

# STATEMENT OF POLICIES GOVERNING ADMISSIONS AND OCCUPANCY



## IN THE PUBLIC HOUSING PROGRAM



THE HOUSING AUTHORITY OF THE COUNTY OF LEBANON  
P.O. Box 420  
LEBANON, PENNSYLVANIA 17042

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## Chapter 1

### STATEMENT OF POLICIES AND OBJECTIVES

#### **INTRODUCTION**

The Public Housing Program was enacted through the U.S. Housing Act of 1937. The Act has been amended from time to time, and its requirements, as they apply to the Public Housing Program, are described in and implemented throughout this Admissions and Occupancy Policy. The Public Housing Program is federally funded and administered for the County of Lebanon by the Housing Authority of the County of Lebanon.

#### **Jurisdiction**

The jurisdiction of the PHA is the County of Lebanon, Pennsylvania.

#### **A. PURPOSE OF THE PLAN**

The purpose of the Admissions and Occupancy Policy is to establish policies for carrying out the programs in a manner consistent with HUD requirements and local goals and objectives contained in the Agency Plan. The PHA is responsible for complying with all HUD regulations pertaining to the program. If such regulations conflict with this Plan, HUD regulations will have precedence.

#### **B. RULES AND REGULATIONS**

This Admissions and Occupancy Policy is set forth to define the PHA's local policies for operation of the housing program in the context of Federal laws and Regulations. All issues related to Public Housing not addressed in or in conflict with this document are governed by such Federal regulations, HUD Memos, Notices and guidelines, or other applicable law.

#### **C. TERMINOLOGY**

The Housing Authority of the County of Lebanon is referred to as "PHA" or "Housing Authority" throughout this document.

"Family" is used interchangeably with "Applicant" or "Participant" or "Tenant" and can refer to a single person family.

"Disability" is used where "handicap" was formerly used.

"Non-citizens Rule" refers to the regulation effective June 19, 1995 restricting assistance to U.S. citizens and eligible immigrants.

#### **D. FAIR HOUSING POLICY**

It is the policy of the Housing Authority to comply fully with all Federal, State, and local nondiscrimination laws and with the rules and regulations governing Fair Housing and Equal Opportunity in housing and employment.

The PHA shall not deny any family or individual the equal opportunity to apply for or receive assistance under the Public Housing Program on the basis of race, color, sex, religion, creed, national or ethnic origin, age, familial or marital status, handicap or disability, sexual orientation or gender identity.

To further its commitment to full compliance with applicable Civil Rights laws, the PHA will provide Federal/State/local information to applicants/tenants regarding unlawful discrimination and any recourse available to families who believe they are victims of a discriminatory act. Such information will be made available with the application, and all applicable Fair Housing Information and Discrimination Complaint Forms will be made available at the Authority's office.

All Housing Authority staff will be required to attend fair housing training and informed of the importance of affirmatively furthering fair housing and providing equal opportunity to all families, including providing reasonable accommodations to persons with disabilities, as a part of the overall commitment to quality customer service. Fair Housing posters are posted throughout the Housing Authority office/s, including in the lobby and interview rooms and the equal opportunity logo will be used on all outreach materials. Staff will attend local fair housing update training sponsored by HUD and other local organizations to keep current with new developments.

Except as otherwise provided in Federal Regulations, no individual with disabilities shall be denied the benefits of, be excluded from participation in, or otherwise be subjected to discrimination because the PHA's facilities are inaccessible to or unusable by persons with disabilities. Posters and housing information are displayed in locations throughout the PHA's office in such a manner as to be easily readable from a wheelchair.

The Lebanon County Housing Authority office(s) are accessible to persons with disabilities. Accessibility for the hearing impaired is provided by the TTD/TDY telephone service.

#### **E. REASONABLE ACCOMMODATIONS POLICY**

It is the policy of this PHA to be service-directed in the administration of our housing programs, and to exercise and demonstrate a high level of professionalism while providing housing services to families.

A participant with a disability must first ask for a specific change to a policy or practice as an accommodation of his or her disability before the PHA will treat a person differently than anyone else. The PHA's policies and practices will be designed to provide assurances that persons with disabilities will be given reasonable accommodations, upon request, so that they may fully access and utilize the housing program and related services. The availability of

requesting an accommodation will be made known by including notices on PHA forms and letters. This policy is intended to afford persons with disabilities an equal opportunity to obtain the same result, to gain the same benefit, or to reach the same level of achievement as those who do not have disabilities and is applicable to all situations described in this Admissions and Occupancy Policy including when a family initiates contact with the PHA, when the PHA initiates contact with a family including when a family applies, and when the PHA schedules or reschedules appointments of any kind.

To be eligible to request a reasonable accommodation, the requester must first certify (if apparent) or verify (if not apparent) that they are a person with a disability under the following ADA definition:

A physical or mental impairment that substantially limits one or more of the major life activities of an individual; a record of such impairment; or being regarded as having such an impairment

*Note: The above definition is not to be used for purposes of determining deductions from income.*

Rehabilitated former drug users and alcoholics are covered under the ADA. However, a current drug user is not covered. In accordance with 24 CFR 5.403(a), individuals are not considered disabled for eligibility purposes solely on the basis of any drug or alcohol dependence. Individuals whose drug or alcohol addiction is a material factor to their disability are excluded from the definition. Individuals are considered disabled if disabling mental and physical limitations would persist if drug or alcohol abuse discontinued.

Once the person's status as a qualified person with a disability is confirmed, the PHA will require that a professional third party competent to make the assessment, provides written verification that the person needs the specific accommodation due to their disability and the change is required for them to have equal access to the housing program.

If the PHA finds that the requested accommodation creates an undue administrative or financial burden, the PHA will either deny the request and/or present an alternate accommodation that will still meet the need of the person.

An undue administrative burden is one that requires a fundamental alteration of the essential functions of the PHA (i.e., waiving a family obligation).

An undue financial burden is one that when considering the available resources of the agency as a whole, the requested accommodation would pose a severe financial hardship on the PHA.

The PHA will provide a written decision to the person requesting the accommodation within a reasonable time. If a person is denied the accommodation or feels that the alternative suggestions are inadequate, they may request an informal hearing to review the PHA's decision.

Reasonable accommodation will be made for persons with a disability that requires an advocate or accessible offices. A designee will be allowed to provide some information, but only with the permission of the person with the disability.

All PHA mailings will be made available in an accessible format upon request, as a reasonable accommodation.

### **Verification of Disability**

The PHA will verify disabilities under definitions in the Fair Housing Amendments Act of 1988, Section 504 of the 1973 Rehabilitation Act, and Americans with Disabilities Act.

### **Applying for Admission**

All persons who wish to apply for any of the PHA's programs must submit a pre-application in electronic format.

To provide specific accommodation to persons with disabilities, upon request, Authority staff will provide assistance to the applicant in completing the electronic application.

The full application is completed at the eligibility appointment. Applicants will then be interviewed by PHA staff to enter the information on the full application form. Verification of disability as it relates to 504, Fair Housing, or ADA reasonable accommodation will be requested at this time. The full application will also include questions asking all applications whether reasonable accommodations are necessary.

## **F. TRANSLATION OF DOCUMENTS**

In determining whether it is feasible to provide translation of documents written in English into other languages, the PHA will consider the following factors:

Number of applicants and participants in the jurisdiction who do not speak English and speak the other language.

Estimated cost to PHA per client of translation of English written documents into the other language.

The availability of local organizations to provide translation services to non English speaking families.

Availability of bi-lingual staff to provide translation for non-English speaking families.

## **G. MANAGEMENT ASSESSMENT OBJECTIVES**

The PHA operates its housing assistance program with efficiency and can demonstrate to HUD auditors that the PHA is using its resources in a manner that reflects its commitment to quality and service. The PHA policies and practices are consistent with the areas of measurement for the following indicators: selection from the Waiting List; determination of Adjusted Income; utility Allowance Schedule; expanding Housing Opportunities; annual re-examinations; correct tenant rent calculations; annual dwelling inspections and lease-up.

Supervisory quality control reviews will be performed by a PHA Supervisor or other qualified person other than the person who performed the work, as required by HUD, on the following factors: selection from the waiting list and determination of adjusted income

The annual sample of files and records will be drawn in an unbiased manner, leaving a clear audit trail. The minimum sample size to be reviewed will relate directly to each factor.

## **H. RECORDS FOR MONITORING PHA PERFORMANCE**

In order to demonstrate compliance with HUD and other pertinent regulations, the PHA will maintain records, reports and other documentation for a time that is in accordance with HUD requirements and in a manner that will allow an auditor, housing professional or other interested party to follow, monitor and or assess the PHA's operational procedures objectively and with accuracy and in accordance with HUD requirements.

In addition to the required documentation, supervisory staff will audit the following functions: not less than 5% of reexaminations and not less than 5% of new applications

## **I. PRIVACY RIGHTS**

Applicants and participants, including all adults in their households, are required to sign the HUD 9886 Authorization for Release of Information. This document incorporates the Federal Privacy Act Statement and describes the conditions under which HUD/PHA will release family information.

The PHA's policy regarding release of information is in accordance with State and local laws which may restrict the release of family information.

Any and all information which would lead one to determine the nature and/or severity of a person's disability must be kept in a separate folder and marked "confidential" or returned to the family member after its use. The personal information in this folder must not be released except on an "as needed" basis in cases where an accommodation is under consideration. All requests for access and granting of accommodations based on this information must be approved by the Executive Director or his designee.

The PHA's practices and procedures are designed to safeguard the privacy of applicants and program participants. All applicant and participant files will be stored in a secure location which is only accessible by authorized staff.

PHA staff will not discuss family information contained in files unless there is a business reason to do so. Inappropriate discussion of family information, or improper disclosure of family information by staff will result in disciplinary action.

#### **J. FAMILY OUTREACH**

The PHA will publicize and disseminate information to make known the availability of housing assistance and related services for low income families on a regular basis. When the PHA's waiting list is open, the PHA will publicize the availability and nature of housing assistance for low income families in a newspaper of general circulation, minority media, and by other suitable means. Notices will also be provided in Spanish.

To reach persons who cannot read the newspapers, the PHA will distribute fact sheets to the broadcasting media, and initiate personal contacts with members of the news media and community service personnel. The PHA will also utilize public service announcements.

The PHA will communicate the status of housing availability to other service providers in the community, and advise them of housing eligibility factors and guidelines in order that they can make proper referrals for housing assistance.

#### **K. MARKETING**

In order to attract eligible applicants and lease dwellings as quickly as possible, the Authority reserves the right to institute certain programs on an as-needed basis. Such incentive programs will be designed to increase the marketability of certain dwellings and/or reduce applicant financial impediments to lease execution. Such incentives may include, but are not limited to: reduced security deposits, finder fees offered to existing residents, reduced rent during the initial month of occupancy and the provision of additional amenities (such as air conditioning) on a reduced or no cost basis. Any such incentive program shall be enacted based on a clearly defined policy, and shall be applicable to all similarly situated applicants.

#### **L. REQUIRED POSTINGS**

In each of its offices the Housing Authority will make accessible to all persons, including persons with disabilities, the following information:

1. Statement of Policies and Procedures governing Admission and Continued Occupancy.
2. Notice of the status of the waiting list (opened or closed)
3. A listing of all developments by name, address, number of units, units designated with special accommodations, address of all project offices, office hours, telephone numbers, and TDD numbers.
4. Income limits for admission
5. Excess utility charges
6. Utility allowance schedule
7. Current schedule of routine maintenance charges
8. Dwelling lease
9. Grievance Procedure

10. Fair Housing Poster
11. Equal Opportunity in Employment Poster
12. Any current Housing Authority notices



## Chapter 2

### ELIGIBILITY FOR ADMISSION

#### INTRODUCTION

This Chapter defines both HUD and the PHA's criteria for admission and denial of admission to the program. The policy of this PHA is to strive for objectivity and consistency in applying these criteria to evaluate the eligibility of families who apply. The PHA staff will review all information provided by the family carefully and without regard to factors other than those defined in this Chapter. Families will be provided the opportunity to explain their circumstances, to furnish additional information, if needed, and to receive an explanation of the basis for any decision made by the PHA pertaining to their eligibility.

#### A. ELIGIBILITY FACTORS

The PHA accepts applications only from families whose head or spouse is at least 18 years of age.

To be eligible for participation, an applicant must meet HUD's criteria, as well as additional criteria established by the PHA (see Section F)

The HUD eligibility criteria are:

An applicant must be a "family"

An applicant must be within the appropriate Income Limits

An applicant must furnish Social Security Numbers for all family members.

An applicant must furnish declaration of Citizenship or Eligible Immigrant Status and verification where required. At least one member of the applicant family must be either a U.S. citizen or have eligible immigration status before the PHA may provide any housing assistance.

The Family's initial eligibility for placement on the waiting list will be made in accordance with the eligibility factors.

Evidence of Citizenship/Eligible Immigrant Status will not be verified until the family is selected from the waiting list for final eligibility processing, unless the PHA determines that such eligibility is in question, whether or not the family is at or near the top of the waiting list.

## **B. FAMILY COMPOSITION**

The applicant must qualify as a Family. A Family may be a single person or a group of persons as defined below. The term family includes, but is not limited to the following, regardless of actual or perceived sexual orientation, gender identity or marital status.

A family includes a family with a child or children. A group of persons consisting of two or more elderly persons (an individual age 62 years or older) or disabled persons living together, or one or more elderly or disabled persons living with one or more live-in aides is a family. The PHA determines if any other group of persons qualifies as a family.

A single person family may be: an elderly person; a displaced person; a person with a disability (individuals may not be considered disabled for eligibility purposes solely on the basis of any drug or alcohol dependence) or any other single person

A child who is temporarily away from home because of placement in foster care is considered a member of the family. This provision only pertains to the foster child's temporary absence from the home, and is not intended to artificially enlarge the space available for other family members.

A family also includes:

Two or more persons who intend to share residency whose income and resources are available to meet the family's needs.

Two or more elderly or disabled persons living together, or one or more elderly, near elderly or disabled persons living with one or more live-in aides is a family.

### **Head of Household**

The head of household is the **adult** member of the household who is designated by the family as head, is wholly or partly responsible for paying the rent, and has the legal capacity to enter into a lease under State/local law.

### **Spouse of Head**

Spouse means the husband or wife of the head. For proper application of the Non-citizens Rule, the definition of spouse is: the marriage partner who, in order to dissolve the relationship, would have to be divorced. It includes the partner in a common law marriage. The term "spouse" does not apply to boyfriends, girlfriends, significant others, or co-heads.

### **Co-Head**

An individual in the household who is equally responsible for the lease with the Head of Household. A family may have a spouse or co-head, but not both. A co-head never qualifies as a dependent.

### **Live-in Attendants**

A Family may include a live-in aide provided that such live-in aide: is determined by the PHA to be essential to the care and well being of an elderly person, a near-elderly person, or a person with disabilities; is not obligated for the support of the person(s); and would not be living in the unit except to provide care for the person(s).

A live-in aide is treated differently than family members: income of the live-in aide will not be counted for purposes of determining eligibility or level of benefits; live-in aides are not subject to Non-Citizen Rule requirements; live-in aides may not be considered as a remaining member of the tenant family.

Relatives are not automatically excluded from being live-in aides, but they must meet all of the elements in the live-in aide definition described above.

A Live in Aide may only reside in the unit with the approval of the PHA. Written verification will be required from a reliable, knowledgeable professional, such as a doctor, social worker, or case worker. The verification provider must certify that a live-in aide is needed for the care of the family member who is elderly, near-elderly (50-61) or disabled.

At any time, the PHA will refuse to approve a particular person as a live-in aide or may withdraw such approval if: the person commits fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program; the person commits drug-related criminal activity or violent criminal activity; or the person currently owes rent or other amounts to the PHA or to another housing provider in connection with any government assisted housing.

### **Split Households Prior to Receiving Housing Assistance**

When a family on the waiting list splits into two otherwise eligible families due to divorce or legal separation and the new families both claim the same placement on the waiting list, and there is no court determination, the PHA will make the decision taking into consideration the following factors: which family member applied as head of household; which family unit retains the children or any disabled or elderly members; restrictions that were in place at the time the family applied; role of domestic violence in the split; recommendations of social service agencies or qualified professionals such as children's protective services.

Documentation of these factors is the responsibility of the applicant families. If either or both of the families do not provide the documentation, they may be denied placement on the waiting list for failure to supply information requested by the PHA.

### **Multiple Families in the Same Household**

When families apply which consist of two families living together, (such as a mother and father, and a daughter with her own husband or children), if they apply as a family unit, they will be treated as a family unit.

### **Joint Custody of Children**

Children who are subject to a joint custody agreement but live with one parent at least 51% of the time will be considered members of the household. "51% of the time" is defined as 183 days of the year, which do not have to run consecutively. There will be a self-certification required of families who claim joint custody or temporary guardianship.

When both parents are on the Waiting List and both are trying to claim the child, the parent whose address is listed in the school records will be allowed to claim the school-age child as a dependent.

### **C. INCOME LIMITATIONS**

To be eligible for assistance, an applicant must Have an Annual Income at the time of admission that does not exceed the low income limits for occupancy established by HUD.

To be income eligible the applicant must be a family in the low income category, which is a family whose income does not exceed 80 percent of the area median income. The PHA will not admit families whose income exceeds 80 percent of the area median income.

To determine if the family is income-eligible, the PHA compares the Annual Income of the family to the applicable income limit for the family's size. Families whose Annual Income exceeds the income limit will be denied admission and offered an informal review. Income limits do not apply to families transferring within the PHA's Public Housing Program.

### **D. MANDATORY SOCIAL SECURITY NUMBERS**

Applicants and tenants are required to provide verification of Social Security Numbers for **all** family members (subject to the exceptions described in other sections of this Chapter and other Chapters of this policy) prior to admission. This requirement also applies to persons joining the family after admission to the program.

The following individuals are exempt from the requirement to provide Social Security Number verification:

1. Those individuals who do not contend to have eligible immigration status (individuals who may be unlawfully present in the United States). These individuals in most instances would not be eligible for a SSN

2. Existing tenants as of January 31, 2010, who have previously disclosed their SSN and HUD has determined the SSN to be valid. The PHA may confirm HUD's validation of the participant's SSN by viewing the household's Summary Report or the Identity Verification Report in the EIV system.

3. Existing tenants as of January 31, 2010, who are 62 years of age or older, and had not previously disclosed a valid SSN. This exemption continues ever if the individual moves to a new assisted unit.

Failure to furnish verification of social security numbers is grounds for denial or termination of assistance for **the entire family**.

#### **E. CITIZENSHIP/ELIGIBLE IMMIGRATION STATUS**

In order to receive assistance, a family member must be a U.S. citizen or eligible immigrant. Individuals who are neither, may elect not to contend their status. Eligible immigrants are persons who are in one of the immigrant categories as specified by HUD.

For the Citizenship/Eligible Immigration requirement, the status of each member of the family is considered individually before the family's status is defined.

Mixed Families. A family is eligible for assistance as long as at least one member is a citizen or eligible immigrant. Families that include eligible and ineligible individuals are called "mixed." Such applicant families will be given notice that their assistance will be pro-rated and that they may request a hearing if they contest this determination.

All members ineligible. Applicant families that include no eligible members are ineligible for assistance. Such families will be denied admission and offered an opportunity for a hearing.

Non-citizen students. Defined by HUD in the non-citizen regulations. Not eligible for assistance.

Appeals. For this eligibility requirement only, the applicant is entitled to a hearing exactly like those provided for participants.

#### **Verification of Status Before Admission**

The PHA will not provide assistance to families prior to the verification of citizenship eligibility for the individual or at least one member of the family pursuant to this section.

#### **F. OTHER CRITERIA FOR ADMISSIONS**

Applicant families will be evaluated to determine whether, based on their recent behavior, such behavior could reasonably be expected to result in noncompliance with the public housing lease. The PHA will look at past conduct as an indicator of future conduct. Emphasis will be placed on whether a family's admission could reasonably be expected to have a detrimental effect on the development environment, other tenants, PHA employees, or other people

residing in the immediate vicinity of the property. Otherwise eligible families may be denied admission if, during the period generally not to exceed the past two years they:

Have not supply information or documentation required by the application process (including failure to sign required forms);

Have failed to respond to a written request for information or a request to declare their continued interest in the program.

Have failed to supply a current address or telephone number that resulted in the PHA's inability to contact the applicant.

The applicant will be denied admission if during the past five years the applicant:

Has a history of not meeting financial obligations, especially rent;

Has demonstrated the inability to maintain (with assistance) their housing in a decent and safe condition where such habits could adversely affect the health, safety or welfare of other tenants;

Has a history of criminal activity by any household member involving crimes of physical violence against persons or property and any other criminal activity including drug-related criminal activity that would adversely affect the health, safety or well being of other tenants or staff or cause damage to the property (See One Strike Policy in Chapter 13)

Has a history of disturbing neighbors or destruction of property;

Has failed to pay rent or other amounts owed to this PHA or any other housing authority or other assisted housing provider in connection with their public housing, Section 8 or other subsidized housing program. The PHA may waive this requirement if the family is in good standing regarding any current payment agreement for a previous debt incurred;

Has committed fraud, bribery or any other corruption in connection with any Federal housing assistance program, including the intentional misrepresentation of information related to their housing application or benefits derived there from;

Has been terminated from any assisted housing program because of drug-related criminal activity involving the possession, the illegal manufacture, sale, distribution, with the intent to manufacture, sell, or distribute a controlled substance as defined in Section 102 of the Controlled Substances Act, 21 U.S.C. 802. (See One-Strike Policy in Chapter 13)

Has or is currently using illegally a controlled substance or are abusing alcohol in a way that may interfere with the health, safety or right to peaceful enjoyment of the

premises by other residents.

Has engaged in or threatened abusive or violent behavior towards any PHA staff or residents;

Or any member of the household has been evicted from any federal or state assisted housing development or who has been terminated under the Section 8 program.

In the event of receipt of any of the information described above, the PHA shall give consideration to the time, nature and extent of the applicant's conduct and to factors which might indicate a reasonable probability of favorable future conduct. Such factors may include:

Evidence that the person is no longer engaging in drug related criminal activity or abuse of alcohol; has successfully completed a supervised drug or alcohol rehabilitation program; has otherwise been rehabilitated successfully or is participating in a supervised drug or alcohol rehabilitation program;

Evidence of the applicant family's participation in or willingness to participate in social service or other appropriate consoling service programs and the availability of such programs;

Evidence of the applicant family's willingness to attempt to increase family income through the availability of training or employment programs;

Evidence that the circumstances leading to the previous behavior no longer exists, such as a verifiable change in family composition that has removed the offending family member from the household.

**Denied for life:** If any family member has been convicted of manufacturing or producing methamphetamine (speed) in a public housing development or in a Section 8 assisted property;

**Denied for life:** Has a lifetime registration under a State sex offender registration program.

An otherwise eligible family will also be denied admission if no member of the family is a U.S. citizen or eligible immigrant.

#### **G. VERIFICATION**

The PHA will verify all information provided by the applicant. Such verification may include but may not be limited to the following:

A credit check of the head, spouse and co-head;

A rental history check of all adult family members;

A criminal background check on all adult household members, including live-in aides. 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 at least one year. Where the individual has lived outside the local area the applicant will be required to provide certified criminal history for all areas in which the family member has resided.

A check of the State's lifetime sex offender registration program for each adult household member, including live-in aides. No individual registered with the program will be admitted to public housing.

#### **H. CHANGES IN ELIGIBILITY PRIOR TO EFFECTIVE DATE OF THE LEASE**

Changes that occur during the period between application processing and lease up may affect the family's eligibility or amount of the rental payment.

#### **I. INELIGIBLE FAMILIES**

Families who are determined to be ineligible will be notified in writing of the reason for denial and given an opportunity to request an informal review, or an informal hearing if they were denied due to non-citizen status.

#### **J. PROHIBITED ADMISSIONS CRITERIA**

Admission to the program may not be based on: where the family lives before admission to the program; Discrimination because members of the family are unwed parents, recipients of public assistance, or children born out of wedlock; Discrimination because a family includes children; other reasons as listed in the "Statement of Policies and Objectives" chapter under the Fair Housing and Reasonable Accommodations sections.



## **Chapter 3**

### **APPLYING FOR ADMISSION**

#### **INTRODUCTION**

The policy of the PHA is to ensure that all families who express an interest in housing assistance are given an equal opportunity to apply, and are treated in a fair and consistent manner. This Chapter describes the policies and procedures for completing an initial application for assistance, placement and denial of placement on the waiting list, and limitations on who may apply. The primary purpose of the intake function is to gather information about the family, but the PHA will also utilize this process to provide information to the family so that an accurate and timely decision of eligibility can be made. Applicants will be placed on the waiting list in accordance with this Plan.

#### **A. OVERVIEW OF THE APPLICATION TAKING PROCESS**

The purpose of application taking is to permit the PHA to gather information and determine placement on the waiting list. The application will contain questions designed to obtain pertinent program information.

Families who wish to apply for any one of the PHA's programs must complete an application form when application-taking is open. Applications will be made available in an accessible format upon request from a person with a disability.

When the waiting list is open, any family asking to be placed on the waiting list for Public Housing will be given the opportunity to complete an application.

The application process will involve two phases. The first is the "initial" application for assistance (referred to as a pre-application). This first phase results in the family's placement on the waiting list.

The pre-application will be dated, time-stamped, and filed until such time as it is needed for processing.

The second phase is the "final determination of eligibility" (referred to as the full application). The full application takes place when the family reaches the top of the waiting list. At this time the PHA ensures that verification of all HUD and PHA eligibility factors is current in order to determine the family's eligibility for leasing.

