal tax refund or refundable tax credits must be included in the family’s annual income unless the income is specifically excluded under 24 CFR § 5.609(b).

Earned income disregard:

This type of verification includes direct contact with the source, in person or by telephone. When this method is used, staff members will be required to document in writing with whom they spoke, the date of the conversation, the telephone number, and the facts obtained.

The LHA will allow ten (10) calendar days for the return of third-party oral verifications prior to continuing on to the next type of verification.

5. Review of Documents

When UIV, written and oral third-party verifications are not available within the 2-week and 10 business days period allowed in paragraphs 2 and 3 above, the Housing Authority would use the information received by the family, provided that the documents provide complete information. Photocopies of the documents, excluding government checks, provided by the family will be maintained in the file. In case, which documents are viewed and cannot be photocopied, staff reviewing the documents will complete a written statement as to the contents of the document(s).

6. Self-Certification and Self-Declaration

When UIV, written and oral third-party verifications are not available with the 2 week and 10 business days period allowed in paragraphs 3 and 4 above, and hand-carried verification cannot be obtained, the Housing Authority will accept a statement detailing information needed, signed by the head, spouse, co-head, or other adult family member.

Verification forms and reports received will be contained in the applicant/tenant file. Oral third-party documentation will include the same information as if the documentation had been written, i.e. name, date of contract, amount received, etc.

When any verification method other than Up-Front Income Verification is utilized, the LHA will document the reason for the choice of the verification methodology in the applicant/resident’s file.

The PHA will use self-certification when the market value of assets is less than \$50,000 annually.

Table J1: Mandatory and Discretionary Use of EIV by PHAs (PIH 2023-27)

Report Title	Report Description	Frequency of Use	PHAs/MFH Owners
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Debts Owed to PHAs & Terminations	Allows users to access information concerning former tenants who left owing a debt to a PHA or who had their voucher terminated for cause.	At the time of processing an applicant family for admission, and to enter debt information or terminations for families who have ended program participation.	PHAs only Report does not exist in MFH EIV.
Deceased Tenants Report	Identifies tenants reported by Social Security Administration (SSA) as being deceased.	At least quarterly	PHAs/MFH Owners
Existing Tenant Search	Identifies applicants who may be receiving assistance at another Multifamily project or PIH location.	At the time of processing an applicant family for admission	PHAs/MFH Owners
Failed EIV Prescreening Report	Identifies tenants who have missing or invalid personal identifiers (last name, date of birth, SSN) in HIP/TRACS. These tenants will not be sent to SSA from EIV for the SSA identity test.	Monthly	PHAs/MFH Owners
Failed Verification Report (Failed SSA Identity Test)	Identifies tenants whose personal identifiers (last name, date of birth, SSN) do not match the SSA database.	Monthly	PHAs/MFH Owners
	*PHAs that admit families using a self- certification of SSN must review the Failed SSN Verification Report monthly to identify and follow up on new issues.		
Identity Verification Report	Identifies tenants that, failed SSA verification, and failed EIV pre-screening.	Monthly	PHAs/MFH Owners

<p>Income Discrepancy Report for MFH Programs</p>	<p>Identifies households where there is an income discrepancy in the wage, unemployment, and SSA benefit information reported in EIV and wage, unemployment, and SSA benefit information reported in TRACS for the period of income used for discrepancy analysis. The report serves as a tool to alert MFH Owners that there may be a discrepancy in the income reported by the tenant during the period of income used for the discrepancy analysis.</p>	<p>Must be used at annual reexamination. MFH Owners may use the report at other intervals, in accordance with the MFH Owner's written EIV policies and procedures. MFH Owners are not required to use the report at annual reexamination if they used Safe Harbor verification to determine the family's income at the last reexamination.</p> <p>*See note under Summary above about updates to the MFH Income Discrepancy Report.</p>	<p>MFH Owners</p>
<p>Income Information for PIH Programs Income Report for MFH Programs</p>	<p>Provides employment and income reported by HHS and SSA for each household member that passes the SSA identity test.</p> <p>Identifies tenants who:</p> <ul style="list-style-type: none"> • May not have reported complete and accurate income information; and/or • May be receiving multiple subsidies. 	<p>Must be used at annual reexamination; not required at interim reexaminations. PHAs/Owners may use, if desired. PHAs are not required to use at annual reexamination if they use Safe Harbor verification to determine the family's income.</p>	<p>PHAs/MFH Owners</p>
<p>Income Validation Tool Report for PIH Programs</p>	<p>Provides projections of discrepant income for wages, unemployment compensation, and SSA benefits pursuant to HUD's data sharing agreements with the Department of Health and Human Services</p>	<p>PHAs are required to obtain an EIV Income and Income Validation Tool Report for each family any time the PHA conducts an annual reexamination of family income and composition. PHAs may</p>	<p>PHAs</p>

	(HHS) using the National Directory of New Hires (NDNH) database, and the SSA.	use the report at other intervals, in accordance with the PHA's ACOP or Administrative Plan. PHAs are not required to use the report at annual reexamination if they used Safe Harbor verification to determine the family's income at the last reexamination. *See note under Summary above about updates to the MFH and Public Housing Income Discrepancy Reports.	
Multiple Subsidy Report	Identifies tenants who may be receiving rental assistance at more than one location.	At least quarterly	PHAs/MFH Owners
New Hires Report	Identifies tenants who have new employment within the last six months. Report is updated monthly.	PHAS must review this information at annual reexamination except when the PHA uses Safe Harbor verification to determine the family's income. PHAS that do not require families to undergo interim reexaminations (IRs) for income increases after an IR decrease do not need to review this report at all between a family's annual reexamination. If the PHAS policy is to require an IR for increases in income after an IR decrease, then the PHA must review the report quarterly after the family's IR decrease.	PHAs/MFH Owners
No Income Reported by HHS or SSA	Identifies tenants who passed the SSA identity test but where no income was reported by HHS or SSA. This scenario does not mean that the tenant does not have any income. PHAS must	As identified in a PHA's ACOP or Administrative Plan or a MFH Owner's written EIV policies and procedures.	PHAs/MFH Owners

	obtain written, third-party verification of any income reported by the tenant.		
No Income Reported on 50059	Identifies households where there is no income listed on the HUD-50059.	As identified in MFH Owner's written EIV policies and procedures.	MFH Owners
Summary Report	Summary of household information from the current, active certification in the TRACS file at the time of the income match.	Must be used at annual reexamination; not required at interim reexaminations. MFH Owners may use the report at other intervals, if desired, as described in the MFH Owner's written EIV policies and procedures.,	MFH Owners

The following chart comes from PIH Notice 2010-19.

Level	Verification Technique	Ranking
6	Up-front Income Verification (UIV) using HUD's Enterprise Income Verification (EIV) system (not available for income verifications of applicants)	Highest (Mandatory)
5	Up-front Income Verification (UIV) using non-HUD system	Highest (Optional)
4	Written Third-Party Verification	High (Mandatory to supplement EIV-reported income sources and when EIV has no data; Mandatory for non-EIV reported income sources; Mandatory when tenant disputes EIV-reported employment and income information and is unable to provide acceptable documentation to support dispute)
3	Written Third-Party Verification Form	Medium-Low (Mandatory if written third-party verification documents are not available or rejected by the PHA; and when the applicant or tenant is unable to provide acceptable documentation).
2	Oral Third-Party Verification	Low (Mandatory if written third-party verification is not available)

1	Tenant Declaration	Low (Use as a last resort when unable to obtain any type of third-party verification)
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Third-Party Verification Descriptions and Guidance

□ Upfront Income Verification (UIV) (Level 6/5): The verification of income before or during a family reexamination, through an independent source that systematically and uniformly maintains income information in computerized form for a number of individuals. It should be noted that the EIV system is available to all PHAS as a UIV technique and that all PHAS are required to use EIV in its entirety (see paragraph J.3 on Mandated and Discretionary Use of EIV). PHAS are encouraged to continue using other non-HUD UIV tools, such as The Work Number (an automated verification system) and state government databases, to verify tenant-reported income.

□ Written, Third-Party Verification (Level 4): An original or authentic document generated by a third-party source dated within 120 days of the date received by the PHA. For fixed-income sources, a statement dated within the appropriate benefit year is acceptable documentation.

Such documentation may be in the possession of the tenant (or applicant) and is commonly referred to as tenant-provided documents. PHAS may obtain any tenant-provided documents and follow up directly with the third-party source to obtain necessary verification of information, when necessary.

Examples of acceptable tenant-provided documentation (generated by a third-party source) include but are not limited to the following: pay stubs, payroll summary report, employer notice/letter of hire/termination, SSA benefit verification letter, bank statements, child support payment stubs, welfare benefit letters and/or printouts, and unemployment monetary benefit notices.

PHAS are required to obtain a minimum of two current and consecutive pay stubs for determining annual income from wages when they do not elect to use EIV + Self-Certification or the income type is not reported in EIV. For new income sources or when two pay stubs are not available, the PHA should determine income based on the information from a traditional written, third-party verification form or the best available information.

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.) are an acceptable form of written, third-party verification.

When verification of assets is required, PHAS are required to obtain a minimum of one statement that reflects the current balance of banking/financial accounts.

EIV may be used as Level 4 verification and may be used to calculate income as long as the family agrees with the information in EIV; this practice is known as “EIV + Self-

Certification.” The PHA may use their discretion to determine which method of calculation is reasonable: the last 4 quarters combined or an average of any number of quarters. The EIV Income report must be pulled within 120 days prior to the reexamination effective date.

□ **Written, Third-Party Verification Form (Level 3):** This practice is also known as “traditional third-party verification.” This type of verification is a form developed by the PHA and used uniformly for all families when needed to collect information from a third-party source. The form is completed by the third party by hand (in writing or typeset). PHAS send the form directly to the third-party source by mail, fax, or email.

The PHA may skip this level of verification before attempting Level 2, which means they will have only completed Level 3 or Level 2 verification before moving to Self-Certification.

□ **Oral Third-Party Verification (Level 2):** Independent verification of information by contacting the individual income/expense source(s), as identified through the UIV technique, or identified by the family, via telephone or in-person visit. PHA staff must document in the tenant file the date and time of the telephone call (or visit to the third party) and the name of the person contacted and their telephone number, along with the confirmed information.

This verification method is commonly used when the independent source does not respond to the PHAS faxed, mailed, or e-mailed request for information in a reasonable time frame (e.g., 10 business days).

The PHA may skip this level of verification if they attempted Level 3, which means they will have only completed Level 3 or Level 2 verification before moving to Self-Certification.

□ **Non-Third-Party Verification Technique: Self-Certification (Level 1):** The tenant submits a signed statement of reported income and/or expenses to the PHA. This verification method should be used as a last resort when the PHA has not been successful in obtaining information via all other required verification techniques. When the PHA relies on self-certification to verify income or expenses, the PHA must document in the tenant file why third-party verification was not available.

HUD does not require that a self-certification be notarized; however, HUD recommends including language on any self-certification to ensure the certifier understands the consequences of knowingly providing false information.

Sample 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 5 years, fines, and civil and administrative penalties. (18 U.S.C. 287, 1001, 1010, 1012; 31 U.S.C. 3279, 3802)”

this 90 calendar days, if all household members have not disclosed their SSN, the unit will be offered to the next eligible applicant family on the waiting list.

If an individual fails to provide the verification within the time allowed, the family will be denied assistance or will have their assistance terminated. The LHA may grant one ninety (90) day extension from termination if in its sole discretion it determines that the person's failure to comply was due to circumstances that could not have reasonably been foreseen and there is a reasonable likelihood that the person will be able to disclose a Social Security Number by the deadline.

While LHA must attempt to gather third-party verification of SSNs prior to admission as listed above, LHA also have the option of accepting a self-certification and a third-party document (such as a bank statement, utility or cell phone bill, or benefit letter) with the applicant's name printed on it to satisfy the SSN disclosure requirement if the LHA has exhausted all other attempts to obtain the required documentation. If verifying an individual's SSN using this method, the LHA must document why the other SSN documentation was not available.

If the tenant's SSN becomes verified in EIV, then no further verification is required. If the tenant's SSN fails the SSA identity match, then the LHA must obtain a valid SSN card issued by the SSA or an original document issued by a federal or state government agency that contains the name of the individual and the SSN of the individual, along with other identifying information of the individual. The tenant's assistance must be terminated if they fail to provide the required documentation.

LHA 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.

12.5 TIMING OF VERIFICATION

Verification information must be dated within ninety (90) calendar days of certification or reexamination. If the verification is older than this, the source will be contacted and asked to provide information regarding any changes.

When an interim reexamination is conducted, the LHA will only verify and update those elements reported to have changed.

12.6 FREQUENCY OF OBTAINING VERIFICATION

Household composition will be verified annually. The frequency that household income will be verified depends on the type of rent method chosen by the family.

For each family member, citizenship/eligible non-citizen status will be verified only once unless the family member is an eligible immigrant in a transitional

*The LHA will determine the retroactive rent as far back as the existence of complete file documentation (form HUD 50058 and supporting documentation) to support such retroactive rent determinations.

The tenant will be provided an opportunity to contest the LHA's determination of tenant rent underpayment. Tenants will be promptly notified in writing of any adverse findings made on the basis of the information verified through the aforementioned income discrepancy resolution process. The tenant may contest the findings in accordance with established grievance procedures. The LHA will not terminate, deny, suspend, or reduce the family's assistance until expiration of any notice or grievance period.

When there is an unsubstantial or no disparity between tenant-reported and EIV-reported income information, the LHA will obtain from the tenant, any necessary documentation to complete the income determination process. As noted previously, the LHA may reject any tenant-provided documentation, if the Authority deems the documentation unacceptable. Documentation provided by the tenant will only be rejected for the following reasons:

- A. The document is not an original; or
- B. The original document has been altered, mutilated, or is not legible; or
- C. The document appears to be a forged document (i.e. does not appear to be authentic).

The LHA will explain to the tenant, the reason(s) the submitted documents are not acceptable and request the tenant to provide additional documentation. If at any time, the tenant is unable to provide acceptable documentation that the LHA deems necessary to complete the income determination process, the Authority will submit a traditional third-party verification form to the third-party source for completion and submission to the LHA.

If the third-party source does not respond to the LHA's request for information, the Authority is required to document the tenant file of its attempt to obtain third-party verification and that no response to the third-party verification request was received.

The LHA will then pursue lower-level verifications in accordance with the verification hierarchy.

12.9 STREAMLINED INCOME DETERMINATION

~~The LHA has decided that any family member with a fixed source of income shall have his or her income determined using a streamlined income determination unless the family requests a third part verification. A streamlined income determination will be conducted by applying, for each fixed income source, the~~

~~verified cost of living adjustment (COLA) or current rate of interest to the previously verified or adjusted income amount.~~

~~“Family member with a fixed source of income” is defined as a family member whose income includes periodic payments at reasonably predictable levels from one or more of the following sources:~~

- ~~A. Social Security, Supplemental Security Income, supplemental Disability Insurance;~~
- ~~B. Federal, state, local, or private pension plans;~~
- ~~C. Annuities or other retirement benefit programs, insurance policies, disability or death benefits or other similar types of periodic receipts; or~~
- ~~D. Any other source of income subject to adjustments by a verifiable COLA or current rate of interest and determined appropriate by the LHA.~~

~~In the initial year, the LHA will ask every applicant if any of their sources of income are fixed. If so, this shall be noted in the tenant file and the file shall state that this was determined by asking the resident. This shall be repeated for new sources of income reported by the resident to the LHA.~~

~~The LHA will use a COLA or current rate of interest specific to the fixed source of income in order to adjust the income amount. The LHA will verify the appropriate COLA or current rate of interest from a public source or through Tenant provided, third party generated documentation. If no such verification is available, then the LHA will obtain third party verification of income amounts in order to calculate the change in income for the source.~~

~~For any family member whose income is determined pursuant to a streamlined income determination, the LHA will obtain third party verification of all income amounts (every 3 years).~~

Streamlined income determination 24 CFR 960.257(c)

(1) General. A PHA may elect to apply a streamlined income determination to families receiving fixed income, as described in [paragraph \(c\)\(3\)](#) of this section.

(2) Definition of “fixed income”. For purposes of this section, “fixed income” means periodic payments at reasonably predictable levels from one or more of the following sources:

- (i) Social Security, Supplemental Security Income, Supplemental Disability Insurance.**

(ii) Federal, state, local, or private pension plans.

(iii) Annuities or other retirement benefit programs, insurance policies, disability or death benefits, or other similar types of periodic receipts.

(iv) Any other source of income subject to adjustment by a verifiable COLA or current rate of interest.

(3) Method of streamlined income determination. A PHA using the streamlined income determination must adjust a family's income according to the percentage of a family's unadjusted income that is from fixed income.

(i) When 90 percent or more of a family's unadjusted income consists of fixed income, PHAs using streamlined income determinations must apply a COLA or COLAs to the family's sources of fixed income, provided that the family certifies both that 90 percent or more of their unadjusted income is fixed income and that their sources of fixed income have not changed from the previous year. For non-fixed income, the PHA is not required to make adjustments pursuant to [paragraph \(a\)](#) of this section.

(ii) When less than 90 percent of a family's unadjusted income consists of fixed income, PHAs using streamlined income determinations must apply a COLA to each of the family's sources of fixed income individually. The PHA must determine all other income pursuant to [paragraph \(a\)](#) of this section.

Table I1: PHA Action at Point in Time in Streamlining Cycle

Point in Time in Streamlining Cycle	PHA Action
Year 1	1. PHA completes a move in consistent with the regulations

2. Years 2 and 3	<p>3. PHA completes an Annual Reexamination with the following streamlined income determination for each type of source:</p> <ul style="list-style-type: none"> • Fixed Income: Apply inflation adjustment factor; PHA does not collect third-party verification. • Non-fixed income when fixed income is more than 90 percent of unadjusted income: PHA has discretion to either adjust the income using third-party verification or use the previous year's calculation. • Non-fixed income when fixed income is less than 90 percent of unadjusted income: PHA must adjust the income using third-party verification. • Assets and Deductions: PHA completes verification and calculation of assets and deductions.
4. Year 4	5. Three-year cycle starts over.

(4) **COLA rate applied by PHAs.** PHAs using streamlined income determinations must adjust a family's fixed income using a COLA or current interest rate that applies to each specific source of fixed income and is available from a public source or through tenant-provided, third-party-generated documentation. If no public verification or tenant-provided documentation is available, then the owner must obtain third-party verification of the income amounts in order to calculate the change in income for the source.

(5) **Triennial verification.** For any income determined pursuant to a streamlined income determination, a PHA must obtain third-party verification of all income amounts every 3 years.

13.0 DETERMINATION OF TOTAL PAYMENT AND TENANT RENT

13.1 FAMILY CHOICE

At admission and each year in preparation for their reexamination, each family is given the choice of having their rent determined under the income method or having their rent set at the flat rent amount.

- A. Families who opt for the flat rent will be required to go through the income reexamination process every three years, rather than the annual review they would otherwise undergo. Their family composition must still be reviewed annually.
- B. Families who opt for the flat rent may request to have a reexamination and return to the income-based method at any time for any of the following reasons:

Activity final rule), if the recertification screening reveals that the tenant or a member of the tenant's household is subject to a lifetime sex offender registration requirement, or that the tenant has falsified information or otherwise failed to disclose his or her criminal history on their application and/or recertification forms, the Housing Authority will pursue eviction of the household.

If a family is about to be evicted housing based on either the criminal check or the sex offender registration program, the applicant will be informed of this fact and given an opportunity to dispute the accuracy of the information before the eviction occurs.

Calculation of Rent (PIH notice 2023-27 rev.)

PHAs must first determine the family's income for the previous 12-month period and use this amount as the family income for annual reexaminations; however, adjustments to reflect current income must be made. Any change of income since the family's last annual reexamination, including those that did not meet the threshold to process an interim reexamination of family income in accordance with the PHAs policies and 24 CFR §§ 5.657(c), 960.257(b), or 982.516(c), must be considered. Income from assets is always anticipated, irrespective of the income examination type.

A change in income, for example, may be a loss of income or the addition of a new source of income. Changing to a different employer in the prior year does not necessarily constitute a change if the income earned from either employer is substantially the same. PHAs will look at the entirety of the family's unearned income and earned income from the prior year, in which earned income may have been one constant job or many different jobs that start and stop. Cost of Living Adjustments (COLA) to Social Security income and Social Security disability income are always considered changes to income because the COLA is an adjustment that automatically occurs annually by law.. The three steps outlined below apply for both earned and unearned income.

Overview of Calculating Annual Income at Annual Reexamination

Step 1: Determine the annual income for the previous 12-month period as defined at 24 CFR § 5.609(a) and (b). If there have been no changes to income beyond this calculation, then this is the amount that will be used to determine the family's rental assistance.

The PHA reviews the following information to determine prior-year income:

- The EIV Income Report (must be pulled within 120 days of the effective date of the annual reexamination to be considered current);
- *The income reported on the most recent reexamination HUD-50058/ HUD-50059; and*
- *What the family certified to on the PHA's current annual reexamination paperwork for prior-year income, if available.*

Step 2: Take into consideration any interim reexamination of family income

completed since the last annual reexamination.

- If an interim reexamination was performed within the reexamination cycle and there are no additional changes, the PHA must use the annual income from the interim reexamination to determine the family's rental assistance. The PHA may use the verification obtained from the interim reexamination for this step.
- If the PHA did not perform an interim reexamination or if the family reports that there have been changes since the last reexamination, move to Step 3.

Step 3: If there were changes in annual income not processed by the PHA since the last reexamination, use current income.

- Family reports their income for the prior year and whether there have been permanent changes.

If there are no reported changes to an income source, the PHA may use documentation of prior-year income to calculate the annual income used for the current annual reexamination HUD-50058/ HUD-50059. For example, the PHA could use the following documentation :

- EIV + self-certification (wages, Supplemental Security Income (SSI), Social Security, and unemployment)
- Current level 4 documents verifying prior-year income that are dated within the required timeframe (120 days of receipt by the PHA), for example:
 - Year-end statement
 - Pay stub with year-to-date amount
 - Tax forms (Form 1040, W2, 1099, etc.)

If there are reported changes by the family or the PHA notes discrepancies between EIV and what the family reports, follow the verification hierarchy to document and verify income.

Applying the Current SSA COLA at Next Annual and Interim Reexamination

Annually in October, the Social Security Administration (SSA) announces the cost-of-living adjustment (COLA) by which federal SS and SSI benefits are adjusted to reflect the increase, if any, in the cost of living as measured by the Consumer Price Index for Urban Wage Earners and Clerical Workers prepared by the Bureau of Labor Statistics. The purpose of the COLA is to ensure that the purchasing power of SS and SSI benefits are not eroded by inflation. The federal COLA does not apply to state-paid disability benefits. Additional information regarding the SSA COLA is available online at www.socialsecurity.gov.