## **B. "INITIAL" APPLICATION PROCEDURES**

The PHA will utilize a preliminary application form. The information is to be filled out by the applicant whenever possible. The application form is in electronic format and is available through the internet. Internet equipped computers are available at the Authority office for use by applicants at no charge. Staff members will provide assistance to any applicant who encounters difficulty completing the electronic application. In addition as an accommodation for persons with disabilities, a staff person may complete the application over the telephone.

The purpose of the pre-application is to permit the PHA to preliminarily assess family eligibility or ineligibility and to determine placement on the waiting list. Duplicate applications, including applications from a segment of an applicant household, will not be accepted.

Ineligible families will not be placed on the waiting list.

Pre-applications will not require an interview. The information on the application will not be verified until the applicant has been selected for final eligibility determination. Final eligibility will be determined when the full application process is completed and all information is verified.

If, after a review of the pre-application, the family is determined to be preliminarily eligible, they will be notified in writing or in an accessible format upon request, as a reasonable accommodation.

This written notification of preliminary eligibility will be:

mailed to the applicant by first class mail or distributed to the applicant in the manner requested as a specific accommodation.

If the family is determined to be ineligible based on the information provided in the pre-application, the PHA will notify the family in writing (in an accessible format upon request as a reasonable accommodation), state the reason(s), and inform them of their right to an informal review. Persons with disabilities may request to have an advocate attend the informal review as an accommodation.

## **C. COMPLETION OF A FULL APPLICATION**

When a family appears to be within three (3) months of being offered a dwelling, the family will be invited to participate in a full application interview with a PHA representative. During this interview the applicant will be required to furnish complete and accurate information verbally as requested by the interviewer. The PHA interviewer will complete the full application form with answers supplied by the applicant. The applicant will sign and certify that all information is complete and accurate.

It is at this point in time that the family's waiting list preference will be verified. If the family no longer qualifies to be near the top of the list, the PHA will notify the applicant in writing of the reasons why the preference was denied and offer the applicant an opportunity for a review with

the Authority. If the preference denial is upheld as a result of the meeting, or the applicant does not request a meeting, the applicant will be placed on the waiting list without benefit of the preference. Applicants may exercise other rights if they believe they have been discriminated against.

If the applicant falsifies documents or makes false statements in order to qualify for any preference, they will be removed from the Waiting List.

The full application will be communicated as requested as an accommodation to a person with a disability.

### **Requirement to Attend Interview**

The head and spouse or co-head of household are both required to attend the interview. If the head of household cannot attend the interview, the spouse or co-head may attend to complete the application and certify for the family. The head of household, however, will be required to attend an interview within 10 business days to review the information and to certify by signature that all of the information is complete and accurate.

It is the applicant's responsibility to reschedule the interview if s/he misses the appointment. If the applicant does not reschedule or misses two scheduled meetings, the PHA will reject the application.

Applicants who fail to appear and want to reschedule a missed appointment must make the request to reschedule no later than 10 business days from the original appointment date.

Reasonable accommodation will be made for persons with a disability who require an advocate or accessible offices. A designee will be allowed to participate in the interview process, but only with permission of the person with a disability.

If an application is denied due to failure to attend the full application interview, the applicant will be notified in writing and offered an opportunity to request an informal review.

All adult members must sign the HUD Form 9886, Release of Information, the application form and all supplemental forms required by the PHA, the declarations and consents related to citizenship/immigration status and any other documents required by the PHA. Applicants will be required to sign specific verification forms for information that is not covered by the HUD form 9886. Failure to do so will be cause for denial of the application for failure to provide necessary certifications and release as required by the PHA.

If the PHA determines at or after the interview that additional information or document(s) are needed, the PHA will request the document(s) or information in writing. The family will be given 10 business days to supply the information.

If the information is not supplied in this time period, the PHA will provide the family a notification of denial for assistance.

#### **D. EIV SYSTEM**

For each prospective tenant, the PHA shall at the time of the eligibility interview print and maintain on file a copy of the EIV Existing Tenant Search results.

If the applicant or members of applicant's household are identified by EIV as currently being assisted at or owes a debt to, another Multifamily Housing or Public and Indian Housing (PIH) location, the PHA shall discuss these findings with the appropriate member(s) of applicant household and provide the opportunity to explain the circumstances relative to being assisted at, or owing a debt to, another housing provider.

The PHA shall follow up with the respective housing provider to confirm the applicant's program participation status or debt owed before admission. If necessary the PHA will coordinate move-in/move-out dates with the other housing provided at the other location.

The PHA shall retain Existing Tenant Search results, as well as any related additional documentation, with the application.

#### **E. VERIFICATION**

Information provided by the applicant will be verified, using the verification procedures in the "Verification Procedures" chapter. Family composition, income, allowances and deductions, assets, full-time student status, eligibility and rent calculation factors, and other pertinent information will be verified. Verifications may not be more than 120 days old at the time a dwelling lease is executed.

#### **F. FINAL DETERMINATION AND NOTIFICATION OF ELIGIBILITY**

After the verification process is completed, the PHA will make a final determination of eligibility. This decision is based upon information provided by the family, the verification completed by the PHA, and the current eligibility criteria in effect. If the family is determined to be eligible, the PHA will mail a notification of eligibility. A briefing will be scheduled for execution of a dwelling lease and the family's orientation to the housing program.

## Chapter 4

### WAITING LIST MANAGEMENT

#### **A. OPENING/CLOSING OF APPLICATION TAKING**

The PHA will utilize the following procedures for opening the waiting list.

When the PHA opens the waiting list, the PHA will advertise the programs for which applications are being accepted through public notice on the PHA's website and in local newspapers (including minority publications if available).

The notice will contain: the dates, times, and the locations where families may apply; the programs for which applications will be taken; a brief description of the program and limitations, if any, on who may apply.

The notices will be made in an accessible format if requested. They will provide potential applicants with information that includes the PHA address and telephone number, how to submit an application, information on eligibility requirements, and the availability of local preferences.

Upon request from a person with a disability, additional time may be given as an accommodation for submission of an application after the closing deadline. This accommodation is to allow persons with disabilities the opportunity to submit an application in cases when a social service organization provides inaccurate or untimely information about the closing date.

#### **Closing the Waiting List**

The PHA may stop applications if there are enough applicants to fill anticipated openings for the next 12 months. The waiting list may not be closed if it would have a discriminatory effect inconsistent with applicable civil rights laws.

The PHA will announce the closing of the waiting list by public notice.

The open period shall be long enough to achieve a waiting list adequate to cover projected turnover and during the next 12 months. The PHA will give at least 15 days notice prior to closing the list. When the period for accepting applications is over, the PHA will add the new applicants to the list by separating the new applicants into groups based on preferences and ranking applicants within each group by date and time of application.

#### **B. ORGANIZATION OF THE WAITING LIST**

The PHA uses a single waiting list for admission to its Public Housing program.

Applicants will be selected from the PHA waiting list in accordance with policies and preferences and income targeting requirements defined in this Policy.

The PHA will maintain information that permits proper selection from the waiting list.

The waiting list contains the following information for each applicant listed: applicant name; family unit size (number of bedrooms family qualifies for under PHA standard); date and time of application; qualification for any local preference and racial or ethnic designation of the head of household

### **C. APPLICANT STATUS WHILE ON WAITING LIST**

Applicants are required to inform the PHA in writing of changes in address. Applicants are also required to respond to requests from the PHA to update information on their application and to determine their interest in assistance.

### **D. REMOVAL FROM WAITING LIST AND PURGING**

The Waiting List will be purged to ensure that the waiting list is current and accurate at the discretion of the PHA by a mailing to applicants. The PHA at its discretion may purge the entire waiting list or may elect to purge portions of the waiting list (such as by bedroom size or preference group). The mailing to the applicants will ask for confirmation of continued interest.

Any mailings to the applicant which require a response will state that failure to respond within the time limit specified in the mailing will result in the applicant's name being dropped from the waiting list.

An extension of 14 days to respond will be granted, if requested and needed as a reasonable accommodation for a person with a disability.

If the applicant did not respond to the PHA request for information or updates because of a family member's disability, the PHA will reinstate the applicant in the family's former position on the waiting list.

If a letter is returned by the Post Office without a forwarding address, the applicant will be removed without further notice, and the envelope and letter will be maintained in the file.

If a letter is returned with a forwarding address, it will be re-mailed to the address indicated.

If an applicant is removed from the waiting list for failure to respond, they will not be entitled to reinstatement unless the PHA determines there were circumstances beyond the persons control. Examples of such circumstances include, but are not limited to: hospitalization of the applicant or immediate family member; death of an immediate family member; or temporary military service (such as National Guard duty).

## Chapter 5

### TENANT SELECTION AND ASSIGNMENT PLAN

#### **INTRODUCTION**

It is the PHA's objective to ensure that families are placed in the proper order on the waiting list and selected from the waiting list for admissions in accordance with the policies in this Administrative Plan.

By maintaining an accurate waiting list, the PHA will be able to perform the activities which ensure that an adequate pool of qualified applicants will be available so that vacant dwellings are leased in a timely manner.

#### **A. WAITING LIST TYPES**

For purposes of this policy the following waiting lists shall be use:

1. Preliminary Waiting List – The Preliminary Waiting list means the initial listing of all applications for the Public Housing Program. Information on the list shall be self-certified by the individual applicant, with no verification of any such information performed by the Authority. The Preliminary Waiting List shall be organized by preference weights (in descending order) and by date and time of application (in ascending order) within each of the various preference groups. The list shall not be sorted by bedroom size.
2. Processing Waiting List – The Processing Waiting list means a limited subset of applications for the Public Housing Program. Applicants shall be add to the Processing Waiting List from the Preliminary Waiting list in batches (the size and frequency of such batches to be determined by the Executive Director or designee based on anticipated turnover and the availability of dwellings). The Processing Waiting List is not sorted as all applications are considered of equal weight during this eligibility determination stage.
3. Approved Waiting List – The Approved Waiting list means a limited subset of applications for the Public Housing Program. Applicants shall be added to the Approved Waiting List from the Processing Waiting List as all of the various verification requirements are completed and the applicant has found to be eligible to receive housing assistance. The Approved Waiting List shall be sorted by bedroom size and by preference points and by application date and time and by the date the applicant was added from the Processing Waiting List (the eligibility determination date).

#### **B. WAITING LIST PREFERENCES**

**The PHA uses the following Local Preference system:**

1. Date and Time of receipt of a completed application.

2. Residency preference for families who live, work, or have been hired to work or who are attending school in Lebanon County. This preference shall be worth 260 points.
3. Employment/Student preference. Preference shall be given to an applicant household whose head, spouse, co-head or unrelated partner of the head of household.

Is employed at least 17 ½ hours per week in a position which generates employment income countable under HUD's definition of Annual Income or is actively receiving Unemployment Compensation related to having been employed at least 17-1/2 hours per week or is currently a full-time student, who is a person carrying a subject load that is considered full-time for day students under the standards and practices of the education institution attended. An educational institution includes a vocational school with a diploma or certificate program, as well as an institution offering a college degree.

The Employment/Student Preference shall also apply if the head of household, spouse, co-head, or unrelated partner of head of household are age 62 or older or are receiving Social Security Disability, Supplemental Security Income (SSI) or any other payments based on an individual's inability to work. This preference shall be worth 50 points.

4. Substandard Housing – Applicants who live in substandard housing are families whose dwelling has been declared unfit for habitation by a government agency. For purposes of this section, “unfit for habitation” shall also include a dwelling identified by the local health department or licensed lead paint risk assessor as one in which deteriorated lead paint surfaces or other lead hazards are present, and which is occupied by a child or children under age 6 or a pregnant woman. In order to receive this preference the applicant must currently live in the substandard dwelling or have moved from such a dwelling within the past 60 days and is not currently living in standard, permanent replacement housing. If a child under age 6 or a pregnant woman has been identified as having an elevated blood lead level, standard permanent replacement housing is limited to housing which was constructed after 1978 or pre-1978 housing identified as free of lead hazards by the local health department or licensed lead paint risk assessor. In order to qualify for this preference the applicant family **MUST NOT** have caused the substandard condition. This preference shall be worth 200 points.
5. Adaptive Dwelling – Families which require an adaptive or accessible dwelling due to a physical impairment. This preference shall be worth 580 points.
6. Section 8 Previous Participation – Families who have been terminated from the Section 8 Housing Choice Voucher Program, solely because of the lack of adequate funding for continued support of the family's Housing Choice Voucher. To be eligible for this preference the family must have been terminated from the voucher program by the originating PHA and the family must supply documentation from the originating PHA that the termination action was due solely to lack of funding and not



because of any program violation by the participating family. In addition, the family must not, at the time of application or during the intervening period between application and program admission, be the beneficiary of any other subsidized or low income housing program. This preference shall be worth 60 points.

7. Veterans Preference – Applicants who are an active duty member of the United States armed forces or who have received an honorable or general discharge from such forces shall receive one point. This preference shall extend to the household of which the service member or veteran is a member.

In addition, the surviving household members of a deceased service member or veteran who died of service connected causes shall receive one point, subject to the following conditions:

The service members or veterans death occurred during active duty service or within five years of discharge from the service; and

The death occurred not more than five years prior to the data of application for housing; and

The applicant claiming the preference must be the spouse or minor child of the deceased service member or deceased veteran.

Points awarded for the above listed preferences shall be cumulative. Order of applicant selection among applicants with the same number of preference points shall be based on the date and time of the application. Table 1 on the following page provides a matrix of the various cumulative values of the preferences listed above.

**Table One**  
**Preference Matrix - Public Housing Program**

<b>Veterans Preference</b>	<b>Adapted Dwelling Preference</b>	<b>Substandard Housing Preference</b>	<b>Employment Preference</b>	<b>Lebanon County Residence Preference</b>	<b>Previous Section 8 Participant Preference</b>	<b>Total Points</b>
1	580	200	50	260	60	1,151
	580	200	50	260	60	1,150
1	580	200	50	260		1,091
	580	200	50	260		1,090
1	580		50	260		891

	580		50	260		890
1	580			260		841
	580			260		840
1	580	200	50			831
	580	200	50			830
1	580	200				781
	580	200				780
1	580				60	641
	580				60	640
1	580		50			631
	580		50			630
1	580					581
	580					580
1		200	50	260	60	571
		200	50	260	60	570
1		200	50	260		511
		200	50	260		510
1		200		260		461
		200		260		460
1			50	260	60	371
			50	260	60	370
1				260	60	321
				260	60	320
1			50	260		311
			50	260		310

1				260		261
				260		260
1		200			60	261
		200			60	260
1		200	50			251
		200	50			250
1		200				201
		200				200
1			50		60	111
			50		60	110
1					60	61
					60	60
1			50			51
			50			50
1						1

**C. ORDER OF SELECTION – PRELIMINARY WAITING LIST**

From time to time based on anticipated availability of dwellings the Executive Director or designee will direct that a defined number of names be selected on a batch basis from the Preliminary Waiting List and be placed on the Processing Waiting List. Such batch selection shall be based on the total number of preference points, with applicants having the highest number of points being selected before lower point applications.

In the event that there are more applicants with an identical number of preference points than are need for selection, then selection will be based on the date and time of application within each preference group.

For example it is determined that forty applications need to be selected from the Preliminary Waiting List. Upon review of the list it is determined that fifteen applicants have the highest preference score possible (1151). Since fifteen is less than forty all applicants with a score of

1151 will be placed on the processing waiting list (the date and time of application will not be considered).

Since there are still twenty-five slots remaining to be selected from the Preliminary Waiting list, the next highest preference score is considered (1150). Upon review of the Preliminary Waiting List it is determined that fifty five applicants have a score of 1150. Since fifty five is more than the twenty-five slots needed, date and time of application (oldest to newest) will be used to select the required twenty-five names. **IMPORTANT NOTE:** - in the event that there shall be a tie in the date and time of application upon selection of the final application required (in this example the 25<sup>th</sup> name) then all applicants with the identical application date and time shall be selected.

Applicants within each preference category will be selected in accordance with any HUD prescribed income targeting requirements.

#### **D. ORDER OF SELECTION – PROCESSING WAITING LIST**

All applications selected from the Preliminary Waiting List and placed on the Processing Waiting List shall lose all preference determinations and shall all be considered of equal value. The eligibility determination process consists of multiple steps, the timing of which are often out of control of the PHA. For example the PHA has no control of how quickly any given applicant will appear for the application interview or supply the required documents. Nor does the PHA have any control on how quickly the numerous required verifications will be returned by various third parties. For these reasons it is not only impossible, but also inherently unfair to attempt to maintain the preference rankings during the eligibility determination process.

#### **E. ORDER OF SELECTION – APPROVED WAITING LIST**

When an applicant has completed the verification process and has been determined to be eligible for housing assistance, their name will be immediately placed on the Approved Waiting List. Once added to the Approved Waiting List the application will once again regain all preference determinations. The Approved Waiting List will be sorted by bedroom size, by preference points, by date and time of the original application and by the eligibility determination date.

#### **F. FINAL VERIFICATION OF PREFERENCES**

Preference information on applications will be updated as applicants are selected from the waiting list. At that time, the PHA will obtain necessary verifications of preference at the interview and by third party verification.

#### **G. SINGLE APPLICANTS**

Non-elderly, non-disabled single applicants will be treated as any other eligible family on the waiting list.

#### **H. SPECIAL HOUSING TYPES**

**Mixed Population Developments:** Preference will be given to elderly and disabled families. If there are no elderly or disabled families on the waiting list, preference will then be given to near-elderly families. If there are no near-elderly families on the waiting list, units will be offered to families who qualify for the appropriate bedroom size using these priorities. All such families will be selected from the waiting list using the preferences outlined in this policy.

**Buildings Designated as Elderly Only Housing:** In filling vacancies in any such HUD approved development, first priority will be given to elderly families. If there are not elderly families on the list, next priority will be given to the near-elderly. If there are no near-elderly, units will be offered to families who qualify for the appropriate bedroom size. All such families will be selected from the waiting list using the preferences outlined in this policy.

**Accessible Dwellings:** Accessible dwellings will be first offered to families who may benefit from the accessible features. Applicants for these units will be selected utilizing the preference system as outlined in this policy. If there are not applicants who would benefit from the accessible features, the dwellings will be offered to other applicants in the order that their names come to the top of the waiting list. Such applicants, however, must sign a release form stating they will accept a transfer (at their own expense) if, at a future time, a family requiring a dwelling with accessible features applies. Any family required to transfer will be given a 30-day notice.

**I. ASSIGNMENT OF BEDROOM SIZES**

The following guidelines will determine each family’s dwelling size without overcrowding or over housing.

Number of Bedrooms	Persons in Household	
	Minimum Number	Maximum Number
0 Bedroom	1	1
1 Bedroom	1	2
1 Bedroom (Stevens Large)	2	2
2 Bedrooms	2	4
3 Bedrooms	3	6
4 Bedrooms	4	8
5 Bedrooms	5	10

One bedroom will generally be assigned for each two family members (zero bedroom dwellings will only be assigned to one person families). The PHA will consider factors such as family characteristics including sex, age, or relationship. Consideration will also be given for medical reasons and the presence of a live-in aide.

Generally, the PHA assigns one bedroom to two people within the following guidelines:

Persons of different generations, persons of the opposite sex (other than spouses), and unrelated adults should be allocated a separate bedroom.

Live-in attendants will generally be provided a separate bedroom. No additional bedrooms are provided for the attendant's family.

A single pregnant woman with no other family members must be treated as a two-person family.

Single person families shall be allocated one bedroom.

## **J. EXCEPTIONS TO DWELLING SIZE**

The PHA shall grant exceptions from the bedroom guidelines if the family requests and the PHA determines the exceptions are justified by the relationship, age, sex, health or disability of family members, or other individual circumstances.

The PHA will grant an exception upon request as an accommodation for persons with disabilities. Circumstances may dictate a larger size than usually permitted when persons cannot share a bedroom because of a need, such as a: verified medical or health reason; or elderly persons or persons with disabilities who may require a live-in attendant. Requests based on health related reasons must be verified by a doctor or other medical professional.

The PHA will not provide a larger dwelling due to additions of family members other than by birth, adoption, marriage, or court-awarded custody.

A family may request a smaller dwelling size than the guidelines allow. The Authority will allow the smaller size dwelling so long as generally there are no more than (2) two people per bedroom. In such situations, the family will sign a certification stating they understand they will be ineligible for a larger size unit for three (3) years, or until the family size changes, whichever occurs first.

If there are no families on the waiting list for a larger size, smaller families may be housed if they sign a release form stating they will transfer (at the family's own expense) to the appropriate size dwelling when an eligible family needing the larger dwelling applies. The family transferring will be given a 30-day notice before being required to move.

## **K. INCOME TARGETING**

In accordance with the Quality Housing and Work Responsibility Act of 1998, each fiscal year the PHA will make available 40% of its new admissions for families whose income does not exceed 30 percent of the area median income. HUD refers to these families as extremely low-income families. If it appears that the requirement to house extremely low-income families will not be met, the PHA will skip higher income families on the waiting list to reach extremely low-income families.

If there are not enough extremely low-income families on the waiting list, the PHA may take steps necessary to attract extremely low-income families to reach the statutory admissions requirement.

The PHA shall have the discretion, at least annually, to exercise the fungibility provision of the QHWRRA. This provision allows the PHA to admit less than the minimum 40% of its extremely low-income families in a fiscal year to its public housing program to the extent that the PHA's admission of extremely low income families in the tenant-based assistance program exceeds 75% of all admissions during the fiscal year. If exercising this option the PHA will follow the fungibility threshold limitations as set forth in QHWRRA legislation.

The discretion by the PHA to exercise the fungibility provision is also reflected in the PHA's Section 8 Administrative Plan.

#### **L. DECONCENTRATION POLICY**

It is the PHA'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. If needed, the Authority will skip families on the waiting list to reach other families with a lower or higher income to achieve deconcentration.

The Authority will affirmatively market its housing to all eligible income groups. Lower income residents will not be steered toward lower income developments and higher income applicants will not be steered toward higher income developments.

Prior to the beginning of each fiscal year, the PHA will analyze the income levels of families residing in each of its developments, the income levels of census tracts in which the developments are located, and the income levels of the families on the waiting list. Based on this analysis, the PHA will determine the level of marketing strategies and deconcentration incentives to implement.

#### **M. OFFER OF A DWELLING**

On the first working day of each month (or more often if necessary) the PHA will generate a copy of the Approved Waiting List, sorted by bedroom size. This list will serve to "freeze" the Approved Waiting List for a period of one calendar month. During the calendar month in question the "frozen" bedroom size waiting lists will be used for all unit offers during that month. If all names on any particular frozen bedroom size list are exhausted prior to the end of the calendar month, another "frozen" list shall be generated for the remainder of the month. At the start of the next calendar month a new frozen list shall be generated and the previous frozen lists shall be removed from service.

When the PHA discovers that a dwelling will become available, applicants will be selected from the most recently generated frozen Approved Waiting List based on the required bedroom size and:

- a) Any deconcentration incentive as outline in Section L of this policy and
- a) the total number of preference points in descending order; and
- b) the date and time of the original application (in ascending order) and

c) the date the application was added to the Approved Waiting List (in ascending order)

The PHA will contact the family first by telephone or email to make the dwelling offer. If the family cannot be reached by telephone or email, the family will be notified of a dwelling offer by first class mail. The family will be given five (5) business days from the date the letter was mailed to contact the Authority regarding the offer.

The family will be offered the opportunity to view the dwelling. After the opportunity to view the dwelling, the family will have two (2) business days to accept or reject the dwelling. This verbal offer and the family's decision must be documented in the applicant's file. If the family rejects the offer of the dwelling, the PHA will send the family a letter documenting the offer and the rejection.

#### **L. REJECTION OF UNITS**

If, in making the offer to a family, the PHA skipped over other families on the Approved Waiting List in order to meet their deconcentration goal or offered the family any other deconcentration incentive and the family rejects the dwelling, the family will not lose their place on the Approved Waiting List and will not be otherwise penalized.

If the PHA did not skip over other families on the waiting list to reach this family, did not offer any other deconcentration incentive, and the family rejects the dwelling without good cause, the family will forfeit their application's date and time. The family will keep their preferences, but the date and time of the application will be changed to the date and time the unit was rejected and the application will be returned to the Preliminary Waiting List.

If the family rejects with good cause any dwelling offered, the application will remain on the Approved Waiting List. Good cause includes reasons related to health, proximity to work, school, childcare (for those working or going to school). The family will be offered the right to an informal review of the decision to alter their application status.

#### **M. ACCEPTANCE OF THE DWELLING**

The family will be required to sign a lease that will become effective no later than two (2) business days after the date of acceptance or the business day after the day the dwelling 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 applicant will be provided a copy of the lease, the grievance procedure, utility allowances, utility charges, the current schedule of routine maintenance charges and a request for reasonable accommodation form. These documents will be explained in detail. The applicant will sign a certification that they have received these documents and that they have reviewed them with PHA staff.

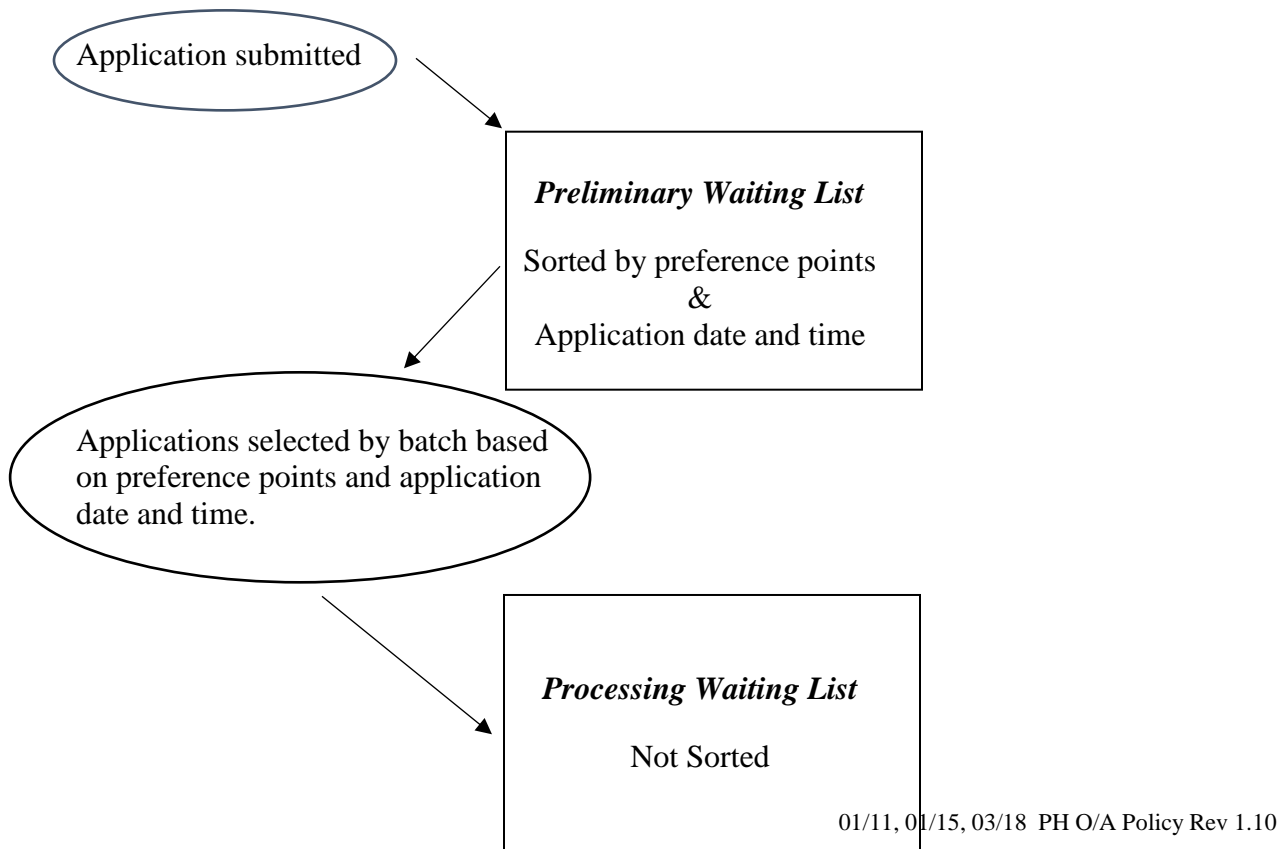
The signing of the lease and the review of financial information are to be privately handled. The head of household and all adult family members will be required to execute the lease prior to admission. One executed copy of the lease will be furnished to the head of household and the PHA will retain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

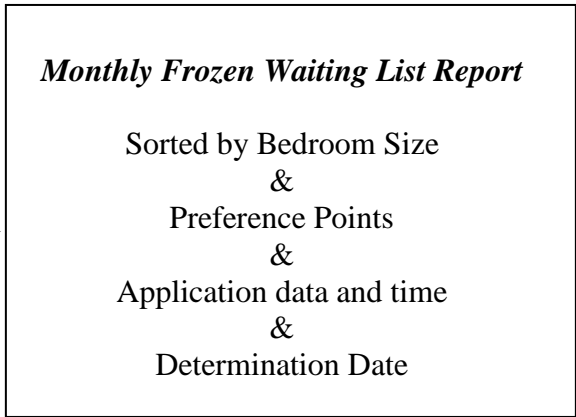
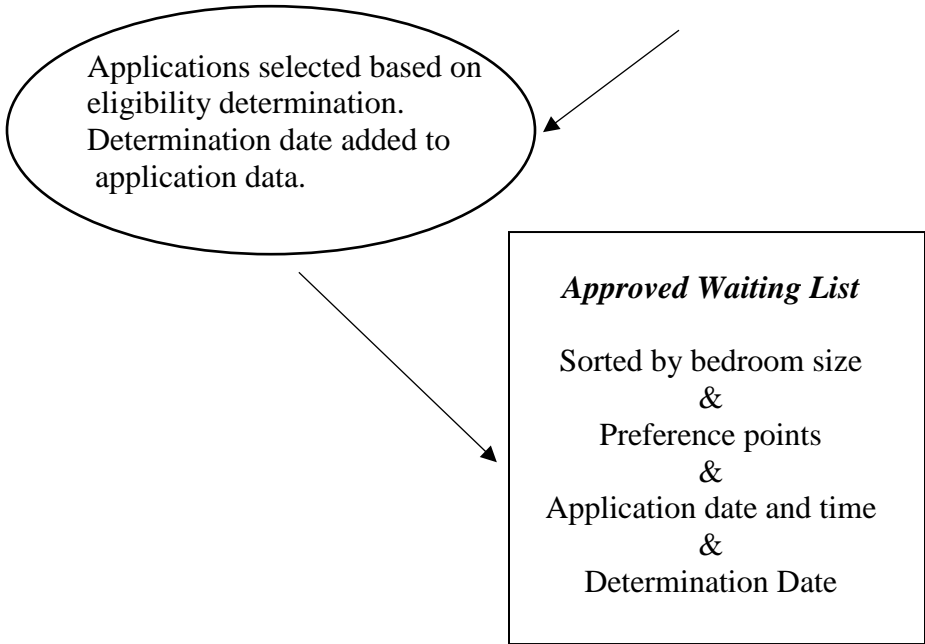
**N. SECURITY DEPOSIT**

The family will pay a security deposit at the time of lease signing. The security deposit will be equal to one month's gross rent. In exceptional circumstances the PHA reserves the right to allow a new resident to pay their security deposit in up to three monthly payments. This shall be at the sole discretion of the Authority.

In the case of a transfer to another PHA dwelling, the security deposit for the first unit will be transferred to the second unit. 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 those costs.

**O. WAITING LIST FLOW CHARTS**





## Chapter 6

### INCOME, INCOME EXCLUSIONS AND DEDUCTIONS

#### INTRODUCTION

This Chapter defines annual income and explains the allowable expenses and deductions to be subtracted from Annual Income. In addition, criteria are detailed as to how the presence or absence of household members may affect the Total Tenant Payment. Once the annual income is determined, the PHA subtracts all allowable deductions (allowances) to determine the adjusted annual income on which the Total Tenant Payment is based.

#### A. INCOME

Annual income means all amounts, monetary or not (including but not limited to the value of goods and services), that:

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

Annual income includes, but is not limited to:

1. The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services.
2. The net income from the operation of a business or profession. Expenditures for business expansion, amortization of capital indebtedness or depreciation of assets are not used as deductions in determining net income. Any withdrawal of cash or assets from the operation of a business or profession is included in income, except to the extent the withdrawal is a reimbursement of cash or assets invested in the operation by the family.
3. Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness or depreciation are not used as deductions in determining net income. Any withdrawal of cash or assets from an investment is included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of \$5,000, annual income includes the greater of the actual

income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD.

4. The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount. (However, deferred periodic amounts from supplemental security income and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts are excluded.)
5. Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation, and severance pay. (However, lump sum additions such as insurance payments from worker's compensation are excluded.)
6. Welfare assistance provided by any agency is included. In addition, imputed welfare assistance must be included if the individual has lost welfare benefits according to the following conditions:

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 family member in connection with the welfare program; or because of welfare agency sanction against a family member for noncompliance with a welfare agency requirement to participate in an economic self-sufficiency program.

Specified welfare benefit reduction does not include a reduction or termination of welfare benefits by the welfare agency under the following circumstances:

- a) at expiration of a lifetime or other time limit on the payment of welfare benefits;
- b) because a family member is not able to obtain employment, even though the family member has complied with welfare agency economic self-sufficiency or work activities requirements or
- c) because a family member has not complied with other welfare agency requirements.

A family's annual income includes the amount of the imputed welfare income, plus the total amount of other annual income. The imputed welfare income will be included in annual income during the term of the welfare benefits reduction (as specified in information provided to the PHA by the welfare agency). The amount of the imputed welfare income is offset by the amount of additional income a family receives that commences after the time the sanction was imposed. When

such additional income from other sources is at least equal to the imputed welfare income, the imputed welfare income is reduced to zero. The PHA may not include imputed welfare income in annual income if the family was not an assisted resident at the time of sanction.

7. Periodic and determinable allowances, such as alimony, child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling.
8. All regular pay, special pay, and allowances of a member of the Armed Forces. (Special pay to a member exposed to hostile fire is excluded.)

## **B. TYPES OF INCOME EXCLUSIONS**

1. *Fully Excluded Income* - Income that is fully excluded means the entire amount qualifies to be excluded from the annual income determination. For fully excluded income the PHA is not required to:

- Verify the income in accordance with the HUD prescribed verification hierarchy;
- Document in the tenant file why third party verification was not available;
- Report the income in Section 7 of the form HUD 50058

The PHA may accept an applicant or participant's self-certification as verification of fully excluded income. The PHA's application and reexamination documentation, which is signed by all adult family members, may serve as the self-certification of the fully excluded income. The PHA has the option of elevating the verification requirements if necessary, to determine if a source of income qualifies for a full exclusion.

Examples of fully excluded income categories that are verifiable through applicant or participant self-certification are: Supplemental Nutrition Assistance Program (SNAP) benefits (formerly known as food stamps); Income from a live-in aide.

2. *Partially Excluded Income* – Income that is partially excluded means that only a certain portion of the income reported by the family qualifies to be excluded, while the remainder must be included when determining the family's annual income. For partially excluded income, the PHA is required to:

- Comply with the HUD prescribed verification requirements and all applicable regulations pertaining to the determination of annual income, and
- Report the income in Section 7 of the form HUD -55058 (see HUD Notice 2013-

04 for more detailed examples of how to calculate partially excluded income)

Examples of partially excluded income include the Department of Veterans Affairs “aid and Attendance” benefits; and earnings in excess of \$480 for full time students 18 years old or older.

### **C. INCOME EXCLUSION LISTING**

Annual income does not include the following:

1. Income from employment of children (including foster children) under the age of 18 years;
2. Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone);
3. Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains, and settlement for personal or property losses;
4. Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;
5. Income of a live-in aide;
6. The full amount of student financial assistance (tuition and fees) paid directly to the student or to the educational institution. The Department of Education defines tuition as the amount of money charged to students for instructional services which may be charged per term, per course or per credit. The Department of Education further defines tuition and fees as the amount of tuition and required fees covering a full academic year most frequently charged to students. Required fees include all fixed sum charges that are required of a large proportion of all students. The student who does not pay the charges is an exception. Examples of required fees include, but are not limited to, writing and science lab fees and fees specific to a 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.

7. The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;

8. The amounts received from the following programs:
  - a) Amounts received under training programs funded by HUD;
  - b) 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);
  - c) Amounts received by a participant in other publicly assisted programs that are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and that are made solely to allow participation in a specific program;
  - d) Amounts received under a resident service stipend. A resident service stipend is a modest amount (not to exceed \$200 per month) received by a resident for performing a service for the Housing Authority or, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, resident initiatives coordination and serving as a member of the PHA's governing board. No resident may receive more than one such stipend during the same period of time;
  - e) Incremental earnings and benefits resulting to any family member from participation in qualifying State 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;

9. Temporary, nonrecurring or sporadic income (including gifts);
10. 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;
11. Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of household and spouse);
12. Adoption assistance payments in excess of \$480 per adopted child;
13. For family members who enrolled in certain training programs prior to 10/1/99, the earnings and benefits resulting from the participation if the program provides

employment training and supportive services in accordance with the Family Support Act of 1988, Section 22 of the 1937 Act (42 U.S.C. 1437t), or any comparable Federal, State, or local law during the exclusion period. For purposes of this exclusion the following definitions apply:

a) Comparable Federal, State or local law means a program providing employment training and supportive services that:

- i. Is authorized by a Federal, State or local law;
- ii. Is funded by the Federal, State or local government;
- iii. Is operated or administered by a public agency and
- iv. Has as its objective to assist participants in acquiring employment skills.

b) Exclusion period means the period during which the family member participates in a program described in this section, plus 18 months from the date the family member begins the first job acquired by the family member after completion of such program that is not funded by public housing assistance under the 1937 Act. If the family member is terminated from employment with good cause, the exclusion period shall end.

c) Earnings and benefits means the incremental earnings and benefits resulting from a qualifying employment training program or subsequent job.

14. The earnings due to employment obtained according to any of the criteria listed in a), b) or c) below, according to the following formula. During the cumulative twelve month period beginning on the date a member of a qualified family is first employed or the family first experiences an increase in annual income attributable to employment, the PHA must exclude from annual income of a qualified family any increase in income of the family member as a result of employment over prior income of that family member. During the second cumulative twelve month period after the date a member of a qualified family is first employed or the family first experiences an increase in annual income attributable to employment, the PHA must exclude from annual income of a qualified family fifty percent of any increase in income of such family member as a result of employment over income of the family member prior to the beginning of such employment.

The disallowance of increased income of an individual family member as provided in this section is limited to a total of 24 continuous months. Once an individual family member is determined to be eligible for this Earned Income Disregard (EID), the 24 month period shall begin. If the family member discontinues the employment that initially qualified the family for the EID, the 24 calendar month

period continues. The EID benefit is limited to a lifetime 24 month period for the



qualifying household member. At the end of the 24 months, the EID ends regardless of how many months were “used”. In addition, the individual family member may receive no more than a total of 12 months for the 100% income forgiveness and a total of twelve months for the 50% income forgiveness.

a) Whose annual income increased as a result of employment of a family member who was unemployed for one or more years previous to employment. For the purposes of this section, previously unemployed includes a person who has earned, in the twelve 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.

b) Whose annual income increases as a result of increased earnings by a family member during participation in any economic self-sufficiency or other job training program. For the purposes of this section self-sufficiency or job training program means: 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.

c) Whose annual income increases, as a result of new employment or increased earnings of a family member, during or within six months after receiving assistance, benefits or services under any state program for temporary assistance for needy families funded under Part A of Title IV of the Social Security Act, as determined by the PHA in consultation with the local agencies administering temporary assistance for needy families (TANF) and Welfare-to-Work (WTW) programs. The TANF program is not limited to monthly income maintenance, but also includes such benefits and services as one-time payments, wage subsidies and transportation assistance – provided that the total amount over a six-month period is at least \$500.00.

Families who are concurrently eligible for exclusion #13 are not eligible for the phase in requirements of this section.

(While HUD regulations allow for the housing authority to offer an escrow account in lieu of having a portion of their income excluded under this paragraph, it is the policy of this housing authority to provide the exclusion in all cases.)

15. Deferred periodic amounts from supplemental security income and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts;

16. 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;
17. Amounts paid by a State agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home; or
18. Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits. These exclusions include:
  - a) The value of the allotment of food stamps
  - b) Payments to volunteers under the Domestic Volunteer Services Act of 1973
  - c) Payments received under the Alaska Native Claims Settlement Act
  - d) Income from submarginal land of the U.S. that is held in trust for certain Indian tribes
  - e) Payments made under HHS's Low-Income Energy Assistance Program
  - f) Payments received under the Job Training Partnership Act
  - g) Income from the disposition of funds of the Grand River Band of Ottawa Indians
  - h) The first \$2000 per capita received from judgment funds awarded for certain Indian claims
  - i) Amount of scholarships awarded under Title IV including Work Study
  - j) Payments received under the Older Americans Act of 1965
  - k) Payments from Agent Orange Settlement
  - l) Payments received under the Maine Indian Claims Act
  - m) The value of child care under the Child Care and Development Block Grant Act of 1990
  - n) Earned income tax credit refund payments
  - o) Payments for living expenses under the Americorps Program

- p) An increase, not to exceed 20%, in a current source of family income for the period between annual re-examinations.

**D. DEDUCTIONS FROM ANNUAL INCOME**

The following deductions will be made from annual income:

1. \$480 for each dependent;
2. \$400 for any elderly family or disabled family;
3. The sum of the following, to the extent the sum exceeds three percent of annual income:

Unreimbursed medical expenses of any elderly family or disabled family (this provision may also apply to non-elderly/non-disabled families, but only to the extent approved in appropriation acts) and

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 of auxiliary apparatus.

5. Any reasonable child care expenses necessary to enable a member of the family to be employed or to further his or her education.
6. Child Support Payments – Any payment made by a member of the family for the support and maintenance of any child who does not reside in the household, except that the amount excluded may not exceed \$480.00 per year for each child for whom such payment is made.

NOTE: The provisions of this section shall apply ONLY to the extent approved in appropriation acts.

7. Spousal Support Expenses – Any payment made by a member of the family for the support and maintenance of any spouse or former spouse who does not reside in the household, except that the amount excluded shall not exceed the lesser of: the amount that such family member has a legal obligation to pay or \$550.00 per year for each individual for whom such payment is made.

NOTE: The provisions of this section shall apply ONLY to the extent approved in appropriation acts.

## **E. DEFINITION OF TEMPORARILY/PERMANENTLY ABSENT**

The PHA must compute all applicable income of every family member who is on the lease, including those who are temporarily absent. "Temporarily absent" is defined as away from the unit for less than 90 consecutive days in any twelve month period. At the request of the family any member of the household will be considered permanently absent if s/he is away from the unit for 90 or more consecutive days and is not expected to return to the dwelling (subject to review by the Authority), except as otherwise provided in this Chapter.

It is the responsibility of the head of household to report changes in family composition. The PHA will evaluate absences from the unit using this policy.

### **Absence due to military service**

If the spouse is temporarily absent and in the military, all military pay and allowances (except hazardous duty pay when exposed to hostile fire and any other exceptions to military pay HUD may define) is counted as income.

### **Absence due to Medical Reasons**

If any family member leaves the household to enter a facility such as hospital, nursing home, or rehabilitation center, the PHA will seek advice from a reliable qualified source as to the likelihood and timing of their return. If the verification indicates that the family member will be permanently confined to a nursing home, the family member will be considered permanently absent. If the verification indicates that the family member will return in less than 90 consecutive days, the family member will not be considered permanently absent.

If the person who is determined to be permanently absent is the sole member of the household, assistance may be terminated in accordance with the PHA's "Absence of Entire Family" policy.

### **Absence Due to Full-time Student Status**

Full time students who attend school away from the home will be treated in the following manner:

A student (other than head of household or spouse) who attends school away from home but lives with the family during school recesses may, at the family's choice, be considered either temporarily or permanently absent. If the family decides that the member is permanently absent, income of that member will not be included in total household income, the member will not be included on the lease, and the member will not be included for determination of the dwelling size.

### **Absence due to Incarceration**

If the sole member is incarcerated for more than 90 consecutive days, s/he will be considered permanently absent. Any member of the household, other than the sole member, will be considered permanently absent if s/he is incarcerated for 90 consecutive days in a twelve month period. The return of any such member shall be subject to compliance with the applicant eligibility and screening process. If the incarceration was for drug-related or violent criminal activity the PHA will not allow the member to return to the household.

### **Absence of Children due to Placement in Foster Care**

If the family includes a child or children temporarily absent from the home due to placement in foster care, the PHA will determine from the appropriate agency when the child/children will be returned to the home. If the time period is to be greater than three of months from the date of removal of the child/ren, or if all the children are removed from the home permanently, the family will be placed on the transfer list for an appropriately sized dwelling.

### **Absence of Entire Family**

These policy guidelines address situations when the family is absent from the unit, but has not moved out of the unit. In cases where the family has moved out of the unit, the PHA will terminate the lease in accordance with appropriate rules and regulations.

Families are required both to notify the PHA before they move out of a unit and to give the PHA information about any family absence from the unit.

Families must notify the PHA no less than 2 days after leaving the unit if they are going to be absent from the unit for more than 14 consecutive days.

If the entire family is absent from the assisted unit for more than 60 consecutive days (even if the rent is paid) the Authority reserves the right to consider the dwelling to be vacated and to terminate the lease.

"Absence" means that no family member is residing in the unit.

In order to determine if the family is absent from the unit, the PHA may: give an entry notice to check the premises; write letters to the family at the unit; telephone the family at the unit; interview neighbors; verify if utilities are in service and/or check with the post office.

A person with a disability may request an extension of time as an accommodation, provided that there is a reasonable expectation that the tenant's absence from the dwelling will not exceed 180 consecutive calendar days.

If the absence which resulted in termination of the lease was due to a person's disability, and the PHA can verify that the person was unable to notify the PHA, the PHA may choose to enter into a new dwelling lease when suitable accommodations become available. However, any such

request from the tenant must be made within 180 calendar days of the date the lease was terminated.

### **Caretaker for Children**

If neither parent remains in the household and the appropriate agency has determined that another adult is to be brought into the assisted unit to care for the children for an indefinite period, the PHA will treat that adult as a visitor for the first 90 days. If during the 90-day period the court awards custody or legal guardianship to the caretaker, the lease will be transferred to the caretaker (subject to the PHA's applicant screening criteria). If the court has not awarded custody or legal guardianship within 90 days, but the action is in process, the PHA will secure verification from social services staff or the attorney as to the status. The PHA may transfer the lease to the caretaker (subject to the PHA's applicant screening criteria), in the absence of a court order, if the caretaker has been in the unit for more than 90 days and it is reasonable to expect that custody will be granted.

If custody is awarded for a limited time, the PHA will state in writing that the transfer of the lease is for that limited time or as long as the caretaker has custody of the children. The PHA will use discretion as deemed appropriate in determining any further assignation of the lease on behalf of the children.

When the PHA approves a person to reside in the unit as caretaker for the child/ren, the caretaker's income WILL be included in calculating the rent.

### **Visitors**

Any individual not included on the lease who has been in the unit a total of 72 hours in one calendar month (whether or not the person sleeps in the dwelling) without PHA approval will be considered to be living in the unit as an unauthorized household member.

Absence of evidence of any other address will be considered verification that the visitor is a member of the household.

Statements from neighbors and/or other knowledgeable individuals will be considered in making the determination.

Use of the unit address as the visitor's current residence for any purpose that is not explicitly temporary shall be construed as permanent residence.

The burden of proof that the individual is a visitor rests on the family. In the absence of such proof, the individual will be considered an unauthorized member of the household and the PHA may terminate the lease, since prior approval was not requested for the addition.

Minors and college students who were part of the family but who now live away from home during the school year and are no longer on the lease may visit for up to 30 days per year without being considered a member of the household.

In a joint custody arrangement, if the minor is in the household less than 180 days per year, the minor will be considered to be an eligible visitor and not a family member.

### **Reporting Additions to the PHA**

Reporting changes in household composition to the PHA is both a HUD and a PHA requirement.

The family obligations require the family to request in writing PHA approval to add any other family member as an occupant of the unit and to inform the PHA within 15 days of the birth, adoption or court-awarded custody of a child.

If the family does not obtain prior written approval from the PHA, any person the family has permitted to move in will be considered an unauthorized household member.

An interim reexamination will be conducted for any additions to the household.

### **Reporting Absences to the PHA**

Reporting changes in household composition is both a HUD and a PHA requirement.

If a family member leaves the household, the family must report this change to the PHA, in writing, within 15 days of the change and certify as to whether the member is temporarily absent or permanently absent.

The PHA will conduct an interim evaluation for changes which affect the Total Tenant Payment in accordance with the interim policy.

## **F. ANNUALIZATION OF 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 PHA believes that past income is the best available indicator of expected future income, the PHA may annualize the income anticipated for a shorter period, subject to a re-determination at the end of the shorter period.

## **G. MINIMUM INCOME**

There is no minimum income requirement. Families who report zero income may be subject to interim recertifications at the discretion of the PHA.

Families that report zero income will be required to provide information regarding their means of basic subsistence, such as food, utilities, transportation, etc.

If the family's expenses exceed their known income, the PHA will make inquiry of the head of household as to the nature of the family's accessible resources.

## **H. REGULAR CONTRIBUTIONS AND GIFTS**

Regular contributions and gifts received from persons outside the household are counted as income for calculation of the Total Tenant Payment.

Any contribution or gift received every 3 months or more frequently will be considered a "regular" contribution or gift, unless the amount is less than \$200.00 per year. This includes rent and utility payments made on behalf of the family and other cash or non-cash contributions provided on a regular basis. It does not include casual contributions or sporadic gifts. (See "Verification Procedures" chapter for further definition.)

If the family's expenses exceed its known income, the PHA will inquire of the family regarding contributions and gifts.

## **I. ALIMONY AND CHILD SUPPORT**

Regular alimony and child support payments are counted as income for calculation of Total Tenant Payment.

If the amount of child support or alimony received is less than the amount awarded by the court, the PHA will use the reduced amount, provided that:

The Family has not received the full amount of support and/or alimony for at least the past ninety (90) days AND;

The PHA receives verification of the reduced benefit from the agency responsible for enforcement or collection OR the family furnishes documentation of child support or alimony collection action filed through a child support enforcement/collection agency, or has filed an enforcement or collection action through an attorney.

## **J. LUMP-SUM RECEIPTS**

Lump-sum additions to Family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains, and settlement for personal or property losses, are not included in income but may be included in assets.

Lump-sum payments caused by delays in processing periodic payments such as unemployment or welfare assistance are counted as income. Lump sum payments from Social Security or SSI are excluded from income, but any amount remaining will be considered an asset. Deferred periodic payments that have accumulated due to a dispute will be treated the same as periodic payments which are deferred due to delays in processing.

In order to determine amount of retroactive tenant rent that the family owes as a result of the lump sum receipt:



The PHA uses a calculation method which calculates retroactively or prospectively depending on the circumstances.

The PHA will calculate prospectively if the family reported the payment within 30 days and retroactively to date of receipt if the receipt was not reported within that time frame.

### **Prospective Calculation Methodology**

If the payment is reported on a timely basis, the calculation will be done prospectively and will result in an interim adjustment calculated as follows:

The PHA will determine the percent of the year remaining until the next annual recertification as of the date of the interim. The PHA will then apply the percentage balance to the lump sum and add it to the rest of the annual income.