Effective the day after SSA has announced the COLA, PHAs/MFH Owners are required to factor in the COLA when determining SS and SSI annual income

for all annual reexaminations and interim reexaminations of family income that have not yet been completed and will be effective January 1 or later of the upcoming year.

15.2 MISSED APPOINTMENTS

If the family fails to respond to the letter and fails to attend the interview, a second letter will be mailed. The second letter will advise of a new time and date for the interview, allowing for the same considerations for rescheduling and accommodations as above. The letter will also advise that failure by the family to attend the second scheduled interview will result in the LHA taking eviction actions against the family.

15.3 FLAT RENTS

The annual letter to flat rent payers regarding the reexamination process will state the following:

- A. Each year at the time of the annual reexamination, the family has the option of selecting a flat rent amount in lieu of completing the reexamination process and having their rent based on the income amount.
- B. The amount of the flat rent and the LHAs policies on switching rent types due to financial hardship.
- C. A fact sheet about income rents that explains the types of income counted, the most common types of income excluded, and the category allowances that can be deducted from income.
- D. Families who opt for the flat rent will be required to go through the income reexamination process every three years, rather than the annual review they otherwise would undergo.
- E. Families who opt for the flat rent may request to have a reexamination and return to the income-based method at any time for any of the following reasons:
 1. The family's income has decreased.
 2. The family's circumstances have changed increasing their expenses for childcare, medical care, etc.
 3. Other circumstances creating a hardship on the family such that the income method would be more financially feasible for the family.

15.5 EFFECTIVE DATE OF RENT CHANGES FOR ANNUAL REEXAMINATIONS

The new rent will generally be effective upon the anniversary date with thirty-(30) calendar day's notice of any rent increase to the family.

If the rent determination is delayed due to a reason beyond the control of the family, then any rent increase will be effective the first of the second month after the month in which the family receives a 30-day notice of the amount. If the new rent is a reduction and the delay is beyond the control of the family, the reduction will be effective as soon as the rent is calculated.

If the family caused the delay, then any increase will be effective on the month following the rent change. Any reduction will be effective the first of the month after the rent amount is determined.

15.6 INTERIM REEXAMINATIONS

During an interim reexamination, only the information affected by the changes being reported will be reviewed and verified.

~~Families will be required to report any increases in income or decreases in allowable expenses between annual reexaminations.~~

A family may request an interim determination of family income for any changes since the last determination. However, the PHA may decline to conduct the interim reexamination of family income if the PHA estimates that the family adjusted income will decrease by an amount that is less than 10% (percent) per year. The PHA can choose a lower threshold amount if the PHA has chosen a lower amount insert it in lieu of the 10%). The PHA can also choose not to conduct an interim reexamination for any increase in the family income.

Families will experience a interim reexamination if the PHA has determined that the net family income has increased by 10% or more unless the family has not had a interim reexamination reporting a decrease in family income within the same reexamination cycle and if the reported increase is within 3 months prior to the next annual reexamination. If it is discovered that the family waited until the 3 month period before their next annual reexamination, the family may be subject to retroactive rent increases.

Families are still required to report changes either in a decrease or increase in family income even if the reporting does not result in a change to the family's rent. These reports will be reflected in the tenant file.

Families are required to report the following changes to the PHA between regular reexaminations. If the family's rent is being determined under the income method, these changes may trigger an interim reexamination. The family shall report these changes within ten (10) calendar days of their occurrence.

- A. A member has been added to the family through birth or adoption or court awarded custody.
- B. A household member is leaving or has left the family unit. An interim reexamination will occur when there is a decrease in family size, this is not subject to the 10% decrease requirement only if there is a decrease in family income. If there is no decrease in family income then the non income interim reexamination will occur.
Or; The family will report all changes in family composition and income and the PHA will determine if there is a need for an interim reexamination.
- C. There is a change in the family OVER INCOME LIMIT status for Public Housing only.

In order to add a household member other than through birth, adoption, or court awarded custody, the family must request that the new member be added to the lease. Before adding the new member to the lease, the individual must complete an application form stating their income, assets, and all other information required of an applicant. The individual must provide their Social Security number if they have one and must verify their citizenship/eligible immigrant status. (Their housing will not be delayed due to delays in verifying eligible immigrant status other than delays caused by the family.) The new family member will go through the screening process similar to the process for applicants. The LHA will determine the eligibility of the individual before adding them to the lease. If the individual is found to be ineligible or does not pass the screening criteria, they will be advised in writing and given the opportunity for an informal review. If they are found to be eligible and do pass the screening criteria, their name will be added to the lease. At the same time, if the family's rent is being determined under the income method, the family's annual income will be recalculated taking into account the circumstances of the new family member. The effective date of the new rent will be in accordance with Section 15.8.

Families are not required to, but may at any time, request an interim reexamination based on a decrease in income, an increase in allowable expenses, or other changes in family circumstances. Upon such request, the LHA will take timely action to process the interim reexamination and recalculate the tenant's rent.

15.7 SPECIAL REEXAMINATIONS

If a family's income is too unstable to project for twelve (12) months, including families that temporarily have no income (0 renters) or have a temporary decrease in income, the LHA may schedule special reexaminations every sixty (60) calendar days until the income stabilizes and an annual income can be determined.

ZERO INCOME REVIEWS:

A “zero income review” is an assessment, sometimes periodic, performed by the PHA of the income of a family who claims that they do not receive income from any source, including from assets. During such reviews, it is common for PHAs to request that families complete and sign a worksheet explaining how they pay for the household’s expenses. HUD does not require PHAs to conduct periodic zero income reviews.

In calculating annual income, PHAs must not assign monetary value to non-monetary in-kind donations from a food bank or similar organization received by the family (24 CFR § 5.609(b)(24)(vi)). PHAs/ perform an interim reexamination only due to an increase in the family’s adjusted income (24 CFR §§ 5.657(c)(3); 960.257(b)(3); and 982.516(c)(3)).

PHAs that will continue to perform zero income reviews must update local discretionary policies, procedures, and forms to comply with the final rule requirements. For example, families who begin receiving income which does not trigger an interim reexamination should no longer be considered zero income even though the family’s income is not reflected on the form HUD–50058.

15.8 EFFECTIVE DATE OF RENT CHANGES DUE TO INTERIM OR SPECIAL REEXAMINATIONS

Unless there is a delay in reexamination processing caused by the family, any rent increase will be effective the first of the second month after the month in which the family receives notice of the new rent amount. If the family causes a delay, then the rent increase will be effective on the date it would have been effective had the process not been delayed (even if this means a retroactive increase).

If the new rent is a reduction and any delay is beyond the control of the family, the reduction will be effective the first of the month after the interim reexamination should have been completed.

If the new rent is a reduction and the family caused the delay or did not report the change in a timely manner, the change will be effective the first of the month after the rent amount is determined.

Interim reexaminations that are reported timely will be provided with a 30 day advance notice of any rent increases and those rent increases will be effective the first day of the month beginning after the end of the 30 day period. (NOTE: This translates to 60 days from the date of the reporting and recalculation of rent.)

If the new rent is a reduction rent decreases will be effective on the first day of the month after the date of the actual change leading to the interim reexamination of family income. This means that the decrease will be applied retroactively.

Any resulting rent decrease must be implemented no later than the first rent period following completion of the reexaminations. The PHA may choose to adopt a policy that would make the effective date of an interim reexamination retroactive to the first of the month following the date of the actual decrease in income as opposed to the first of the month following completion of the reexamination, this may be waived due to a natural disaster or disruption to the PHA's operations.

15.9 HOUSING AUTHORITY MISTAKES IN CALCULATING RENT

If the LHA makes a mistake in calculating a resident's rent contribution and overcharges the resident, the resident shall receive a refund for the amount of the mistake going back a maximum of 24 months. The refund shall be given to the resident as soon as practical or credit to the resident's account, whichever the resident desires unless the resident owes the Housing Authority money in which case the debt shall be offset to the degree possible before the resident chooses between the two refund methods.

A De Minimis Error is an error that results in a difference in the determination of a family's adjusted income of \$30 or less per month. If the error results in the family underpaying their rent, the family will not be held liable for the difference in unpaid rent.

15.10 OVER-INCOME FAMILIES [24 CFR 960.507; FR Notice 7/26/18; Notice PIH 2019-11; FR Notice 2/14/23]

In the public housing program, an *over-income family* is defined as a family whose income exceeds the over-income limit for 24 consecutive months. When this occurs, the PHA must either:

- Terminate the family's tenancy within six months of the PHA's final notification of the end of the 24-month grace period; or
- Within 60 days of the PHA's final notification of the end of the 24-month grace period or the next lease renewal (whichever is sooner), have the family execute a new lease that is consistent with 24 CFR 960.509 and charge the family a monthly rent that is the higher of the applicable fair market rent (FMR) or the amount of monthly subsidy for the unit, including amounts from the operating and capital funds.

The PHA must establish a continued occupancy policy for over-income families in the ACOP indicating which of the above will occur.

PHA Policy

GLOSSARY

50058 FORM: The HUD form that housing authorities are required to complete and electronically submit to HUD for each assisted household in public housing to record information used in the certification and re-certification process and, at the option of the housing authority, for interim reexaminations. Housing Authorities must retain at a minimum the last three years of the form 50058, and supporting documentation, during the term of each assisted lease, and for a period of at least three years from the end of participation date. Electronic retention of form HUD 50058 and HUD 50058-FSS and supporting documentation fulfills the record retention requirement.

1937 HOUSING ACT: The United States Housing Act of 1937 (42 U.S.C. 1437 et seq.)(24 CFR 5.100)

Actual and Imminent Threat: a physical danger that is real, would occur within an immediate time frame, and could result in death or serious bodily harm. In determining whether an individual would pose an actual and imminent threat, the factors to be considered include: The duration of the risk, the nature and severity of the potential harm, the likelihood that the potential harm will occur, and the length of time before the potential harm would occur.

Adjusted Annual Income: ~~The amount of household income, after deductions for specified allowances, on which tenant rent is based. (24 CFR 5.611)~~ means annual income (as determined under § 5.609) of the members of the family residing or intending to reside in the dwelling unit, after making the following deductions:

(a) Mandatory deductions.

- (1) \$480 for each dependent, which amount will be adjusted by HUD annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers, rounded to the next lowest multiple of \$25;
- (2) \$525 for any elderly family or disabled family, which amount will be adjusted by HUD annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers, rounded to the next lowest multiple of \$25;
- (3) The sum of the following, to the extent the sum exceeds ten percent of annual income:
 - (i) Unreimbursed health and medical care expenses of any elderly family or disabled family; and
 - (ii) Unreimbursed reasonable attendant care and auxiliary apparatus expenses for each member of the family who is a person with a disability, to the extent necessary to enable any member of the family (including the member who is a person with a disability) to be employed. This deduction may not exceed the combined earned income received by family members who are 18 years of age or older and who are able to work because of such attendant care or auxiliary apparatus; and

(4) Any reasonable child care expenses necessary to enable a member of the family to be employed or to further his or her education.

(b) *Additional deductions.* (1) For public housing, the Housing Choice Voucher (HCV) and the Section 8 moderate rehabilitation programs (including the moderate rehabilitation Single-Room Occupancy (SRO) program), a PHA may adopt additional deductions from annual income.

(i) *Public housing.* A PHA that adopts such deductions will not be eligible for an increase in Capital Fund and Operating Fund formula grants based on the application of such deductions. The PHA must establish a written policy for such deductions.

(ii) *HCV, moderate rehabilitation, and moderate rehabilitation Single-Room Occupancy (SRO) programs.* A PHA that adopts such deductions must have sufficient funding to cover the increased housing assistance payment cost of the deductions. A PHA will not be eligible for an increase in HCV renewal funding or moderate rehabilitation program funding for subsidy costs resulting from such deductions. For the HCV program, the PHA must include such deductions in its administrative plan. For moderate rehabilitation, the PHA must establish a written policy for such deductions.

Adult: A household member who is 18 years or older who is the head of the household, or spouse, or co-head. An emancipated minor is also considered an adult. In the anti-drug portions of this policy, it also refers to a minor who has been convicted of a crime as an adult under any Federal, State or tribal law.

Affiliated Individual: With respect to an individual, means: (1) A spouse, parent, brother, sister, or child of that individual, or a person to whom that individual stands in the place of a parent or guardian (for example, the affiliated individual is a person in the care, custody, or control of that individual); or (2) Any individual, tenant, or lawful occupant living in the household of that individual.

Allowances: Amounts deducted from the household's annual income in determining adjusted annual income (the income amount used in the rent calculation). Allowances are given for elderly families, dependents, and medical expenses for elderly and disabled families, disability expenses, and childcare expenses for children less than 13 years of age. Other allowance can be given at the discretion of the housing authority.

Annual contributions Contract (ACC): The written contract between HUD and a housing authority under which HUD agrees to provide funding for a program under the 1937 Act, and the housing authority agrees to comply with HUD requirements for the program. (24 CFR 5.403)

Alternative non-public housing rent (alternative rent) is the monthly amount a PHA must charge non-public housing over-income (NPHOI) families, if allowed by PHA policy to remain in a public housing unit, after they have exceeded the 24 consecutive month grace period. The alternative rent is defined at 24 CFR 960.102, as the higher of the Fair Market Rent (FMR) or per unit monthly subsidy. The monthly subsidy provided for the

unit, is determined by adding the per unit assistance provided to a public housing property as calculated through the applicable formulas for the Public Housing Capital Fund and Public Housing Operating Fund. See 24 CFR 960.102 for more details about how HUD will calculate and publish such funding amounts.

Annual Income: All amounts, monetary or not, that:

- A. Go to (or on behalf of) the family head or spouse (even if temporarily absent) or to any other family member; or
- B. Are anticipated to be received from a source
- C. Are not specifically excluded from annual income.

Annual Income also includes amounts derived (during the 12-month period) from assets to which any member of the family has access. (1937 Housing Act; 24 CFR 5.609)

Applicant (applicant family): A person or family that has applied for admission to a program but is not yet in the program. (24 CFR 5.403)

Assets: The value of equity in savings, checking, IRA and Keogh accounts, real property, stocks, bonds, and other forms of capital investments. The value of necessary items of personal property such as furniture and automobiles are not counted as assets. (Also see “net family assets.”)

Asset Income: Income received from assets held by family members. If assets total more than \$5,000, income from the assets is “imputed” and the greater of actual asset income and imputed asset income is counted in annual income. (See “imputed asset income” below.)

Assistance applicant: A family or individual that seeks admission to the public housing program.

Bifurcate: means to divide a lease as a matter of law, subject to the permissibility of such process under the requirements of the applicable HUD covered program and State or local law, such that certain tenants or lawful occupants can be evicted or removed and the remaining tenants or lawful occupants can continue to reside in the unit under the same lease requirements or as may be revised depending upon the eligibility for continued occupancy of the remaining tenants and lawful occupants.

With respect to a public housing or Section 8 lease, it means to divide a lease as a matter of law such that certain tenants can be evicted or removed while the remaining family members’ lease and occupancy rights are allowed to remain intact.

Business Days: Days the housing authority is open for business.

Ceiling Rent: Maximum rent allowed for some units in public housing developments under the income method of calculating rent.

Dating Violence: Violence committed by a person: (A) who is or has been in a social relationship of a romantic or intimate nature with the victim; and (B) where the existence of such a relationship shall be determined based on a consideration of the following factors: (i) the length of the relationship; (ii) the type of relationship; and (iii) the frequency of interaction between the persons involved in the relationship.

Day laborer. An individual hired and paid one day at a time without an agreement that the individual will be hired or work again in the future.

Decent, Safe and Sanitary: Housing is decent, safe, and sanitary if it satisfies the applicable housing quality standards.

Department: The Department of Housing and Urban development. (24 CFR 5.100)

Dependent: A member of the family (except foster children and foster adults), other than the family head or spouse, who is under 18 years of age or is a person with disability or is a full-time student. (24 CFR 5.603(d))

Dependent Allowance: An amount, equal to \$480 multiplied by the number of dependents, which is deducted from, the household's annual income in determining adjusted annual income.

Disability Assistance Expenses: Reasonable expenses that are anticipated, during the period for which annual income is computed, for attendant care and auxiliary apparatus for a disabled family member and that are necessary to enable a family member (including the disabled member) to be employed, provided that the expenses are neither paid to a member of the family nor reimbursed by an outside source. (24 CFR 5.603 (d))

Disability Assistance Expense Allowance: In determining adjusted annual income, the amount of disability assistance expenses deducted from annual income for families with a disabled household member.

Disabled Family: A family whose head (including co-head), spouse, or sole member is a person with disabilities; two or more persons with disabilities living together; or one or more persons with disabilities living with one or more live-in-aides. (24 CFR 5.403 (b)) (Also see "person with disabilities.")

Disabled Person: See "person with disabilities."

Displaced Family: A family in which each member, or whose sole member, is a person displaced by governmental action (such as urban renewal), or a person whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized pursuant to Federal disaster relief law. (24 CFR 5.403(b)).

Displaced Person: A person displaced by governmental action or a person whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized pursuant to Federal disaster relief laws. (1937 Act)

Domestic Violence: Includes felony or misdemeanor crimes of violence committed by a current or former spouse of the victim, by a person with whom the victim share a child in common, by a person who is cohabitated with or has cohabited with the victim as a spouse, by a person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving grant monies, or by any other person against an adult or youth victim who is protected from that persons acts under the domestic or family violence laws of the jurisdiction. The term “spouse or intimate partner of the victim” includes a person who is or has been in a social relationship of a romantic or intimate nature with the victim, as determined by the length of the relationship, the type of the relationship, and the frequency of interaction between the persons involved in the relationship.

Drug: Means a controlled substance as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)

Drug-Related Criminal Activity: The illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell, distribute, or use the drug.

Drug trafficking: The illegal manufacture, sale, or distribution, or the possession with intent to manufacture, sell, or distribute, of a controlled substance.

Earned Income: means income or earnings from wages, tips, salaries, other employee compensation, and net income from self-employment. Earned income does not include any pension or annuity, transfer payments (meaning payments made or income received in which no goods or services are being paid for, such as welfare, social security, and governmental subsidies for certain benefits), or any cash or in-kind benefits.

Economic Self-Sufficiency Program: Any program designed to encourage, assist, train or facilitate the economic independence of HUD-assisted families or to provide work for such families. These programs include programs for job training, employment counseling, work placement, basic skills training, education, English proficiency, welfare, financial or household management, apprenticeship, and any other necessary to ready a participant for work (including a substance abuse or mental health treatment program), or other work activities.

Elderly Family: A family whose head (including co-head), spouse, or sole member is a person who is at least 62 years of age; two or more persons who are at least 62 years of age living together; or one or more persons who are at least 62 years of age living with one or more live-in aides. (24 CFR 5.403)

Elderly/Disabled Family Allowance: For elderly families, an allowance of \$400 is deducted from the household’s annual income in determining adjusted annual income.

Elderly Person: A person who is at least 62 years of age. (1937 Housing Act)

Employment: Employment for admission preference purposes is defined as:

Employment must be current and have lasted a minimum of 30 calendar days prior to the time the preference is claimed. The employment must provide a minimum of 20 hours of work per week for the family member claiming the preference.

The employment part of this preference is also extended equally to (1) family if the head, spouse, or sole member is 62 years of age or older or who is receiving social security or Supplemental Security Income disability benefits or any other payments based on the individual's inability to work and, (2) any family whose head, spouse, co-head or unrelated partner or head of household is currently a full-time student or enrolled in an employment training program.

Extremely low-income families: ~~Those families whose incomes do not exceed 30% of the median income for the area, as determined by HUD with adjustments for smaller and larger families, except that HUD may establish income~~ A very low-income family whose income does not exceed the higher of 30% of the median income for the area (as determined by HUD with adjustments for smaller and larger families) or the Federal poverty level, except that HUD may establish income ceilings higher or lower than 30% of the median income for the area if HUD finds that such variations are necessary because of unusually high or low family incomes.

Fair Housing Act: Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988 (42 U.S.C. 3601 et seq.). (24 CFR 5.100)

Family: Includes but is not limited to:

- A. A family with or without children;
- B. An elderly family;
- C. A near-elderly family;
- D. A disabled family;
- E. A displaced family;
- F. The remaining member of a tenant family; and
- G. A single person who is not an elderly or displaced person, a person with disabilities, or the remaining member of a tenant family. (24 CFR 5.403)

Family Members: All members of the household other than live-in aides, foster children, and foster adults. All family members permanently reside in the unit; though they may be temporarily absent. All family members are listed on the lease.

Flat Rent: A rent amount the family may choose to pay in lieu of having their rent determined under the income method. The flat rent is established by the housing authority based on a HUD mandate that it be set at not less than 80% of the FMR, adjusted for

tenant-paid utilities. PHAs have the flexibility to conduct reexaminations of family income once every three years instead of annually for families that choose to pay the flat rent. The flat rent amount a family pays is not locked in for the three-year period. Instead, the PHA must revise the flat rent amount from year to year based on the findings of the PHA's rent reasonableness analysis and changes to the FMR.

There is no flat rent in the Housing Choice Voucher program so this does not impact the Sample Administrative Plan.

Foster adult. A member of the household who is 18 years of age or older and meets the definition of a foster adult under State law. In general, a foster adult is a person who is 18 years of age or older, is unable to live independently due to a debilitating physical or mental condition and is placed with the family by an authorized placement agency or by judgment, decree, or other order of any court of competent jurisdiction.

Foster child. A member of the household who meets the definition of a foster child under State law. In general, a foster child is placed with the family by an authorized placement agency (e.g., public child welfare agency) or by judgment, decree, or other order of any court of competent jurisdiction.

Full-Time Student: A person who is attending school or vocational training on a full-time basis as defined by the institution.

Gender identity: Actual or perceived gender-related characteristics.

Guest: Means a person temporarily staying in the unit with the consent of a tenant or other member of the household who has expressed or implied authority to so consent on behalf of the tenant.

Head of Household: The adult member of the family who is the head of the household for purposes of determining income eligibility and rent. (24 CFR 5.504(b))

Health and medical care expenses. Health and medical care expenses are any costs incurred in the diagnosis, cure, mitigation, treatment, or prevention of disease or payments for treatments affecting any structure or function of the body. Health and medical care expenses include medical insurance premiums and long-term care premiums that are paid or anticipated during the period for which annual income is computed.

Homeless (as defined for 50058 reporting purposes): An individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:

1. An individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground; or

Independent contractor: An individual who qualifies as an independent contractor instead of an employee in accordance with the Internal Revenue Code Federal income tax requirements and whose earnings are consequently subject to the Self-Employment Tax. In general, an individual is an independent contractor if the payer has the right to control or direct only the result of the work and not what will be done and how it will be done.

In-Kind Payments: Contributions other than cash made to the family or to a family member in exchange for services provided or for general support of the family (e.g. groceries provided on a weekly basis, babysitting provided on a regular basis).

Income Method: A means of calculating a family's rent based on the greater of 10% of their monthly income, 30% of their adjusted monthly income, the welfare rent, or the minimum rent. Under the income method, rents may be capped by a ceiling rent. Under this method, the family's income is evaluated at least annually.

Interim (examination): A reexamination of a family income, expenses, and household composition conducted between the regular annual re-certifications when a change in a household's circumstances warrant such a reexamination.

Law enforcement agency: The national Crime Information Center (NCIC), police departments and other law enforcement agencies that hold criminal conviction records.

Live-In Aide: A person who resides with one or more elderly persons, near-elderly persons, or persons with disabilities and who:

- A. Is determined to be essential to the care and well being of the persons;
- B. Is not obligated for the support of the persons; and
- C. Would not be living in the unit except to provide the necessary supportive services (24 CFR 5.403(b))

A live-in aide is not a party to the lease.

Low Income Families: The families whose incomes do not exceed 80% of the median income for the area, as determined by HUD with adjustments for small and larger families, except that HUD may establish income ceilings higher or lower than 80% of the median for the area on the basis of HUD's findings that such variations are necessary because of unusually high or low family incomes.

Medical Expenses: Medical expenses (of all family members of an elderly or disabled family), including medical insurance premiums that are anticipated during the period for which annual income is computed and that are not covered by insurance. (24 CFR 5.603(d)). These expenses include, but are not limited to, prescription and non-prescription drugs, costs for doctors, dentist, therapist, medical facilities, care for service animal, transportation for medical purposes.

Minor. A member of the family, other than the head of family or spouse, who is under 18 years of age.

Mixed Family: A family whose members include those with citizenship or eligible immigration status and those without citizenship or eligible immigration status. (24 CFR 5.504(b))

Mixed Population Development: A public housing development, or portion of a development, that was reserved for elderly and disabled families at its inception (and has retained that character). If the development was not so reserved at its inception, the PHA has obtained HUD approval to give preference in tenant selection for all units in the development (or portion of development) to elderly families and disabled families. These developments formerly known as elderly projects.

Monthly Adjusted Income: One twelfth of adjusted income. (24 CFR 5.603(d))

Monthly Income: One twelfth of annual income. (24 CFR 5.603(d))

National: A person who owes permanent allegiance to the United States, for example, as a result of birth in a United States territory or possession. (24 CFR 5.504(b))

Near-Elderly Family: A family whose head (including co-head), spouse, or sole member is a person who is at least 50 years of age but below the age of 62; two or more persons, who are at least 50 years of age but below the age of 62, living together; or one or more persons who are at least 50 years of age but below the age of 62 living with one or more live-in aides. (24 CFR)

Net Family Assets:

~~A. Net cash value after deducting reasonable cost that would be incurred in disposing of real property, savings, stocks, bonds, and other forms of capital investments, excluding interest in Indian trust land and excluding equity accounts in HUD homeownership programs. The value of necessary items of personal property such as furniture and automobiles shall be excluded.~~

~~B. In cases where a trust fund has been established and trust is not revocable by, or under the control of, any member of the family or household, the value of the trust fund will not be considered an asset so long as the fund continues to be held in trust. Any income distributed from the trust fund shall be counted when determining annual income.~~

~~C. In determining net family assets, housing authorities or owners, as applicable, shall include the value of any business or family assets disposed of by an applicant or tenant for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application for the program or~~

~~reexamination, as applicable, in excess of the consideration received therefore. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be for less than market value if the applicant or tenant receives important consideration not measurable in dollar terms. (24 CFR 5.603(d))~~

- (1) Net family assets is the net cash value of all assets owned by the family, after deducting reasonable costs that would be incurred in disposing real property, savings, stocks, bonds, and other forms of capital investment.
- (2) In determining net family assets, PHAs or owners, as applicable, must include the value of any business or family assets disposed of by an applicant or tenant for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application for the program or reexamination, as applicable, in excess of the consideration received therefor. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or tenant receives consideration not measurable in dollar terms. Negative equity in real property or other investments does not prohibit the owner from selling the property or other investments, so negative equity alone would not justify excluding the property or other investments from family assets.
- (3) Excluded from the calculation of net family assets are:
 - (i) The value of necessary items of personal property;
 - (ii) The combined value of all non-necessary items of personal property if the combined total value does not exceed \$50,000 (which amount will be adjusted by HUD in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers);
 - (iii) The value of any account under a retirement plan recognized as such by the Internal Revenue Service, including individual retirement arrangements (IRAs), employer retirement plans, and retirement plans for self-employed individuals;
 - (iv) The value of real property that the family does not have the effective legal authority to sell in the jurisdiction in which the property is located; any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member arising out of law, that resulted in a family member being a person with a disability;
 - (v) The value of any Coverdell education savings account under section 530 of the Internal Revenue Code of 1986, the value of any qualified tuition program under section 529 of such Code, the value of any Achieving a Better Life Experience (ABLE) account authorized under Section 529A of such Code, and the value of any “baby bond” account created, authorized,

or funded by Federal, State, or local government.

(vi) Interests in Indian trust land;

(vii) Equity in a manufactured home where the family receives assistance under 24 CFR part 982;

(viii) Equity in property under the Homeownership Option for which a family receives assistance under 24 CFR part 982;

(ix) Family Self-Sufficiency Accounts; and

(x) Federal tax refunds or refundable tax credits for a period of 12 months after receipt by the family.

(4) In cases where a trust fund has been established and the trust is not revocable by, or under the control of, any member of the family or household, the trust fund is not a family asset and the value of the trust is not included in the calculation of net family assets, so long as the fund continues to be held in a trust that is not revocable by, or under the control of, any member of the family or household.

Non-Citizen: A person who is neither a citizen nor national of the United States. (24 CFR 5.504(b))

Occupancy Standards: The standards that a housing authority establishes for determining the appropriate number of bedrooms needed to house families of different sizes or composition.

Other Person Under the Tenant's Control: For the purpose of the definition of covered person it means the person, although not staying as a guest (as defined in this section) in the unit, is, or was at the time of the activity in question, on the premises (as premises is defined in this section) because of an invitation from the tenant or other member of the household who has expressed or implied authority to so consent on behalf of the tenant. Absent evidence to the contrary, a person temporarily and infrequently on the premises solely for a legitimate commercial purpose is not under the tenant's control.

Participant: A family or individual that is assisted by the public housing program.

Permanently Absent: A person or persons not actually residing in the unit who once lived there and does not intend to return. One becomes permanently absent when one vacates the unit.

Person with Disabilities: A person who:

- A. Has a disability as defined in 42 U.S.C. 423.
- B. Is determined, pursuant to HUD regulations issued by the Secretary, to have a physical, mental, or emotional impairment that:
 1. Is expected to be of long-continued and indefinite duration;

2. Substantially impedes his or her ability to live independently; and
3. Is of such a nature that the ability to live independently could be improved by more suitable housing conditions.

C. Has a developmental disability as defined in 42 U.S.C. 6001.

This definition does not exclude persons who have the disease of acquired immunodeficiency syndrome or any conditions arising from the etiologic agent for acquired immunodeficiency syndrome.

For purposes of qualifying for low-income housing, it does not include a person whose disability is based solely on any drug or alcohol dependence.

Personally Identifiable Information (PII): Information which can be used to distinguish or trace an individual's identity, such as their name, social security number, biometric records, etc. alone, or when combined with other personal or identifying information which is linked or linkable to a specific individual, such as date and place of birth, mother's maiden name, etc.

Premises: For purposes of the anti-drug provisions of this policy it means the building or complex or development in which the public or assisted housing dwelling unit is located, including common areas and grounds.

Previously Unemployed: This includes a person who has earned, in the 12 months previous to employment, no more than would be received for 10 hours of work per week for 50 weeks at the established minimum wage.

Processing Entity: The person or entity that is responsible for making eligibility and related determinations at an income reexamination. In the Section 8 and public housing programs, the processing entity is the responsibility entity.

Proration of Assistance: The reduction in a family's housing assistance payment to reflect the proportion of family members in a mixed family who are eligible for assistance. (24 CFR 5.520)

Public Housing: Housing assisted under the 1937 Act, other than under Section 8. Public housing includes dwelling units in a mixed-finance project that are assisted by a PHA with capital or operating funds.

Real Property as used in 24 CFR has the same meaning as that provided under the law of the State in which the property is located.

Public Housing Agency (PHA): Any State, county, municipality, or other governmental entity or public body (or agency or instrumentality thereof), which is authorized to engage in or assist in the development or operation of low-income housing under the 1937 Housing Act. (24 CFR 5.100)

Recertification: The annual reexamination of a family's income, expenses, and composition to determine the family's rent.

Remaining Member of a Tenant Family: A member of the family listed on the lease who continues to live in the public housing dwelling after all other family members have left.

Responsible Entity:

- A. For the public housing program, the Section 8 tenant-based assistance program (24 CFR 982), and the Section 8 project-based certificate or voucher program (24 CFR 983), and the Section 8 moderate rehabilitation program (24 CFR 882), responsible entity means the PHA administering the program under an ACC with HUD;
- B. For all other Section 8 programs, responsible entity means the Section 8 project owner.

Seasonal worker. An individual who is hired into a short-term position and the employment begins about the same time each year (such as summer or winter). Typically, the individual is hired to address seasonal demands that arise for the particular employer or industry.

Self-Declaration: A type of verification statement by the tenant as to the amount and source of income, expenses, or family composition. Self-declaration is an acceptable verification only when third-party verification or documentation cannot be obtained.

Sensitive Personally Identifiable Information: PII that when lost, compromised or disclosed without authorization could substantially harm an individual. Examples of sensitive PII include social security or driver's license numbers, medical records, and financial account numbers such as credit or debit card numbers.

Sexual Assault: Any nonconsensual sexual act proscribed by Federal, tribal, or State law, including when the victim lacks capacity to consent.

Sexual Orientation: Homosexuality, heterosexuality, or bisexuality.

Shelter Allowance: That portion of a welfare benefit (e.g., TANF) that the welfare agency designates to be used for rent and utilities.

Single Person: Someone living alone or intending to live alone who does not qualify as an elderly family, a person with disabilities, a displaced person, or the remaining member of a tenant family. (Public Housing: Handbook 7465.1 REV-2, 3-5)

Specified Welfare Benefit Reduction:

- A. A reduction of welfare benefits by the welfare agency, in whole or in part, for a family member, as determined by the welfare agency, because of fraud by a

For the Public Housing program, the full amount of financial assistance as student receives while participating in the program continues to be excluded from the program participant's annual income.

Unearned Income means any annual income as calculated under 24 CFR Part 5.609 that is not earned income.

Utility Allowance: If the cost of utilities (except telephone) and other housing services for an assisted unit is not included in the tenant rent but is the responsibility of the family occupying the unit, an amount equal to the estimate made by a housing authority of the monthly cost of a reasonable consumption of such utilities and other services for the unit by an energy-conservative household of modest circumstances consistent with the requirements of a safe, sanitary, and healthful living environment. (24 CFR 5.603)

Utility Reimbursement: The amount, if any, by which the utility allowance for the unit, if applicable, exceeds the total tenant payment for the family occupying the unit. (24 CFR 5.603)

VAWA: the Violence Against Women Act of 1994, as amended (42 U.S.C. 13925 and 42 U.S.C. 14043e et seq.).

Very Low-Income Families: Families whose incomes do not exceed 50% of the median family income for the area, as determined by HUD with adjustments for smaller and larger families, except that HUD may establish income ceiling higher or lower than 50% of the median for the area if HUD finds that such variations are necessary because of unusually high or low family incomes.

Violent Criminal Activity: Any criminal activity that has one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage. Arrests alone are not sufficient evidence of criminal activity.

Welfare Assistance: (Revised 7/18/02) Welfare or other payments to families or individuals, based on need, that are made under programs funded, separately or jointly, by Federal, State or local governments (including assistance provided under the Temporary Assistance for Needy Families (TANF) program, as that term is defined under the implementing regulations issued by the Department of Health and Human Services at 45 CFR 260.31).

45 CFR 260.31 defines the term "assistance" to include cash, payments, vouchers, and other forms of benefits designed to meet a family's ongoing basic needs (i.e., for food clothing, shelter, utilities, household goods, personal care items, and general incidental expenses).

It includes such benefits even when they are:

- A. Provided in the form of payments by a TANF agency, or other agency on its behalf, to individual recipients; and

**HOUSING CHOICE VOUCHER ADMINISTRATIVE PLAN
HOUSING AUTHORITY OF THE CITY OF LA CROSSE**

February 2000

RESOLUTION NUMBER: 1091

DATE APPROVED: FEBRUARY 9, 2000

REVISED: NOVEMBER, 2001

MAY, 2004

DECEMBER, 2006

JANUARY, 2009

MARCH, 2010

MARCH, 2011

FEBRUARY, 2013

DECEMBER, 2014

OCTOBER, 2015

FEBRUARY, 2017

FEBRUARY, 2018

AUGUST, 2019

NOVEMBER 2019

JANUARY, 2020

JANUARY, 2021

OCTOBER, 2024 (HOTMA CHANGES)

Notice: The policies and procedures contained herein are subject to change, without prior notice, by action of the Department of Housing and Urban Development and/or the Board of Commissioners of the Housing Authority of the City of La Crosse.

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- b. Two or more persons who are at least 50 years of age but below the age of 62 living together; or
 - c. One or more persons who are at least 50 years of age but below the age of 62 living with one or more live-in aides.
4. A **disabled family**, which is:
- a. A family whose head (including co-head), spouse, or sole member is a person with disabilities;
 - b. Two or more persons with disabilities living together; or
 - c. One or more persons with disabilities living with one or more live-in aides.
 - d. For purposes of qualifying for low-income housing, does not include a person whose disability is based solely on any drug or alcohol dependence.
5. A **displaced family** is a family in which each member, or whose sole member, has been displaced by governmental action, or whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized pursuant to Federal disaster Relief Laws.
6. A **remaining member of a tenant family** is a family member of an assisted family who remains in the unit when other family members have left the unit. If the remaining member of a tenant family is a minor or minors, it will be necessary for an adult to temporarily move into a unit to serve as a guardian for children residing in the unit. The income received by the temporary guardian will be counted in determining family income. Although typically a criminal background check is required before anyone can receive Housing Choice Voucher assistance, this requirement will be waived for a guardian in the situation. Instead, the background check will occur after the person moves in. If the results of the check dictate that the person is ineligible for the program, the family shall be given a reasonable time to find a replacement guardian or lose the assistance.
7. A **single person** who is not an elderly or displaced person, or a person with disabilities, or the remaining member of a tenant family. **This includes, an otherwise eligible youth who has attained at least 18 years of age and not more than 24 years of age and who has left foster care, or will leave foster care within 90 days, in accordance with a transition plan described in section 475(5)(H) of the Social Security Act (42 U.S.C. 675(5)(H)), and is homeless or is at risk of becoming homeless at age 16 or older.**

disclosure of their Social Security Number. This exemption continues even if the individual moved to a new assisted unit.

The best verification of the Social Security Number is the original Social Security card. If the card is not available, the LHA will accept an original document issued by a federal or state government agency which contains the name of the individual and the Social Security Number of the individual along with other identifying information of the individual or such other evidence of the Social Security Number as HUD may prescribe in administrative instructions.

If a member of an applicant family indicates they have a Social Security Number, but cannot readily verify it, the family cannot be assisted until verification is provided. If the Social Security Number of each household member cannot be provided to the LHA within 90 calendar days of it being requested, the family shall lose its place on the waiting list and drop to the bottom of the list. During this calendar days, if all household members have not disclosed their SSN at the time a voucher becomes available, the LHA must offer the available voucher to the next eligible applicant family on the waiting list.

If an individual fails to provide the verification within the time allowed, the family will be denied assistance or will have their assistance terminated. The Housing Authority shall grant one ninety (90) day extension from termination if in its sole discretion it determines that the person's failure to comply was due to circumstances that could not have reasonably been foreseen and there is a reasonable likelihood that the person will be able to disclose a Social Security Number by the deadline.

While LHA must attempt to gather third-party verification of SSNs prior to admission as listed above, LHA also have the option of accepting a self-certification and a third-party document (such as a bank statement, utility or cell phone bill, or benefit letter) with the applicant's name printed on it to satisfy the SSN disclosure requirement if the LHA has exhausted all other attempts to obtain the required documentation. If verifying an individual's SSN using this method, the LHA must document why the other SSN documentation was not available.

If the tenant's SSN becomes verified in EIV, then no further verification is required. If the tenant's SSN fails the SSA identity match, then the LHA must obtain a valid SSN card issued by the SSA or an original document issued by a federal or state government agency that contains the name of the individual and the SSN of the individual, along with other identifying information of the individual. The tenant's assistance must be terminated if they fail to provide the required documentation.

LHA 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.

E. Signing Consent Forms

1. In order to be eligible each member of the family who is at least 18 years of age, and each family head and spouse regardless of age, shall sign one or more consent forms.
2. The consent form must contain, at a minimum, the following:
 - a. A provision authorizing HUD and the LHA to obtain from State Wage Information Collection Agencies (SWICAs) any information or materials necessary to complete or verify the application for participation or for eligibility for continued occupancy;
 - b. A provision authorizing HUD or the LHA to verify with previous or current employers or other sources of income information pertinent to the family's eligibility for or level of assistance;
 - c. A provision authorizing HUD to request income information for the IRS & SSA for the sole purpose of verifying income information pertinent to the family's eligibility or level of benefits.
 - d. A statement allowing the LHA permission to access the applicant's criminal record with any and all police and/or law enforcement agencies; and
 - e. A statement that the authorization to release the information requested by the consent form expires 15 months after the date the consent form is signed.
 - f. HUD 9886A form. As of January 1, 2024, any applicant or participant who has signed a HUD 9886A form does not need to sign and submit subsequent consent forms at the next interim or regularly schedule income examination except under the following circumstances:
 1. When any person 18 years or older becomes a member of the family.
 2. When a member of the family turns 18 years of age.
 3. As required by HUD or the PHA in administrative instructions.

If a family revokes or refuses to sign the consent form the PHA is prohibited from requesting and receiving income information and financial records including pulling EIV and using EIV to verify income and the family will not be processed. If revocation occurs the PHA must notify the field office and the family's assistance will be denied or the family will be terminated.

If the family leaves the program then the HUD 9886A form is considered to be terminated and no longer in effect. The HUD 9886A 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. PIH 2023-27.

F. Suitability for tenancy.

The LHA determines eligibility for participation and will also conduct criminal background checks on all adult household members, including live-in aides. The LHA will deny assistance to a family because of drug-related criminal activity or violent criminal activities by family members. This check will be made through state or local law enforcement or court records in those cases where the household member has lived in the local jurisdiction for the last three years. If the individual has lived outside the local area, the LHA may contact law enforcement agencies where the individual had lived or request a check through the FBI's National Crime Information Center (NCIC). This criminal background check will proceed after each adult household member has signed a consent form designed by the LHA. The information received as a result of the criminal background check shall be used solely for screening purposes. The information shall be maintained confidentially, not misused or improperly disseminated, and destroyed once the purpose(s) for which it was requested has been accomplished and the period for filing a challenge to the LHA's action has expired without a challenge or final disposition of any litigation has occurred.

In deciding whether to exercise their discretion to assist an individual or household that has engaged in criminal activity, the LHA will consider all of the circumstances relevant to the particular admission or eviction decision, including but not limited to: the seriousness of the offending action; the effect that the denial of assistance of the entire household would have on family members not involved in the criminal activity; and the extent to which the participant has taken all reasonable steps to prevent or mitigate the criminal activity.

The LHA will check with the State sex offender registration program and will ban for life any individual who is registered as a lifetime sex offender. The LHA will check with our state registry and if the applicant has resided in another State(s), with that State(s)'s list. The LHA will utilize the US Department of Justice's Dru Sjodin National Sex Offender website as an additional resource. The Dru Sjodin National Sex Offender Database is an online, searchable database, hosted by the Department of Justice, which combines the data from individual state sex offender registries.

If an applicant is about to be denied housing based on either the criminal check or the sex offender registration program, the applicant will be informed of this fact and given an opportunity to dispute the accuracy of the information before the denial or eviction occurs. Applicants that are denied housing will be given a "Notice of Occupancy Rights under the Violence Against Women Act" which provides information on their rights and responsibilities under the Violence

9.0 DETERMINATION OF FAMILY INCOME

9.1 INCOME, EXCLUSIONS AND DEDUCTIONS FROM INCOME

To determine annual income, the LHA counts the income of all family members, excluding the types and sources of income that are specifically excluded. Once the annual income is determined, the LHA subtracts all allowable deductions (allowances) as the next step in determining the Total Tenant Payment (TTP).

§ 5.609 Annual income.

(a) Annual income includes, with respect to the family:

(1) All amounts, not specifically excluded in [paragraph \(b\)](#) of this section, received from all sources by each member of the family who is 18 years of age or older or is the head of household or spouse of the head of household, plus unearned income by or on behalf of each dependent who is under 18 years of age, and

(2) When the value of net family assets exceeds \$50,000 (which amount HUD will adjust annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers) and the actual returns from a given asset cannot be calculated, imputed returns on the asset based on the current passbook savings rate, as determined by HUD.

(b) Annual income does not include the following:

(1) Any imputed return on an asset when net family assets total \$50,000 or less (which amount HUD will adjust annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers) and no actual income from the net family assets can be determined.

(2) The following types of trust distributions:

(i) For an irrevocable trust or a revocable trust outside the control of the family or household excluded from the definition of net family assets under [§ 5.603\(b\)](#):

(A) Distributions of the principal or corpus of the trust; and

(B) Distributions of income from the trust when the distributions are used to pay the costs of health and medical care expenses for a minor.

(ii) For a revocable trust under the control of the family or household, any distributions from the trust; except that any actual income earned by the trust, regardless of whether it is distributed, shall be considered income to the family at the time it is received by the trust.

(3) Earned income of children under the 18 years of age.

(4) Payments received for the care of foster children or foster adults, or State or Tribal kinship or guardianship care payments.

(5) Insurance payments and settlements for personal or property losses, including but not limited to payments through health insurance, motor vehicle insurance, and workers' compensation.

(6) Amounts received by the family that are specifically for, or in reimbursement of, the cost of health and medical care expenses for any family member.

(7) Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member arising out of law, that resulted in a member of the family becoming disabled.

(8) Income of a live-in aide, foster child, or foster adult as defined in §§ 5.403 and 5.603, respectively.

(i) Any assistance that section 479B of the Higher Education Act of 1965, as amended (20 U.S.C. 1087uu), requires be excluded from a family's income; and

(ii) Student financial assistance for tuition, books, and supplies (including supplies and equipment to support students with learning disabilities or other disabilities), room and board, and other fees required and charged to a student by an institution of higher education (as defined under Section 102 of the Higher Education Act of 1965 (20 U.S.C. 1002)) and, for a student who is not the head of household or spouse, the reasonable and actual costs of housing while attending the institution of higher education and not residing in an assisted unit.