The lump sum will be added in the same way for any other interim re-examinations which occur prior to the next annual recertification.

### **Retroactive Calculation Methodology**

The PHA will go back to the date the lump-sum payment was received, or to the date of admission, whichever is closer.

The PHA will determine the amount of income for each certification period, including the lump sum, and recalculate the tenant rent for each certification period to determine the amount due the PHA.

The family must pay this "retroactive" amount to the PHA in a lump sum. However, at the PHA's option, the PHA may enter into a Payment Agreement with the family.

The amount owed by the family is a collectible debt even if the family becomes unassisted.

### **Attorney Fees**

The family's attorney fees may be deducted from lump-sum payments when computing annual income if the attorney's efforts have recovered a lump-sum compensation, and the recovery paid to the family does not include an additional amount in full satisfaction of the attorney fees.

#### **K. CONTRIBUTIONS TO RETIREMENT FUNDS - ASSETS**

Contributions to company retirement/pension funds are handled as follows:

While an individual is employed, count as assets only amounts the family can withdraw without retiring or terminating employment. After retirement or termination of employment, count any amount the employee elects to receive as a lump sum.

#### **L. ASSETS DISPOSED OF FOR LESS THAN FAIR MARKET VALUE**

The PHA must count assets disposed of for less than fair market value during the two years preceding certification or reexamination. The PHA will count the difference between the market value and the actual payment received in calculating total assets.

Assets disposed of as a result of foreclosure or bankruptcy are not considered to be assets disposed of for less than fair market value. Assets disposed of as a result of a divorce or separation are not considered to be assets disposed of for less than fair market value.

The PHA's minimum threshold for counting assets disposed of for less than Fair Market value is \$1,000.00. If the total value of assets disposed of within a one-year period is less than \$1,000.00, they will not be considered an asset.

#### **M. CHILD CARE EXPENSES**

Child care expenses for children under 13 may be deducted from annual income if they enable an adult to work or attend school full time, or to actively seek employment. In the case of a child attending private school, only after-hours care can be counted as child care expenses.

Child care expenses cannot be allowed as a deduction if there is an adult household member capable of caring for the child who can provide the child care. Examples of those adult members who would be considered *unable* to care for the child include: the abuser in a documented child abuse situation, or a person with disabilities or older person unable to take care of a small child, as verified by a reliable knowledgeable source.

Allowability of deductions for child care expenses is based on the following guidelines:

**Child care to work:** The maximum child care expense allowed must be less than the amount earned by the person enabled to work and such expenses must be reasonable and customary for the service provided. The "person enabled to work" will be the adult member of the household who earns the least amount of income from working.

**Child care for school:** The number of hours claimed for child care may not exceed the number of hours the family member is attending school, including reasonable travel time to and from school.

**N. MEDICAL EXPENSES**

When it is unclear in the HUD rules as to whether or not to allow an item as a medical expense, IRS Publication 502 will be used as a guide. Nonprescription medicines must be doctor-recommended in order to be considered a medical expense. Accupressure, accupuncture and related herbal medicines, will not be considered allowable medical expenses.

## Chapter 7

### VERIFICATION PROCEDURES

#### **INTRODUCTION**

HUD regulations require that the factors of eligibility and Total Tenant Payment be verified by the PHA. PHA staff will obtain written verification from independent sources whenever possible and will document tenant files whenever third party verifications are not possible as to why third party verification was impossible to obtain.

Applicants and program participants must provide true and complete information to the PHA whenever information is requested. The PHA's verification requirements are designed to maintain program integrity. This Chapter explains the PHA's procedures and standards for verification of preferences, income, assets, allowable deductions, family status, and changes in family composition. The PHA will obtain proper authorization from the family before requesting information from independent sources.

#### **A. METHODS OF VERIFICATION AND TIME ALLOWED**

The PHA will verify information through the five methods of verification acceptable to HUD in the following order:

1. HUD EIV System
2. Third-Party Written
3. Third-Party Oral
4. Review of Documents
5. Certification/Self-Declaration

The PHA will allow six weeks for return of third-party verifications and two weeks to obtain other types of verifications before going to the next method. The PHA will document the file as to why third party written verification was not used.

For applicants and tenants verifications are valid for a maximum period of 120 days.

#### **Enterprise Income Verification**

The PHA's procedures for anticipating annual income will include the use of EIV methods approved by HUD in conjunction with family-provided documents. The PHA will follow "HUD Guidelines for Projecting Annual Income When Enterprise Income Verification (EIV) Data Is Available" in handling differences between EIV and family-provided income data. The guidelines depend on whether a difference is substantial or not. HUD defines *substantial*

*difference* as a difference of \$200 or more per month.

**No Substantial Difference.** If EIV information for a particular income source differs from the information provided by a family by less than \$200 per month, the PHA will follow these guidelines:

- 1) If the EIV figure is less than the family's figure, the PHA will use the family's information.
- 2) If the EIV figure is more than the family's figure, the PHA will use the EIV data unless the family provides documentation of a change in circumstances to explain the discrepancy (e.g., a reduction in work hours). Upon receipt of acceptable family-provided documentation of a change in circumstances, the PHA will use the family-provided information.

**Substantial Difference.** If EIV information for a particular income source differs from the information provided by a family by \$200 or more per month, the PHA will follow these guidelines:

- 1) The PHA will request written third-party verification from the discrepant income source in accordance with 24 CFR 5.236(b)(3)(i).
- 2) When the PHA cannot readily anticipate income (e.g., in cases of seasonal employment, unstable working hours, or suspected fraud), the PHA will review historical income data for patterns of employment, paid benefits, and receipt of other income.
- 3) The PHA will analyze all EIV, third-party, and family-provided data and attempt to resolve the income discrepancy.
- 4) The PHA will use the most current verified income data and, if appropriate, historical income data to calculate anticipated annual income.

### **Third-Party Written Verification**

Third-party verification is used to verify information directly with the source. Third-party written verification forms will be sent and returned via first class mail. The family will be required to sign an authorization for the information source to release the specified information.

Verifications received electronically directly from the source are considered third party written verifications.

The PHA will accept verifications in the form of computerized printouts delivered by the family from the following agencies: Social Security Administration; Veterans Administration; Welfare Assistance; Unemployment Compensation Board; Domestic Relations Office and City or County Courts.

### **Third-Party Oral Verification**

Oral third-party verification will be used when written third-party verification is delayed or not possible. When third-party oral verification is used, staff will be required to document with whom they spoke, the date of the conversation, and the facts provided. If oral third party verification is not available, the PHA will rely on any documents provided by the Family.

### **Review of Documents**

In the event that third-party written or oral verification is unavailable, or the information has not been verified by the third party within eight weeks, the PHA will annotate the file accordingly and utilize documents provided by the family as the primary source if the documents provide complete information.

All such documents, excluding government checks, will be photocopied and retained in the applicant file. In cases where documents are viewed which cannot be photocopied, staff viewing the document(s) will complete a Certification of Document Viewed or Person Contacted form or document.

The PHA will accept the following documents from the family provided that the document is such that tampering would be easily noted: printed wage stubs; computer print-outs from the employer; signed letters (provided that the information is confirmed by phone); other documents noted in this Chapter as acceptable verification. The PHA will accept photo copies or electronically transferred documents.

If third-party verification is received after documents have been accepted as provisional verification, and there is a discrepancy, the PHA will utilize the third party verification. The PHA will not delay the processing of an application beyond 60 days because a third party information provider does not return the verification in a timely manner.

### **Self-Certification/Self-Declaration**

When verification cannot be made by third-party verification or review of documents, families will be required to submit a self-certification. Self-certification means a statement under penalty of perjury and must be witnessed.

## **B. RELEASE OF INFORMATION**

Adult family members will be required to sign the HUD 9886 Release of Information/Privacy Act form. In addition, family members will be required to sign the PHA's specific authorization forms in addition to the HUD form 9886, Authorization for Release of Information/Privacy Act Notice. Each member requested to consent to the release of specific information will be provided with a copy of the appropriate forms for their review and signature.

Family refusal to cooperate with the HUD prescribed verification system will result in denial of admission or termination of assistance because it is a family obligation to supply any information and to sign consent forms requested by the PHA or HUD.

### **C. COMPUTER MATCHING**

Where allowed by HUD and/or other State or local agencies, computer matching will be done. The PHA will utilize HUD computer-based verification systems, including TEVS and EIV as a tool for obtaining information on both earned and unearned sources of income to the family.

When computer matching results in a discrepancy with information in the PHA records, the PHA will follow up with the family and verify income sources to resolve this discrepancy. The family must promptly furnish to the PHA any letter or other notice received from HUD that provides information concerning the amount or verification of family income. If the family has unreported or underreported income, the PHA will follow the relevant procedures in this plan.

### **D. ITEMS TO BE VERIFIED**

1. All income not specifically excluded by the regulations.
2. Full-time student status including High School students who are 18 or over.
3. Current assets including assets disposed of for less than fair market value in preceding two years.
4. Child care expense where it allows an adult family member to be employed or to further his/her education.
5. Total medical expenses of all family member in households whose head or spouse is elderly or disabled.
6. Disability assistance expenses to include only those costs associated with attendant care or auxiliary apparatus for a disabled member of the family, which allow an adult family member to be employed.
7. Disability for determination of preferences, allowances or deductions.
8. U.S. citizenship/eligible immigrant status
9. Social Security Numbers for all family members over 6 years of age or older who have been issued a social security number.
10. "Preference" status
11. Familial/Marital status when needed for head or spouse definition.
12. Verification of reduction in welfare benefits for noncompliance: the PHA will obtain

written verification from the welfare agency stating that the family's benefits have been reduced for fraud or noncompliance *before* denying the family's request for rent reduction.

## **E. VERIFICATION OF INCOME**

This section defines the methods the PHA will use to verify various types of income. If available income verification from the HUD EIV system shall always be the preferred method of verification.

### **Employment Income**

Verification forms request the employer to specify the: dates of employment; amount and frequency of pay; date of the last pay increase; likelihood of change of employment status and effective date of any known salary increase during the next 12 months; year to date earnings; estimated income from overtime, tips, bonus pay expected during next 12 months.

Acceptable methods of verification include, in this order:

1. Employment verification form completed by the employer.
2. Check stubs or earning statements, which indicate the employee's gross pay, frequency of pay or year to date earnings.
3. W-2 forms plus income tax return forms.
4. Income tax returns signed by the family may be used for verifying self-employment income, or income from tips and other gratuities.

Applicants and program participants may be requested to sign an authorization for release of information from the Internal Revenue Service for further verification of income. In cases where there are questions about the validity of information provided by the family, the PHA will require the most recent federal income tax statements.

### **Social Security, Pensions, Supplementary Security Income (SSI), Disability Income**

Acceptable methods of verification include, in this order:

1. Computer report electronically obtained or in hard copy.
2. Benefit verification form completed by agency providing the benefits.
3. Award or benefit notification letters prepared and signed by the providing agency.



### **Unemployment Compensation**

Acceptable methods of verification include, in this order:

1. Verification form completed by the unemployment compensation agency.
2. Computer report electronically obtained or in hard copy, from unemployment office stating payment dates and amounts.
3. Payment stubs.

### **Welfare Payments or General Assistance**

Acceptable methods of verification include, in this order:

1. PHA verification form completed by payment provider.
2. Written statement from payment provider indicating the amount of grant/payment, start date of payments, and anticipated changes in payment in the next 12 months.
3. Computer-generated Notice of Action.

### **Alimony or Child Support Payments**

Acceptable methods of verification include, in this order:

1. PHA verification form or computer record from the Court Trustee.
2. Copy of a separation or settlement agreement or a divorce decree stating amount and type of support and payment schedules.
3. A notarized letter from the person paying the support.
4. Family's self-certification of amount received and of the likelihood of support payments being received in the future, or that support payments are not being received.

If payments are irregular, the family must provide: a copy of the separation or settlement agreement, or a divorce decree stating the amount and type of support and payment schedules and statement from the agency responsible for enforcing payments to show that the payments are delinquent.

### **Net Income from a Business**

In order to verify the net income from a business, the PHA will view IRS and financial documents from prior years and use this information to anticipate the income for the next 12 months.

Acceptable methods of verification include:

1. IRS Form 1040, including: Schedule C (Small Business); Schedule E (Rental Property Income); and/or Schedule F (Farm Income)
2. Audited or unaudited financial statement(s) of the business.
3. Credit report or loan application.
4. Documents such as manifests, appointment books, cash books, bank statements, and receipts will be used as a guide for the prior six months (or lesser period if not in business for six months) to project income for the next 12 months. The family will be advised to maintain these documents in the future if they are not available.
5. Family's self-certification as to net income realized from the business during previous years.

### **Child Care Business**

If an applicant/participant is operating a licensed day care business, income will be verified as with any other business.

If the applicant/participant is operating a "cash and carry" operation (which may or may not be licensed), the PHA will require that the applicant/participant complete a form for each customer which indicates: name of person(s) whose child (children) is/are being cared for, phone number, number of hours child is being cared for, method of payment (check/cash), amount paid, and signature of person.

If the family has filed a tax return, the family will be required to provide it.

### **Recurring Gifts**

The family must furnish a self-certification which contains the following information: the person who provides the gifts; the value of the gifts; the regularity (dates) of the gifts; and the purpose of the gifts.

### **Zero Income Status**

Families claiming to have no income will be required to execute verification forms to determine that forms of income such as unemployment benefits, TANF, SSI, etc. are not being received by the household. The PHA will run a credit report if information is received that indicates the family has an unreported income source.

## **Full-time Student Status**

Only the first \$480 of the earned income of full time students, other than head, co-head, or spouse, will be counted towards family income. Financial aid, scholarships and grants received by full time students is not counted towards family income.

Verification of full time student status includes: written verification from the registrar's office or other school official; or school records indicating enrollment for sufficient number of credits to be considered a full-time student by the educational institution.

## **F. INCOME FROM ASSETS**

### **Savings Account Interest Income and Dividends**

Acceptable methods of verification include, in this order:

1. Account statements, passbooks, certificates of deposit, or PHA verification forms completed by the financial institution.
2. Broker's statements showing value of stocks or bonds and the earnings credited the family. Earnings can be obtained from current newspaper quotations or oral broker's verification.
3. IRS Form 1099 from the financial institution, provided that the PHA must adjust the information to project earnings expected for the next 12 months.

### **Interest Income from Mortgages or Similar Arrangements**

Acceptable methods of verification include, in this order:

1. A letter from an accountant, attorney, real estate broker, the buyer, or a financial institution stating interest due for next 12 months. (A copy of the check paid by the buyer to the family is not sufficient unless a breakdown of interest and principal is shown.)
2. Amortization schedule showing interest for the 12 months following the effective date of the certification or recertification.

### **Net Rental Income from Property Owned by Family**

Acceptable methods of verification include, in this order:

1. IRS Form 1040 with Schedule E (Rental Income).
2. Copies of latest rent receipts, leases, or other documentation of rent amounts.
3. Documentation of allowable operating expenses of the property: tax statements, insurance invoices, bills for reasonable maintenance and utilities, and bank statements or

amortization schedules showing monthly interest expense.

4. Lessee's written statement verifying rent payments to the family and family's self-certification as to net income realized.

## **G. VERIFICATION OF ASSETS**

### **Family Assets**

The PHA will require the information necessary to determine the current cash value of the family's assets, (the net amount the family would receive if the asset were converted to cash).

Acceptable verification may include any of the following:

1. Verification forms, letters, or documents from a financial institution or broker.
2. Passbooks, checking account statements, certificates of deposit, bonds, or financial statements completed by a financial institution or broker.
3. Quotes from a stock broker or realty agent as to net amount family would receive if they liquidated securities or real estate.
4. Real estate tax statements if the approximate current market value can be deduced from assessment.
5. Financial statements for business assets.
6. Copies of closing documents showing the selling price and the distribution of the sales proceeds.
7. Appraisals of personal property held as an investment.
8. Family's self-certification describing assets or cash held at the family's home or in safe deposit boxes.

### **Family declaration of assets under \$5,000**

The PHA must obtain third-party verification of all family assets upon admitting a family to the public housing program and then again at least every 3 years thereafter. During the intervening annual reexaminations, a PHA has the discretion under this provision to accept a family's declaration that it has total net assets equal to or less than \$5,000, without taking additional steps to verify the accuracy of the declaration. If a family submits such a declaration, then the PHA does not need to request supporting documentation (e.g., bank statements) to verify the assets or the amount of income expected to be received from those assets. The family's declaration of total assets must show each asset and the amount of income expected from that asset. The total amount of income expected from all assets must be less than or equal to \$5,000. The total amount of the expected income from assets will be the family's "final asset income," and must

be entered in field 6j of Form HUD-50058.

A PHA may obtain a family's declaration of assets under \$5,000 at the family's next interim or annual reexamination on or after May 1, 2019. PHAs are required to have all family members 18 years of age and older sign the family's declaration of total assets. For ease of implementation, a PHA may wish to require families to submit a declaration of assets along with the consent forms that are required pursuant to 24 CFR 5.230. A family that knowingly submits false information is subject to a civil penalty, plus damages, under the False Claims Act (31 U.S.C. 3729).

Whenever a family member is added, a PHA must obtain third-party verification of that family member's assets. At the next annual reexamination of income following the addition of that family member, a PHA must obtain third-party verification of all family assets if the addition of that family member's assets puts the family above the \$5,000 asset threshold. If the addition of that family member's assets does not put the family above the \$5,000 asset threshold, then the PHA is not required to obtain third-party verification of all family assets at the next annual reexamination of income following the addition of the family member; however, third-party verification of all family assets is required at least every 3 years.

#### **Assets Disposed of for Less than Fair Market Value (FMV) During Two Years Preceding Effective Date of Certification or Recertification**

For all Certifications and Re-certifications, the PHA will obtain the Family's certification as to whether any member has disposed of assets for less than fair market value during the two years preceding the effective date of the certification or recertification.

If the family certifies that they have disposed of assets for less than fair market value (or if it is otherwise determined that there has been an unexplained decrease in assets), verification is required that shows: (a) all assets disposed of for less than FMV, (b) the date they were disposed of, (c) the amount the family received, and (d) the market value of the assets at the time of disposition. Third party verification will be obtained wherever possible.

### **H. VERIFICATION OF ALLOWABLE DEDUCTIONS FROM INCOME**

#### **Child Care Expenses**

Written verification from the person who receives the payments is required. If the child care provider is an individual, s/he must provide a statement of the amount they are charging the family for their services. Verifications must specify the child care provider's name, address, telephone number, the names of the children cared for, the number of hours the child care occurs, the rate of pay, and the typical yearly amount paid, including school and vacation periods. The family must certify as to whether any of those payments have been or will be paid or reimbursed by outside sources.

## **Medical Expenses**

Families who claim medical expenses will be required to submit a certification as to whether or not any expense payments have been, or will be, reimbursed by an outside source. All expense claims will be verified by one or more of the methods listed below:

1. Written verification by a doctor, hospital or clinic personnel, dentist, pharmacist, of (a) the anticipated medical costs to be incurred by the family and regular payments due on medical bills; and (b) extent to which those expenses will be reimbursed by insurance or a government agency.
2. Written confirmation by the insurance company or employer of health insurance premiums to be paid by the family.
3. Written confirmation from the Social Security Administration of Medicare premiums to be paid by the family over the next 12 months. A computer printout will be accepted.
4. For attendant care a reliable, knowledgeable professional's certification that the assistance of an attendant is necessary as a medical expense and a projection of the number of hours the care is needed for calculation purposes. In addition, the attendant must provide a written confirmation of hours of care provided and amount and frequency of payments received from the family or agency (or copies of canceled checks the family used to make those payments) or stubs from the agency providing the services.
5. Receipts, canceled checks, or pay stubs that verify medical costs and insurance expenses likely to be incurred in the next 12 months.
6. Copies of payment agreements or most recent invoice that verify payments made on outstanding medical bills that will continue over all or part of the next 12 months.
7. Receipts or other record of medical expenses incurred during the past 12 months that can be used to anticipate future medical expenses. PHA may use this approach for "general medical expenses" such as non-prescription drugs and regular visits to doctors or dentists, but not for one time, nonrecurring expenses from the previous year.
8. The PHA will use mileage at the IRS rate, or cab, bus fare, or other public transportation cost for verification of the cost of transportation directly related to medical treatment.

## **Assistance to Persons with Disabilities**

For all types of assistance a written certification is required from a reliable, knowledgeable professional that the person with disabilities requires the services of an attendant and/or the use of auxiliary apparatus to permit him/her to be employed or to function sufficiently independently to enable another family member to be employed. In addition, the family must certify as to whether they receive reimbursement for any of the expenses of disability assistance and the amount of any reimbursement received.

For attendant care: a written certification from the attendant of amount received from the family, frequency of receipt, and hours of care provided; and/or copies of canceled checks the family used to make payments.

For auxiliary apparatus receipts for purchases or proof of monthly payments and maintenance expenses for auxiliary apparatus. In the case where the person with disabilities is employed, a statement from the employer that the auxiliary apparatus is necessary for employment.

## **I. VERIFICATION OF LEGAL IDENTITY**

In order to prevent program abuse, the PHA will require applicants to furnish verification of legal identity for all family members. The documents listed below will be considered acceptable verification of legal identity for adults. If a document submitted by a family is illegible or otherwise questionable, more than one of these documents may be required.

1. Certificate of Birth, naturalization papers
2. Church issued baptismal certificate
3. Current, valid Driver's license
4. U.S. military discharge (DD 214)
5. U.S. passport
6. Voter's registration
7. Company/agency Identification Card
8. Department of Motor Vehicles Identification Card

Documents considered acceptable for the verification of legal identity for minors may be one or more of the following:

1. Certificate of Birth
2. Adoption papers
3. Custody agreement
4. Health and Human Services ID
5. School records

If none of these documents can be provided, a third party who knows the person may, at the PHA's discretion, provide verification.

#### **J. VERIFICATION OF MARITAL STATUS**

Certification will normally be considered sufficient verification of marital status. In cases where reasonable doubt exists, the family may be asked to provide documentation such as: a marriage certificate; certified copy of a divorce decree; or court-ordered separation agreement.

#### **K. VERIFICATION OF FAMILIAL RELATIONSHIP**

Certification will normally be considered sufficient verification of family relationships. In cases where reasonable doubt exists, the family may be asked to provide verification.

#### **L. VERIFIATION OF PERMANENT ABSENT FAMILY MEMBER**

If an adult member who was formerly a member of the household is reported permanently absent by the family, the PHA will consider any of the following as verification: husband or wife institutes divorce action; husband or wife institutes legal separation; order of protection/restraining order obtained by one family member against another; proof of another home address, such as utility bills, canceled checks for rent, drivers license, or lease or rental agreement, if available; statements from other agencies such as social services or a written statement from the landlord or manager that the adult family member is no longer living at that location. If the adult family member is incarcerated, a document from the Court or correctional facility should be obtained stating how long they will be incarcerated. If no other proof can be provided, the PHA will accept a self-certification from the head of household or the spouse or co-head, if the head is the absent member.

#### **M. VERIFICAITON OF CHANGE IN FAMILY COMPOSITION**

The PHA may verify changes in family composition (either reported or unreported) through letters, telephone calls, utility records, inspections, landlords, neighbors, credit data, school or DMV records, and other sources.

#### **N. VERIFICAITON OF DISABILLITY**

Verification of disability must be receipt of SSI or SSA disability payments under Section 223 of the Social Security Act or 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001(7)) or verified by appropriate diagnostician such as physician, psychiatrist, psychologist, therapist, rehab specialist, or licensed social worker, using the HUD language as the verification format.

#### **O. VERIFICATION OF CITIZENSHIP/ELIGIBLE IMMIGRANT STATUS**

To be eligible for assistance, individuals must be U.S. citizens or eligible immigrants. Individuals who are neither may elect not to contend their status. Eligible immigrants must fall into one of the categories specified by the regulations and must have their status verified by Immigration and Naturalization Service (INS). Each family member must declare their status



once. Assistance cannot be delayed, denied, or terminated while verification of status is pending except that assistance to applicants may be delayed while the PHA hearing is pending.

Citizens or Nationals of the United States are required to sign a declaration under penalty of perjury.

The PHA will not require citizens to provide documentation of citizenship.

Eligible Immigrants who were Participants and 62 or over on June 19, 1995, are required to sign a declaration of eligible immigration status and provide proof of age.

Non-citizens with eligible immigration status must sign a declaration of status and verification consent form and provide their original immigration documents which are copied front and back and returned to the family. The PHA verifies the status through the INS SAVE system. If this primary verification fails to verify status, the PHA must request within ten days that the INS conduct a manual search.

Ineligible family members who do not claim to be citizens or eligible immigrants must be listed on a statement of ineligible family members signed by the head of household or spouse.

Non-citizen students on student visas are ineligible members even though they are in the country lawfully. They must provide their student visa but their status will not be verified and they do not sign a declaration but are listed on the statement of ineligible members.

Failure to Provide. If an applicant or participant family member fails to sign required declarations and consent forms or provide documents, as required, they must be listed as an ineligible member. If the entire family fails to provide and sign as required, the family may be denied or terminated for failure to provide required information.

### **Time of Verification**

For applicants, verification of U.S. citizenship/eligible immigrant status occurs at the same time as verification of other factors of eligibility for final eligibility determination. The PHA will not provide assistance to any family prior to the affirmative establishment and verification of the eligibility of the individual or at least one member of the family. For family members added after other members have been verified, the verification occurs at the first recertification after the new member moves in. Once verification has been completed for any covered program, it need not be repeated.