(A) Student financial assistance, for purposes of this paragraph (9)(ii), means a grant or scholarship received from—

- (1) The Federal government;
- (2) A State, Tribe, or local government;
- (3) A private foundation registered as a nonprofit under 26 U.S.C. 501(c)(3);
- (4) A business entity (such as corporation, general partnership, limited liability company, limited partnership, joint venture, business trust, public benefit corporation, or nonprofit entity); or
- (5) An institution of higher education.

(B) Student financial assistance, for purposes of this paragraph (9)(ii), does not include—

- (1) Any assistance that is excluded pursuant to paragraph (b)(9)(i) of this section;

(2) Financial support provided to the student in the form of a fee for services performed (e.g., a work study or teaching fellowship that is not excluded pursuant to [paragraph \(b\)\(9\)\(i\)](#) of this section);

(3) Gifts, including gifts from family or friends; or

(4) Any amount of the scholarship or grant that, either by itself or in combination with assistance excluded under this paragraph or [paragraph \(b\)\(9\)\(i\)](#), exceeds the actual covered costs of the student. The actual covered costs of the student are the actual costs of tuition, books and supplies (including supplies and equipment to support students with learning disabilities or other disabilities), room and board, or other fees required and charged to a student by the education institution, and, for a student who is not the head of household or spouse, the reasonable and actual costs of housing while attending the institution of higher education and not residing in an assisted unit. This calculation is described further in [paragraph \(b\)\(9\)\(ii\)\(E\)](#) of this section.

(C) Student financial assistance, for purposes of this [paragraph \(b\)\(9\)\(ii\)](#) must be:

(1) Expressly for tuition, books, room and board, or other fees required and charged to a student by the education institution;

(2) Expressly to assist a student with the costs of higher education; or

(3) Expressly to assist a student who is not the head of household or spouse with the reasonable and actual costs of housing while attending the education institution and not residing in an assisted unit.

(D) Student financial assistance, for purposes of this [paragraph \(b\)\(9\)\(ii\)](#), may be paid directly to the student or to the educational institution on the student's behalf. Student financial assistance paid to the student must be verified by the responsible entity as student financial assistance consistent with this [paragraph \(b\)\(9\)\(ii\)](#).

(E) When the student is also receiving assistance excluded under [paragraph \(b\)\(9\)\(i\)](#) of this section, the amount of student financial assistance under this [paragraph \(b\)\(9\)\(ii\)](#) is determined as follows:

(1) If the amount of assistance excluded under [paragraph \(b\)\(9\)\(i\)](#) of this section is equal to or exceeds the actual covered costs under [paragraph \(b\)\(9\)\(ii\)\(B\)\(4\)](#) of this section, none of the assistance described in this [paragraph \(b\)\(9\)\(ii\)](#) of this section is considered student financial assistance excluded from income under this [paragraph \(b\)\(9\)\(ii\)\(E\)](#).

(2) If the amount of assistance excluded under [paragraph \(b\)\(9\)\(i\)](#) of this section is less than the actual covered costs under [paragraph \(b\)\(9\)\(ii\)\(B\)\(4\)](#) of this section, the amount of assistance described in [paragraph \(b\)\(9\)\(ii\)](#) of this section that is considered student financial assistance excluded under this paragraph is the lower of:

(i) the total amount of student financial assistance received under this [paragraph \(b\)\(9\)\(ii\)](#) of this section, or

(ii) the amount by which the actual covered costs under [paragraph \(b\)\(9\)\(ii\)\(B\)\(4\)](#) of this section exceeds the assistance excluded under [paragraph \(b\)\(9\)\(i\)](#) of this section.

(F) Income and distributions from any Coverdell education savings account under section 530 of the Internal Revenue Code of 1986 or any qualified tuition program under section 529 of such Code; and income earned by government contributions to, and distributions from, “baby bond” accounts created, authorized, or funded by Federal, State, or local government.

(G) The special pay to a family member serving in the Armed Forces who is exposed to hostile fire.

(H) (i) Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);

(ii) Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (e.g., special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program;

(iii) Amounts received under a resident service stipend not to exceed \$200 per month. A resident service stipend is a modest amount received by a resident for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of life in the development.

(iv) Incremental earnings and benefits resulting to any family member from participation in training programs funded by HUD or in qualifying Federal, State, Tribal, or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives and are excluded only for the period during which the family member participates in the employment training program unless those amounts are excluded under [paragraph \(b\)\(9\)\(i\)](#) of this section.

(I) Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era.

(J) Earned income of dependent full-time students in excess of the amount of the deduction for a dependent in [§ 5.611](#).

(K) Adoption assistance payments for a child in excess of the amount of the deduction for a dependent in [§ 5.611](#).

(L) Deferred periodic amounts from Supplemental Security Income and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts, or any deferred Department of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts.

(M) Payments related to aid and attendance under [38 U.S.C. 1521](#) to veterans in need of regular aid and attendance.

(N) Amounts received by the family in the form of refunds or rebates under State or local law for property taxes paid on the dwelling unit.

(O) Payments made by or authorized by a State Medicaid agency (including through a managed care entity) or other State or Federal agency to a family to enable a family member who has a disability to reside in the family's assisted unit. Authorized payments may include payments to a member of the assisted family through the State Medicaid agency (including through a managed care entity) or other State or Federal agency for caregiving services the family member provides to enable a family member who has a disability to reside in the family's assisted unit.

(P) Loan proceeds (the net amount disbursed by a lender to or on behalf of a borrower, under the terms of a loan agreement) received by the family or a third party (e.g., proceeds received by the family from a private loan to enable attendance at an educational institution or to finance the purchase of a car).

(Q) Payments received by Tribal members as a result of claims relating to the mismanagement of assets held in trust by the United States, to the extent such payments are also excluded from gross income under the Internal Revenue Code or other Federal law.

(R) Amounts that HUD is required by Federal statute to exclude from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in [paragraph \(b\)](#) of this section apply. HUD will publish a notice in the Federal Register to identify the benefits that qualify for this exclusion. Updates will be published when necessary.

(S) Replacement housing “gap” payments made in accordance with [49 CFR part 24](#) that offset increased out of pocket costs of displaced persons that move from one federally subsidized housing unit to another Federally subsidized housing unit. Such replacement housing “gap” payments are not excluded from annual income if the increased cost of rent and utilities is subsequently reduced or eliminated, and the displaced person retains or continues to receive the replacement housing “gap” payments.

(T) Nonrecurring income, which is income that will not be repeated in the coming year based on information provided by the family. Income received as an independent contractor, day laborer, or seasonal worker is not excluded from income under this paragraph, even if the source, date, or amount of the income varies. Nonrecurring income includes:

(i) Payments from the U.S. Census Bureau for employment (relating to decennial census or the American Community Survey) lasting no longer than 180 days and not culminating in permanent employment.

(ii) Direct Federal or State payments intended for economic stimulus or recovery.

(iii) Amounts directly received by the family as a result of State refundable tax credits or State tax refunds at the time they are received.

(iv) Amounts directly received by the family as a result of Federal refundable tax credits and Federal tax refunds at the time they are received.

(v) Gifts for holidays, birthdays, or other significant life events or milestones (e.g., wedding gifts, baby showers, anniversaries).

(vi) Non-monetary, in-kind donations, such as food, clothing, or toiletries, received from a food bank or similar organization.

(vii) Lump-sum additions to net family assets, including but not limited to lottery or other contest winnings.

(U) Civil rights settlements or judgments, including settlements or judgments for back pay.

(V) Income received from any account under a retirement plan recognized as such by the Internal Revenue Service, including individual retirement arrangements (IRAs), employer retirement plans, and retirement plans for self-employed individuals; except that any distribution of periodic payments from such accounts shall be income at the time they are received by the family.

(W) Income earned on amounts placed in a family's Family Self Sufficiency Account.

(X) Gross income a family member receives through self-employment or operation of a business; except that the following shall be considered income to a family member:

(i) Net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations; and

(ii) Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family.

(Y) Calculation of Income. The PHA or owner must calculate family income as follows:

(Z) Initial occupancy or assistance and interim reexaminations. The PHA or owner must estimate the income of the family for the upcoming 12-month period:

1. (i) To determine family income for initial occupancy or for the initial provision of housing assistance; or
2. (ii) To determine family income for an interim reexamination of family income under [§§ 5.657\(c\), 960.257\(b\), or 982.516\(c\) of this title](#).

When calculating a household's income, including asset income, at the time of admission to the program or during interim reexaminations, PHAs must use anticipated income (current income) (i.e., the family's estimated income for the upcoming 12-month period). This requirement is consistent with the pre-HOTMA process for conducting income examinations at admission and for interim reexaminations.

5.611 Adjusted income.

Adjusted income means annual income (as determined under [§ 5.609](#)) of the members of the family residing or intending to reside in the dwelling unit, after making the following deductions:

(a) Mandatory deductions.

- (1) \$480 for each dependent, which amount will be adjusted by HUD annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers, rounded to the next lowest multiple of \$25;
- (2) \$525 for any elderly family or disabled family, which amount will be adjusted by HUD annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers, rounded to the next lowest multiple of \$25;
- (3) The sum of the following, to the extent the sum exceeds ten (10%) percent of annual income:

i. Unreimbursed health and medical care expenses of any elderly family or disabled family;

Health and medical care expenses, as defined in 24 CFR § 5.603, include costs incurred for the diagnosis, cure, mitigation, treatment, or prevention of disease or payments for treatments affecting any structure or function of the body. Health and medical care expenses include medical insurance premiums and long-term care premiums that are paid or anticipated during the period for which annual income is computed. Medical insurance premiums continue to be eligible health and medical care expenses. However, health and medical care expenses may be deducted from annual income only if they are eligible and not otherwise reimbursed and may only be deducted for elderly or disabled families. Although HUD revised the definition of health and medical care expenses to reflect the Internal Revenue Service (IRS) general definition of medical expenses, HUD is not permitting to specifically align their policies with IRS Publication 502^{C2} for determining which expenses are included in HUD's mandatory deduction for health and medical care expenses. IRS Publication 502, in some instances, may instruct that certain expenses are not to be considered medical expenses that would otherwise be allowed under HUD's definition of health and medical care expenses. PHAs Owners must review each expense to determine whether it is eligible in accordance with HUD's definition of health and medical care expenses.

The threshold to deduct health and medical care expenses and reasonable attendant care and auxiliary apparatus expenses has been increased from an excess of 3 to an excess of 10 percent of annual income. Concurrently with this increase, the regulations provide financial hardship exemptions for unreimbursed health and medical care expenses, and for reasonable attendant care and auxiliary apparatus expenses for eligible families. A family will benefit from this hardship exemption only if the family has eligible expenses that can be deducted in excess of 5 percent of annual income. In order to claim unreimbursed health and medical care expenses, the family must have a head, co-head, or spouse that is elderly or a person with a disability. In order to claim unreimbursed reasonable attendant care and auxiliary apparatus expenses, the family must include a person with a disability, and the expenses must enable any member of the family (including the member who is a person with a disability) to be employed.

To initiate, extend or conclude a hardship exemption only, PHA will process and submit a non-interim reexamination transaction.

Families may be eligible for relief under one of two categories; phased-in relief or general relief, as defined below.

Note: A family receiving phased-in relief may request to receive general hardship relief instead; once a family chooses to obtain general relief, a family may no longer receive the phased-in relief.

(ii) Unreimbursed reasonable attendant care and auxiliary apparatus expenses for each member of the family who is a person with a disability, to the extent necessary to enable any member of the family (including the member who is a person with a disability) to be employed. This deduction may not exceed the combined earned income received by family members who are 18 years of age or older and who are able to work because of such attendant care or auxiliary apparatus; and

(iii) Any reasonable child care expenses necessary to enable a member of the family to be employed or to further his or her education.

(c) Financial hardship exemption for unreimbursed health and medical care expenses and reasonable attendant care and auxiliary apparatus expenses.

(1) Phased-in relief. This paragraph provides financial hardship relief for families affected by the statutory increase in the threshold to receive health and medical care expense and reasonable attendant care and auxiliary apparatus *expense* deductions from annual income. This phased in relief will be accomplished by an interim reexamination.

(i) Eligibility for relief. To receive hardship relief under this [paragraph \(c\)\(1\)](#), the family must have received a deduction from annual income because their sum of

expenses under [paragraph \(a\)\(3\)](#) of this section exceeded 3 percent of annual income as of January 1, 2024.

(ii) Form of relief.

(A) The family will receive a deduction totaling the sum of the expenses under [paragraph \(a\)\(3\)](#) of this section that exceed 5 percent of annual income.

(B) Twelve months after the relief in this [paragraph \(c\)\(1\)\(ii\)](#) is provided, the family must receive a deduction totaling the sum of expenses under [paragraph \(a\)\(3\)](#) of this section that exceed 7.5 percent of annual income.

(C) Twenty-four months after the relief in this [paragraph \(c\)\(1\)\(ii\)](#) is provided, the family must receive a deduction totaling the sum of expenses under [paragraph \(a\)\(3\)](#) of this section that exceed ten percent of annual income and the only remaining relief that may be available to the family will be [paragraph \(d\)\(1\)](#) of this section.

(D) A family may request hardship relief under [paragraph \(c\)\(2\)](#) of this section prior to the end of the twenty-four-month transition period. If a family making such a request is determined eligible for hardship relief under [paragraph \(c\)\(2\)](#) of this section, hardship relief under this paragraph ends and the family's hardship relief shall be administered in accordance with [paragraph \(c\)\(2\)](#) of this section. Once a family chooses to obtain relief under [paragraph \(c\)\(2\)](#) of this section, a family may no longer receive relief under this paragraph.

(2) General. This [paragraph \(c\)\(2\)](#) provides financial relief for an elderly or disabled family or a family that includes a person with disabilities that is experiencing a financial hardship.

(i) Eligibility for relief.

(A) To receive hardship relief under this [paragraph \(c\)\(2\)](#), a family must demonstrate that the family's applicable 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 (as defined by the responsible entity) that would not otherwise trigger an interim reexamination.

(B) Relief under this [paragraph \(c\)\(2\)](#) is available regardless of whether the family previously received deductions under [paragraph \(a\)\(3\)](#) of this section, is currently receiving relief under [paragraph \(c\)\(1\)](#) of this section, or previously received relief under [paragraph \(c\)\(1\)](#) of this section.

(ii) Form and duration of relief.

(A) The family will receive a deduction for the sum of the eligible expenses in [paragraph \(a\)\(3\)](#) of this section that exceed 5 percent of annual income.

(B) The family's hardship relief ends when the circumstances that made the family eligible for the relief are no longer applicable or after 90 days, whichever comes earlier. However, responsible entities may, at their discretion, extend the relief for one or more additional 90-day periods while the family's hardship condition continues.

(C) Exemption to continue child care expense deduction. A family whose eligibility for the child care expense deduction is ending may request a financial hardship exemption to continue the child care expense deduction under [paragraph \(a\)\(4\)](#) of this section. The responsible entity must recalculate the family's adjusted income and continue the child care deduction if the family demonstrates to the responsible entity's satisfaction that the family is 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 or furthering his or her education. The hardship exemption and the resulting alternative adjusted income calculation must remain in place for a period of up to 90 days. Responsible entities, at their discretion, may extend such hardship exemptions for additional 90-day periods based on family circumstances.

(D) Hardship policy requirements.

(1) Responsible entity determination of family's inability to pay the rent. The responsible entity must establish a policy on how it defines what constitutes a hardship under [paragraphs \(c\)](#) and [\(d\)](#) of this section, which includes determining the family's inability to pay the rent, for purposes of determining eligibility for a hardship exemption under [paragraph \(d\)](#) of this section.

(2) Family notification. The responsible entity must promptly notify the family in writing of the change in the determination of adjusted income and the family's rent resulting from the hardship exemption. The notice must also inform the family of when the hardship exemption will begin and expire (i.e., the time periods specified under [paragraph \(c\)\(1\)\(ii\)](#) of this section or within 90 days or at such time as the responsibility entity determines the exemption is no longer necessary in accordance with [paragraphs \(c\)\(2\)\(ii\)\(B\)](#) or [\(d\)](#) of this section).

9.2 INCOME

A. Annual income means all amounts, monetary or not, that:

4101 *et seq.*) and administered by the Office of Native American Programs;

- w. A lump sum or a periodic payment received by an individual Indian pursuant to the Class Action Settlement Agreement in the case entitled *Elouise Cobell et al. v. Ken Salazar et al.*, 816 F. Supp. 2d 10 (Oct. 5, 2011 D.D.C.), for a period of one year from the time of receipt of that payment as provided in the Claims Resolution Act of 2010 (Pub. L. 111-29);
- x. Any amount in an “individual development account” as provided by the Assets for Independence Act, as amended in 2002 (Pub. L. 107-110, 42 U.S.C. 604(h)(4));
- y. Per capita payments made from the proceeds of Indian Tribal Trust C cases as described in PIH Notice 2013-30 “Exclusion from Income of Payments under Recent Tribal Trust Settlements (25 U.S.C. 117b(a)); and
- z. Major disaster and emergency assistance received by individuals and families under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Pub. L. 93-288, as amended) and comparable disaster assistance provided by States, local governments, and disaster assistance organizations (42 U.S.C. 5155(d)).
- aa. ABLÉ accounts created under the Achieving a Better Life Experience Act of 2014 (ABLE Act) are excluded from the calculation of both income and assets.

Tax Refunds: Federal Tax Refunds or Refundable Tax Credits

Taxpayers have several options for receiving their tax refunds: via paper check or direct deposit into a checking or savings account; via Treasury Direct to buy savings bonds; via direct deposit into a Traditional, Roth, or Simplified Employee Pension Plan-IRA; or via purchase of savings bonds, a Health Savings Account, an Archer Medical Savings Account, or a Coverdell Education Savings Account. Refundable tax credits, such as the Earned Income Tax Credit (EITC), are determined as part of an overall tax return submission to the Internal Revenue Service (IRS). Taxpayers receive one federal tax refund reflecting the taxpayer’s tax liability, if negative, including any applicable refundable tax credits.

Note: Only the amount that the family receives is excluded from net family assets. For example, if a family anticipates a \$500 federal tax refund but only receives \$250, then only \$250 will be excluded from the net family assets because that is the amount that the family received.

PHAs are not required to verify the amount of the family’s federal tax refund or refundable tax credit(s) if the family’s net assets are equal to or below \$50,000 (adjusted annually for inflation), even in years when full verification of assets is required or if the PHA does not accept self-

certification of assets. PHAs must verify the amount of the family's federal tax refund or refundable tax credits if the family's net assets are greater than \$50,000.

The anticipated income earned by the assets in which a family has deposited their federal tax refund or refundable tax credits must be included in the family's annual income unless the income is specifically excluded under 24 CFR § 5.609(b).

EFFECTIVE DECEMBER 31, 2023, NO NEW EARNED INCOME DISALLOWANCES WILL BE ALLOWED. ALL PERSONS CLAIMING AN EID WHO ARE CURRENTLY ON THE PROGRAM EFFECTIVE 12/31/23 WILL BE ALLOWED TO COMPLETE THEIR DISALLOWANCES.

The LHA will not provide exclusions from income in addition to those already provided for by HUD.

9.4 DEDUCTIONS FROM ANNUAL INCOME

The following deductions will be made from annual income:

- A. \$480 for each dependent
- B. \$400 for an elderly family or disabled family
- C. The sum of the following, to the extent the sum exceeds three percent of annual income:
 - 1. Unreimbursed medical expenses of any elderly family or disabled family including any fee paid by the participant for the Medicare Prescription Drug Program including any fee paid by the participant for the Medicare Prescription Drug Program;
 - 2. Unreimbursed reasonable attendant care and auxiliary apparatus expenses for each member of the family who is a person with disabilities, to the extent necessary to enable any member of the family (including the member who is a person with disabilities) to be employed, but this allowance may not exceed the earned income received by family members who are 18 years of age or older who are able to work because of such attendant care or auxiliary apparatus;
- D. Reasonable childcare expenses for children 12 and younger necessary to enable a member of the family to be employed or to further his or her education. This deduction shall not exceed the amount of employment income that is included in annual income.
- E. For persons with disabilities, the incremental earnings due to employment during a cumulative 12-month period following the date of the initial hire shall be excluded. This exclusion is only available to the following families:

When UIV, written and oral third-party verifications are not available within the 2 week and 10 business days period allowed in paragraphs 3 and 4 above, and hand-carried verification cannot be obtained, the Housing Authority will accept a statement detailing information needed, signed by the head, spouse, co-head, or other adult family member.

Verification forms and reports received will be contained in the applicant/tenant file. Oral third-party documentation will include the same information as if the documentation had been written, i.e., name, date of contract, amount received, etc.

When a verification method other than Up-Front Income Verification is utilized, the LHA will document the reason for the choice of the verification methodology in the applicant/resident’s file.

The PHA will use self-certification when the market value of assets is less than \$50,000 annually.

Table J1: Mandatory and Discretionary Use of EIV by PHAs (PIH 2023-27)

Report Title	Report Description	Frequency of Use	PHAs/MFH Owners
Debts Owed to PHAs & Terminations	Allows users to access information concerning former tenants who left owing a debt to a PHA or who had their voucher terminated for cause.	At the time of processing an applicant family for admission, and to enter debt information or terminations for families who have ended program participation.	PHAs only Report does not exist in MFH EIV.
Deceased Tenants Report	Identifies tenants reported by Social Security Administration (SSA) as being deceased.	At least quarterly	PHAs/MFH Owners
Existing Tenant Search	Identifies applicants who may be receiving assistance at another Multifamily project or PIH location.	At the time of processing an applicant family for admission	PHAs/MFH Owners
Failed EIV Prescreening Report	Identifies tenants who have missing or invalid personal identifiers (last name, date of birth, SSN) in HIP/TRACS. These tenants will not be sent to SSA from EIV for the SSA identity test.	Monthly	PHAs/MFH Owners
Failed Verification Report (Failed SSA Identity Test)	Identifies tenants whose personal identifiers (last name, date of birth, SSN) do not match the SSA database.	Monthly	PHAs/MFH Owners

	*PHAS that admit families using a self- certification of SSN must review the Failed SSN Verification Report monthly to identify and follow up on new issues.		
Identity Verification Report	Identifies tenants that, failed SSA verification, and failed EIV pre-screening.	Monthly	PHAs/MFH Owners
Income Discrepancy Report for MFH Programs	Identifies households where there is an income discrepancy in the wage, unemployment, and SSA benefit information reported in EIV and wage, unemployment, and SSA benefit information reported in TRACS for the period of income used for discrepancy analysis. The report serves as a tool to alert MFH Owners that there may be a discrepancy in the income reported by the tenant during the period of income used for the discrepancy analysis.	Must be used at annual reexamination. MFH Owners may use the report at other intervals, in accordance with the MFH Owner's written EIV policies and procedures. MFH Owners are not required to use the report at annual reexamination if they used Safe Harbor verification to determine the family's income at the last reexamination. *See note under Summary above about updates to the MFH Income Discrepancy Report.	MFH Owners
Income Information for PIH Programs Income Report for MFH Programs	Provides employment and income reported by HHS and SSA for each household member that passes the SSA identity test. Identifies tenants who: <ul style="list-style-type: none"> • May not have reported complete and accurate income information; and/or • May be receiving multiple subsidies. 	Must be used at annual reexamination; not required at interim reexaminations. PHAs/Owners may use, if desired. PHAs are not required to use at annual reexamination if they use Safe Harbor verification to determine the family's income.	PHAs/MFH Owners
Income Validation Tool Report for PIH Programs	Provides projections of discrepant income for wages, unemployment compensation, and SSA benefits pursuant to HUD's data sharing agreements with the Department of Health and Human Services	PHAs are required to obtain an EIV Income and Income Validation Tool Report for each family any time the PHA conducts an annual reexamination of family income and composition. PHAs may	PHAs

	(HHS) using the National Directory of New Hires (NDNH) database, and the SSA.	use the report at other intervals, in accordance with the PHA's ACOP or Administrative Plan. PHAs are not required to use the report at annual reexamination if they used Safe Harbor verification to determine the family's income at the last reexamination. *See note under Summary above about updates to the MFH and Public Housing Income Discrepancy Reports.	
Multiple Subsidy Report	Identifies tenants who may be receiving rental assistance at more than one location.	At least quarterly	PHAs/MFH Owners
New Hires Report	Identifies tenants who have new employment within the last six months. Report is updated monthly.	PHAS must review this information at annual reexamination except when the PHA uses Safe Harbor verification to determine the family's income. PHAS that do not require families to undergo interim reexaminations (IRs) for income increases after an IR decrease do not need to review this report at all between a family's annual reexamination. If the PHA policy is to require an IR for increases in income after an IR decrease, then the PHA must review the report quarterly after the family's IR decrease.	PHAs/MFH Owners
No Income Reported by HHS or SSA	Identifies tenants who passed the SSA identity test but where no income was reported by HHS or SSA. This scenario does not mean that the tenant does not have any income. PHAS must	As identified in a PHA's ACOP or Administrative Plan or a MFH Owner's written EIV policies and procedures.	PHAs/MFH Owners

	obtain written, third-party verification of any income reported by the tenant.			The following chart comes from PIH Notice 2010-19.
No Income Reported on 50059	Identifies households where there is no income listed on the HUD-50059.	As identified in MFH Owner's written EIV policies and procedures.	MFH Owners	
Summary Report	Summary of household information from the current, active certification in the TRACS file at the time of the income match.	Must be used at annual reexamination; not required at interim reexaminations. MFH Owners may use the report at other intervals, if desired, as described in the MFH Owner's written EIV policies and procedures.,	MFH Owners	

Level	Verification Technique	Ranking
6	Up-front Income Verification (UIV) using HUD's Enterprise Income Verification (EIV) system (Not available for income verifications of applicants)	Highest (Mandatory)
5	Up-front Income Verification (UIV) using non-HUD system	Highest (Optional)
4	Written Third-Party Verification	High (Mandatory to supplement EIV-reported income sources and when EIV has no data; Mandatory for non-EIV reported income sources; Mandatory when participant disputes EIV-reported employment and income information and is unable to provide acceptable documentation to support dispute)
3	Written Third-Party Verification Form	Medium-Low (Mandatory if written third-party verification documents are not available or rejected by the PHA; and when the applicant or participant is unable to provide acceptable documentation)
2	Oral Third-Party Verification	Low (Mandatory if written third-party verification is not available)
1	Tenant Declaration	Low (Use as a last resort when unable to obtain any type of third-party verification)

Third-Party Verification Descriptions and Guidance

□ **Upfront Income Verification (UIV) (Level 6/5):** The verification of income before or during a family reexamination, through an independent source that systematically and uniformly maintains income information in computerized form for a number of individuals. It should be noted that the EIV system is available to all PHAS as a UIV technique and that all PHAS are required to use EIV in its entirety (see paragraph J.3 on Mandated and Discretionary Use of EIV). PHAS are encouraged to continue using other non-HUD UIV tools, such as The Work Number (an automated verification system) and state government databases, to verify tenant-reported income.

□ **Written, Third-Party Verification (Level 4):** An original or authentic document generated by a third-party source dated within 120 days of the date received by the PHA. For fixed-income sources, a statement dated within the appropriate benefit year is acceptable documentation.

Such documentation may be in the possession of the tenant (or applicant) and is commonly referred to as tenant-provided documents. PHAS may obtain any tenant-provided documents and follow up directly with the third-party source to obtain necessary verification of information, when necessary.

Examples of acceptable tenant-provided documentation (generated by a third-party source) include but are not limited to the following: pay stubs, payroll summary report, employer notice/letter of hire/termination, SSA benefit verification letter, bank statements, child support payment stubs, welfare benefit letters and/or printouts, and unemployment monetary benefit notices.

PHAS are required to obtain a minimum of two current and consecutive pay stubs for determining annual income from wages when they do not elect to use EIV + Self-Certification or the income type is not reported in EIV.. For new income sources or when two pay stubs are not available, the PHA should determine income based on the information from a traditional written, third-party verification form or the best available information.

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.) are an acceptable form of written, third-party verification.

When verification of assets is required, PHAS are required to obtain a minimum of one statement that reflects the current balance of banking/financial accounts.

EIV may be used as Level 4 verification and may be used to calculate income as long as the family agrees with the information in EIV; this practice is known as "EIV + Self-Certification." The PHA may use their discretion to determine which method of calculation is reasonable: the last 4 quarters combined or an average of any number of quarters. The EIV Income report must be pulled within 120 days prior to the reexamination effective date.

□ **Written, Third-Party Verification Form (Level 3):** This practice is also known as "traditional third-party verification." This type of verification is a form developed by the PHA

and used uniformly for all families when needed to collect information from a third-party source. The form is completed by the third party by hand (in writing or typeset). PHAS send the form directly to the third-party source by mail, fax, or email.

The PHA may skip this level of verification before attempting Level 2, which means they will have only completed Level 3 or Level 2 verification before moving to Self-Certification.

□ Oral Third-Party Verification (Level 2): Independent verification of information by contacting the individual income/expense source(s), as identified through the UIV technique, or identified by the family, via telephone or in-person visit. PHA staff must document in the tenant file the date and time of the telephone call (or visit to the third party) and the name of the person contacted and their telephone number, along with the confirmed information.

This verification method is commonly used when the independent source does not respond to the PHAS faxed, mailed, or e-mailed request for information in a reasonable time frame (e.g., 10 business days).

The PHA may skip this level of verification if they attempted Level 3, which means they will have only completed Level 3 or Level 2 verification before moving to Self-Certification.

□ Non-Third-Party Verification Technique: Self-Certification (Level 1): The tenant submits a signed statement of reported income and/or expenses to the PHA. This verification method should be used as a last resort when the PHA has not been successful in obtaining information via all other required verification techniques. When the PHA relies on self-certification to verify income or expenses, the PHA must document in the tenant file why third-party verification was not available.

HUD does not require that a self-certification be notarized; however, HUD recommends including language on any self-certification to ensure the certifier understands the consequences of knowingly providing false information.

Sample 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 5 years, fines, and civil and administrative penalties. (18 U.S.C. 287, 1001, 1010, 1012; 31 U.S.C. 3279, 3802)”

10.2 TYPES OF VERIFICATION

The chart below outlines the factors that may be verified and give common examples of the verification that will be sought. To obtain written third-party verification, the LHA will send a request form to the source along with a release form signed by the applicant/participant via first class mail

.Verification Requirements for Individual items		
Item to Be Verified	3 rd Party Verifications	Hand-Carried Verification

The best verification of the Social Security Number is the original Social Security card. If the card is not available, the LHA will accept an original document issued by a federal or state government agency, which contains the name of the individual and the Social Security Number of the individual, along with other identifying information of the individual or such other evidence of the Social Security Number as HUD may prescribe in administrative instructions.

If a member of an applicant family indicates they have a Social Security Number, but cannot readily verify it, the family cannot be assisted until verification is provided. If an individual fails to provide the verification within the time allowed, the family will be denied assistance or will have their assistance terminated. The LHA may grant one ninety (90) day extension from termination if in its sole discretion it determines that the person's failure to comply was due to circumstances that could not have reasonably been foreseen and there is a reasonable likelihood that the person will be able to disclose a Social Security Number by the deadline.

While LHA must attempt to gather third-party verification of SSNs prior to admission as listed above, LHA also have the option of accepting a self-certification and a third-party document (such as a bank statement, utility or cell phone bill, or benefit letter) with the applicant's name printed on it to satisfy the SSN disclosure requirement if the LHA has exhausted all other attempts to obtain the required documentation. If verifying an individual's SSN using this method, the LHA must document why the other SSN documentation was not available.

If the tenant's SSN becomes verified in EIV, then no further verification is required. If the tenant's SSN fails the SSA identity match, then the LHA must obtain a valid SSN card issued by the SSA or an original document issued by a federal or state government agency that contains the name of the individual and the SSN of the individual, along with other identifying information of the individual. The tenant's assistance must be terminated if they fail to provide the required documentation.

LHA 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.

10.5 TIMING OF VERIFICATION

Verification must be dated within sixty (60) calendar days of certification or reexamination. If the verification is older than this, the source will be contacted and asked to provide information regarding any changes.

When an interim reexamination is conducted, the Housing Authority will verify and update only those elements reported to have changed.

10.6 FREQUENCY OF OBTAINING VERIFICATION

Household income and composition will be verified at least annually.

The participant will be provided an opportunity to contest the LHA's determination of overpayment of the HAP. Participants will be promptly notified in writing of any adverse findings made on the basis of the information verified through the aforementioned income discrepancy resolution process. The participant may contest the findings in accordance with established grievance procedures. The LHA will not terminate, deny, suspend, or reduce the family's assistance until the expiration of any notice or grievance period.

When there is an unsubstantial or no disparity between participant-reported and EIV-reported income information, the LHA will obtain from the participant, any necessary documentation to complete the income determination process. As noted previously, the LHA may reject any participant-provided documentation, if the Authority deems the documentation unacceptable. Documentation provided by the participant will only be rejected for only the following reasons.

- A. The document is not an original; or
- B. The original document has been altered, mutilated, or is not legible; or
- C. The document appears to be a forged document (i.e., does not appear to be authentic).

The LHA will explain to the participant, the reason(s) the submitted documents are not acceptable and request the participant to provide additional documentation. If at any time, the participant is unable to provide acceptable documentation that the LHA deems necessary to complete the income determination process, the Authority will submit a traditional third-party verification form to the third-party source for completion and submission to the LHA.

If the third-party source does not respond to the LHA request for information, the Authority is required to document the participant file of its attempt to obtain third-party verification and that no response to the third-party verification request was received.

The LHA will then pursue lower-level verifications in accordance with the verification hierarchy.

10.9 STREAMLINED INCOME DETERMINATION

~~The LHA has decided that any family member with a fixed source of income shall have his or her income determined using a streamlined income determination unless the family requests a third-part verification. A streamlined income determination will be conducted by applying, for each fixed income source, the verified cost of living adjustment (COLA) or a current rate of interest to the previously verified or adjusted income amount.~~

~~“Family member with a fixed source of income” is defined as a family member whose income includes periodic payments at reasonably predictable levels from one or more of the following sources:~~

- ~~A. Social Security, Supplemental Security Income, Supplemental Disability Insurance;~~
- ~~B. Federal, state, local, or private pension plans;~~
- ~~C. Annuities or other retirement benefit programs, insurance policies, disability or death benefits, or other similar types of periodic receipts; or~~
- ~~D. Any other source of income subject to adjustment by a verifiable COLA or current rate of interest and determined appropriate by the LHA.~~

~~In the initial year, the LHA will determine if any of the family member's sources of income are fixed. This determination shall be made by either:~~

- ~~1. comparing the amount of income from the fixed source(s) as indicated on the current year's EIV report or on a family provided document, to the amount generated during the prior year;~~
- ~~2. or by asking the resident.~~

~~If so determined, this shall be noted in the tenant file and the file shall state that this was determined. This shall be repeated for new sources of income reported by the resident to the LHA.~~

~~The LHA will use a COLA (if there has been one announced that year) or current rate of interest specific to the fixed source of income in order to adjust the income amount. The LHA will verify the appropriate COLA or current rate of interest from a public source or through tenant provided, their party generated documentation. If no such verification is available, then the LHA will obtain third party verification of income amounts in order to calculate the change in income for the source.~~

~~For any family member whose income is determined pursuant to a streamlined income determination, the LHA will obtain third party verification of all income amounts every 3 years. This also means that if a family member with a fixed income source is added to the family during year two, for example, then the Housing Authority must obtain third party verification of all income amounts for that family member at the next reexamination if the Housing Authority wishes to have all family members with fixed incomes on the same schedule with respect to streamlined annual reexaminations.~~

~~The LHA will continue to **annually** conduct third party verification of non fixed sources of income (wages, salaries, etc.) and deductions (medical, etc.) where applicable for **all** family members. Also, the LHA will continue to obtain family member signatures on the consent forms required by 24 CFR 5.230, as if this provision had not been adopted.~~

Streamlined income determination 24 CFR 960.257(c)

(1) General. A PHA may elect to apply a streamlined income determination to families receiving fixed income, as described in [paragraph \(c\)\(3\)](#) of this section.

(2) Definition of “fixed income”. For purposes of this section, “fixed income” means periodic payments at reasonably predictable levels from one or more of the following sources:

(i) Social Security, Supplemental Security Income, Supplemental Disability Insurance.

(ii) Federal, state, local, or private pension plans.

(iii) Annuities or other retirement benefit programs, insurance policies, disability or death benefits, or other similar types of periodic receipts.

(iv) Any other source of income subject to adjustment by a verifiable COLA or current rate of interest.

(3) Method of streamlined income determination. A PHA using the streamlined income determination must adjust a family's income according to the percentage of a family's unadjusted income that is from fixed income.

(i) When 90 percent or more of a family's unadjusted income consists of fixed income, PHAs using streamlined income determinations must apply a COLA or COLAs to the family's sources of fixed income, provided that the family certifies both that 90 percent or more of their unadjusted income is fixed income and that their sources of fixed income have not changed from the previous year. For non-fixed income, the PHA is not required to make adjustments pursuant to [paragraph \(a\)](#) of this section.

(ii) When less than 90 percent of a family's unadjusted income consists of fixed income, PHAs using streamlined income determinations must apply a COLA to each of the family's sources of fixed income individually. The PHA must determine all other income pursuant to [paragraph \(a\)](#) of this section.

Table II: PHA Action at Point in Time in Streamlining Cycle

Point in Time in Streamlining Cycle	PHA Action
Year 1	1. PHA completes a move in consistent with the regulations

2. Years 2 and 3	<p>3. PHA completes an Annual Reexamination with the following streamlined income determination for each type of source:</p> <ul style="list-style-type: none"> • Fixed Income: Apply inflation adjustment factor; PHA does not collect third-party verification. • Non-fixed income when fixed income is more than 90 percent of unadjusted income: PHA has discretion to either adjust the income using third-party verification or use the previous year's calculation. • Non-fixed income when fixed income is less than 90 percent of unadjusted income: PHA must adjust the income using third-party verification. • Assets and Deductions: PHA completes verification and calculation of assets and deductions.
4. Year 4	5. Three-year cycle starts over.

(4) **COLA rate applied by PHAs.** PHAs using streamlined income determinations must adjust a family's fixed income using a COLA or current interest rate that applies to each specific source of fixed income and is available from a public source or through tenant-provided, third-party-generated documentation. If no public verification or tenant-provided documentation is available, then the owner must obtain third-party verification of the income amounts in order to calculate the change in income for the source.

(5) **Triennial verification.** For any income determined pursuant to a streamlined income determination, a PHA must obtain third-party verification of all income amounts every 3 years.

11.0 RENT AND HOUSING ASSISTANCE PAYMENT

11.1 GENERAL

Reserved.

11.2 RENT REASONABLENESS

The Housing Authority will not approve an initial rent or a rent increase in any of the tenant-based programs without determining that the rent amount is reasonable. Reasonableness is determined prior to the initial lease and at the following times:

- A. Before any increase in rent to owner is approved;
- B. If 60 calendar days before the contract anniversary date there is a 5% decrease in the published FMR as compared to the previous FMR; and
- C. If the Housing Authority or HUD directs that reasonableness be redetermined.

For participant caused HQS deficiencies, the owner will not be held accountable and the rent will not be abated. The participant is held to the same standard and timeframes for correction of deficiencies as owners. If repairs are not completed by the deadline, the LHA will send a notice of termination to both the tenant and the owner. The participant will be given the opportunity to request an informal hearing.

HAP contracts will be terminated after giving the owner thirty (30) calendar days' notice from the first day of a month. It will be sent with the Notice of Abatement. Termination will end any abatement action.

12.9. ALTERNATIVE INSPECTIONS METHODS

The LHA will not conduct regular inspections for units otherwise inspected under the HOME program, the Low-Income Housing Tax Credit Program, or HUD for a two-year period from the last such inspection as long as the HCV units were in the universe from which a sample was derived. The LHA will otherwise conduct all the other types of inspections called for in Section 12.1. In addition, the Housing Authority will not conduct regular inspections for units inspected by as submitted to the local HUD Field Office after the approval of the Field Office. Alternative inspections must be provided to the LHA within five business days of the inspection for analysis of HQS failures.

For purposes of this provision, a mixed-finance property is defined as a property that is assisted under the PBV program and is financed under a federal/state and/or local housing program. The LHA will rely on alternative governmental inspections so long as the inspections occur at least three years from the latest inspection.

12.10 RE-INSPECTION FEES

The LHA will charge property owners a reasonable HQS re-inspection fee in two situations – when an owner has notified the LHA that a previously cited deficiency has been corrected and it has not been corrected and/or if the allotted time for repairs identified in a previous inspection has elapsed and a re-inspection determines that the repairs the responsibility of the owner have not been made. Re-inspection fees will not be charged for deficiencies caused by the participant family, initial inspections, regularly scheduled inspections, instances where the inspector was not able to gain access to the unit, and for re-inspections caused by new deficiencies identified during a re-inspection. This fee shall be charged on the first and subsequent re-inspections.

13.0 RESERVED

14.0 RECERTIFICATION

Calculation of Rent (PIH notice 2023-27 rev.)

PHAs must first determine the family's income for the previous 12-month period and

use this amount as the family income for annual reexaminations; however, adjustments to reflect current income must be made. Any change of income since the family's last annual reexamination, including those that did not meet the threshold to process an interim reexamination of family income in accordance with the PHAs policies and 24 CFR §§ 5.657(c), 960.257(b), or 982.516(c), must be considered. Income from assets is always anticipated, irrespective of the income examination type.

A change in income, for example, may be a loss of income or the addition of a new source of income. Changing to a different employer in the prior year does not necessarily constitute a change if the income earned from either employer is substantially the same. PHAs will look at the entirety of the family's unearned income and earned income from the prior year, in which earned income may have been one constant job or many different jobs that start and stop. Cost of Living Adjustments (COLA) to Social Security income and Social Security disability income are always considered changes to income because the COLA is an adjustment that automatically occurs annually by law.. The three steps outlined below apply for both earned and unearned income.

Overview of Calculating Annual Income at Annual Reexamination

Step 1: Determine the annual income for the previous 12-month period as defined at 24 CFR § 5.609(a) and (b). If there have been no changes to income beyond this calculation, then this is the amount that will be used to determine the family's rental assistance.

The PHA reviews the following information to determine prior-year income:

- The EIV Income Report (must be pulled within 120 days of the effective date of the annual reexamination to be considered current);
- *The income reported on the most recent reexamination HUD-50058/HUD-50059; and*
- *What the family certified to on the PHA's current annual reexamination paperwork for prior-year income, if available.*

Step 2: *Take into consideration any interim reexamination of family income completed since the last annual reexamination.*

- *If an interim reexamination was performed within the reexamination cycle and there are no additional changes, the PHA must use the annual income from the interim reexamination to determine the family's rental assistance. The PHA may use the verification obtained from the interim reexamination for this step.*
- *If the PHA did not perform an interim reexamination or if the family reports that there have been changes since the last reexamination, move to Step 3.*

Step 3: *If there were changes in annual income not processed by the PHA since the last reexamination, use current income.*

- *Family reports their income for the prior year and whether there have been permanent changes.*

If there are no reported changes to an income source, the PHA may use documentation of prior-year income to calculate the annual income used for the current annual reexamination HUD-50058/ HUD-50059. For example, the PHA could use the following documentation :

- *EIV + self-certification (wages, Supplemental Security Income (SSI), Social Security, and unemployment)*
- *Current level 4 documents verifying prior-year income that are dated within the required timeframe (120 days of receipt by the PHA), for example:*
 - *Year-end statement*
 - *Pay stub with year-to-date amount*
 - *Tax forms (Form 1040, W2, 1099, etc.)*

If there are reported changes by the family or the PHA notes discrepancies between EIV and what the family reports, follow the verification hierarchy to document and verify income.

Applying the Current SSA COLA at Next Annual and Interim Reexamination

Annually in October, the Social Security Administration (SSA) announces the cost-of-living adjustment (COLA) by which federal SS and SSI benefits are adjusted to reflect the increase, if any, in the cost of living as measured by the Consumer Price Index for Urban Wage Earners and Clerical Workers prepared by the Bureau of Labor Statistics. The purpose of the COLA is to ensure that the purchasing power of SS and SSI benefits are not eroded by inflation. The federal COLA does not apply to state-paid disability benefits. Additional information regarding the SSA COLA is available online at www.socialsecurity.gov.

Effective the day after SSA has announced the COLA, PHAs/MFH Owners are required to factor in the COLA when determining SS and SSI annual income for all annual reexaminations and interim reexaminations of family income that have not yet been completed and will be effective January 1 or later of the upcoming year.

14.0.1 CHANGES IN LEASE OR RENT

If the participant and owner agree to any changes in the lease, all changes must be in writing, and the owner must immediately give the LHA a copy of the changes. The lease, including any changes, must be in accordance with the Administrative Plan.

Owners must notify the LHA of any changes in the amount of the rent at least sixty (60) calendar days before the changes go into effect. Any such changes are subject to the LHA determining them to be reasonable.

Assistance shall not be continued unless the LHA has approved a new tenancy in accordance with program requirements and has executed a new HAP contract with the owner if any of the following changes are made:

failed to disclose his or her criminal history on their application and/or recertification forms, the Housing Authority will pursue eviction of the household.