### **Acceptable Documents of Eligible Immigration**

Federal regulations stipulate that only the following documents are acceptable proof of immigration status: Resident Alien Card (I-551); Alien Registration Receipt Card (I-151); Arrival-Departure Record (I-94); Temporary Resident Card (I-688); Employment Authorization Card (I-688B); or a receipt issued by the INS for issuance of replacement of any of the above

documents that shows individual's entitlement has been verified. A birth certificate is not acceptable verification of status.

## **P. VERIFICATION OF SOCIAL SECURITY NUMBERS**

1. **SSN Disclosure.** In accordance with 24 CFR §5.216, applicants and participants (including each member of the household and including, live-in aides, foster children, and foster adults) are required to disclose his/her SSA-assigned SSN, with the exception of the following individuals:
2.
  - a. Those individuals who do not contend to have eligible immigration status (individuals who may be unlawfully present in the United States) **and** have not been assigned an SSN. These individuals in most instances would not be eligible for a SSN.

A family that consists of a single household member (including a pregnant individual) who does not have eligible U.S. citizenship or eligible immigration status is **not eligible** for housing assistance and cannot be housed.

A family that consists of two or more household members **and at least one** household member that has eligible U.S. citizenship or eligible immigration status, is classified as a mixed family, and **is eligible** for prorated assistance in accordance with 24 CFR §5.520. The PHA may **not** deny assistance to mixed families due to nondisclosure of an SSN by an individual who does not contend to have eligible immigration status.

**Note:** Financial assistance may only be provided to individuals with eligible immigration status in accordance with 42 USC §1436a, which is generally evidenced by the individual providing his/her Green Card (Form I-551 – U.S. Permanent Residence Card) or other documentation approved by the Department of Homeland Security for noncitizens with refugee or asylee status.

- b. Existing program participants, who as of January 31, 2010, were 62 years of age or older (born on or before January 31, 1948). This exemption continues even if the individual moves to a new public housing assisted unit.

Disclosure of SSNs is considered information subject to the Federal Privacy Act (5 USC §552a, as amended). In accordance with 24 CFR §5.212, the collection, maintenance, use, and dissemination of SSNs, any information derived from SSNs and income information must be conducted, to the extent applicable, in compliance with that Act and all other provisions of Federal, State, and local laws.

An individual who previously declared to have eligible immigration or eligible citizenship status may **not** change his/her declaration to no longer contend to have

eligible immigration status to avoid compliance with the SSN disclosure and documentation requirements or penalties associated with noncompliance of these requirements.

**Note:** There are no provisions under HUD regulations which prohibit a mixed family from executing a lease or other legally binding contract. A mixed family includes individuals that have both eligible and ineligible aliens so long as at least one household member is eligible. However, some State laws prohibit single ineligible individuals from executing a contract (i.e., lease or other legally binding documents). If this is the case in your State, the family must **not** be admitted into the program.

3. **SSN Documentation.** The PHA must request the applicant and participant (including each member of the household), who are not exempt under Paragraph 5 of this notice, to provide documentation of each disclosed SSN. Acceptable evidence of the SSN consists of:
  - a. An original SSN card issued by SSA;
  - b. An original SSA-issued document, which contains the name and SSN of the individual; or
  - c. An original document issued by a Federal, State, or local government agency, which contains the name and SSN of the individual.

It should be noted that most (if not all) individuals who are lawfully present in the U.S. have been assigned an SSN. Many existing laws require the disclosure of the SSN for various purposes. All applicants and participants, including each member of the household (with the exception of those individuals noted in Paragraph 5 of this notice) are required to disclose his/her SSA-assigned SSN.

The SSA issues three types of social security cards depending on an individual's citizen or noncitizen status and whether or not a noncitizen is authorized by the Department of Homeland Security (DHS) to work in the United States. They include:

- a. The first type of card shows the individual's name and SSN only. This is the card most people have and reflects the fact that the holder can work in the U.S. without restriction. SSA issues this card to:
  - i. U.S. citizens; or
  - ii. Noncitizens lawfully admitted to the United States for permanent residence and noncitizens with DHS permission to work permanently in the United States (i.e., refugees and asylees).
- b. The second type of card bears, in addition to the individual's name and SSN, the legend: "**NOT VALID FOR EMPLOYMENT.**" SSA issues this card to lawful noncitizens who do not have DHS permission to work and are required by law to provide an SSN to obtain general assistance benefits that they already have qualified for.

- c. The third type of card bears, in addition to the individual's name and SSN, the legend  
**"VALID FOR WORK ONLY WITH DHS AUTHORIZATION."** SSA issues this card to people with DHS permission to work temporarily in the United States. SSA verifies all noncitizens' documents with DHS before an SSN card is issued to a noncitizen.

**4. Rejection of Documentation.** The PHA may reject documentation of the SSN provided by the applicant or participant for only the following reasons:

- a. The document is not an original document; 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 PHA should explain to the applicant or participant, the reason(s) the document is not acceptable and request the individual to obtain acceptable documentation of the SSN and submit it to the PHA within a specified time frame.

**5. Verification of the SSN.** The PHA shall verify each disclosed SSN by:

- a. Obtaining the required documentation from applicants and participants (including each member of the household);
- b. Making a copy of the original documentation submitted, returning it to the individual, and retaining the copy in the file folder; and
- c. Recording the SSN on line 3n of the form HUD-50058 and transmitting the form HUD-50058 to HUD within a timely manner. PHAs are required to transmit the form HUD-50058 no later than 30 calendar days of receiving the SSN documentation, to enable HUD to initiate its computer matching efforts for current program participants.

**5. Invalid SSNs.** An invalid SSN is an SSN that SSA has never assigned. SSA has never assigned an SSN with the first three digits of: 000, 666, or 900 series (numbers within the 900-999 range). Additionally, prior to June 25, 2011, SSA never assigned an SSN with the first three digits of: 000, 666, 772, 800, or 900 series. SSA has never assigned an SSN with the second two digits of 00 or the last four digits of 0000. For additional information on ways to determine if an SSN is valid, visit SSA's website:

<http://www.socialsecurity.gov/employer/ssnvhighgroup.htm>.

**6. Individuals without an assigned SSN.** It is not uncommon for certain individuals to not have an SSA-assigned SSN. Below is a listing of such individuals, which is not all-inclusive:

- a. U.S. newborn children (eligible citizens - these individuals will be issued an SSN upon SSA confirmation of birth).

- b. Noncitizens lawfully present in the U.S. (ineligible noncitizens - these individuals will be issued an SSN upon SSA confirmation of the individual's DHS documentation or confirmation that the individual is required by law to provide an SSN to receive general assistance benefits that they already have qualified for).
- c. Noncitizens unlawfully present in the U.S. (ineligible noncitizens - typically, these individuals cannot be assigned an SSN).

PHAs are required to use the Public and Indian Housing Information Center (PIC) Tenant ID

Management tool to generate a unique identifier (commonly referred to as an alternate ID (ALT ID)) for those individuals who have not been assigned an SSN. A job aid for use of the PIC Tenant ID Management tool is available online at:

[http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/public\\_indian\\_housing/systems/pic/ts](http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/systems/pic/ts).

Contact the PIC Coach in your local HUD office if you need assistance with PIC. Once an individual discloses an SSN, the PHA must use the Tenant ID Management tool to replace the ALT ID with the disclosed SSN within 30 calendar days of receipt of the SSN. **Note:** SSA requires that an individual who has never been issued a SSN card or has lost their SSN card, complete Form SS-5 – *Application for a Social Security Card* to request an original or replacement SSN card or change information on his/her SSA record. The form is available online at [www.socialsecurity.gov](http://www.socialsecurity.gov), or can be obtained at the local SSA office.

**7. Individual Taxpayer Identification Number (ITIN).** An ITIN is a taxpayer identification number for **Federal tax purposes only** for certain non-residents and resident noncitizens, their spouses and dependents, who cannot obtain an SSN. The ITIN begins with the number “9” and is formatted like a SSN (9XX-XX-XXXX). However, the ITIN is **not** an SSN and PHAs must **not** report the ITIN on line 3n of the form HUD-50058. PHAs are required to use the Tenant ID Management tool to replace any reported ITIN on line 3n of the form HUD-50058 with an SSN or an ALT ID.

ITINs do not entitle a noncitizen to social security benefits, create any inference regarding a noncitizen's immigration status, or give a noncitizen a right to work in the U.S.

**8. Addition of a New Household Member.** When a participant requests to add a new household member, who is at least 6 years of age or is under the age of six and has an SSA-assigned SSN, to the family, the participant must disclose the SSA-assigned SSN and provide the PHA with the documents referenced in Paragraph 6 of this notice at the time of such request, or at the time of processing the interim or annual reexamination of family income and/or composition. If the family is unable to provide the required documentation of the SSN, the PHA shall not add the new household member to the

family composition until the family provides such documentation. The PHA is not authorized to generate an ALT ID for the affected household member.

When a participant requests to add a new household member, who is under the age of six and does not have an SSA-assigned SSN, the participant must disclose the SSA-assigned SSN and provide the PHA with the documents referenced in Paragraph 6 of this notice within 90 calendar days of the child being added to the household.

If the family is unable to disclose and provide evidence of the SSN within 90 calendar days, the PHA is required to grant the family an additional 90-day period to comply with the SSN disclosure and documentation requirement, **only if** the PHA determines the family was unable to comply with the requirements due to circumstances that could not have reasonably been foreseen and were outside the control of the family. Examples include but are not limited to: delayed processing of SSN application by SSA, natural disaster, fire, death in family, etc.

The child is to be included as part of the assisted household and is entitled to all the benefits of being a household member during the allotted time for the family to comply with the SSN disclosure and documentation requirements. The PHA is required to generate an ALT ID as referenced in Paragraph 10 of this notice. Upon expiration of the provided time period, if the family has not complied with the SSN disclosure and documentation requirements, the PHA **must** terminate the entire family's tenancy or assistance, or both

**8. Special Provision for Applicants.** Housing applicants are entitled to a 90 day period during which an applicant family may become a program participant, even if the family lacks the documentation necessary to verify the Social Security Number of a family member under the age of 6 years. An extension of one additional 90 day period must be granted if the PHA determines, in its discretion, the applicant's failure to comply was due to circumstances that could not reasonably have been foreseen and were outside of the control of the applicant. For example, an applicant may be able to demonstrate timely submission of a request for an SSN, in which case processing time would be the cause of the delay. If the applicant family does not produce the required documentation within the authorized time period, the PHA must impose appropriate penalties, in accordance with 24 CFR 5.218

In terms of offering a grace period and an extension, if merited, the PHA will implement this provision just as it currently implements the provision for program participants. Specifically, an applicant family with a child under the age of 6 years may become a participant family, even if the SSN for the child has not been verified at the time of admission. If the SSN has still not been verified at the end of the initial 90 day period, the PHA must determine whether a 90 day extension is merited. If it is not merited, the PHA must follow the provisions of 24 CFR 5.218. If a 90 day extension is merited, then the PHA must either verify the SSN for the child by the end of the 90 day extension period or follow the provisions of 24 CFR 5.218.

## **Q. VERIFICATION OF MEDICAL NEED FOR A LARGER UNIT**

A written certification that a larger unit is necessary must be obtained from a reliable, knowledgeable professional.

## **R. VERIFICATION OF WAITING LIST PREFERENCES**

### **Local Preferences**

*Residency Preference:* For families who live, work or have been hired to work in the jurisdiction of the PHA. Families who are unable to work due to age or disability automatically qualify for this preference. In order to verify that an applicant is a resident, the PHA will require a minimum of two of the following documents: rent receipts, leases, utility bills, employer or agency records, school records, drivers licenses, voters registration records, credit reports, statement from household with whom the family is residing. For families who have been hired to work in jurisdiction of the PHA, a statement from the employer will be required.

*Employment Preference:* The PHA will require a statement from the employer.

*Educational Preference:* The PHA will require a statement from the institution providing the education.

*Substandard Housing:* The PHA will require written verification by a government agency or a PHA inspection of the property.

*Veterans Preference:* The PHA will require a copy of the DD214 or an awards letter from the Veterans Administration and a death certificate for applicants claiming the deceased veteran preference.

## Chapter 8

### TOTAL TENANT PAYMENT AND TENANT RENT

#### **A. FAMILY CHOICE**

At admission and each year in preparation for their annual reexamination, each family will be given the choice of having their rent determined under the formula method or having their rent set at a flat amount. Except in cases of financial hardship (as described below), the family may not be offered this choice more than once a year.

In order to make an informed choice about its rent option, the PHA will supply the family with the following information: the PHA policy on switching the type of rent in circumstances of financial hardship and the dollar amounts of tenant rent for the family under each option (if the family chose a flat rent for the previous year, the PHA is required to provide the amount of income based rent for the subsequent year only the year the PHA conducts an income reexamination or if the family specifically requests it and submits updated income information.

#### **B. FLAT RENT METHOD**

1. For families who choose flat rents, the PHA must conduct a reexamination of family composition at least annually, and must conduct a reexamination of family income at least once every three years.
2. A family that is paying a flat rent may at any time request a switch to payment of income based rent (before the next annual option to select the type of rent) if the family is unable to pay flat rent because of financial hardship. A financial hardship is defined as: the family having experienced a decrease in income because of changed circumstances, including loss or reduction of employment, death in the family, or reduction in or loss of earnings or other assistance or the family having experienced an increase in expenses, because of changed circumstances, for medical costs, child care, transportation, education or similar items.
3. If the PHA determines that the family is unable to pay the flat rent because of a financial hardship as outlined above, the PHA will immediately allow the requested switch to income based rent. The PHA shall make the determination within a reasonable time after the family's request.

#### **C. THE FORMULA METHOD**

1. At the time of the annual reexamination the total tenant payment shall be equal to the higher of:
  - a) 10% of monthly income;



- b) 30% of adjusted monthly income (for all dwellings except efficiency apartments at Washington Arms)
  - c) 25% of adjusted monthly income for efficiency apartments at Washington Arms.
2. At the time of any interim re-certification the total tenant payment shall be equal to the higher of:
- a) 10% of monthly income;
  - b) 30% of adjusted monthly income (for all dwellings except efficiency apartments at Washington Arms) OR the Employment Incentive Rent whichever is less;
  - c) 25% of adjusted monthly income for efficiency apartments at Washington Arms OR the Employment Incentive Rent, whichever is less.

For purposes of rent computation, the Employment Incentive Rent shall be defined as an amount equal to the currently published flat rent applicable to the unit currently occupied by the family.

Regardless of whether the family chooses to pay a flat rent or income based rent, the family must pay at least the minimum rent as described in this plan.

#### **D. MINIMUM RENT**

##### **Minimum Rent**

"Minimum rent" is \$50.00. Minimum rent refers to the Total Tenant Payment and includes the combined amount a family pays towards rent and/or utilities when it is applied.

##### **Hardship Requests for an Exception to Minimum Rent**

The PHA recognizes that in some circumstances even the minimum rent may create a financial hardship for families. The PHA will review all relevant circumstances brought to the PHA's attention regarding financial hardship as it applies to the minimum rent. The following section states the PHA's procedures and policies in regard to minimum rent financial hardship as set forth by the Quality Housing and Work Responsibility Act of 1998. HUD has defined circumstances under which a hardship could be claimed.

##### **Criteria for Hardship Exception**

In order for a family to qualify for a hardship exception the family's circumstances must fall under one of the following hardship criteria: the family has lost eligibility for or is awaiting an eligibility determination for a Federal, State or local assistance program, including a family that includes a member who is a non-citizen lawfully admitted for permanent residence under the

Immigration and Nationality Act who would be entitled to public benefits but for title IV of the Personal Responsibility and Work Opportunity Act of 1996; or the family would be evicted because it is unable to pay the minimum rent; or the income of the family has decreased because of changed circumstances, including loss of employment; or a death has occurred in the family .

### **PHA Notification to Families of Right to Hardship Exception**

The PHA will notify all families subject to minimum rents of their right to request a minimum rent hardship exception. "Subject to minimum rent" means the minimum rent was greater than the formula percentage of monthly-adjusted income or 10% of monthly income.

If the minimum rent is the greatest figure in the calculation of Total Tenant Payment, PHA staff will include a copy of the notice regarding hardship request provided to the family in the family's file. The PHA notification will advise families that hardship exception determinations are subject to PHA review and hearing procedures. The PHA will review all family requests for exception from the minimum rent due to financial hardships.

All requests for minimum rent hardship exceptions are required to be in writing and must include a statement of the family hardship that qualify the family for an exception. The PHA will request documentation as proof of financial hardship. The PHA will use its standard verification procedures to verify circumstances that have resulted in financial hardship.

### **Suspension of Minimum Rent**

The PHA will grant the minimum rent exception to all families who request it, effective the first of the following month. The minimum rent will be suspended until the PHA determines whether the hardship is covered by statute and is temporary or long term. "Suspension" means that the PHA must not use the minimum rent calculation until the PHA has made this decision.

During the minimum rent suspension period, the family will not be required to pay a minimum rent and the month rent will be decreased accordingly. If the PHA determines that the minimum rent is not covered by statute, the PHA will impose a minimum rent including payment for minimum rent from the time of suspension.

### **Temporary Hardship**

If the PHA determines that the hardship is temporary, a minimum rent will not be imposed for a period of up to 90 days from the date of the family's request. At the end of the temporary suspension period, a minimum rent will be imposed retroactively to the time of suspension. The PHA will offer a repayment agreement to the family for any such rent not paid during the temporary hardship period.

### **Long-Term Duration Hardships**

If the PHA determines that there is a qualifying long-term financial hardship, the PHA must exempt the family from the minimum rent requirements.

## **Retroactive Determination**

The PHA will reimburse the family for any minimum rent charges which took effect after October 21, 1998 that qualified for one of the mandatory exceptions. If the family is owed a retroactive payment, the PHA will offer the family a choice of either a cash refund or a credit towards their rent contribution. The PHA's definition of a cash refund is a check made out to the family. The PHA will not provide a cash refund for amounts owed to the family which are less than \$25.00 and will offset the amount against future rent charges.

## **E. PRORATION OF ASSISTANCE FOR "MIXED" FAMILIES**

Proration of assistance must be offered to any "mixed" applicant or participant family. A "mixed" family is one that includes at least one U.S. citizen or eligible immigrant and any number of ineligible members. Prorated assistance is calculated as follows:

- Step 1. Determine the total tenant payment in accordance with 24 CFR §5.628. (Annual income includes income of all family members, including any family member who has not established eligible immigration status.)
- Step 2. Family maximum rent is equal to the applicable flat rent for the unit size to be occupied by the family.
- Step 3. Subtract the total tenant payment from the family maximum rent. The result is the maximum subsidy for which the family could qualify if all members were eligible ("family maximum subsidy").
- Step 4. Divide the family maximum subsidy by the number of persons in the family (all persons) to determine the maximum subsidy per each family member who has citizenship or eligible immigration status ("eligible family member"). The subsidy per eligible family member is the "member maximum subsidy."
- Step 5. Multiply the member maximum subsidy by the number of family members who have citizenship or eligible immigration status ("eligible family members"). The product of this calculation is the "eligible subsidy."
- Step 6. The mixed family TTP is the maximum rent minus the amount of the eligible subsidy.
- Step 7. Subtract any applicable utility allowance from the mixed family TTP. The result of this calculation is the mixed family tenant rent.

When the mixed family's TTP is greater than the maximum rent, the PHA must use the TTP as the mixed family TTP. Note: A warning message will appear when the family's TTP is entered into field 10p of PIC. This warning message is a workaround for purposes of implementing this provision. This method of prorating assistance applies to new admissions and annual reexaminations.

## **F. UTILITY ALLOWANCE**

The PHA shall establish utility allowances for all check-metered utilities and for all tenant-paid utilities. These allowances will be based on a reasonable consumption of utilities by an energy conservative household of modest circumstances consistent with the requirements of a safe, sanitary, and healthful environment. In setting the allowances, the Authority will review the actual consumption of tenant families as well as changes made or anticipated due to modernization (weatherization efforts, installation of energy-efficient appliances, etc). Allowances will be evaluated at least annually as well as any time a utility rate changes by 10% or more since the last revision to the allowances. The PHA will not provide any allowance for non-essential utility costs, such as costs of cable or satellite television or telephone services.

The utility allowance will be subtracted from the family's formula or flat rent to determine the amount of the Tenant Rent. The Tenant Rent is the amount the family owes each month to the Authority. The amount of the utility allowance is then still available to the family to pay the cost of their utilities. Any utility cost above the allowance is the responsibility of the tenant. Any savings resulting from utility costs below the amount of the allowance belongs to the tenant.

For PHA paid utilities in developments where check meters exist, the Authority will monitor the utility consumption of each household. Any consumption in excess of the allowance established by the PHA will be billed to the tenant quarterly.

When the family has chosen a formula based rent and the rent calculation results in a utility reimbursement payment due the family, the PHA will provide a Utility Reimbursement Payment for the family each month. Such reimbursement will first be applied to any outstanding balance in the tenant's PHA account. A check will be made out directly to the tenant for any remaining credit due the tenant. A family which has chosen to pay a flat rent is not eligible for a utility reimbursement.

Requests for relief from surcharges for excess consumption of PHA purchased utilities or from payment of utility supplier billings in excess of the utility allowance for tenant-paid utility costs may be granted by the Authority. Such requests by the family shall be submitted under the Reasonable Accommodation Policy for families in which a disability necessitates increased utility usage (for example special medical machinery). Families shall be advised of their right to individual relief at admission to public housing and at time of utility allowance changes.

## **G. PAYING RENT**

Rent and other charges are due and payable on the first day of the month. Reasonable accommodations for this requirement will be made for persons with disabilities. If the rent is not paid by the due date indicated on the monthly statement, a late charge (in accordance with the current schedule of charges) will be assessed to the tenant and a notice to quit may be issued. If rent is paid by a personal check or electronic transfer and either the check is returned or the electronic transfer is rejected for insufficient funds, this shall be considered a non-payment of

rent and will incur the late charge plus an additional charge (in accordance with the current schedule of charges) for processing costs.

#### **H. REPAYMENT AGREEMENTS – CURRENT TENANTS**

When a resident owes the Authority a delinquent balance and is unable to pay the balance by the due date, the resident may request that the PHA allow them to enter into a Repayment Agreement. The Authority has the sole discretion of whether to accept such an agreement. All Repayment Agreements must assure that the full payment is made within a reasonable period of time as determined by the Authority. All Repayment Agreements must be in writing and signed by both parties. Failure to comply with the Repayment Agreement terms may subject the Resident to eviction procedures.

In the case of those tenants whose rental amount is the minimum rent and who have had their rent abated for a temporary period the Authority will enter into a repayment agreement.

#### **I. REPAYMENT AGREEMENTS – APPLICANTS**

When an applicant owes the PHA a debt related to previous participation in any PHA administered assisted housing program, eligibility for future program participation will be restricted. Prior to being determined eligible for housing assistance, the applicant shall have an active repayment agreement. The terms of said repayment agreement shall be a minimum initial repayment of 50% of any balance owed and a minimum monthly payment of \$25.00 there after until the debt is retired in full.

## Chapter 9

### CONTINUED OCCUPANCY AND COMMUNITY SERVICE

#### A. GENERAL

In order to be eligible for continued occupancy, each adult family member must either (1) contribute eight hours per month of community service (not including political activities) within the community in which the public housing development is located, or (2) participate in an economic self-sufficiency program unless they are exempt from this requirement

#### B. EXEMPTIONS FROM COMMUNITY SERVICE

The following adult family members of tenant families are exempt from this requirement.

1. Family members who are 62 or older
2. Family members who are blind or disabled and who certify that because of this disability, he or she is unable to comply with the service provisions of this chapter
3. Family members who are the primary care giver for someone who is blind or disabled
4. Family members engaged in work activity (work activity shall be defined as being employed at least 17 ½ hours per week).
5. Family members who are exempt from work activity under part A title IV of the Social Security Act or under any other State welfare program, including the welfare-to-work program
6. Family members receiving assistance under a State program funded under part A title IV of the Social Security Act or under any other State welfare program, including welfare-to-work and who are in compliance with that program

#### C. NOTIFICATION OF THE COMMUNITY SERVICE REQUIREMENT

The PHA shall identify all adult family members who are apparently not exempt from the community service requirement. The Authority shall notify all such family members of the community service requirement and of the categories of individuals who are exempt from the requirement. The notification will provide the opportunity for family members to claim and explain an exempt status. An individual who is blind or disabled or age 62 or older shall be required to request exempt status only once, either at the time of admission for new residents, or at the first annual reexamination on or after the effective date of this rule for current residents. All other individuals must request exempt status annually, beginning with the family's first reexamination after the effective date. The PHA shall verify such claims. The notification will

advise families that their community service obligation will begin upon the effective date of their first annual reexamination on or after 7/1/01. For family's paying a flat rent, the obligation begins on the date their annual reexamination would have been effective had an annual reexamination taken place. It will also advise them that failure to comply with the community service requirement will result in ineligibility for continued occupancy at the time of any subsequent annual reexamination.

#### **D. VOLUNTEER OPPORTUNITIES**

Community service includes performing work or duties in the public benefit that serve to improve the quality of life and/or enhance resident self-sufficiency, and/or increase the self-responsibility of the resident within the community.

An economic self-sufficiency program is one that is designed to encourage, assist, train or facilitate the economic independence of participants and their families or to provide work for participants. These programs may include programs for job training, work placement, basic skills training, education, English proficiency, work fare, financial or household management, apprenticeship, and any program necessary to ready a participant to work (such as substance abuse or mental health treatment).

The PHA will coordinate with social service agencies, local schools, and other agencies in identifying a list of volunteer community service positions. The Authority may create volunteer positions such as hall monitoring, litter patrols, and supervising and record keeping for volunteers.

#### **E. THE PROCESS**

At the first annual reexamination on or after the effective date of this rule and each annual reexamination thereafter, the PHA will:

1. Provide a list of volunteer opportunities to the family.
2. Provide information about obtaining suitable volunteer positions.
3. Provide a volunteer time sheet to the family member. Instructions for the time sheet require the individual to complete the form and have a supervisor date and sign for each period of work.
5. Thirty (30) days before the family's next lease anniversary date, the PHA will determine whether each applicable adult family member is in compliance with the community service requirement.