If a family is about to be evicted from housing based on either the criminal check or the sex offender registration program, the applicant will be informed of this fact and given an opportunity to dispute the accuracy of the information before the eviction occurs.

14.1.1 Effective Date of Rent Changes for Annual Reexaminations

The new family share will generally be effective upon the anniversary date with 30-calendar days' notice of any rent increase to the family.

If the rent determination is delayed due to a reason beyond the control of the family, then any rent increase will be effective the first of the month after the month in which the family receives a 30-day notice of the amount. If the new rent is a reduction and the delay is beyond the control of the family, the reduction will be effective as scheduled on the anniversary date.

If the family caused the delay, then any increase will be effective on the anniversary date. Any reduction will be effective the first of the month after the rent amount is determined.

14.1.2 Missed Appointments

If the family fails to respond to the letter and fails to attend the interview, a second letter will be mailed. The second letter will advise of a new time and date for the interview, allowing for the same consideration for rescheduling and accommodations as above. The letter will also advise that failure by the family to attend the second scheduled interview will result in the LHA taking action to terminate the family's assistance. If there is no response to the second letter, a termination notice will be issued to both the family and the owner. The termination notice will inform the family of its right to request an informal hearing.

14.2 INTERIM REEXAMINATIONS (update motion on 11/13/19)

During an interim reexamination, only the information affected by the changes being reported will be reviewed and verified.

~~Families will be required to report any increase in income or decreases in allowable expenses between annual reexamination.~~

A family may request an interim determination of family income for any changes since the last determination. However, the PHA may decline to conduct the interim reexamination of family income if the PHA estimates that the family adjusted income will decrease by an amount that is less than 10% (percent) per year. The PHA can choose a lower threshold amount if the PHA has chosen a lower amount insert it in lieu of the 10%). The PHA can also choose not to conduct an interim reexamination for any increase in the family income.

Families will experience a interim reexamination if the PHA has determined that the net

family income has increased by 10% or more unless the family has not had a interim reexamination reporting a decrease in family income within the same reexamination cycle and if the reported increase is within 3 months prior to the next annual reexamination. If it is discovered that the family waited until the 3 month period before their next annual reexamination, the family may be subject to retroactive rent increases.

Families are still required to report changes either in a decrease or increase in family income even if the reporting does not result in a change to the family's rent. These reports will be reflected in the tenant file.

Families are required to report the following changes to the LHA by the 15th of each month. These changes will trigger an interim reexamination.

- A. A member has been added to the family through birth or adoption or court-awarded custody.
- B. A household member is leaving or has left the family unit. An interim reexamination will occur when there is a decrease in family size, this is not subject to the 10% decrease requirement only if there is a decrease in family income. If there is no decrease in family income then the non income interim reexamination will occur.
Or; The family will report all changes in family composition and income and the PHA will determine if there is a need for an interim reexamination.
- C. Family break-up

In circumstances of a family break-up, the LHA will make a determination of which family member will retain the housing choice voucher, taking into consideration the following factors:

1. To whom the housing choice voucher was issued.
2. The interest of minor children or of ill, elderly, or disabled family members.
3. Whether the assistance should remain with the family members remaining in the unit.
4. If the family break-up results from an occurrence of domestic violence, dating violence, sexual assault or stalking, the LHA will ensure that the victim retains assistance. The factors to be considered in making this decision include:
 - a. Whether the assistance should remain with family members remaining in the original assisted unit.
 - b. The interest of minor children or of ill, elderly, or disabled family members.

- c. Whether family members are forced to leave the unit as a result of actual or threatened domestic violence, dating violence, sexual assault or stalking.
- d. Whether any of the family members are receiving protection as victims of domestic violence, dating violence, sexual assault or stalking and whether the abuser is still in the household.

If a court determines the disposition of property between members of the assisted family in a divorce or separation under a settlement of judicial decree, the LHA will be bound by the court's determination of which family members continue to receive assistance in the program.

Because of the number of possible different circumstances in which a determination will have to be made, the LHA will make determinations on a case by case basis.

The LHA will issue a determination within 10 business days of the request for a determination. The family member requesting the determination may request an informal hearing in compliance with the informal hearings in Section 16.2.

In order to add a household member other than through birth, adoption, or court-awarded custody (including a live-in aide) the family must request that the new member be added to the lease. Before adding the new member to the lease, the individual must complete an application form stating their income, assets, and all other information required of an applicant. The individual must provide their Social Security Number, and must verify their citizenship/eligible immigrant status (Their housing will not be delayed due to delays in verifying eligible immigrant status other than delays caused by the family). The new family member will go through the screening process similar to the process for applicants. The LHA will determine the eligibility of the individual before allowing them to be added to the lease. If the individual is found to be ineligible or does not pass the screening criteria, they will be advised in writing and given the opportunity for an informal review. If they are found to be eligible and do pass the screening criteria, the LHA will grant approval to add their name to the lease. At the same time, the family's annual income will be recalculated taking into account the income and circumstances of the new family member. An income verification will not be conducted for children under the age of 16 who have been added to a family. The effective date of the new rent will be in accordance with paragraph below 14.2.2.

14.2.1 Special Reexaminations

If a family's income is too unstable to project for 12 months, including families that temporarily have no income or have a temporary decrease in income, the LHA may schedule special reexamination every 60-calendar days until the income stabilizes and an annual income can be determined.

ZERO INCOME REVIEWS:

A "zero income review" is an assessment, sometimes periodic, performed by the PHA of

the income of a family who claims that they do not receive income from any source, including from assets. During such reviews, it is common for PHAs to request that families complete and sign a worksheet explaining how they pay for the household's expenses. HUD does not require PHAs to conduct periodic zero income reviews.

In calculating annual income, PHAs must not assign monetary value to non-monetary in-kind donations from a food bank or similar organization received by the family (24 CFR § 5.609(b)(24)(vi)). PHAs/ perform an interim reexamination only due to an increase in the family's adjusted income (24 CFR §§ 5.657(c)(3); 960.257(b)(3); and 982.516(c)(3)).

PHAs that will continue to perform zero income reviews must update local discretionary policies, procedures, and forms to comply with the final rule requirements. For example, families who begin receiving income which does not trigger an interim reexamination should no longer be considered zero income even though the family's income is not reflected on the form HUD-50058.

14.2.2 Effective Date of Rent Changes Due to Interim or Special Reexaminations

Unless there is a delay in reexamination processing caused by the family, any rent increase will be effective the first of the second month after the month in which the family receives notice of the new rent amount. If the family causes a delay, then the rent increase will be effective on the date it would have been effective had the process not been delayed (even if this means a retroactive increase).

If the new rent is a reduction and any delay is beyond the control of the family, the reduction will be effective the first of the month after the interim reexamination should have been completed.

If the new rent is a reduction and the family caused the delay or did not report the change in a timely manner, the change will be effective the first of the month after the rent amount is determined.

Interim reexaminations that are reported timely will be provided with a 30 day advance notice of any rent increases and those rent increases will be effective the first day of the month beginning after the end of the 30 day period. (NOTE: This translates to 60 days from the date of the reporting and recalculation of rent.)

If the new rent is a reduction rent decreases will be effective on the first day of the month after the date of the actual change leading to the interim reexamination of family income. This means that the decrease will be applied retroactively.

Any resulting rent decrease must be implemented no later than the first rent period following completion of the reexaminations. The PHA may choose to adopt a policy that would make the effective date of an interim reexamination retroactive to the first of the month following the date of the actual decrease in income as opposed to the first of the month following completion of the reexamination, this may be waived due to a natural disaster or disruption to the PHA's operations.

14.3 HOUSING AUTHORITY MISTAKES IN CALCULATING RENT

If the LHA makes a mistake in calculating a resident's rent contribution and overcharges the resident, the resident shall receive a refund for the amount of the mistake going back a maximum of 24 months. The refund shall be given to the resident as soon as practical or credited to the resident's account, whichever the resident desires unless the resident owes the Housing Authority money in which case the debt shall be offset to the degree possible before the resident chooses between the two refund methods.

A De Minimis Error is an error that results in a difference in the determination of a family's adjusted income of \$30 or less per month. If the error results in the family underpaying their rent, the family will not be held liable for the difference in unpaid rent.

15.0 TERMINATION OF ASSISTANCE TO THE FAMILY BY THE LHA

The Housing Authority may at any time terminate program assistance for a participant, because of any of the following actions or inactions by the household:

- A. If the family violates any family obligations under the program;
- B. If the family was evicted from housing assisted under the Section 8 program for serious violations of the lease;
- C. If a family member fails to sign and submit consent forms;
- D. If a family fails to establish citizenship or eligible immigrant status and is not eligible for or does not elect continuation of assistance, pro-ration of assistance, or temporary deferral of assistance. If the LHA determines that a family member has knowingly permitted an ineligible noncitizen (other than any ineligible noncitizens listed on the lease) to permanently reside in their Section 8 unit, the family's assistance will be terminated. Such family will not be eligible to be readmitted to Section 8 for a period of 24 months from the date of termination.
- E. Have a household member who is currently engaging in illegal use of a drug;
- F. Have a household member whose pattern of illegal drug use interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents. The members of the household may not engage in drug-related criminal activity, or other violent criminal activity or other criminal activity that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises. The use of medical marijuana is included in this ban;
- G. Have a household member who has ever been convicted of a drug-related criminal activity for the manufacture or production of methamphetamine on the premises of federally assisted housing.

GLOSSARY

1937 Housing Act: The United States Housing Act of 1937 (42 U.S.C. 1437 et seq.)

50058 Form: The HUD form that housing authorities are required to complete and electronically submit to HUD for each assisted household in public housing to record information used in the certification and re-certification process and, at the option of the housing authority, for interim reexaminations. Housing Authorities must retain at a minimum the last three years of the form 50058, and supporting documentation, during the term of each assisted lease, and for a period of at least three years from the end of participation date. Electronic retention of for HUD 50058 and HUD 50058-FSS and supporting documentation fulfills the record retention requirement.

Absorption: In portability, the point at which a receiving housing authority stops billing the initial housing authority for assistance on behalf of a portable family. (24CFR 982.4)

Adjusted Annual Income: ~~The amount of household income, after deductions for specified allowances, on which a participant's rent is based.~~ means annual income (as determined under § 5.609) of the members of the family residing or intending to reside in the dwelling unit, after making the following deductions:

(a) Mandatory deductions.

- (1) \$480 for each dependent, which amount will be adjusted by HUD annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers, rounded to the next lowest multiple of \$25;
- (2) \$525 for any elderly family or disabled family, which amount will be adjusted by HUD annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers, rounded to the next lowest multiple of \$25;
- (3) The sum of the following, to the extent the sum exceeds ten percent of annual income:
 - (i) Unreimbursed health and medical care expenses of any elderly family or disabled family; and
 - (ii) Unreimbursed reasonable attendant care and auxiliary apparatus expenses for each member of the family who is a person with a disability, to the extent necessary to enable any member of the family (including the member who is a person with a disability) to be employed. This deduction may not exceed the combined earned income received by family members who are 18 years of age or older and who are able to work because of such attendant care or auxiliary apparatus; and
- (4) Any reasonable child care expenses necessary to enable a member of the family to be employed or to further his or her education.

(b) Additional deductions. (1) For public housing, the Housing Choice Voucher (HCV) and the Section 8 moderate rehabilitation programs (including the moderate rehabilitation Single-Room Occupancy (SRO) program), a PHA may adopt additional deductions from annual income.

(i) **Public housing.** A PHA that adopts such deductions will not be eligible for an increase in Capital Fund and Operating Fund formula grants based on the application of such deductions. The PHA must establish a written policy for such deductions.

(ii) **HCV, moderate rehabilitation, and moderate rehabilitation Single-Room Occupancy (SRO) programs.** A PHA that adopts such deductions must have sufficient funding to cover the increased housing assistance payment cost of the deductions. A PHA will not be eligible for an increase in HCV renewal funding or moderate rehabilitation program funding for subsidy costs resulting from such deductions. For the HCV program, the PHA must include such deductions in its administrative plan. For moderate rehabilitation, the PHA must establish a written policy for such deductions.

Administrative Fee: Fee paid by HUD to the housing authority for the administration of the program.

Administrative Plan: The plan that describes housing authority policies for the administration of the tenant-based programs.

Admission: The point when the family becomes a participant in the program. In a tenant-based program, the date used for this purpose is the effective date of the first HAP Contract for a family (first day of initial lease term).

Adult: A household member who is 18 years or older or who is the head of the household, or spouse, or co-head. An emancipated minor is also considered an adult. An adult must have the legal capacity to enter a lease under State and local law.

Allowances: Amounts deducted from the household's annual income in determining adjusted annual income (the income amount used in the rent calculation). Allowances are given for elderly families, dependents, and medical expenses for elderly and disabled families, disability expenses, and childcare expenses for children under 13 years of age. Other allowances can be given at the discretion of the housing authority.

Amortization Payment: In a manufactured home space rental: The monthly debt service payment by the family to amortize the purchase price of the manufactured home. If furniture was included in the purchase price, the debt service must be reduced by 15% to exclude the cost of the furniture. The amortization cost is the initial financing, not refinancing. Set-up charges may be included in the monthly amortization payment.

Annual Contributions Contract (ACC): The written contract between HUD and a housing authority under which HUD agrees to provide funding for a program under the 1937 Act, and the housing authority agrees to comply with HUD requirements for the program.

Alternative non-public housing rent (alternative rent) is the monthly amount a PHA must charge non-public housing over-income (NPHOI) families, if allowed by PHA policy to remain in a public housing unit, after they have exceeded the 24 consecutive month grace period. The alternative rent is defined at 24 CFR 960.102, as the higher of the Fair Market Rent (FMR) or per unit monthly subsidy. The monthly subsidy provided for the unit, is determined by adding the per unit assistance provided to a public housing property as calculated through the applicable

formulas for the Public Housing Capital Fund and Public Housing Operating Fund. See 24 CFR 960.102 for more details about how HUD will calculate and publish such funding amounts.

Annual Income: All amounts, monetary or not, that:

- a. Go to (or on behalf of) the family head or spouse (even if temporarily absent) or to any other family member, or
- b. Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and
- c. Are not specifically excluded from Annual Income.
- d. Annual Income also includes amounts derived (during 12-month period) from assets to which any member of the family has access.

Applicant (applicant family): A family that has applied for admission to a program but is not yet a participant in the program.

Assets: See net family assets.

Asset Income: Income received from assets held by household members. If assets total more than \$5,000, income from the assets is “imputed” and the greater of actual asset income and imputed asset income is counted in annual income.

Assisted lease (lease): A written agreement between an owner and a family for the leasing of a dwelling unit to the family. The lease establishes the conditions for occupancy of the dwelling unit by a family with housing assistance payments under a HAP contract between the owner and the housing authority.

Bifurcate: With respect to a public housing or Section 8 lease, it means to divide a lease as a matter of law such that certain tenants can be evicted or removed while the remaining family members’ lease and occupancy rights are allowed to remain intact.

Business Days: Days the housing authority is open for business.

Certificate: A document formerly issued by a housing authority to a family selected for admission to the Certificate Program. The certificate describes the program and the procedures for housing authority approval of a unit selected by the family. The certificate also states the obligations of the family under the program.

Certification: The examination of a household’s income, expenses, and family composition to determine the household’s eligibility for program participation and to calculate the household’s rent for the following 12 months.

Child: For purposes of citizenship regulations, a member of the family other than the family head or spouse who is under 18 years of age.

Currently engaging in: With respect to behavior such as illegal use of a drug, other drug-related criminal activity, or other criminal activity, currently engaging in means that the individual has engaged in the behavior recently enough to justify a reasonable belief that the individual's behavior is current.

Dating Violence: Violence committed by a person: (A) who is or has been in a social relationship of a romantic or intimate nature with the victim; and (B) where the existence of such a relationship shall be determined based on a consideration of the following factors: (i) the length of the relationship; (ii) the type of relationship; and (iii) the frequency of interaction between the persons involved in the relationship.

Day laborer. An individual hired and paid one day at a time without an agreement that the individual will be hired or work again in the future.

Decent, safe, and sanitary: Housing is decent, safe, and sanitary if it satisfies the applicable housing quality standards.

Department: The Department of Housing and Urban Development.

Dependent: A member of the family (except foster children and foster adults) other than the family head or spouse, who is under 18 years of age, or is a person with a disability, or is a full-time student.

Disability assistance expenses: Reasonable expenses that are anticipated, during the period for which annual income is computed, for attendant care and auxiliary apparatus for a disabled family member and that are necessary to enable a family member (including the disabled member) to be employed, provided that the expenses are neither paid to a member of the family nor reimbursed by an outside source.

Disabled family: A family whose head (including co-head), spouse, or sole member is a person with disabilities; or two or more persons with disabilities living together; or one or more persons with disabilities living with one or more live-in aides.

Disabled person: See "person with disabilities"

Displaced family: A family in which each member, or whose sole member, is a person displaced by governmental action (such as urban renewal), or a person whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized pursuant to Federal disaster relief laws.

Displaced person: A person displaced by governmental action (such as urban renewal), or a person whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized pursuant to Federal disaster relief laws.

Domestic Violence: Includes felony or misdemeanor crimes of violence committed by a current or former spouse of the victim, by a person with whom the victim share a child in common, by a person who is cohabitated with or has cohabited with the victim as a spouse, by a person similarly situated to a spouse of the victim under the domestic or family violence laws of the

jurisdiction receiving grant monies, or by any other person against an adult or youth victim who is protected from that persons acts under the domestic or family violence laws of the jurisdiction.

Domicile: The legal residence of the household head or spouse as determined in accordance with State and local law.

Drug: Means a controlled substance as defined in section 102 of the Controlled substances Act. (21 U.S.C. 802)

Drug related criminal activity: Illegal use or personal use of a controlled substance, and the illegal manufacture, sale, distribution, use or possession with intent to manufacture, sell, distribute or use, of a controlled substance.

Drug trafficking: The illegal manufacture, sale, or distribution, or the possession with intent to manufacture, sell, or distribute, of a controlled substance.

Earned Income: means income or earnings from wages, tips, salaries, other employee compensation, and net income from self-employment. Earned income does not include any pension or annuity, transfer payments (meaning payments made or income received in which no goods or services are being paid for, such as welfare, social security, and governmental subsidies for certain benefits), or any cash or in-kind benefits.

Economic self-sufficiency program: Any program designed to encourage, assist, train or facilitate the economic independence of HUD-assisted families or to provide work for such families. These programs include programs for job training, employment counseling, work placement, basic skills training, education, English proficiency, workfare, financial or household management, apprenticeship, and any program necessary to ready a participant for work (including a substance abuse or mental health treatment program, or other work activities.

Elderly family: A family whose head (including co-head), spouse, or sole member is a person who is at least 62 years of age; or two or more persons who are at least 62 years of age living together; or one or more persons who are at least 62 years of age living with one or more live-in aides.

Elderly person: A person who is at least 62 years of age.

Employment: Employment for admission preference purposes is defined as:

Employment must be current and have lasted a minimum of 30 calendar days prior to the time the preference is claimed. The employment must provide a minimum of 20 hours of work per week for the family member claiming the preference.

The employment part of this preference is also extended equally to, (1) a family if the head, spouse, or sole member is 62 years of age or older or who is receiving social security or Supplemental Security Income disability benefits or any other payments based on the individual's inability to work and, (2) any family whose head, spouse, co-head or unrelated partner of head of household is currently a full-time student or enrolled in an employment training program.

Family Self-Sufficiency program (FSS program): The program established by a housing authority to promote self-sufficiency of assisted families, including the coordination of supportive services (42 U.S.C. 1437u).

Family share: The portion of rent and utilities paid by the family or the gross rent minus the amount of the housing assistance payment.

Family unit size: The appropriate number of bedrooms for a family as determined by the housing authority under the housing authority's subsidy standards.

Foster adult. A member of the household who is 18 years of age or older and meets the definition of a foster adult under State law. In general, a foster adult is a person who is 18 years of age or older, is unable to live independently due to a debilitating physical or mental condition and is placed with the family by an authorized placement agency or by judgment, decree, or other order of any court of competent jurisdiction.

Foster child. A member of the household who meets the definition of a foster child under State law. In general, a foster child is placed with the family by an authorized placement agency (e.g., public child welfare agency) or by judgment, decree, or other order of any court of competent jurisdiction.

50058 Form: The HUD form that housing authorities are required to complete for each assisted household in public housing to record information used in the certification and re-certification process, and at the option of the housing authority, for interim reexaminations.

FMR/Exception Rent Limit: The Section 8 existing housing fair market rent published by HUD headquarters, or any exception rent. For a tenancy in the Housing Choice Voucher Program, the housing authority may adopt a payment standard up to the FMR/exception rent limit.

Full-time employment: Employment that averages at least 30 hours per week. This can include self-employment as long as the employee earns at least the average of the federal minimum wage over a 30-hour period.

Full-time student: A person who is attending school or vocational training on a full-time basis as defined by the institution.

Gender identity: Actual or perceived gender – related characteristics.

Gross rent: The sum of the rent to the owner plus any utilities.

Group Home: A dwelling unit that is licensed by a State as a group home for the exclusive residential use of two to twelve persons who are elderly or persons with disabilities (including any live-in aide).

Guest: Means a person temporarily staying in the unit with the consent of a resident or other member of the household who has expressed or implied authority to so consent on behalf of the resident.

Head of household: The adult member of the family who is the head of the household for purposes of determining income eligibility and rent.

Health and medical care expenses. Health and medical care expenses are any costs incurred in the diagnosis, cure, mitigation, treatment, or prevention of disease or payments for treatments affecting any structure or function of the body. Health and medical care expenses include medical insurance premiums and long-term care premiums that are paid or anticipated during the period for which annual income is computed.

Homeless: Homeless (as defined for 50058 reporting purposes) An individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:

- A. An individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground; or
- B. An individual or family living in a supervised publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state, or local government programs for low-income individuals); or
- d. An individual who is exiting an institution where he or she resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution; or

Any individual or family who:

- A. Is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against the individual or a family member, including a child, that has either taken place within the individual's or family's primary nighttime residence or has made the individual or family afraid to return to their primary nighttime residence; and
- B. Has no other residence; and
- C. Lacks the resources or support networks, e.g. family, friends, and faith-based or other social networks, to obtain other permanent housing.

Household members: Include all individuals who reside in the unit and who are listed on the lease, including live-in aids, foster children and foster adults.

Housing Assistance Payment (HAP): The monthly assistance by a housing authority, which includes (1) a payment to the owner for rent to the owner under the family's lease, and (2) an additional payment to the family if the total assistance payment exceeds the rent to owner.

Housing Quality Standards (HQS): The HUD minimum quality standards for housing assisted under the Section 8 program.

Housing Voucher: A document issued by a housing authority to a family selected for admission to the Housing Choice Voucher Program. This document describes the program and the procedures for housing authority approval of a unit selected by the family. The housing choice voucher also states the obligations of the family under the program.

Housing Choice Voucher Holder: A family that has an un-expired housing choice voucher.

Immediate Family Member: a spouse, parent, brother or sister, or child of the person, or an individual to whom that person stands in loco parentis (in place of a parent); or any other person living in the household of that person and related to that person by blood or marriage.

Imputed Income: For households with net family assets of more than \$5,000, the amount calculated by multiplying net family assets by a HUD-specified percentage. If imputed income is more than actual income from assets, the imputed amount is used in determining annual income.

Imputed welfare income: The amount of annual income not actually received by a family, as a result of a welfare benefit reduction for welfare fraud or the failure to comply with economic self-sufficiency requirements, that is nonetheless included in the family's annual income for purposes of determining rent.

Independent contractor: An individual who qualifies as an independent contractor instead of an employee in accordance with the Internal Revenue Code Federal income tax requirements and whose earnings are consequently subject to the Self-Employment Tax. In general, an individual is an independent contractor if the payer has the right to control or direct only the result of the work and not what will be done and how it will be done.

Income category: Designates a family's income range. There are three categories: low income, very low income and extremely low-income.

Incremental income: The increased portion of income between the total amount of welfare and earnings of a family member prior to enrollment to a training program and welfare and earnings of the family member after enrollment in the training program. All other amounts, increases and decreases, are treated in the usual manner in determining annual income.

Initial Housing Authority: In portability, both: (1) a housing authority that originally selected a family that later decides to move out of the selecting housing authority; and (2) a housing authority that absorbed a family that later decides to move out of the jurisdiction of the absorbing housing authority.

Initial Payment Standard: The payment standard at the beginning of the HAP contract term.

Initial Rent to Owner: The rent to owner at the beginning of the initial lease term.

Interim (examination): A reexamination of a household's income, expenses, and household status conducted between the annual recertifications when changes in a household's circumstances warrant such a reexamination.

Medical Expenses: Medical expenses, including medical insurance premiums that are anticipated during the period for which annual income is computed, and that are not covered by insurance.

Minor. A member of the family, other than the head of family or spouse, who is under 18 years of age.

Mixed Family: A family whose members include those with citizenship or eligible immigration status, and those without citizenship or eligible immigration status.

Moderate Rehabilitation: Rehabilitation involving a minimum expenditure of \$1000 for a unit, including its prorated share of work to be accomplished on common areas or systems, too:

- A. Upgrade a decent, safe and sanitary condition to comply with the Housing Quality Standards or other standards approved by HUD, from a condition below these standards (improvements being of a modest nature and other than routine maintenance) or
- B. Repair or replace major building systems or components in danger of failure.

Monthly Adjusted Income: One twelfth of adjusted income.

Monthly Income: One twelfth of annual income.

Mutual Housing: Included in the definition of “cooperative”.

National: A person who owes permanent allegiance to the United States, for example, as a result of birth in a United States territory or possession.

Near-elderly Family: A family whose head (including co-head), spouse, or sole member is a person who is at least 50 years of age but below the age of 62; or two or more persons who are at least 50 years of age but below the age of 62 living together; or one or more persons who are at least 50 years of age but below the age of 62 living with one or more live-in aides.

Net Family Assets:

~~A. — Net cash value after deducting reasonable costs that would be incurred in disposal of real property, savings, stocks, bonds, and other forms of capital investments, excluding interests in Indian trust land and excluding equity accounts in HUD home ownership programs. The value of necessary items of personal property such as furniture and automobiles shall be excluded.~~

~~B. — In cases where a trust fund has been established and the trust is not revocable by, or under the control of, any member of the family or household, the value of the trust fund will not be considered an asset so long as the fund continues to be held in trust. Any income distributed from the trust fund shall be counted when determining annual income.~~

~~C. — In determining net family assets, housing authorities or owners, as applicable, shall include the value of any business or family assets disposed of by an applicant or resident for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy~~

sale) during the two years preceding the date of application for the program or reexamination, as applicable, in excess of the consideration received therefore. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or tenant receives important consideration not measurable in dollar terms.

~~C. For purposes of determining annual income under Section 8 Homeownership, the “net family assets” does not include the value of a home currently being purchased with assistance under the Section 8 Homeownership Program. This exclusion is limited to the first 10 years after the purchase date of the home.~~

D. Net family assets is the net cash value of all assets owned by the family, after deducting reasonable costs that would be incurred in disposing real property, savings, stocks, bonds, and other forms of capital investment.

E. In determining net family assets, PHAs or owners, as applicable, must include the value of any business or family assets disposed of by an applicant or tenant for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application for the program or reexamination, as applicable, in excess of the consideration received therefor. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or tenant receives consideration not measurable in dollar terms. Negative equity in real property or other investments does not prohibit the owner from selling the property or other investments, so negative equity alone would not justify excluding the property or other investments from family assets.

F. Excluded from the calculation of net family assets are:

a. The value of necessary items of personal property;

b. The combined value of all non-necessary items of personal property if the combined total value does not exceed \$50,000 (which amount will be adjusted by HUD in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers);

c. The value of any account under a retirement plan recognized as such by the Internal Revenue Service, including individual retirement arrangements (IRAs), employer retirement plans, and retirement plans for self-employed individuals;

d. The value of real property that the family does not have the effective legal authority to sell in the jurisdiction in which the property is located; any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member arising out of law, that resulted in a family member being a person with a disability;

e. The value of any Coverdell education savings account under section 530 of the Internal Revenue Code of 1986, the value of any qualified tuition program under section 529 of such Code, the value of any Achieving a Better Life Experience (ABLE) account authorized under Section 529A of such Code, and the value of any “baby bond” account created, authorized,

or funded by Federal, State, or local government.

- f. Interests in Indian trust land;
 - g. Equity in a manufactured home where the family receives assistance under 24 CFR part 982;
 - h. Equity in property under the Homeownership Option for which a family receives assistance under 24 CFR part 982;
 - i. Family Self-Sufficiency Accounts; and
 - j. Federal tax refunds or refundable tax credits for a period of 12 months after receipt by the family.
- G. In cases where a trust fund has been established and the trust is not revocable by, or under the control of, any member of the family or household, the trust fund is not a family asset and the value of the trust is not included in the calculation of net family assets, so long as the fund continues to be held in a trust that is not revocable by, or under the control of, any member of the family or household.

Non-life-threatening: Conditions that fail to meet the housing quality standards (HQS) and do not meet the definition of life-threatening as defined above.

Noncitizen: A person who is neither a citizen nor national of the United States.

Notice of Funding Available (NOFA): For budget authority that HUD distributes by competitive process, the Federal Register document that invites applications for funding. This document explains how to apply for assistance and the criteria for awarding the funding.

Occupancy Standards: The standards that the housing authority establishes for determining the appropriate number of bedrooms needed to house families of different sizes or composition.

Other person under the tenant's control: For the purposes of the definition of covered person it means the person, although not staying as a guest (as defined in this section) in the unit, is, or was the time of the activity in question, on the premises (as premises is defined in this section) because of an invitation from the tenant or other member of the household who has expressed or implied authority to so consent on behalf of the tenant. Absent evidence to the contrary, a person temporarily and infrequently on the premises solely for legitimate commercial purposes is not under the tenant's control.

Owner: Any person or entity, including a cooperative, having the legal right to lease or sublease existing housing.

Participant (Participant family): A family that has been admitted to the housing authority's program and is currently assisted in the program. The family becomes a participant on the effective date of the first HAP contract executed by the housing authority for the family (first day of initial lease).

Preservation: This program encourages owners of eligible multifamily housing projects to preserve low-income housing affordability and availability while reducing the long-term cost of providing rental assistance. The program offers several approaches to restructuring the debt of properties developed with project-based Section 8 assistance whose HAP contracts are about to expire.

Processing Entity: The person or entity that is responsible for making eligibility and related determinations and an income reexamination. In the Section 8 and public housing programs the processing entity is the responsibility entity.

Project-Based Assistance Program: A Section 8 program administered by a Housing Authority pursuant to 24 CFR par 983, as amended by HUD in the Federal Register, Vol. 66, No. 10 on January 16, 2001 *Revisions to PHA Project-Based Assistance Program; Initial Guidance*.

Pro-ration of Assistance: The reduction in a family's housing assistance payment to reflect the proportion of family members in a mixed family who are eligible for assistance.

Public Housing: Housing assisted under the 1937 Act, other than under Section 8. Public housing includes dwelling units in a mixed finance project that are assisted by a PHA with capital or operating funds.

Public Housing Agency: A state, county, municipality or other governmental entity or public body (or agency or instrumentality thereof) authorized to engage in or assist in the development or operation of low-income housing.

Real Property as used in 24 CFR has the same meaning as that provided under the law of the State in which the property is located.

Reasonable Rent: A rent to owner that is not more than charged: (a) for comparable units in the private unassisted market; and (b) for a comparable unassisted unit in the premises.

Receiving Housing Authority: In portability, a housing authority that receives a family selected for participation in the tenant-based program of another housing authority. The receiving housing authority issues a housing choice voucher, and provides program assistance to the family.

Re-certification: A reexamination of a household's income, expenses, and family composition to determine the household's rent for the following 12 months.

Remaining Member of a Tenant Family: A member of the family listed on the lease who continues to live in an assisted household after all other family members have left.

Rent to Owner: The monthly rent payable to the owner under the lease. Rent to owner covers payment for any housing services, maintenance, and utilities that the owner is required to provide and pay for.

Responsible Entity:

A. For the public housing program, the Section 8 tenant-based assistance program (24 CFR 982), and the Section 8 project-based voucher program (24 CFR 983), and the Section 8 moderate rehabilitation program (24 CFR 882), responsible entity means the PHA administering the program under an ACC with HUD;

B. For all other Section 8 programs, responsible entity means the Section 8 project owner.

Risk assessment: In the context of lead-based paint it means an un-site investigation to determine and report the existence, nature, severity, and location of lead-based paint hazards in residential dwelling, including:

A. Information gathering regarding the age and history of the housing and occupancy by children under age 6;

B. Visual inspection;

C. Limited wipe sampling or other environmental sampling techniques;

D. Other activity as may be appropriate; and

E. Provision of a report explaining the results of the investigation.

Seasonal worker. An individual who is hired into a short-term position and the employment begins about the same time each year (such as summer or winter). Typically, the individual is hired to address seasonal demands that arise for the particular employer or industry.

Sensitive Personally Identifiable Information: PII that when lost, compromised or disclosed without authorization could substantially harm an individual. Examples of sensitive PII include social security or driver's license numbers, medical records, and financial account numbers such as credit or debit card numbers.

Set-up Charges: In a manufactured home space rental, charges payable by the family for assembly, skirting and anchoring the manufactured home.

Shared Housing: A unit occupied by two or more families. The unit consists of both common space for shared use by the occupants of the unit and separate private space for assisted family.

Shelter Allowance: That portion of a welfare benefit (e.g. TANF) that the welfare agency designates to be used for rent and utilities.

Single Person: Someone living alone or intending to live alone who does not qualify as an elderly person, a person with disabilities, a displaced person, or the remaining member of a tenant family.

Single Room Occupancy Housing (SRO): A unit for occupancy by a single eligible individual capable of independent living that contains no sanitary facilities or food preparation facilities, or contains either, but not both, types of facilities.

Examples of required fees include, but are not limited to, writing and science lab fees and fees specific to the student's major or program (i.e., nursing program).

Expenses related to attending an institution of higher education must **not** be included as tuition. Examples of these expenses include, but are not limited to, room, and board, books, supplies, meal plans, transportation and parking, student health insurance plans, and other non-fixed sum charges.

For section 8 programs only, PHAs must include amounts of financial assistance an individual receives in excess of tuition and other required fees and charges when determining annual income.

For the Public Housing program, the full amount of financial assistance a student receives while participating in the program continues to be excluded from the program participant's annual income.

Unearned Income means any annual income as calculated under 24 CFR Part 5.609 that is not earned income.

Units owned by the LHA: only if the unit is in a project that is one of the following categories: (1) Owned by LHA. (2) Owned by an entity wholly controlled by the LHA. (3) Owned by a limited liability company or limited partnership in which the LHA (or an entity wholly controlled by the LHA) holds a controlling interest in the managing member or general partner. A "controlling interest" is – (A) holding more than 50 percent of the stock of any corporation; (B) having the power to appoint more than 50 percent of the members of the board of directors of a non-stock corporation (such as a non-profit corporation); (C) where more than 50 percent of the members of the board of directors of any corporation also serve as directors, officers or employees of the LHA; (D) holding more than 50 percent of all managing member interests in an LLC; (E) holding more than 50 percent of all general partner interests in a partnership; or (F) equivalent levels of control in other organizational structures. Units in which LHA has a different ownership interest are no longer considered to be owned by the LHA. In order to be considered a "LHA-owned" unit as described above, the LHA must have ownership interest in the building itself, not simply the land beneath the building.

Utility Allowance: If the cost of utilities (except telephone) and other housing services for an assisted unit is not included in the tenant rent but is the responsibility of the family occupying the unit, an amount equal to the estimate made or approved by a housing authority or HUD of the monthly cost of a reasonable consumption of such utilities and other services for the unit by an energy-conservative household of modest circumstances consistent with the requirements of a safe, sanitary, and healthful living environment.

Utility Hook-up Charge: In a manufactured home space rental, costs payable by a family for connecting the manufactured home to utilities such as water, gas, electrical and sewer lines.

Utility Reimbursement: The portion of the housing assistance payment that exceeds the amount of the rent to owner. It is only paid when the housing assistance payment exceeds the rent to owner. If the cost of utilities (except telephone) and other housing services for an assisted unit is not included in the tenant rent but is the responsibility of the family occupying the unit, an amount equal to the estimate made or approved by a PHA of the monthly costs of a reasonable

EIV SECURITY POLICY & PROCEDURES OF THE
LA CROSSE HOUSING AUTHORITY
ADOPTED ON: JANUARY 14, 2015

RESOLUTION # 2177

REVISED: JUNE 2023

OCTOBER 2024 (HOTMA CHANGES)

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19. The procedures above also address the following:
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1. PURPOSE

The purpose of this policy is to provide instruction and information to the La Crosse Housing Authority staff, consultants, contractors and tenants on the acceptable use, disposition and storage of data obtained through any EIV (Enterprise Income Verification System). The La Crosse Housing Authority (LHA) defines a system as an external data source that provides information either through computer matching, data storage and retrieval and transmitted either via computer, fax, or e-mail. Data received through the U.S. Mail will also be treated in the same format as EIV data.

This policy will also provide notice for access for dispute of data received from various EIV Systems employed by the LHA. Disputes regarding the data will be resolved in accordance with the LHA's Grievance Policy and Procedures.

The data in EIV contains personal information on individual tenants that is covered by the Privacy Act of 1974, (SSNs, names, DOBs, SS/SSI benefits, wages, unemployment compensation benefits and new hires (W-4)). It also includes information pertaining to rental history and debts owed to a Landlord or another Housing entity. Citizenship status is another verification that is part of EIV. The data provided via any EIV System will be protected to ensure that it is only used for official limited purposes (by O/A for verifying the employment and income at the time of recertification, by CAs for monitoring and oversight of the tenant recertification process and by OIG investigators for investigative purposes). Official use **does not** include sharing the information with governmental entities not involved in the recertification process used for HUD's assisted housing programs.

The LHA Director, or designated staff, will assure that a copy of Form HUD-9886, HUD-9887 or HUD-9887A, (Authorization for the Release of Information/Privacy Act Notice) and HUD 53675 (Debts Owed to Public Housing Agencies and Terminations) has been signed by each member of the household age 18 years old or older or by a parent or legal guardian for verifications provided to the agency for a minor. All HUD-9886's and 52675's will be placed in the resident file and will be updated on an annual basis for each tenant or minor in the household. By signing this form, the tenant authorizes the La Crosse Housing Authority to obtain and verify income and unemployment compensation information from various sources including, but not limited to, Current and former employers, State agencies, The Work Number, Tenant Tracker, HANNA, Advance HR Solutions, Credit Bureau reports, the IRS, the SSA and other entities that may be indemnified in this policy in the future.

On January 11, 2010, HUD issued Notice H 2010-02, which includes the EIV & You Brochure and the requirement for distribution. Effective January 31, 2010, La Crosse Housing will provide each tenant with the "EIV & You" brochure at the time of annual recertification, along with a copy of the, "HUD Fact Sheet," "How your Rent is Determined," and the "Resident's Rights and Responsibilities." The "EIV & You" brochure must also be provided to all applicants and to new tenants at move in.

In addition, family members will be required to complete the HUD 52675 form for verification of family history in the Debts Owed Module of IEV.

2. SAFEGUARDING EIV DATA:

The information processed by any EIV System can include wage and income data about private individuals, as well as identifying information such as Social Security Number, Address, and Employment information.

The LHA Executive Director, or other designated staff, will have the responsibility of ensuring compliance with the LHA security policies and procedures outlined in this document. These responsibilities include:

1. Maintaining and enforcing the security procedures;
2. Keeping records and monitoring security issues;
3. Communicating security information and requirements to appropriate personnel, including coordinating and conducting security awareness training sessions;
4. Conducting a quarterly review of all User Ids issued to determine if the users still have a valid need to access the EIV data and taking the necessary steps to ensure that access rights are revoked or modified as appropriate; and
5. Reporting any evidence of unauthorized access or known security breaches and taking immediate action to address the impact of the breach including but not limited to prompt notification to appropriate authorities including the HUD Field Office.

2A. LIMITING ACCESS TO EIV DATA

The LHA will restrict access to EIV data only to persons whose duties or responsibilities require access. The LHA will maintain a record of users who have approved access to the EIV data. Further, the LHA will revoke the access rights of those users who no longer require such access or modify the access rights if a change in the user's duties or responsibilities indicates a change in the current level of privilege.

The residents can provide written consent for the following to view EIV information to assist them in their ability to participate in the recertification process:

- 1- Service coordinators have access to the data only if they are present at and assisting the resident with the recertification process
- 2- Translators/interpreters
- 3- Individuals assisting an elderly individual or a person with a disability
- 4- Guardians
- 5- Power of attorney
- 6- Other family members

EIV data will be handled in such a manner that it does not become misplaced or available to unauthorized personnel. Files containing EIV information will be labeled clearly with the following statement “**CONFIDENTIAL.**”

2B. PHYSICAL SECURITY REQUIREMENTS

The LHA may use a combination of methods to provide physical security for tenant file records. These may include, but are not limited to, locked containers of various types,

locked rooms that have enforced perimeters, and a locked building. The EIV data may also be maintained in locked metal file cabinets within a locked room.

Access to the locked file cabinets where EIV files are stored in the office will be limited even during regular working hours. The file cabinets with EIV files will be marked **“AUTHORIZED PERSONNEL ONLY –CONFIDENTIAL FILES.”** The EIV Coordinator (Executive Director) will maintain control of the keys to the file cabinet. Locks to the office will be changed or reset whenever an employee leaves the LHA.

The LHA EIV Coordinator will establish and maintain the list of users who can access the restricted area. The list will indicate the type of access that the user may have to the restricted area. Tenant record files will never be left out in the open with access to individuals without permission. Tenant record files will not be left on desks at lunch or other times except when being updated by the responsible party.

2.C COMPUTER SYSTEM SECURITY REQUIREMENTS

All computer systems and computers will have password-restricted access, password screen saver and The LHA will use a firewall to prevent access by unknown persons. The LHA will also use Antivirus software to limit data destruction or unintended transmission via viruses, worms, Trojan horses or other malicious means. The EIV Coordinator will be responsible for maintaining and updating the firewall and anti-virus software as well as applying any security patches for the operating and other computer systems.

Patches to the LHA tenant software programs will no longer be applied using PC Anywhere after hours unless the Executive Director or other designated employee is present to remove PC Anywhere after the installation. Remote access by other computers other than those specifically authorized by a written agreement is prohibited. WebEX and other meeting that required shared use of computers will only be allowed for contractors who have executed a confidentiality agreement that is current and is on file. Written permission to access EIV data will have to be given to contractors on a case-by- case basis only. Violations of the requirement will result in reporting of a security breach and prosecution under the Privacy Act. Access to EIV data on the computer will be restricted to authorized users of the EIV data. Backup of tenant data will be recorded on DVD and or CD Rom and will be protected and stored in a Fireproof File Cabinet.

Computer repair service personnel and companies will be required to provide the following:

1. A confidentiality agreement
2. A guarantee that the data stored on any hard drives and other recording media will be destroyed by wiping the drive with a magnet after deleting the information or other program such as Clean Sweep or other programs that erase computer data so that it cannot be retrieved.

Users will retrieve computer printouts as soon as they are generated so the EIV data is not left lying unattended in printers where unauthorized users may access them.

Authorized users of EIV data are directed to avoid leaving EIV data displayed on their computer screens where unauthorized users may view it. A computer will never be left

unattended with EIV data displayed on the screen. If an authorized user is in EIV data and an unauthorized user approaches the work area, the authorized user will lessen the chance of inadvertent disclosure of EIV data by minimizing or closing out the screen on which the EIV data is being displayed.

User Accounts: User accounts for EIV system will be provided on a need-to-know basis, with appropriate approval and authorization. The level of access granted determines the functionalities, features, and amounts of data that a specified user can see. The LHA Access Form will be used to request additions, deletions, or modifications of user accounts with access rights to the EIV system.

All LHA employees and contractors who access any EIV system will have a current signed User Agreement on file.

Users will maintain the security of the User Accounts by not disclosing their passwords to other staff members and not sharing user accounts with other employees or contractors. Users will not, deliberately or inadvertently, override the authorized access levels by providing EIV data to others who have limited or no access to the data.

At no time will any EIV system be accessed to provide information that does not relate to a tenant.

2D. DISPOSAL OF EIV INFORMATION

All EIV data from SSA will be retained in the tenant's file for the duration of tenancy, plus three years from the end of participation date. All EIV printouts containing Nation Directory of New Hires (NDNH) data (employment, wage and unemployment information) will be retained in the tenant's file for the duration of tenancy, plus three years from the end of participation date. All EIV originals and any documents created in association with their use will be either burned or shredded. Data that is stored on media other than paper will be burned after the 3 year required period for storage has elapsed. Paper data storage will be shredded or burned after appropriate data storage has expired.

Burning Precautions: The EIV material may be burned in an incinerator that produces enough heat to burn material and to ensure that all of the material is consumed.

Shredding Precautions: To make reconstruction more difficult, the EIV data will be shredded using a crosscut ¼ inch shredder. It is important that a log or register be maintained of all documents that have been burned or shredded.

3. SECURITY AWARENESS TRAINING

Security awareness training is a crucial aspect of ensuring the security of the EIV system and data. Users and potential users will be made aware of the importance of respecting the privacy of data, following established procedures to maintain privacy and security, and notifying management in the event of a security or privacy violation.