## **F. NOTIFICATION OF COMMUNITY SERVICE NON-COMPLIANCE**

The PHA will notify any family found to be in noncompliance of the following:

1. The family member(s) who has been determined to be in noncompliance;
2. The nature of the noncompliance;
3. That the determination is subject to the grievance procedure; and
4. That, unless the family member(s) enter into an agreement to comply, the lease will not be renewed or will be terminated.

## **G. OPPORTUNITY FOR CURE**

The PHA will offer the family member(s) the opportunity to enter into an agreement prior to the anniversary of the lease. The agreement shall state that the family member(s) agrees to enter into an economic self-sufficiency program or agrees to contribute to community service for as many hours as needed to comply with the requirement over the past 12-month period. The cure shall occur over the 12-month period beginning with the date of the agreement and the resident shall at the same time stay current with that year's community service requirement. The first hours a resident earns goes toward the current commitment until the current year's commitment is made.

If any applicable family member does not accept the terms of the agreement, does not fulfill their obligation to participate in an economic self-sufficiency program, or falls behind in their obligation under the agreement to perform community service by more than three (3) hours after three (3) months, the Authority shall take action to terminate the lease.



## Chapter 10

### RECERTIFICATIONS

#### **A. GENERAL**

At least annually, the PHA will conduct a reexamination of family income and circumstances. The results of the reexamination determine (1) the rent the family will pay, and (2) whether the family is housed in the correct unit size.

The PHA will send a notification letter to the family letting them know that it is time for their annual reexamination, giving them the option of selecting either the flat rent or formula method, and scheduling an appointment if they are currently paying a formula rent. If the family thinks they may want to switch from a flat rent to a formula rent, they should request an appointment. At the appointment, the family can make their final decision regarding which rent method they will choose. The letter may also include, for those families paying the formula method, forms for the family to complete in preparation for the interview. The letter includes instructions permitting the family to reschedule the interview if necessary. The letter informs families who may need to make alternate arrangements due to a disability that they may contact staff to request an accommodation of their needs.

During the appointment, the PHA will determine whether family composition may require a transfer to a different bedroom size unit, and if so, the family's name will be placed on the transfer list.

#### **B. 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 accommodation as above. The letter will also advise that failure by the family to attend the second scheduled interview will result in the PHA taking eviction actions against the family.

#### **C. FLAT RENTS**

Each year prior to their anniversary date, PHA will send a reexamination letter to the family offering the choice between a flat or a formula rent. The annual letter to flat rent payers regarding the reexamination process will state the following:

1. 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 formula amount.
2. The amount of the flat rent

3. A fact sheet about formula rents that explains the types of income counted, the most common types of income excluded, and the categories allowances that can be deducted from income.
4. 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.
5. Families who opt for the flat rent may request to have a reexamination and return to the formula-based method at any time for any of the following reasons:
  - a) The family's income has decreased.
  - b) The family's circumstances have changed increasing their expenses for child care, medical care, etc.
  - c) Other circumstances creating a hardship on the family such that the formula method would be more financially feasible for the family.
6. The dates upon which the PHA expects to review the amount of the flat rent, the approximate rent increase the family could expect, and the approximate date upon which a future rent increase could become effective.
7. The name and phone number of an individual to call to get additional information or counseling concerning flat rents.
8. A certification for the family to sign accepting or declining the flat rent.
9. An explanation that the opportunity to select the flat rent is available only at this time.

At the annual re-examination appointment, the PHA may assist the family in identifying the rent method that would be most advantageous for the family. If the family wishes to select the flat rent method without meeting with the PHA representative, they may make the selection on the form and return the form to the PHA. In such case, the PHA will cancel the appointment.

#### **D. THE FORMULA METHOD**

During the interview, the family will provide all information regarding income, assets, expenses, and other information necessary to determine the family's share of rent. The family will sign the HUD consent form and other consent forms that later will be mailed to the sources that will verify the family circumstances.

Upon receipt of verification, the PHA will determine the family's annual income and will calculate their rent as follows.

The total tenant payment is equal to the highest of-

- A. 10% of monthly income;
- B. 30% of adjusted monthly income (for all dwellings except efficiency apartments at Washington Arms);
- C. 25% of adjusted monthly income for efficiency apartments at Washington Arms.

The family will pay the greater of the total tenant payment or the minimum rent of \$50.00.

#### **E. EFFECTIVE DATE OF RENT CHANGES FOR ANNUAL REEXAMINATIONS**

The new rent will generally be effective upon the anniversary date with thirty (30) 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.

#### **F. INTERIM REEXAMINATIONS**

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

Families are required to report the following changes to the PHA between regular reexaminations. If the family's rent is being determined under the formula method, these changes will trigger an interim reexamination. The family shall report these changes within two (2) weeks of their occurrence.

1. A member has been added to the family through birth or adoption or court-awarded custody.
2. In order to add a household member other than through birth or adoption (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 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 PHA 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 formula 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 accordance with paragraph 15.8.

3. A household member is leaving or has left the family unit.

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 PHA will take timely action to process the interim reexamination and recalculate the tenant's rent.

#### **G. 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 PHA may schedule special reexaminations as deemed necessary until the income stabilizes and an annual income can be determined.

#### **H. 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).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.

## **I. STREAMLINED ANNUAL REEXAMINATION FOR FIXED SOURCES OF INCOME**

This provision provides for a streamlined income determination for any family member with a fixed source of income. Note that the family member may also have non-fixed sources of income, which remain subject to third-party verification. Upon request of the family, the PHA must perform third-party verification of all income sources. Note that this provision pertains only to the verification of sources of income; PHAs must continue to conduct third-party verification of deductions.

For purposes of this section, the term “fixed-income” includes income from:

- Social Security payments, to include Supplemental Security Income (SSI) and Supplemental Security Disability Insurance (SSDI);
- Federal, state, local, and private pension plans; and
- Other periodic payments received from annuities, insurance policies, retirement funds, disability or death benefits, and other similar types of periodic payments.

The determination will be made by applying a verified cost of living adjustment (COLA) or current rate of interest to the previously verified or adjusted income amount. The COLA or current interest rate applicable to each source of fixed income must be obtained either from a public source or from tenant-provided, third-party generated documentation. In the absence of such verification for any source of fixed income, third-party verification of income amounts must be obtained.

The provision is not available for program applicants; in the initial year in which a streamlined income determination is made, the COLA must be applied to a source of income that has been verified previously.

In the initial year of employing a streamlined income determination, a PHA must determine whether a source of income is fixed. A PHA may do this by comparing the amount of income from the source to the amount generated during the prior year. If the amount is the same or if it has changed only as a result of a COLA or due to interest generated on a principal amount that remained otherwise constant, then the source is fixed. A PHA may also make such a determination by requiring a family to identify as to which source(s) of income are fixed. A PHA must document in the tenant file how it made the determination that a source of income is fixed. For the second income determination involving a family member whose income was adjusted previously using a streamlined income determination, the adjustment would be made to the previously determined income amount (i.e., in year two, the COLA is applied to the year one income amount, as previously adjusted by a COLA). For any family member whose income is determined pursuant to a streamlined income determination, *third-party verification of all income amounts for all family members must be performed at least every three years*. This means that, for the third income determination involving a family member whose income had been

adjusted twice using a streamlined income determination, the PHA would need to obtain third party verification of *all* income amounts. 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 PHA must obtain third-party verification of all income amounts for that family member at the next reexamination if the PHA wishes to have all family members with fixed incomes on the same schedule with respect to streamlined annual reexaminations.

Example: Streamlined income determination for program participant’s first reexamination following PHA’s adoption of provision.

	<b>Under previous regulation</b>	<b>Under this regulation</b>
January 2019 — baseline year	<p>Carl’s income consists of 90% fixed sources and 10% nonfixed sources.</p> <p>The PHA must verify all income amounts using third-party verification.</p>	(not yet implemented)
January 2019	<p>Carl’s income consists of 90% fixed sources and 10% nonfixed sources.</p> <p>The PHA must verify all income amounts using third-party verification.</p>	<p>Carl’s income is reported to be 90% fixed sources and 10% nonfixed sources</p> <p>The PHA must compare the amount of income from the fixed sources to the amount generated during the prior year; if the amounts are the same or if they have changed only as a result of the application of a COLA or due to interest generated on a principal amount that remained otherwise constant, then the amounts are fixed.</p> <p>The PHA may adjust the fixed sources by a COLA or current interest rate obtained from a public source or from tenant provided, third-party generated documentation.</p> <p>The PHA must verify the non-fixed amounts using third-party verification</p>

January 2020	<p>Carl's income consists of 90% fixed sources and 10% nonfixed sources.</p> <p>The PHA must verify all income amounts using third party verification.</p>	<p>Carl's income is reported to be 90% fixed sources and 10% nonfixed sources</p> <p>The PHA may adjust the fixed sources by a COLA or current interest rate obtained from a public source or from tenant provided third party generated documentation.</p> <p>The PHA must verify the non-fixed amounts using third party verification</p>
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January 2021	<p>Carl's income consists of 90% fixed sources and 10% nonfixed sources.</p> <p>The PHA must verify all income amounts using third-party verification.</p>	<p>Carl's income is reported to be 90% fixed sources and 10% nonfixed sources</p> <p>The PHA must verify all income amounts using third-party verification.</p>
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# Chapter 11

## TRANSFERS

### **A. OBJECTIVES OF THE TRANSFER POLICY**

The objectives of the Transfer Policy include the following:

1. To address emergency situations.
2. To fully utilize available housing resources while avoiding overcrowding by insuring that each family occupies the appropriate size unit.
3. To facilitate a relocation when required for modernization or other management purposes.
4. To facilitate relocation of families with inadequate housing accommodations.
5. To provide an incentive for families to assist in meeting the PHA's deconcentration goal.
6. To eliminate vacancy loss and other expense due to unnecessary transfers.
7. To avoid a long-term economic disadvantage for an over housed family with a flat rent.

### **B. CATEGORIES OF TRANSFERS**

*Category 1: Emergency transfers.* These transfers are necessary when conditions pose an immediate threat to the life, health, or safety of a family or one of its members. Such situations may involve defects of the unit or the building in which it is located, the health condition of a family member, a hate crime, the safety of witnesses to a crime, or a law enforcement matter particular to the neighborhood.

*Category 2: Immediate administrative transfers.* These transfers are necessary in order to permit a family needing accessible features to move to a unit with such a feature or to enable modernization work to proceed.

*Category 3: Regular administrative transfers.* These transfers are made to offer incentives to families willing to help meet certain PHA occupancy goals (such as to encourage families who live in a development where their income category—i.e. below or above 30% of median—predominates and who wish to move to a development in which their income category does not predominate), to correct occupancy standards where the unit size or type is inappropriate for the



size and/or composition of the family, or to allow for non-emergency but medically advisable transfers, and other transfers approved by the Authority.

*Category 4: Tenant preference transfers.* These transfers are those which have been requested by the tenant for reasons other than any of the foregoing ones.

**C. PRIORITIZATION OF TRANSFERS**

All transfers shall be assigned a point value based on the following system:

<i>Category</i>	<i>Subcategory</i>	<i>Point Value</i>
1	Emergency	9
2	Need for an adapted unit	8
3	Vacate adapted unit occupied by Non-disabled family	8
	Unit needed for modernization	8
	Need for accessible unit	7
	Medically advisable transfer	6
	To meet PHA occupancy goals	5
	Family at ceiling rent overhoused and transfer Would result in lower ceiling rent	4
	Household in elderly/disabled Property overhoused	4
	Relocate from PHA family development to non-family development by household with eligible head of household	3
	Family at ceiling rent over housed and transfer would result in lower ceiling rent	3
	Family under or over housed	2
4	Tenant requested transfer for other than above reasons.	1

Point values are not cumulative, except that ½ point will be added to the point value of any family which is under housed or over housed by more than one bedroom base on “assignment of Bedroom Sizes” as contained in Chapter 5, Section G of this document.

#### **D. DOCUMENTATION**

When the transfer is at the request of the family, the family may be required to provide third party verification of the need for the transfer. Family will also be required to justify good cause for refusing a transfer.

#### **E. PROCESSING TRANSFERS**

Families will be placed on an Authority-wide transfer waiting list sorted by bedroom size and the above prioritization point values. In the case of identical scores within a bedroom size, placement on the transfer list will be determined by the date on which the transfer became necessary or was requested. Older dates shall take precedence over more recent dates in establishing the order within the same scores.

Transfers with a score of 7 and above will be housed ahead of any other families, including new admissions from the applicant waiting list.

Transfers for families scoring 6 or less will be housed along with applicants for admission. Such transfers shall be limited generally not to exceed 50% of the total vacancies within any given fiscal year.

If the transfer requires a move from one PHA property to another, the manager of the property losing the transferee will contact the manager of the property area potentially gaining the transferee to coordinate tenant notification about and implementation of the transfer.

Upon offer and acceptance of a unit, the family will execute all lease up documents within two (2) days of being informed the unit is ready to rent. The family will be allowed ten (10) days to complete a transfer. The family will be responsible for paying rent at the old unit as well as the new unit for any period of time they have possession of both beyond the ten (10) days noted above. The prorated rent and other charges shall become due and payable at the time of lease execution. Tenant shall be responsible for payment of any tenant caused damages in the old dwelling.

The following is the policy for the rejection of an offer to transfer:

1. If the family rejects with good cause any unit offered, they will not lose their place on the transfer waiting list.

2. If the transfer is being made at the request of the Authority and the family rejects two offers without good cause, the Authority will take action to terminate their tenancy. If the reason for the transfer is that the current unit is too small to meet PHA's optimum occupancy standards, the family may request in writing to stay in the unit without being transferred so long as their occupancy will not exceed two people per living/sleeping room or violate applicable building codes.
3. If the transfer is being made at the family's request and the rejected offer provides deconcentration incentives, the family will maintain their place on the transfer list and will not otherwise be penalized.
4. If the transfer is being made at the family's request, the family may, without good cause and without penalty, turn down one offer that does not include deconcentration incentives. After turning down a second such offer without good cause, the family's name will be removed from the transfer list and said family cannot reapply for a transfer for a period of at least one (1) year.
5. For the purposes of this section, "good cause" shall be defined as the following scenarios: Lack of access to current job, current education and/or current child care to enable that employment or education; serious illness or hospitalization that renders the household incapable of moving; special educational needs of a family member that cannot be met in another school or school district; or other hardships determined at the discretion of the PHA.

#### **F. COST OF THE FAMILY'S MOVE**

The cost of the transfer generally will be borne by the family in the following circumstances:

1. When the transfer is made at the request of the family or by others on behalf of the family (i.e. by the police);
2. When the transfer is needed to move the family to an appropriately sized unit, either larger or smaller;
3. When the transfer is necessitated because a family with disabilities needs the accessible unit into which the transferring family moved (The family without disabilities signed a statement to this effect prior to accepting the accessible unit); or
4. When the transfer is needed because action or inaction by the family caused the unit to be unsafe or uninhabitable.

The cost of the transfer will be borne by the Authority in the following circumstances:

1. When the transfer is needed in order to carry out rehabilitation activities;

2. When action or inaction by the PHA has caused the unit to be unsafe or inhabitable;  
or
3. When the transfer is necessitated to assure handicapped accessibility for the transferring household.

The responsibility for moving costs in other circumstances will be determined on a case by case basis.

#### **G. TENANTS IN GOOD STANDING**

When the transfer is at the request of the family, it will not be approved unless the family meets the following eligibility criteria:

1. Have been a tenant for two years;
2. Adult members who are required to perform community service have been current in these responsibilities since the inception of the requirement or for one year, whichever is less;
3. The family is current in the payment of all charges owed the PHA.
4. The family passes a current housekeeping inspection and does not have any record of housekeeping problems during the last year;
5. The family has not materially violated the lease over the past two years by disturbing the peaceful enjoyment of their neighbors, by engaging in criminal or drug-related activity, or by threatening the health or safety of tenants or Housing Authority staff.

#### **H. TRANSFER REQUESTS**

A tenant may request a transfer at any time by completing a transfer request form. When the transfer is at the request of the family, the family may be required to provide third-party verification of the transfer-related need. In considering the request, the PHA may request a meeting with the tenant to better understand the need for transfer and to explore possible alternatives. In addition, tenant may present for PHA consideration documentation in support of a specific transfer location request related to school district placement or job location, as well as any transportation-related issues which are anticipated to be more than temporary in nature.

The Authority will review the request in a timely manner and if a meeting is desired, it shall contact the tenant within thirty (30) business days of receipt of the request to schedule a meeting. The PHA will grant or deny the transfer request in writing within thirty (30) business days of receiving the request or holding the meeting, whichever is later. If the transfer is approved, the family's name will be added to the transfer waiting list based on the point value and date order described in Section C. above. If the transfer is denied, the denial letter will advise the family of their right to utilize the grievance procedure.

**I. RIGHT OF THE HOUSING AUTHORITY IN TRANSFER POLICY**

The provisions listed above are to be used as a guide to insure fair and impartial means of assigning units for transfers. It is not intended that this policy will create a property right or any other type of right for a tenant to transfer or refuse to transfer.

## Chapter 12

### INSPECTIONS

#### **A. MOVE - IN INSPECTIONS**

Within two weeks of occupancy, a PHA staff member and an adult member of the family will inspect the dwelling . Both parties will sign a written statement of the condition of the dwelling. A copy of the signed inspection will be given to the family and the original will be placed in the tenant file.

#### **B. PRE MOVE - OUT INSPECTIONS**

If the tenant provides adequate notice of their intention to terminate the lease agreement the Authority shall conduct a Pre Move Out Inspection. The purposes of this inspection shall be: to review with the tenant any repairs or cleaning required by the tenant prior to moving; to ascertain the general physical condition of the dwelling; and preparing an estimate of when the dwelling will likely be available for leasing.

#### **C. MOVE - OUT INSPECTIONS**

At the time the tenant vacates the dwelling the PHA shall inspect the unit. If the tenant has provided a forwarding address the PHA shall, within thirty (30) days, furnish the tenant with a statement of any charges to be made for damages caused by tenant beyond normal wear and tear. The tenant's security deposit will be used to offset any such charges, in accordance with state law.

The tenant or tenant's representative may join in the move-out inspection, unless the tenant vacates the dwelling without prior notice to the PHA. If the tenant desires to be present for the inspection, the tenant shall contact the PHA at least two working days in advance of vacating to schedule the inspection.

#### **D. ANNUAL INSPECTIONS**

The PHA will inspect each public housing unit annually to ensure that each unit meets the Authority's housing standards. Work orders will be submitted and completed to correct any deficiencies.

#### **E. PREVENTATIVE MAINTENANCE INSPECTIONS**

This inspection is intended to keep items in good repair. Areas checked during this inspection include: weatherization, smoke detectors, water heaters, furnaces, automatic thermostats, water temperatures; plumbing system. In addition, certain other minor services may be performed to extend the life of the unit and its equipment.

#### **F. SPECIAL INSPECTIONS**

A special inspection may be scheduled to enable HUD or others to inspect a sample of the housing stock maintained by the Authority.

#### **G. HOUSEKEEPING INSPECTIONS**

The PHA may at any time (with proper notice) conduct a housekeeping inspection to ensure the family is maintaining the unit in a safe and sanitary condition.

#### **H. NOTICE OF INSPECTION**

For inspections defined as annual inspections, preventative maintenance inspections, special inspections, and housekeeping inspections the Authority will give the tenant at least two (2) days written notice.

#### **I. EMERGENCY INSPECTIONS**

If any employee and/or agent of the Authority have reason to believe that an emergency exists within the housing unit, the unit can be entered without notice. The person(s) that enters the unit will leave a written notice to the resident that indicates the date and time the unit was entered and the reason why it was necessary to enter the unit.

## Chapter 13

### DENIAL OF ASSISTANCE AND TERMINATION OF TENANCY

#### **A. TERMINATION BY TENANT**

The tenant may terminate the lease at any time upon submitting a 30-day written notice. If the tenant vacates prior to the end of the thirty (30) days, they will be responsible for rent through the end of the notice period or until the unit is re-rented, whichever occurs first.

#### **B. DENIAL OR TERMINATION BY THE AUTHORITY**

The PHA may terminate assistance for a family because of the family's action or failure to act. The PHA will provide families with a written lease that explains the grounds under which the PHA can terminate assistance, and the PHA's hearing procedures. This Chapter describes when the PHA is required to terminate tenancy.

The PHA after 7/01/2001 will not renew the lease of any family that is not in compliance with the community service requirement or an approved Agreement to Cure. If the family does not voluntarily leave the property, eviction proceedings will begin.

If termination is based upon behavior resulting from a disability, the PHA will delay the denial or termination in order to determine if there is an accommodation, which would negate the behavior resulting from the disability.

#### **Form of Termination**

Termination of assistance for a tenant means termination of the tenancy and the family's eviction from the assisted dwelling

#### **Mandatory Termination**

The PHA must deny assistance to applicants, and terminate assistance for tenants: if any member of the family fails to sign and submit HUD or PHA required consent forms for obtaining information; or if no member of the family is a U.S. citizen or eligible immigrant.

The PHA must permanently deny assistance to applicants, and terminate the assistance of persons convicted of manufacturing or producing methamphetamine in violation of any Federal or State law.

#### **Grounds for Termination of Tenancy**

The PHA may terminate tenancy for other violations of this policy or the dwelling lease (which is incorporated in this policy by reference. Examples of such other violations include, but are not limited to:



Nonpayment of rent or other charges;

A history of late rental payments;

Failure to provide timely and accurate information regarding family composition, income circumstances, or other information related to eligibility or rent;

Failure to allow inspection of the unit;

Failure to maintain the unit in a safe and sanitary manner;

Assignment or subletting of the premises;

Use of the premises for purposes other than as a dwelling unit (other than for housing authority approved resident businesses);

Destruction of property;

Acts of destruction, defacement, or removal of any part of the premises or failure to cause guests to refrain from such acts;

Any criminal activity on the property or drug-related criminal activity on or off the premises. This includes but is not limited to the manufacture of methamphetamine on the premises of the PHA;

Non-compliance with Non-Citizen Rule requirements; If the PHA determines that a family member has knowingly permitted another individual who is not eligible for assistance to reside permanently in the family's unit, the family's assistance will be terminated, unless the ineligible individual has already been considered in prorating the family's assistance. Termination of tenancy for violation of this provision shall make the family ineligible for future housing assistance for a period of thirty-six (36) months.

Permitting persons not on the lease to reside in the unit more than forty-eight (48) hours per month without the prior written approval of the Housing Authority; and

Failure by the family to accept the PHA's offer of a revision to an existing lease. The PHA will provide the family a written notice of the offer of revision 60 calendar days before it is scheduled to take effect.

The family has engaged in or threatened abusive or violent behavior toward PHA personnel.

"Abusive or violent behavior towards PHA personnel" includes verbal as well as

physical abuse or violence. Use of expletives that are generally considered insulting, racial epithets, or other language, written or oral, that is customarily used to insult or intimidate, may be cause for termination or denial.

"Threatening" refers to oral or written threats or physical gestures that communicate an intent to abuse or commit violence.

Actual physical abuse or violence will always be cause for termination.

Other good cause.

The PHA will take immediate action to evict any household that includes an individual who is subject to a lifetime registration requirement under a State sex offender registration program.

### **C. "ONE STRIKE" POLICY**

#### **Purpose**

All federally assisted housing is intended to provide a place to live and raise families, not a place to commit crime, to use or sell drugs or terrorize neighbors. It is the intention of The Lebanon County Housing Authority to fully endorse and implement a policy designed to: help create and maintain a safe and drug-free community; keep our program participants free from threats to their personal and family safety; support parental efforts to instill values of personal responsibility and hard work; and help maintain an environment where children can live safely, learn and grow up to be productive citizens

#### **Administration**

All screening and termination of assistance procedures shall be administered fairly and in such a way as not to violate rights to privacy or discriminate on the basis of race, color, nationality, religion, familial status, disability or other legally protected groups.

#### **Screening of Applicants**

In an effort to prevent future drug related and other criminal activity, as well as other patterns of behavior that pose a threat to the health, safety or right to peaceful enjoyment of the premises by other residents, and as required by the Notice 96-27, the PHA **will endeavor to screen applicants as thoroughly and fairly as possible for drug-related and violent criminal behavior**. Such screening will apply to any member of the household who is 18 years of age or older.

#### **Standard for Violation**

The PHA will deny participation in the program to applicants and terminate assistance to participants in cases where the PHA determines:

There is reasonable cause to believe that the person is illegally using a controlled substance or the person abuses alcohol in a way that may interfere with the health, safety or right to peaceful enjoyment of the premises by other residents, including cases where the PHA determines that there is a pattern of illegal use of a controlled substance or pattern of alcohol abuse. The PHA will consider the use of a controlled substance or alcohol to be a pattern if there is more than one incident during the previous 12 months.

The person has engaged in or is engaging in violent criminal activity. Violent criminal activity means any act within the past five years by applicants or participants, household members, or guests which involved criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force against the person of another, which did or did not result in the arrest and/or conviction of the applicant or participant, household members, or guests.

The person has engaged or is engaging in drug related criminal activity. Drug related criminal activity means any act within the past five years by applicants or participants, household members, or guests which involve the illegal manufacture, sale, distribution, use or possession with intent to manufacture, sell, distribute or use a controlled substance, which did or did not result in the arrest/and or conviction of the applicant or participant, household members or guests.

Within the past five years the applicant, participant or a household member has been convicted of a criminal act that is defined under Federal, State or local laws as a felony.

Within the past five years the applicant, participant or a household member has been convicted of a criminal act (including a conviction for a misdemeanor) in which the victim was an individual under the age of 18 at the time the criminal act occurred.