Before granting LHA employees and contractors access to EIV information, each employee and contractor must be given a copy of the EIV security policies and procedures.

Additionally, all employees having access to EIV data will be briefed at least annually on the LHA's security policy and procedures that require their awareness and compliance. The LHA EIV Coordinator will keep a record of the Security Training for all users.

On completion of security awareness training the LHA will make sure that employees or contractors who access the EIV data have completed a LHA User Agreement or a LHA Contractor Agreement indicating that they are aware of the safeguards and responsibilities associated with using the system. LHA employees will be advised of the penalties associated with the provisions of the Privacy Act of 1974, Section 553 (a), which make unauthorized disclosure or misuse of tenant wage data a crime punishable by a fine of up to \$5,000.00. (See Section 1.2 Privacy Act Considerations and Appendix 2. Criminal Penalties Associated with the Privacy Act.)

The LHA EIV Coordinator may communicate security information and requirements to appropriate personnel using a variety of methods outside of the formal training and awareness sessions. These methods may include:

Discussions at group and managerial meetings; and
Security bulletins posted throughout the work area.

4. PASSWORDS AND PASSWORD CHANGES:

The HUD Secure System, in which EIV is in, requires frequent changes in passwords; these passwords will be recorded and stored in a secure location.

It will be required that any password granted to an employee or authorized user will be revoked prior to termination of that employee or user to ensure data safety.

The Chairman of the Board will have the authority to change the password of any employee of the agency including the Executive Director and/or ISM personnel prior to termination. Otherwise the power to change passwords will reside with the Executive Director.

5. RECORD KEEPING AND REPORTING REQUIREMENTS

Recognition, reporting, and disciplinary action in response to security violations are crucial to successfully maintaining the security and privacy of the EIV System. These security violations may include the disclosure of private data as well as attempts to access unauthorized data and the sharing of User ID's and passwords. Upon the discovery of a possible improper disclosure of EIV information or another security violation by a LHA employee or any other person, the individual making the observation or receiving the information will contact the LHA's EIV Coordinator and/or the Field Office's Director of Public Housing or Director of Multifamily Housing. The LHA Executive Director or designated staff will document all improper disclosures in writing providing details including who was involved, what was disclosed, how the disclosure occurred, and where and when it occurred.

6. WHEN EIV INCOME VERIFICATION REPORTS WILL BE ACCESSED:

EIV Income Reports will be accessed within two to three months of all Annual Recertification's effective dates in case there is an Income Discrepancy that has to be addressed. We will print, review, and utilize the Summary Report, the Income Discrepancy Report, the New Hires Report, and the Income Report for all annual and interim recertifications and the Debts Owed Reports. Copies of all Reports must be maintained in the tenant file. (Note: Once a Summary Report is placed in the tenant file during recertification that shows an Identity Verification of "Verified" for all household members required to have a Social Security Number, the property does not have to continue to print the Summary Report at recertification unless there is a change in household composition or in a household member's identity verification status.) There must be a valid copy of the HUD-9886A, ~~HUD-9887 or HUD-9887-A in the Resident's file and the form is valid for 15 months from the date of signature.~~ The forms must be signed by each household member who is at least 18 years of age, and each family head, spouse, and co-head regardless of age, in order to view the data contained in EIV, When a resident turns 18, LHA will send them the HUD-9886A, ~~HUD-9887 and HUD-9887-A~~ and the HUD 52675 form to be signed and returned to the office within 30 days. If applicable, an interim adjustment will be completed. If the tenant fails to sign the consent form(s), the household is in non-compliance with their lease and assistance to, and the tenancy of, the household may be terminated (24 CFR 5.232).

- A. The LHA **may not** suspend, terminate, reduce, make a final denial of rental assistance or take any other adverse action against an individual based on the data in EIV.
- B. When the employment and income date in EIV is not the same as reported by the tenant, or when the tenant disputes the EIV data, O/As must independently verify any information by obtaining third party verification directly from the employer or by having the tenant request a current Award Letter for SSA.
- C. The LHA must notify the tenant of the results of the third party verification and request the tenant come into the office to discuss the results in accordance the requirements in Chapter 8, Paragraph 8-17 of the Handbook 4350.3 REV-1.
- D. If the LHA determines that the tenant had unreported or underreported income, he/she must go back to the point in time the unreported or underreported income started and calculate the amount the tenant owes. A record of this calculation will be provided to the tenant and retained in the tenant's file. The LHA must have the HUD-50059 or HUD 50059 (for Multi Family properties) on file that was in effect during the period(s) that the tenant had unreported or underreported income, along with any supporting documentation, in order to calculate the amount the tenant owes. If the LHA does not have this historical information, he/she cannot go back to the tenant for unreported or underreported income.

The PHA must use the following reports:

Report Title	Report Description	Frequency of Use	PHAs/MFH Owners
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Debts Owed to PHAs & Terminations	Allows users to access information concerning former tenants who left owing a debt to a PHA or who had their voucher terminated for cause.	At the time of processing an applicant family for admission, and to enter debt information or terminations for families who have ended program participation.	PHAs only Report does not exist in MFH EIV.
Deceased Tenants Report	Identifies tenants reported by Social Security Administration (SSA) as being deceased.	At least quarterly	PHAs/MFH Owners
Existing Tenant Search	Identifies applicants who may be receiving assistance at another Multifamily project or PIH location.	At the time of processing an applicant family for admission	PHAs/MFH Owners
Failed EIV Prescreening Report	Identifies tenants who have missing or invalid personal identifiers (last name, date of birth, SSN) in HIP/TRACS. These tenants will not be sent to SSA from EIV for the SSA identity test.	Monthly	PHAs/MFH Owners
Failed Verification Report (Failed	Identifies tenants whose personal identifiers (last name, date of birth, SSN) do not match the SSA database.	Monthly	PHAs/MFH Owners

Failed Verification Report (Failed	Identifies tenants whose personal identifiers (last name, date of birth, SSN) do not match the SSA database.	Monthly	PHAs/MFH Owners
SSA Identity Test)	*PHAs that admit families using a self-certification of SSN must review the Failed SSN Verification Report monthly to identify and follow up on new issues.		

<p>Identity Verification Report</p>	<p>Identifies tenants that, failed SSA verification, and failed EIV pre-screening.</p>	<p>Monthly</p>	<p>PHAs/MFH Owners</p>
<p>Income Discrepancy Report for MFH Programs</p>	<p>Identifies households where there is an income discrepancy in the wage, unemployment, and SSA benefit information reported in EIV and wage, unemployment, and SSA benefit information reported in TRACS for the period of income used for discrepancy analysis. The report serves as a tool to alert MFH Owners that there may be a discrepancy in the income reported by the tenant during the period of income used for the discrepancy analysis.</p>	<p>Must be used at annual reexamination. MFH Owners may use the report at other intervals, in accordance with the MFH Owner's written EIV policies and procedures. MFH Owners are not required to use the report at annual reexamination if they used Safe Harbor verification to determine the family's income at the last reexamination.</p> <p>*See note under Summary above about updates to the MFH Income Discrepancy Report.</p>	<p>MFH Owners</p>

<p>Income Information for PIH Programs</p> <p>Income Report for MFH Programs</p>	<p>Provides employment and income reported by HHS and SSA for each household member that passes the SSA identity test.</p> <p>Identifies tenants who:</p> <ul style="list-style-type: none"> • May not have reported complete and accurate income information; and/or • May be receiving multiple subsidies. 	<p>Must be used at annual reexamination; not required at interim reexaminations. PHAs/Owners may use, if desired. PHAs are not required to use at annual reexamination if they use Safe Harbor verification to determine the family's income.</p> <p>New Admissions:</p> <p>Review new admissions within 120 days after the move-in information is transmitted to HUD to confirm/validate the income reported by the household.^{J2}</p>	<p>PHAs/MFH Owners</p>
<p>Income Validation Tool Report for PIH Programs</p>	<p>Provides projections of discrepant income for wages, unemployment compensation, and SSA benefits pursuant to HUD's data sharing agreements with the Department of Health and Human Services (HHS) using the National Directory of New Hires (NDNH) database, and the SSA.</p>	<p>PHAs are required to obtain an EIV Income and Income Validation Tool Report for each family any time the PHA conducts an annual reexamination of family income and composition. PHAs may use the report at other intervals, in accordance with the PHA's ACOP or Administrative Plan. PHAs are not required to use the report at annual reexamination if they used Safe Harbor verification to determine the family's income at the last reexamination.</p>	<p>PHAs</p>

		*See note under Summary above about updates to the MFH and Public Housing Income Discrepancy Reports.
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Multiple Subsidy Report	Identifies tenants who may be receiving rental assistance at more than one location.	At least quarterly	PHAs/MFH Owners
New Hires Report	Identifies tenants who have new employment within the last six months. Report is updated monthly.	PHAs must review this information at annual reexamination except when the PHAs uses Safe Harbor verification to determine the family's income. PHAs that do not require families to undergo interim reexaminations (IRs) for income increases after an IR decrease do not need to review this report at all between a family's annual reexamination. If the PHAs's policy is to require an IR for increases in income after an IR decrease, then the PHAs must review the report quarterly after the	PHAs/MFH Owners

		family's IR decrease.	
No Income Reported by HHS or SSA	Identifies tenants who passed the SSA identity test but where no income was reported by HHS or SSA. This scenario does not mean that the tenant does not have any income. PHAs must obtain written, third-party verification of any income reported by the tenant.	As identified in a PHA's ACOP or Administrative Plan or a MFH Owner's written EIV policies and procedures.	PHAs/MFH Owners

VERIFICATION HIERARCHY

Level	Verification Technique	Ranking/Order of Acceptability
6	Upfront Income Verification (UIV), using HUD's Enterprise Income Verification (EIV) system	EIV may be used as the sole verification of Social Security income. EIV income information may be used to calculate other types of annual income when family agrees. See Level 4 for more information.
5	Upfront Income Verification (UIV) using non-EIV system (e.g., The Work Number, web-based state benefits systems, etc.)	Highest
4	Written, third-party verification from the source, also known as "tenant-provided verification" OR EIV + Self-Certification PHAs can choose either option when both are available to verify income. PHAs must use written, third-party verification when the income type is not available in EIV (e.g., self-employment, Go Fund Me accounts, general public assistance, Veterans Administration benefits, etc.)	High <ul style="list-style-type: none"> Written, third-party verification is used when tenant disputes EIV-reported employment and income information. The EIV Income Report may be used to verify and calculate income if the family self-certifies that the amount is accurate and representative of current income. The family must be provided with the information from EIV.
3	Written, Third-Party Verification Form	Medium <ul style="list-style-type: none"> Use if Level 5 or Level 4 verification is not available or is rejected by the PHAs and when the applicant or tenant is unable to provide acceptable documentation. May substitute Level 2 for written, third-party verification form, only completing one of the two forms of verification before moving to self-certification.
2	Oral Third-Party Verification	Medium

1	Self-Certification (not third-party verification)	<p>Low</p> <ul style="list-style-type: none"> • Use as a last resort when unable to obtain any type of third-party verification or if specifically permitted, such as to determine actual income from assets when the family certifies that net family assets do not exceed \$50,000. • May be used as highest form of verification when the family reports zero income.
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Zero Income Procedures

PHAs may accept a self-certification of zero income from the family at admission and at reexamination without taking any additional steps to verify zero reported income. HUD does not require that such self-certification be notarized. PHAs are reminded that they must verify families' income in EIV within 120 days after admission, except where the PHAs used Safe Harbor documentation to verify a family's income.

PHAs have discretion to establish reasonable procedures to manage the risk of unreported income, such as asking families to complete a zero income worksheet at admission or periodically after admission to determine if they have any sources of unreported income, or searching an upfront income verification source (see Level 5) for unreported income, such as a public benefits database to which the PHAs has access. These procedures are meant to avoid improper payments and the need for repayment agreements.

In calculating annual income from a zero income worksheet, PHAs must not assign monetary value to non-monetary in-kind donations from a food bank or similar organization received by the family (24 CFR § 5.609(b)(24)(vi)). PHAs perform an interim reexamination only due to an increase in the family's adjusted income (24 CFR §§ 5.657(c)(3); 882.515(b)(3); 891.410(g)(2); 891.610(g)(2); 960.257(b)(3); and 982.516(c)(3)).

PHAs that establish zero income procedures must update their local discretionary policies, procedures, and forms to comply with the final rule requirements. For example, families who begin receiving income which does not trigger an interim

E. REPAYMENT AGREEMENTS:

1. Tenants are obligated to reimburse the owner if they are charged a rent less than required by HUD/s rent formula due to not reporting or underreporting income. The tenant is required to reimburse the owner for the difference between the rent he/she should have paid and the rent he/she was charged.

2. If the tenant is unable to pay the amount due, the owner should enter into a repayment agreement with the tenant to collect the funds over a specific period of time. The repayment amount will be renegotiated if the household income increases or decreases by \$200 or more per month. Tenants are not required to reimburse the owner for undercharges caused solely by the owner's failure to follow HUD's procedures for computing rent or assistance payments.
3. Section Eight MF owners are required to reimburse funds collected from the tenant to HUD in accordance with the requirements in Chapter 8, Paragraph 20 of Handbook 4350.3 REV-1 Section
4. If the LHA finds that the tenant is in non-compliance with his/her lease because he/she knowingly provided incomplete or inaccurate information, the LHA must follow the guidance in Chapter 8, Section 3 of Handbook 4350.3 REV-1 for terminating the tenant/s tenancy and Chapter 8, Paragraph 8-18 for the requirements for filing a civil action against the tenant to recover improper subsidy payments. Where fraud is suspected, the LHA should report this to the HUD OIG Office of Investigation in the District that has jurisdiction in the state the project is located.

7. **WHEN EIV IDENTITY VERIFICATION REPORTS WILL BE ACCESSED:**

This report identifies household members who failed the SSA identity match due to invalid personal identifiers – incorrect SSN, DOB, or last name, as well as identifies deceased household members. EIV Identity Verification Reports will be run **monthly**. The LHA will need to confirm with the affected tenant that his/her SSN, DOB, and/or last name are correct in PIC. The LHA should have third party verification or documentation to support the tenant's personal identifiers and the accuracy of the PIC date. LHAs must correct any incorrect information that may be in the PIC system. If the information in PIC is accurate, the LHA should encourage the tenant to contact the SSA to correct any inaccurate data in their databases.

8. **WHEN EXISTING TENANT SEARCH FUNCTION FOR APPLICANTS WILL BE ACCESSED:**

When an applicant is being processed for move-in, the Existing Tenant Search function will be accessed **before move-in** to determine if any applicant is currently residing at another Multifamily Housing or Public and Indian Housing location and receiving rental assistance. If the applicant is residing at another location, the O/A should discuss this with the applicant, giving the applicant the opportunity to explain any circumstances relative to his/her being assisted at another location. This may be a case where the applicant wants to move from their existing location. The O/A should also follow-up with the respective PHA or O/A to confirm the individual's program participation status before admission. The report gives the O/A the ability to

coordinate move-out and move-in dates with the O/A of the property at the other location.

9. **WHEN THE IMMIGRATION REPORT WILL BE ACCESSED:**

The Immigration Report assists PHAs with effective monitoring of PHA and tenant compliance with SSN disclosure and reporting requirements, implementation of prorated assistance for mixed families, follow-up of pending verifications of citizenship/immigration status, and follow-up for eligible citizens or non-citizens that have an assigned Alternate ID who need to disclose an SSN to the PHA. This report is required to be monitored monthly and PHAs are required to update the 50058 with any information from the Tenant, SSA and the SAVE system.

10. **WHEN DECEASED TENANT REPORT WILL BE ACCESSED:**

The Deceased Tenant Report will be accessed **quarterly**. If the report identifies a current tenant, the LHA should confirm with the head-of-household, next of kin or emergency contact person whether or not the person is deceased and, if so, update the family composition on the HUD-50058 to terminate tenancy. Where the LHA finds that the tenant is not deceased, the LHA should encourage the tenant to contact the SSA to get the discrepancy resolved.

11. **WHEN MULTIPLE SUBSIDY REPORT WILL BE ACCESSED:**

The Multiple Subsidy Report will be completed **quarterly**. This report is to identify individuals who may be receiving multiple rental subsidies. If the report shows that a tenant is being assisted at another location, the LHA should discuss this with the tenant, giving the tenant the opportunity to explain any circumstances relative to his/her being assisted at another location. The LHA will need to follow-up with the respective PHA or LHA to confirm that the tenant is being assisted at the other location. Depending on the results of this investigation, the LHA may need to terminate the tenant's assistance or tenancy.

12. **WHEN NEW HIRES REPORT WILL BE ACCESSED:**

The New Hires Report will be reviewed and acted upon **quarterly**. Each applicable tenant will be contacted regarding new employment. The new employment will be verified with the Tenant, and the Tenant will be requested to provide documents to support current income and/or third-party verification from his/her employer, as applicable. An interim recertification will be processed to include the new income, if applicable.

13. **WHEN NO INCOME REPORT WILL BE ACCESSED:**

The No Income Report will be accessed **quarterly**. If the EIV Report shows No Income, but the Tenant declares that they do have a source of income, then third-party verification will be used to document the source. The Tenant's file will have a statement from the Tenant disputing the No Income Report and any correspondence/documents to verify the Tenant's statement. If the Tenant declares that they have no income, then they must complete a "Zero Income Questionnaire" form.

14. **WHEN INCOME REPORT/INCOME DISCREPANCY REPORT WILL BE ACCESSED:**

This report will be done at *all* Annual Recertifications and Interim Certifications. If the Income Discrepancy Report indicates a discrepancy may exist, the file must contain documentation of resolution of the discrepancy, that is, documentation that supports that the discrepancy is valid or invalid. (1) The file documentation must show resolution of the discrepancy at the time of the recertification, or within 30 days of the date on the EIV Income Report. (2) If the discrepancy is determined to be valid, the file must include a copy of the corrected 50059(s) correcting the error, dating back to the time the unreported or underreported income started, not to exceed 5 years.

15. **HUD 52675 DEBTS OWED AND TERMINATIONS:**

Prior to admission to the program, the PHA must search for each adult family member in the EIV Debts Owed to PHAs and Terminations database. All adult household members must sign the form HUD 53675 once at admission. The form provides notification to adult household members that debt and terminations information will be collected, shared with other PHAs and will be accessible by HUD staff, PHA staff, and contractors to determine suitability for rental assistance. The Debts Owed to PHAs and Termination Report may be generated in EIV as a standalone report; the information from the report also is contained in the Income Report for each household.

If any information on debts or terminations is returned by the search, the PHA will determine if the offenses violate their respective admissions policies. The family has a right to request and obtain a copy of the report from the PHA and dispute the reported information, providing any supporting documentation. To ensure the availability of records, disputes of the original debt or termination information must be made within three years from the end of participation date, unless a reasonable accommodation to this policy is made; otherwise, the debt and termination information will be presumed correct.

Only the PHA who reported the adverse information can delete or correct the record. The PHA has 30 days from receipt of the written dispute to provide notification of its

action – either to update or delete the record if the PHA determines the information is incorrect or to provide an explanation as to why the information is correct.

16. **WHEN INCOME REPORT – 90 DAYS AFTER MOVE-IN WILL BE ACCESSED:**

This report will be run no more than 90 days after a MI certification is submitted to TRACS. In case of an income discrepancy, it will be handled as stated in paragraph #13 above.

17. **MASTER FILE:**

A “Master File” that contains a copy of the following reports printed, reviewed, and resolved in accordance with the property’s EIV Policies and Procedures: *New Hires Summary Report, Identity Verification Reports (Failed EIV Pre-Screening Report and Failed Verification Report), Multiple Subsidy Summary Report and Deceased Tenants Report*. These Reports will be retained for three years.

18. **IDENTITY THEFT: HOW IDENTITY THEFT WILL BE INVESTIGATED/ADDRESSED:**

See Attached “*Documentation for Identity Theft*”

Documentation for Identity Theft

◆ When tenant disputes data, the tenant should indicate in writing the reason for dispute and provide supporting documentation

◆ Supporting documents for identity theft:

–Copy of police report (not a police report number); or

–Notice from credit bureau regarding fraud alert placed on credit report or copy of credit report with fraud alert notice; or

–Copy of identity theft report filing with the Federal Trade Commission; **and**

–Copy of tenant's letter sent to employer to dispute information and request for correction; **and**

–Any correspondence the tenant received from employer

◆ If tenant believes that he/she is the victim of identity theft, the tenant should take the following three steps as soon as possible, and keep a record with the details of conversations and copies of all correspondence

◆ **1. File a report with the local police or the police in the community where the identity theft took place**

–Then, get a copy of the police report. The tenant should provide the PHA with a copy of the report. If the police are reluctant to make a report, the tenant may ask to file a "Miscellaneous Incidents" report, or try another jurisdiction, such as the state police

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◆ **2. The tenant should place a fraud alert on his/her credit reports, and review your credit reports**

–Fraud alerts can help prevent an identity thief from opening any more accounts in the tenant's name. Contact the toll-free fraud number of any of the three consumer reporting companies below to place a fraud alert on your credit report. You only need to contact one of the three companies to place an alert. The company you call is required to contact the other two, which will place an alert on their versions of your report, too

–**Equifax:** 1-800-525-6285; **www.equifax.com**; P.O. Box 740241, Atlanta, GA 30374-0241

–**Experian:** 1-888-EXPERIAN (397-3742); **www.experian.com**; P.O. Box 9532, Allen, TX 75013

–**TransUnion:** 1-800-680-7289; **www.transunion.com**; Fraud Victim Assistance Division, P.O. Box 6790, Fullerton, CA 92834-6790

◆ **3. File a complaint with the Federal Trade Commission.**

–By sharing your identity theft complaint with the FTC, you will provide important information that can help law enforcement officials across the nation track down identity thieves and stop them. The FTC can refer victims' complaints to other government agencies and companies for further action, as well as investigate companies for violations of laws the agency enforces

–You can file a complaint with the FTC using the online complaint form at [https://rn.ftc.gov/pls/dod/widtpubl\\$.startup?Z_ORG_CODE=PU03](https://rn.ftc.gov/pls/dod/widtpubl$.startup?Z_ORG_CODE=PU03) or call the FTC's Identity Theft Hotline, toll-free: 1-877-ID-THEFT (438-4338); TTY: 1-866-653-4261; or write Identity Theft Clearinghouse, Federal Trade Commission, 600 Pennsylvania Avenue, NW, Washington, DC 20580

–Be sure to call the Hotline to update your complaint if you have any additional information or problems

Resource: Federal Trade Commission – www.ftc.gov

Documentation for Employer Reporting Error

◆ When tenant disputes data, the tenant should provide documentation to support claim of incorrect data, such as:

–Copy of tenant's letter sent to employer to dispute information and request for correction

–Any correspondence the tenant received from employer