Within the past five years the family has been evicted from Public Housing, Indian Housing, or any other subsidized housing program under the Housing Act of 1937 (as amended) because of drug-related criminal activity, violent criminal activity or commission of a felony.

That the applicant, participant or a household member is subject to a lifetime registration requirement under a State sex offender registration program.

The existence of the above-referenced behavior by any household member or guest, regardless of the applicant or participant's knowledge of the behavior, shall be grounds for denial or termination of assistance.

In evaluating evidence of negative past behavior, the PHA will give fair consideration to the seriousness of the activity with respect to how it would affect other residents, and/or likelihood of favorable conduct in the future which could be supported by evidence of rehabilitation.

In appropriate cases, the PHA may permit the family to continue receiving assistance provided that family members determined to have engaged in the proscribed activities will not reside in

the unit. If the violating member is a minor, the PHA may consider individual circumstances with the advice of Juvenile Court officials.

### **Notice of Termination of Assistance**

In any case where the PHA decides to terminate tenancy, PHA must give the family written notice which states: the reason(s) for the proposed termination; the effective date of the proposed termination; the family's right, if they disagree, to request a hearing to be held before termination of; the date by which a request for an informal hearing must be received by the PHA.

### **Required Evidence**

*Preponderance of evidence* is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not. The intent is not to prove criminal liability, but to establish that the act(s) occurred. Preponderance of evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

*Credible evidence* may be obtained from police and/or court records. Testimony from neighbors, when combined with other factual evidence can be considered credible evidence. Other credible evidence includes documentation of drug raids or arrest warrants.

The PHA will pursue fact-finding efforts as needed to obtain credible evidence.

### **Definition of Five Year Period**

The terms “five year period” or “five years” as used in this policy shall mean five calendar years from the date of the prohibited behavior or five calendar years from the date of release from any period of incarceration imposed as a result of the prohibited behavior, whichever ever date is later.

### **Confidentiality of Criminal Records**

The PHA will ensure that any criminal record received is maintained confidentially, not misused or improperly disseminated. In accordance with HUD regulations, a criminal record obtained through the Federal Bureau of Investigation will be destroyed once the purpose for which it was requested is accomplished. If destruction of a criminal record is necessary the PHA will document in the family’s file the circumstances of the criminal report and the date the report was destroyed. Misuse of the above information by any employee will be grounds for termination of employment.

## **D. VIOLENCE AGAINST WOMAN ACT**

## **Background**

The Violence Against Women and Justice Department Reauthorization Act of 2005 protects tenants and family members of tenants who are victims of domestic violence, dating violence, or stalking from being evicted based on acts of such violence against them.

## **Requirements**

In general, the law provides in part that criminal activity directly relating to domestic violence, dating violence, or stalking, engaged in by a member of a tenant's household or any guest or other person under the tenant's control, shall not be cause for termination of assistance, tenancy, or occupancy rights if the tenant or an immediate member of the tenant's family is the victim or threatened victim of that abuse. The law also provides that an incident or incidents of actual or threatened domestic violence, dating violence, or stalking will not be construed as serious or repeated violations of the lease by the victim or threatened victim of that violence and will not be "good cause" for termination of the assistance, tenancy, or occupancy rights of a victim of such violence.

## **Certification of Domestic Violence, Dating Violence or Stalking**

Among other requirements, Sections 606 and 607 of VAWA add certification and confidentiality provisions that allow for PHA responding to an incident or incidents of actual or threatened domestic violence, dating violence or stalking that may affect a tenant's participation in the housing program to request in writing that an individual complete, sign and submit, within 14 business days of the request, a HUD-approved certification form. On the form, the individual certifies that he/she is a victim of domestic violence, dating violence, or stalking, and that the incident or incidences in question are bona fide incidences of such actual or threatened abuse. On the certification form, the individual shall provide the name of the perpetrator.

In lieu of a certification form, or in addition to the certification form, a tenant may provide to PHA, (1) a Federal, State, tribal, territorial, or local police record or court record; (2) documentation signed and attested to by an employee, agent or volunteer of a victim service provider, an attorney or a medical professional, from whom the victim has sought assistance in addressing domestic violence, dating violence or stalking, or the effects of abuse, in which the professional attests under penalty of perjury (28 U.S.C. 1746) to the professional's belief that the incident or incidents in question are bona fide incidents of abuse, and the victim of domestic violence, or stalking has signed or attested to the documentation.

The Authority is not required to demand that an individual produce official documentation or physical proof of an individual's status as a victim of domestic violence, dating violence, sexual assault, or stalking in order to receive the protections of VAWA. Note that, The Authority, at their discretion, may provide assistance to an individual based solely upon the individual's statement or other corroborating evidence.

The Authority should be mindful that the delivery of the certification form to the tenant in response to an incident via mail may place the victim at risk, e.g., the abuser may monitor the

mail. Therefore, the Authority may require that the tenant appear in person to pick up the certification form and are encouraged to work with tenants to make delivery arrangements that do not place the tenant at risk.

If the individual does not provide the form HUD - 50066 or the information that may be provided in lieu of the certification by the 14th business day or any extension of that date provided by the Authority, none of the protections afforded to the victim of domestic violence, dating violence or stalking by sections 606 or 607 will apply. The Authority would therefore be free to evict, in the circumstances authorized by otherwise applicable law and lease provisions, without regard to the amendments made by Sections 606 and 607.

#### **E. ABANDONMENT**

The PHA will consider a unit to be abandoned when a resident has both fallen behind in rent AND has clearly indicated by words or actions an intention not to continue living in the unit.

When a unit has been abandoned, the PHA will proceed to regain possession of the property in accordance with State Law. Once possession has been obtained, representatives of the Authority will enter the unit and remove any abandoned property. It will be stored in a reasonably secure place. A notice will be mailed to the resident stating where the property is being stored and when it will be sold. If the PHA does not have a new address for the resident, the notice will be mailed to the unit address so it can be forwarded by the post office. Final disposition of the abandoned property will be performed according to State law.

Any money raised by the sale of the property goes to cover money owed by the family to the PHA such as back rent and the cost of storing and selling the goods. Storage fees shall be based on the monthly flat rent charged for the unit size vacated by the tenant. The appropriate monthly flat rent shall be pro-rated to reflect the actual number of days between the date the PHA obtained possession of the dwelling and the date on which the PHA disposed of the tenant's abandoned possessions. If there is any money left over and the family's forwarding address is known the PHA will mail it to the family. If the family's address is not known, the PHA will keep it for the resident for one year. If it is not claimed within that time, it belongs to the PHA.

#### **F. RETURN OF SECURITY DEPOSIT**

After a family moves out, the PHA will return the security deposit within 30 days or give the family a written statement of why all or part of the security deposit is being kept. The rental unit must be restored to the same conditions as when the family moved in, except for normal wear and tear. Deposits will not be used to cover normal wear and tear or damage that existed when the family moved in. The PHA will be considered in compliance with the above if the required payment, statement, or both, are deposited in the U.S. mail with first class postage paid within 30 days of the move out. In accordance with State law the PHA will pay interest on security deposits at the current passbook savings rate.

## Chapter 14

### GRIEVANCE PROCEDURE

#### **A. PURPOSE AND SCOPE**

The Housing Authority of the County of Lebanon Grievance Procedure is established to assure that a Housing Authority resident is afforded an opportunity for a hearing if the tenant disputes, within a reasonable time, any Housing Authority action, or failure to act, involving the tenant's lease with the Housing Authority or Housing Authority regulations which adversely affect the individual tenant's rights, duties, welfare or status.

#### **B. APPLICABILITY**

1. The Grievance Procedure shall be applicable to all individual grievances as defined in subsection C 1 below which are between the Housing Authority of the County of Lebanon and a tenant.
2. These grievance procedures are not applicable to disputes between tenants not involving the Authority nor to class grievances. These grievance procedures are not intended to be used as a forum for initiating or negotiating policy changes between a group or groups of tenants and the Authority. However, at its discretion, the Authority may schedule two or more grievances to be heard at the same time.
3. The term "due process determination" means a determination by HUD that law of the jurisdiction requires that the Tenant must be given the opportunity for a hearing in court which provides the basic elements of due process (as defined in CFR 966.53(c)) before eviction from the dwelling unit. Since HUD has issued a due process determination, the Authority may exclude from the Authority's grievance procedure under this subpart any grievance concerning a termination of tenancy or eviction that involves:
  - a) Any criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises of other residents or employees of the Authority, or
  - b) Any drug-related criminal activity on or near such premises.

Since HUD has issued a due process determination, the Authority may evict the occupants of the dwelling unit through the judicial eviction procedures that are the subject of the determination. In this case, the Authority is not required to provide the opportunity for a hearing under the Authority's administrative grievance procedure.

## **C. DEFINITIONS**

For the purpose of this grievance procedure the following definitions are applicable.

1. **COMPLAINANT:** Complainant shall mean any Tenant whose grievance is presented to the Authority in accordance with this grievance procedure.
2. **ELEMENTS OF DUE PROCESS:** Elements of due process shall mean an eviction action or a termination of tenancy in a State or local court which includes the following required procedural safeguards:
  - a). Adequate notice to the Tenant of the grounds for terminating the tenancy and for eviction;
  - b). Opportunity for the Tenant to examine all relevant documents, records and regulations of the Authority prior to the trial for the purpose of preparing a defense;
  - c). Right of the Tenant to be represented by counsel;
  - d). Opportunity for the Tenant to refute the evidence presented by the Authority including the right to confront and cross-examine witnesses and to present any affirmative legal or equitable defense which the Tenant may have;
  - e). A decision on the merits.
3. **ESCROW ACCOUNT:** Money held by a third person or party as a good faith promise until a determination is made on what to do with the money.
4. **GRIEVANCE:** Grievance shall mean any dispute which a Tenant may have with respect to the Authority's actions or failure to act in accordance with the individual Tenant's lease or the Authority's regulations which adversely affect the individual Tenant's rights, duties, welfare or status.
5. **HEARING OFFICER:** Hearing officer shall mean a person selected in accordance with Section V of these procedures to hear grievances and render a decision with respect thereto.
6. **INFORMAL SETTLEMENT:** A meeting held with the complainant and Authority representatives in an attempt to resolve the grievance before conducting a formal grievance hearing.
7. **RESIDENT ORGANIZATION:** Resident organization includes a resident management corporation.



8. **SUMMARY OF DISCUSSION:** The result of the informal hearing giving detailed information in writing of the major points discussed in the informal settlement meeting.
9. **TENANT:** Tenant shall mean the adult person (or persons), other than a live-in aide:
  - a) Who resides in the unit, and who executed the lease with the Authority as lessee of the dwelling unit or if no such person now resides in the unit;
  - b) Who resides in the unit and who is the remaining head of household of the tenant family residing in the dwelling unit.
10. **TRIAL DE NOVO:** The right to a new trial wherein all matters are reviewed and decided without reference to any prior hearing or decision in the matter.
11. **WAIVER:** To release a right or claim.

**D. INFORMAL SETTLEMENT OF GRIEVANCE**

Any grievance shall be personally presented, either orally or in writing, to the Authority's central management office or to the management office of the housing development in which the Complainant resides, within fourteen (14) calendar days after the occurrence giving rise to the grievance. The Authority at the time of presentation or within twenty (20) business days after such presentation, shall informally discuss the grievance with the Complainant or his/her representative. Within a reasonable time, not in excess of twenty (20) business days after presentation of the grievance, a summary of the informal meeting shall be prepared by the Authority, and a copy thereof shall be provided to the Complainant and a copy retained in the Authority's tenant file. The summary shall be in writing and shall specify the names of the participants in the meeting, the date of the meeting, the nature of the proposed disposition of the grievance and the specific reasons therefore, and shall specify the procedures by which the Complainant may obtain a formal hearing if he/she is not satisfied by the proposed disposition of the grievance.

**E. FORMAL HEARING PROCEDURES**

**1. REQUEST FOR HEARING**

If the Complainant is not satisfied with the results of the informal meeting, the Complainant may submit a written request for a formal hearing to the Authority's central management office not later than five (5) business days after receipt of the summary of the informal meeting provided for in Section "D" above. The written request shall specify the reasons for the grievance, and the action or relief sought.

## 2. SELECTION OF HEARING OFFICER:

- a) A grievance hearing shall be conducted by an impartial person appointed by the Housing Authority. Such person may not be the person who made or approved the action under review or a subordinate of such person.
- b) The method of selection will consist of the appointment of a Hearing Officer by members of the Authority through selection from a list of impartial individuals willing to serve. Residents will be solicited for comments and recommendations regarding the inclusion of individuals on the list of eligible hearing officers.

## 3. FAILURE TO REQUEST A HEARING

If the Complainant does not request a grievance hearing the Authority's disposition of the matter shall become final, provided that failure to request a hearing shall not constitute a waiver by the Complainant of his/her right thereafter to contest the Authority's action in an appropriate judicial proceeding.

## 4. HEARING PREREQUISITE

All grievances shall be personally presented either orally or in writing pursuant to the informal procedure prescribed in Section "D" as a condition precedent to a hearing under this section; provided, that if the Complainant shall show good cause why he/she failed to proceed in accordance with Section "D" the provisions of this subsection may be waived by the Executive Director or his designee. (It is the Authority's policy to appoint a Hearing Officer only when all prerequisites have been met or when the Executive Director or his designee recommends waiving the required prerequisites for good cause shown.)

## 5. ESCROW DEPOSIT

Before a hearing is scheduled in any grievance involving the amount of rent as defined in the Dwelling Lease Agreement which the Authority claims is due, the Complainant shall pay to the Authority an amount equal to the amount of the rent due and payable as of the first of the month preceding the month in which the act or failure to act took place. The Complainant shall thereafter deposit the same amount of the monthly rent in an escrow account monthly until the complaint is resolved by decision of the Hearing Officer. These requirements must be waived if the rent paid by the tenant is the minimum rent or if the tenant's rent is based on imputed welfare assistance. These requirements may be waived by the Authority in other extenuating circumstances, except where the payment history of the Tenant shows substantial and repeated delinquencies. Unless so waived, the failure to make such payments shall result in termination of the grievance procedure; provided that failure to make payment shall not constitute a waiver of

any right the Complainant may have to contest the Authority's disposition of his/her grievance in any appropriate judicial proceeding.

## 6. SCHEDULING OF HEARINGS

Upon Complainant's compliance with paragraphs A, D and E of this section, a hearing shall be scheduled by the Hearing Officer promptly for a time and place reasonably convenient to both the Complainant and the Authority. A written notification, specifying the time, place and the procedures governing the hearing shall be delivered to the Complainant and the appropriate Authority official.

## **F. PROCEDURES GOVERNING THE HEARING**

1. The hearing shall be held before a Hearing Officer.
2. The Complainant shall be afforded a fair hearing, which shall include:
  - a) The opportunity, for the complainant and the Authority, to examine before the grievance hearing any documents including records and regulations that are directly relevant to the hearing. Each party shall be allowed to copy any such document at said party's expense. If the either party does not make a document available for examination upon request by the other party, such party may not rely on such document at the grievance hearing.
  - b) The right to be represented by counsel or other person chosen as the tenant's representative, and to have such person make statements on the tenant's behalf;
  - c) The right to a private hearing unless the Complainant requests a public hearing;
  - c) The right to present evidence and arguments in support of the tenant's complaint, to controvert evidence relied on by the PHA or project management, and to confront and cross-examine all witnesses upon whose testimony or information the PHA or project management relies; and
  - e) A decision based solely and exclusively upon the facts presented at the hearing.
3. The Hearing Officer may render a decision without proceeding with the hearing if the Hearing Officer determines that the issue has been previously decided in another proceeding. (The Authority interprets this section to apply when similar factual situations have given rise to multiple grievances and the Hearing Officer determines that the prior decision should govern the grievance at issue).
4. If the Complainant or the Authority fails to appear at a scheduled hearing, the Hearing Officer may make a determination to postpone the hearing for a period not to exceed five (5) business days, or may make a determination that the Complainant has waived his right to the hearing. Complainant and the Authority

shall be notified of the determination by the Hearing Officer provided that a determination that the Complainant has waived his/her right to a hearing shall not constitute a waiver of any right the Complainant may have to contest the Authority's disposition of the grievance in an appropriate judicial proceeding.

5. At the hearing, the Complainant must first make a showing of an entitlement to the relief sought and thereafter the Authority must sustain the burden of justifying the Authority action or failure to act against which the complaint is directed.
6. The hearing shall be conducted informally by the Hearing Officer and oral or documentary evidence pertinent to the facts and issues raised by the complaint may be received without regard to admissibility under the rules of evidence applicable to judicial proceedings. The Hearing Officer shall require the Authority, the Complainant, counsel and other participants or spectators to conduct themselves in an orderly fashion. Failure of a party to comply with directions of the Hearing Officer to maintain order may result in: his/her exclusion from the proceedings; in a decision adverse to his/her interests; or denial of the relief requested.
7. The Complainant or the Authority may arrange, in advance and at the expense of the party making the arrangement, for a transcript of the hearing. Any interested party may purchase a copy of such transcript.
8. Accommodations of persons with disabilities.
  - a) The Housing Authority must provide reasonable accommodation for persons with disabilities to participate in the hearing.
  - b) If the tenant is visually impaired, any notice to the tenant which is required must be in accessible form.

#### **G. DECISION OF THE HEARING OFFICER**

1. The Hearing Officer shall prepare a written decision, together with the reasons therefore, within a reasonable time not to exceed thirty (30) calendar days after the hearing. A copy of the decision shall be sent to the Complainant and the Authority. The Authority shall retain a copy of the decision in the Tenant's folder. A copy of such decision, with all names and identifying references deleted, shall also be maintained on file by the Authority and made available for inspection by a prospective Complainant, his representative, or the Hearing Officer.
2. The decision of the Hearing Officer shall be binding on the Authority which shall take all action, or refrain from any actions, necessary to carry out the decision unless the Authority determines within thirty (30) calendar days and promptly notifies the Complainant of its determination that:

- a) The grievance does not concern Authority action or failure to act in accordance with or involving the Complainant's lease or Authority regulations, which adversely affect the Complainant's rights, duties, welfare or status;
  - b) The decision of the Hearing Officer is contrary to applicable Federal, State or local law, HUD regulations or requirements of the Annual Contributions Contract between HUD and the Authority.
3. A decision by the Hearing Officer in favor of the Authority or which denies the relief requested by the Complainant in whole or in part shall not constitute waiver of, nor affect in any manner whatever, any rights the Complainant may have to a trial de novo or judicial review in any judicial proceedings, which may thereafter be brought in the matter.

#### **H. AUTHORITY EVICTION ACTIONS**

If a tenant has requested a hearing in accordance with the requirements of this policy on a complaint involving an Authority notice of termination of the tenancy and the Hearing Officer upholds the Authority's action to terminate the tenancy, the Authority shall not commence an eviction action in a State or local court until it has served a notice to vacate on the Tenant, and in no event shall the notice to vacate be issued prior to the decision of the Hearing Officer having been mailed or delivered to the Complainant. Such notice to vacate must be in writing and specify that if the Tenant fails to quit the premises within the applicable statutory period, or on the termination date stated in the notice of termination, whichever is later, appropriate action will be brought against him or her and he or she may be required to pay court costs and attorney fees.

## Chapter 15

### PET POLICY

#### INTRODUCTION

In accordance with Section 526 of the Quality Housing and Work Responsibility Act of 1998 (which amends the United States Housing Act of 1937), and 24 CFR, Part 5, Subpart C, the Housing Authority of the County of Lebanon, referred to as "Authority", promulgates this Pet Ownership Policy.

Section 31 of the Quality Housing and Work Responsibility Act of 1998 requires Public Housing Authorities to develop reasonable requirements permitting tenants residing in public housing dwellings to own **common household pets**. The Pet Policy adopted by the Authority prescribes standards of pet care and handling which are necessary to protect the condition of the tenant's unit, the general condition of the premises and to protect the health and safety of tenants, employees and the public.

The regulations in Section 31 of the Quality Housing and Work Responsibility Act of 1998 **DO NOT** apply to service animals that assist persons with disabilities. This exclusion applies to both service animals that reside in public housing and service animals that visit Authority developments. Nothing in this rule shall limit or impair the rights of persons with disabilities.

#### A. Guidelines for Pet Ownership

1. A common household pet is defined as a domesticated animal that is traditionally kept in the home for pleasure rather than for commercial purposes.
2. Each household is limited to **one (1) pet per household, per unit**. Allowable pets are limited to the following:

Dog	Hamster/Gerbil
Cat	Guinea pig
Birds (2)	Fish (reasonable number commensurate to aquarium size)

3. The following are not defined as common household pets and are **prohibited**:

Reptiles		Doves		Poultry
Wild animals	Mynah birds		Rabbits	
Feral animals	Psittacine birds (Parrots)			
Livestock	Non-human primates			
Mice	Ferrets			
Rats	Pot-bellied pigs			
Pigeons	Hedgehogs			

4. In addition to the above list, any other animal whose protective instincts and/or natural body armor produce a risk to human beings or other animals is prohibited.
5. Pet owners are required to register the pet with the Authority and provide appropriate disclosures **BEFORE** the pet is brought onto Housing Authority property.
6. If a tenant harbors a pet without the Authority's approval or registration, their pet ownership privileges shall be suspended for a period of one (1) year. A repeat violation will result in lifetime suspension of pet ownership privileges or termination of the Lease.
7. No tenant shall keep, raise, train, breed or maintain any pet of any kind at any location, either inside or outside a dwelling unit, for commercial purposes or for fighting.
8. All residents are prohibited from feeding, housing or caring for stray animals. Such action shall constitute having a pet without permission of the Authority.
9. Pets not owned by a current Authority tenant or properly registered and authorized by the Authority are NOT permitted on the premises on a temporary or visiting basis. Trained service animals that are used to assist persons with handicaps or disabilities are excluded from this provision.
10. No pet owner shall keep a pet in violation of State or local health and/or anti-cruelty laws or ordinances. Any failure of the Pet Ownership Policy to define the applicable laws or ordinances does not relieve the pet owners of the responsibility for complying with this requirement.
11. In order to safeguard the health, safety and welfare of tenants, employees and the public, no pet owner shall keep a vicious, dangerous or intimidating pet on the premises. If the pet owner delays or refuses to remove such a pet from the premises, the Authority will effect its removal. The owner will be responsible for any costs associated with the pet's removal and/or subsequent impoundment. The definition of a vicious or dangerous animal is:

- a) any animal that constitutes a physical threat to human beings or other animals;
  - b) any animal which has a disposition or propensity to cause injury or behave in a manner, which could reasonably cause injury to human beings or other animals, regardless of whether or not such behavior is hostile;
  - c) any animal which has, without provocation, bitten, attacked or inflicted injury on any human being or to other animals;
  - d) any animal which has been used in the commission of a crime.
12. A dog or cat's weight may not exceed 25 pounds by adulthood.
13. A dog or cat's height may not exceed 15 inches (*measured at the shoulder*) by adulthood.
14. A fish aquarium may not exceed a 20-gallon capacity.
15. Trained *service animals* that are used to assist persons with disabilities are excluded from the breed, size, weight and type requirements. Their owners are, however, required to assure proper licensing, inoculations, leash restraints, etc.
16. Dogs shall be licensed annually with the County of Lebanon or as required by State and local laws or ordinances. Dogs must wear a collar with the license tag affixed at all times.
17. Dogs and cats must be spayed or neutered and the pet owner shall pay the cost thereof.
18. Dogs and cats must be inoculated annually or as required by applicable State and local health and/or anti-cruelty laws or ordinances. The inoculations shall include (but are not limited to) rabies and distemper boosters.
19. The Authority reserves the right to require the removal of any pet from the premises when the animal's conduct or condition is duly determined to constitute a nuisance or a threat to the health or safety of other persons or animals.
20. Each owner of a dog or cat shall pay a refundable pet deposit of fifty (\$50) dollars.. There is no deposit required for gerbils, hamsters, guinea pigs, birds or fish. The pet deposit is in addition to any other financial obligation imposed on tenants who own or keep a pet. The pet deposit shall be placed into an escrow account and shall be used only when the pet owner no longer keeps a pet or at the termination of the lease.
21. The pet deposit shall only be used to cover the costs of damages directly attributable to the presence of the pet on the premises. Examples of such costs or damages can include (but are not limited to) the following: repairs and/or replacements to the premises and fumigation of the premises (including flea removal). The Authority will refund the unused portion of the pet deposit to the resident within a reasonable time period after the pet owner vacates Housing Authority property or no longer owns or keeps a pet in the dwelling unit.



## **B. Pet Registration**

1. A tenant who desires to own a pet shall register the pet at the Authority's office at the time that they are signing the lease for the rental unit or if already in residence, **PRIOR** to the time the pet is brought into the unit.
2. Registration for each animal shall be accomplished by the filing of the following disclosures and forms:
  - a) Name of the adult household member who will be primarily responsible for animal care;
  - b) Detailed description of the pet;
  - c) Color photograph of the pet;
  - d) A health certificate prepared by a veterinarian, including:
    - (1) statement that pet has no communicable disease;
    - (2) spaying or neutering;
    - (3) medical condition precluding spaying or neutering
    - (4) current rabies and distemper vaccinations or species subject to State or local rabies vaccination requirements;
    - (5) name, address and telephone number of veterinarian who will be providing regular care to the pet; and
    - (6) a copy of the license issued by the County of Lebanon for ownership of the animal for whom licensing is a legal requirement.
  - e) Name, address, and telephone number of alternative custodians.
  - f) Proof of liability insurance.
3. The pet owner must provide additional information necessary to ensure compliance with any policies prescribed herein. The pet owner shall be required to sign a statement indicating that he or she has read and received a copy of the Pet Policy and agree to comply with all provisions contained in it.
4. Each pet owner shall provide a written statement from at least one (1) alternative custodian who is willing and able to assume responsibility for the care and keeping of the pet, including (*if necessary*) the removal of the pet from Authority property. If the pet owner becomes ill or is absent from the dwelling unit and unable to care for his or her pet, the alternative custodian shall assume responsibility. Custodian information shall be updated as often as necessary to ensure that the Authority has current information at all times.
5. Upon receipt and validation of the above disclosures, and pet deposit, the Authority will issue the pet owner a Pet Permit authorizing the resident to keep the pet in his/her apartment. In addition,

in the case of a dog and cat, the Authority shall issue a decal which must be fixed on the entrance door to the dwelling.

6. The pet owner shall re-certify the pet's registration at least annually . Re-certification of pet registration shall require the same disclosures as the initial pet registration described above.
7. The Authority shall revoke a pet's registration or refuse to register a pet if the pet owner fails to provide required pet registration information or fails to update the required information at least annually, or when requested by an agent of the Authority or it's designee.

### **C. Pet Care**

1. The pet owner shall house the pet **inside of their dwelling unit**.
2. The pet owner shall provide their pet with adequate food and water, in accordance with reasonable standards and proper care for the specific type of pet.
3. An owner of a dog or cat shall implement effective flea control through measures that produce no toxic hazard to the pet or others that may come into contact with treated animals.
4. A pet owner shall ensure suitable sanitation of the animal's living or sleeping quarters at all times.
5. A representative of the Authority and/or any governmental health or animal control officer or his or her designee, may, at any time, inspect any animal and the premises where the animal is kept. If there are unfavorable conditions present, the pet may be impounded, subject to any provision of State or local health and/or anti-cruelty laws or ordinances in this regard. The Authority shall accept no responsibility for the pet under such circumstances.
6. No dog shall be permitted to remain in an apartment overnight while the tenant is away.

### **D. Handling of Pets**

1. A pet owner is prohibited from altering the dwelling units or the surrounding premises to create a space, hole, container, shelter or enclosure for any pet.
2. A pet owner is prohibited from erecting or placing a cage, crate, shelter or container outside of their dwelling at any time.
3. The pet owner shall always keep a cat or dog on a leash and shall control the animal when it is taken out of the dwelling unit for any purpose. When it is necessary for the pet to be taken through any building public space (such as a common hallway, lobby, etc.) the pet shall be **carried** by the tenant. No individual under twelve (12) years of age may take a pet out of the dwelling unless an adult member of the family accompanies them.

4. A pet owner is prohibited from tethering or chaining an animal outside of or within the dwelling unit.
5. The pet owner shall remove or restrain a pet when a Housing Authority representative or designee is present in or around their apartment. Examples can include (but are not limited to): repair technicians, inspectors, exterminators, etc.
6. The owner of a bird(s) shall confine them to a cage at all times.
7. Pets are not allowed in lobbies, laundry rooms, social rooms, management offices, hallways and other such common areas in buildings owned by the Authority, other than for reasonable entry to and egress from the building. A pet will not be allowed on the elevators if any resident or guest on the elevator objects. Residents *not accompanied by a pet* have priority use of the elevators. Only one pet of any kind is allowed on the elevators at one time.
8. Any animal running loose will be referred to the local authorities for removal from the premises.
9. In the event of the death of a pet, the pet owner/tenant is responsible for making immediate arrangements for its removal and disposal. *Carcasses may NOT be placed in Authority dumpsters, trash cans or buried on any Authority property.*

#### **E. Pet Waste Removal**

1. The owner of a cat must provide a box with kitty litter inside the dwelling unit, which must be accessible to the cat at all times. The pet owner shall not permit waste in the litter box to accumulate or to become offensive, unsanitary or unsightly. The litter must be cleaned of waste at least every two (2) days and totally replaced at least once each week. The cages for gerbils, hamsters, and guinea pigs must also be cleaned regularly for health purposes and to avoid odors. The pet owner shall dispose of such waste and litter by placing it in a tightly sealed bag or other container and depositing it in the appropriate trash receptacle (trash can or dumpster) outside the apartment where the pet owner resides.
2. The owner of a dog shall not permit their pet to void urine or excrement in any neighboring yards or common public areas.
3. The owner of a dog must allow his/her pet to utilize any designated pet area. The pet owner must remove and dispose of removable waste immediately. Such waste must be placed in a tightly sealed plastic bag and deposited in a trash receptacle approved by the Authority.
4. The owner of a dog shall not permit dog waste to accumulate or to become offensive, unsanitary or unsightly in the yard assigned to the owner's apartment.

5. Pet waste shall not be flushed down toilets, sinks or tubs.

## **F. Health and Safety**

1. The pet owner shall take the precautions and measures necessary to eliminate offensive pet odors within and around the dwelling unit and shall maintain the dwelling unit in a sanitary condition at all times, as determined by the Authority.
2. A pet owner shall not keep or harbor any pet so as to create offensive odors, excessive noise or unsanitary conditions which create a menace to the health, comfort or safety of other persons or animals.
3. At no time may a pet prohibit an Authority representative or designee from gaining access to Housing Authority property.
4. The Authority reserves the right to seek impoundment and sheltering of any animal if the pet's conduct or condition is duly determined to constitute a nuisance or a threat to the health or safety of other persons or animals. The provisions of State or local health and anti-cruelty laws and ordinances will be observed in making this determination.
5. In the event a dog, cat or other mammal has bitten an individual, the owner of the animal shall report the event to the appropriate municipal police and/or health officials and the Authority within twenty-four (24) hours of the bite.

## **G. Pet Policy Violation**

If a pet owner has violated any section of the Pet Ownership Policy the Authority will take the actions listed below.

1. A written notice of lease violation or pet violation will be issued to the pet owner. The notice shall contain:
  - a) a statement of the factual basis for the determination and the pet rule or rules alleged to be violated;
  - b) a statement allowing the pet owner ten (10) days from the date of notice to correction to violation(s);
  - c) the pet owner's rights under the administrative grievance procedure.

No notice shall be required if the pet is subject to immediate removal from the premises in accordance with Section H of this policy.

2. If a pet owner fails to correct the violation(s) within the allocated time, the Authority shall follow the procedures for Removal of an Animal found in Section H of this Policy. The said pet shall be prohibited from returning to Housing Authority property pending resolution of any dispute

regarding said violation.

3. Three (3) violations of the Pet Ownership Policy (other than serious violations indicated in # 4. Below) within a 12-month period shall result in the revocation of pet ownership privileges, for all members of the unit wherein the pet resides for twelve (12) months.
4. If a resident harbors a pet without Authority approval, permits any dog of any prohibited pedigree in his/her apartment for any period of time, keeps an animal for commercial purposes or fighting, keeps any animal which presents a danger to other tenants or Authority employees, or misrepresents the kind or size of the animal for which he/she is requesting a permit, or for any other serious violation of this Pet Policy, pet ownership privileges for all members of the unit will be suspended or one (1) year. A repeat violation may result in the termination of the resident's dwelling lease or the revocation of pet privileges for the duration of his/her tenancy at the discretion of the Housing Authority.
5. If the Authority must effectuate the removal of any animal, the pet owner shall forfeit the full amount of his/her pet deposit as well as their pet ownership privileges.
6. Serious or repeated violation of the pet regulations may lead to termination of tenancy and the resident's eviction.

#### **H. Pet Removal**

1. **CONDITIONS FOR REMOVAL** - An animal is subject to immediate removal from the premises when the Authority determines, on the basis of objective facts, one or more of the following conditions exist:
  - a) A pet prohibits a Authority representative or designee from gaining access to Housing Authority property;
  - b) A pet displays vicious, dangerous, intimidating behavior, displays symptoms of severe illness or demonstrates behavior that constitutes an immediate threat to the health or safety of others. The definition of a vicious or dangerous animal is: any animal that constitutes a physical threat to human beings, or other animals; any animal which has a disposition or propensity to cause injury or behave in a manner which could reasonably cause injury to human beings, or other animals, regardless of whether or not such behavior is hostile; any animal which has, without provocation, bitten, attacked or inflicted injury on any human being or other animal; or any animal which has been used in the commission of a crime.
  - c) There is evidence an animal, left alone, is in danger or distress or has been left unattended for ten (10) hours or more.
  - d) The tenant has been notified of a violation of this Policy in accordance with Section G and has

refused to remove the pet.

2. **PROCEDURES FOR REMOVAL OF AN ANIMAL** - The Authority will first attempt to contact the pet owner and/or recorded alternative custodian(s) to remove the animal. If contact is unsuccessful or the owner and/or custodian(s) declines, delays or refuses to remove the pet, the animal will be removed from the premises by an Authority representative. The owner shall be responsible for any and all costs associated with the removal and subsequent shelter of the animal.

The said pet shall be prohibited from returning to the Authority property pending resolution of any dispute regarding said violation.

If the Authority must effectuate the removal of any animal, the pet owner shall forfeit the full amount of his/her pet deposit as well as their pet ownership privileges or, depending upon the circumstances, may have his/her lease terminated.

## Chapter 16

### SMOKE FREE HOUSING POLICY

In accordance with required HUD regulations, it is the policy of the Housing Authority of the County of Lebanon (**LCHA**) that all property owned by the LCHA shall be **Smoke-Free**.

**Smoke-Free** means that smoking and the use of prohibited tobacco products and electronic cigarettes are prohibited anywhere on LCHA property, INCLUDING the inside of any apartment or townhouse..

#### **A. Introduction**

Protecting the health and safety of our staff and residents is a priority to the LCHA. The U.S. Surgeon General has identified cigarette smoking and related secondhand tobacco smoke as a Class A carcinogen, the most toxic class of chemicals that are known to cause cancer in humans. This classification of contaminants rates cigarette smoking and secondhand smoke the same as asbestos, lead, vehicle exhaust, and a host of other strictly regulated chemicals in the United States. Secondhand smoke is a leading trigger of lung cancer, heart attacks, asthma attacks, SIDS (Sudden Infant Death Syndrome), and many other major medical conditions. Evidence indicates that there is no risk-free level of exposure to tobacco smoke. Research demonstrates that up to 65% or more of air can be exchanged between multifamily housing units. As the smoke migrates between units it travels through tiny cracks, and crevices, and does not stay contained within an individual apartment or dwelling. Therefore, all residents exposed to secondhand smoke are at risk, even those living in Smoke-Free apartments.

#### **B. Policy**

Due to the increased risk of fire, increased maintenance costs, and the health effects of secondhand and third-hand smoke, the LCHA is adopting this **Smoke-Free Housing Policy**, which prohibits smoking, *i.e.*, the use of prohibited tobacco products and electronic cigarettes, in any interior or exterior common areas, including but not limited to community rooms, community bathrooms, lobbies, reception areas, hallways, laundry rooms, stairways, offices and elevators, within all living units, and within twenty-five (25) feet of building(s) including entry ways, porches, balconies and patios. This policy applies to all residents, residents' families, residents' guests, visitors, contractors, employees and/or property staff. This policy applies to everyone who visits, lives and works at the LCHA Public Housing properties. Under this Policy, Residents would be responsible for informing their guests of the Smoke-Free Housing Policy. Residents will be held accountable for guests who violate the policy. The LCHA is responsible for enforcing the policy with their contractors and LCHA employees.

### **C. Definitions**

**Smoke and Smoking** – means all inhaling, exhaling, breathing, or carrying any lighted, burning, or heated cigarette’s, cigar, pipe, water pipe (or hookah), all tobacco products, or plant products in any manner or in any form. Smoking also includes use of an electronic cigarette.

**Interior Common Areas** – means all dwelling units, elevators, laundry rooms, hallways, stairwells, offices, lobbies, reception areas, community rooms, and community bathrooms.

**Exterior Property** – means all grounds and within twenty-five (25) feet of building(s), parking areas/lots including vehicles parked in parking areas, outdoor play areas, playgrounds, and basketball courts.

**Entryway/Exit** – means front door area, exit door area, porches, balconies, and patios.

**Structures** – means all residential units, building common areas, entry ways, porches, balconies and patios.

**Property/Premises** – means all grounds, structures and parking areas including vehicles parked in parking areas.

**Electronic Cigarette or E-Cigarette** – means any electronic device that provides a vapor of liquid nicotine and/or other substances to the user as he or she simulates smoking. The term shall include such devices whether they are manufactured or referred to as e-cigarette, e-cigars, e-pipes, ENDS, and all vaping devices.

**Designated Smoking Area** – means a physical location identified on LCHA property within which smoking or the use of smokeless tobacco is permitted. Although under no obligation from this policy to do so, the Authority will establish exterior designated smoking areas at our Stevens Towers and Washington Arms buildings. Residents of those facilities will be notified prior to June 1<sup>st</sup> of the location of the exterior designated smoking areas. At our family townhouse developments residents may smoke on the public sidewalks adjacent to the public streets. Public sidewalks DO NOT include the individual sidewalks leading to your front or rear doors.

**Common Area** – means the “area which is available for use by more than one person...” The common areas are those that are available for common use by all tenants, (or) groups of tenants and their invitees.

**Residents, Guests, Contractors, and Employees** – means all residents living in Lebanon County Public Housing, everyone who visits said residents, all outside vendors hired by residents, all contractors hired by LCHA, and all LCHA employees.

### **D. Smoke Free Properties**

Stevens Towers – 80 units

Webster Manor – 100 townhouse units

Modular Units – 60 townhouse units

Washington Arms – 58 units

Gloungier Meadows – 25 townhouse units



City Scattered Sites – 39 townhouse units  
Cedar Court – 41 townhouse units

### **E. Communication of the Smoke-Free Housing Policy**

The Smoke-Free Housing Policy shall be communicated by the LCHA to all current employees, residents, and applicants at least sixty (60) days prior to its effective date. New residents will be given a copy of the Smoke-Free Housing Policy, and after review will sign the Smoke-Free Housing Lease Addendum, a copy of which will be given to them and will be kept in the resident's file. All residents presently living in Public Housing units will be given a copy of the Smoke-Free Housing Policy and will sign the Smoke-Free Housing Lease Addendum, a copy of which will be given to them and will be kept in the resident's file. The Smoke-Free Housing Policy will be communicated to new staff at the time of employment and to new residents at application or prior to admission and/or prior to the signing of their Lease.

The LCHA will post all property with "No Smoking/No Tobacco Use" signs at the entrances and exits of the buildings, all common areas, hallways, playgrounds, basketball courts at each individual site (and in conspicuous places on the grounds adjoining any apartment complex).

Vendors and contractors will be notified at the beginning of any engagement.

It is the responsibility of the resident to notify any service provider, hired by the resident or a resident's representative, of the Smoke-Free Housing Policy.

### **F. Enforcement of the Smoke Free Housing Policy**

All residents understand that enforcement of the Smoke-Free Housing Policy and all other policies is the responsibility of the LCHA. The Smoke-Free Housing Policy is anticipated to have varying levels of resident compliance and will create additional responsibility for property management staff to enforce.

First Violation: Staff will send the resident a written reminder of the smoking policy and include a copy of the Smoke-Free Housing Policy.

Second Violation: Staff will schedule a meeting with the resident to discuss the Smoke-Free Housing Policy and their repeated offenses. Management will discuss strategies to help the resident comply with the policy, i.e., smoking cessation materials and referral to smoking cessation program. If the resident does not attend the meeting, they will be issued a lease violation.

Third Violation: The resident will be issued a lease violation, with 30-day notice with option to remedy.

Fourth Violation: An eviction notice to terminate the lease will be issued.

## **G. Resident Observation of Tobacco Use on the Property**

If a resident smells tobacco smoke anywhere in the building or observes the use of a smokeless tobacco product, they should report this to the office as soon as possible. Management will seek the source of the tobacco use and take appropriate action.

## **H. Relationship of Violation of the Smoke-Free Housing Policy to the Residential Lease**

### **1. Lease Addendum**

All residents will be required to sign the Smoke-Free Housing Lease Addendum, (included in this policy as Attachment 1) at their next annual recertification appointment scheduled on or after June 1, 2018. Refusal to execute the attached Lease Addendum will be considered a material breach of the resident's' lease agreement. And will result in termination of the lease.

### **2. LCHA is Not a Guarantor of a Smoke-Free Housing Environment**

The adoption of a Smoke-Free living environment, and the efforts to designate a property as Smoke-Free, does not make the LCHA or any of its managing agents the guarantor of resident's health or of the smoke free condition of the non-smoking portions of the property. However, the LCHA shall take reasonable steps to enforce the smoke free policy. The LCHA is not required to take steps in response to smoking unless LCHA has actual knowledge of the smoking, documented policy violations, or the identity of the responsible resident. Residents with respiratory ailments, allergies or other condition relating to smoke are put on the notice that LCHA does not assume any higher duty of care to enforce this policy than any other Landlord obligation under the rental agreement.

## **Chapter 17**

### **GUIDANCE ON HUD’S LEAD SAFE HOUSING RULE**

**SUBJECT:** Guidance on HUD’s Lead Safe Housing Rule Pertaining to Elevated Blood Lead Levels for the Public Housing, Housing Choice Voucher, and Project-Based Voucher Programs

#### **A. Purpose**

This Notice provides general guidance to public housing agencies (PHAs), Housing Choice Voucher (HCV) property owners and Project-Based Voucher (PBV) property owners on the required actions they must take when a child in a family receiving public housing, HCV or PBV assistance is identified as having an elevated blood lead level (EBLL). The notice focuses on (but is not limited to) recent changes to HUD’s Lead Safe Housing Rule (LSHR) as it relates to children identified as an EBLL. The Lead Safe Housing Rule is codified as 24 Code of Federal Regulations (CFR) Part 35, subparts B – R. This Rule was effective February 13, 2017.<sup>1</sup> PHAs were to complete all policy updates and comply with the Rule by July 13, 2017.

The LSHR applies to “target housing,” which, under the LSHR, is any housing constructed prior to 1978, except housing for households for the elderly or persons with disabilities or any Obedroom dwelling (unless any child who is less than 6 years of age resides or is expected to reside in such housing ).<sup>2</sup>

The key changes in the LSHR include revising HUD’s “Environmental Investigation Blood Lead Level” (EIBLL) to the EBLL, enhancing the level of investigation required for a housing unit of a child with an EBLL to an “environmental investigation” and adding a requirement for testing in other covered units when a child is identified in a multiunit property.

This Notice will remain effective until amended, superseded, or rescinded.

#### **B. Lead Poisoning**

Childhood lead poisoning has serious negative consequences on childhood growth and development. The U.S. Centers for Disease Control and Prevention (CDC) has consistently affirmed that deteriorated lead-based paint and lead-contaminated dust are the most hazardous sources of lead exposure in children. Lead-based paint can be found in homes built before 1978, with an increased prevalence in very old homes with original painted windows, doors, and trim (Jacobs et al., 2002; Cox et al., 2015).

In 2012, the CDC lowered its reference level for lead in the blood of children under age 6 to 5 micrograms of lead per deciliter of blood, and provided guidance for health departments and

medical professionals at [www.cdc.gov/nceh/lead/acclpp/cdc\\_response\\_lead\\_exposure\\_recs.pdf](http://www.cdc.gov/nceh/lead/acclpp/cdc_response_lead_exposure_recs.pdf). On January 13, 2017, HUD amended the LSHR to align it with CDC's updated guidance.

Consistent with CDC's guidance, HUD is now using the reference level of 5 micrograms per deciliter to identify children with an EBLL. This new level is the blood lead level of the highest 2.5 percent of U.S. children ages 1 to 5 years. CDC may revise this level in the future, and if so, HUD will update its EBLL as used under the LSHR, via the notice and comment process, as provided by the definition of EBLL in the amendment (24 CFR 35.110).

However, if a state or local government establishes more protective standards in response to lead in children's blood, LSHR's section 35.150 directs PHAs to follow those standards.

### C. **Key Definitions**

**Assisted Units** – the Lead Safe Housing Rule covers federally-assisted and federally-owned “target” housing, which includes units assisted under Sections 8 and 9 of the United States Housing Act of 1937, as amended.<sup>1</sup>

**Designated Party** – for purposes of this Notice, the housing agency or the property owner, as indicated in the applicable section, is responsible for complying with applicable requirements.

**Elevated Blood-Lead Level (EBLL)** - elevated blood lead level means a confirmed concentration of lead in whole blood of a child under age 6 equal to or greater than the concentration in the most recent guidance published by the U.S. Department of Health and Human Services (HHS) on recommending that an environmental intervention be conducted.

A confirmed concentration is one that is measured by a venous (from a vein) blood draw, and not a finger prick/quick capillary screening test.

**Environmental Investigation** – a risk assessment with additional questions for the family regarding other sources of lead exposure (e.g., water, pottery, daycare settings), and testing of other potential sources of lead exposure in accordance with Chapter 16, Investigation And Treatment Of Dwellings That House Children With Elevated Blood Lead Levels, of [HUD's Guidelines for the Evaluation and Control of Lead-Based Paint Hazards in Housing](#) (current edition) (the HUD *Guidelines*).<sup>2</sup>

Notes: Chapter 16 of the HUD *Guidelines* includes a detailed description of the differences between an environmental investigation and a risk assessment. Testing includes, at a minimum, house dust, paint/coatings that are not intact or subject to friction, and bare soil, especially in play areas. Testing of drinking water is done in certain circumstances, based on the

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<sup>1</sup> In the case of local non-traditional activities under the Moving to Work Demonstration Program, this includes units funded by Sections 8 and 9.

<sup>2</sup> [https://portal.hud.gov/hudportal/HUD?src=/program\\_offices/healthy\\_homes/lbp/hudguidelines](https://portal.hud.gov/hudportal/HUD?src=/program_offices/healthy_homes/lbp/hudguidelines).

family questionnaire, discussion with the child’s case manager, and additional information, such as knowledge that the community drinking water is known to be at risk; the family’s home is served by a private well; history suggests contamination; or no other sources of lead can be found.

**Expected to Reside** – actual knowledge that a child will reside in a 0-bedroom dwelling unit or in a dwelling unit reserved or designated for the elderly and/or persons with disabilities. If a resident woman is known to be pregnant, there is actual knowledge that child will reside in the dwelling unit.

Notes: The condition of “actual knowledge” differs from the potential for a child under age 6 to reside there sometime in the future; the potential does not create an expectation under the LSHR. While a resident woman being known to be pregnant creates actual knowledge, an expectation is also created when a child under age 6 or a pregnant woman is otherwise known to be moving into the unit, such as by the woman or another person having signed a lease or other rental agreement for the child and/or woman (as applicable) to move in.

**Index Unit** – the unit where a child with an elevated blood lead level resides.

**Multi-unit Property** - a residential property containing two or more dwelling units. For the purposes of the LSHR, all buildings with assisted units or servicing those buildings (e.g., garages, toolsheds, etc.) associated with the property are covered by the requirements.

**Other Covered Units** - federally-assisted units where a child under age 6 resides or is expected to reside in a multiunit property that has an index unit. The child’s age is considered as of the date the Environmental Investigation in the index unit and associated common areas is completed.

**Target Housing** - any housing constructed prior to 1978, except housing for the elderly or persons with disabilities or any 0-bedroom dwelling (unless a child of less than 6 years of age resides or is expected to reside in such housing). In the case of jurisdictions which banned the sale or use of lead-based paint prior to 1978, HUD may designate an earlier date.<sup>5</sup>

Note: The Consolidated Appropriations Act, 2017 revised the definition of target housing to include any 0-bedroom dwelling in which a child who is less than 6 years of age resides or is expected to reside. This guidance reflects that change.

#### **D. Reminder of Requirements for the Project-Based Voucher (PBV) Program**

PBV units, while funded through the Tenant-Based Rental Assistance/HCV program appropriation, are regulated under the LSHR as project-based assistance under 24 CFR Part 35, Subpart H. This program clarification was issued in a 2004 amendment to the LSHR.<sup>6</sup> Under Subpart H, owners of target housing properties receiving more than \$5,000 annually per unit in project-based assistance are required to ensure that target housing receives a lead risk assessment

by a certified risk assessor, regardless of whether there is a child under age 6 in residence, and that occupants are notified of the results of the risk assessment.

Owners must ensure that lead-based paint hazards identified by the risk assessment receive interim controls by a certified renovation or abatement firm, that clearance by a certified risk assessor is passed before re-occupancy occurs, and that assisted occupants are notified of the results of the hazard reduction activity. Owners must monitor and maintain any remaining lead based paint and the hazard controls, with annual visual assessments and a reevaluation with dust testing every two years by a certified risk assessor.

Owners in the PBV program are also responsible for complying with notification and response steps for a child with an EBLL under section 35.730. Because the comprehensive requirements of Subpart H may not be broadly understood by all PHAs and owners participating in the PBV program, HUD plans to issue additional guidance to assist them in complying with the requirements. More information can be found at [www.hud.gov/healthyhomes](http://www.hud.gov/healthyhomes).

### **E. Summary of Changes and Requirements**

The LSHR uses the approach of having a “designated party” responsible for complying with its requirements under a particular assistance program. Under some subparts of the LSHR, just the property owner is responsible, under some subparts, just the PHA, and under other subparts, the owner is responsible for certain activities, and the PHA, for others. Specifically:

For public housing, the PHA is the designated party and is responsible for all the activities regarding EBLL response.

For the PBV project-based assistance program, the owner is the designated party and is responsible for all the activities regarding EBLL response.

For HCV tenant-based rental assistance program, while the PHA is the designated party, the LSHR provides that the owner is responsible for certain EBLL response activities and the PHA other EBLL response activities.

The update to the LSHR revised the type of evaluation that must be performed for the housing unit of a child with an EBLL, and added risk assessment requirements covering certain other units, and new reporting requirements. Under the new regulations, the evaluation for the child’s unit must be an environmental investigation.

### **Public Housing**

For public housing, when a child under 6 is identified with an EBLL, the PHA must take the following steps. (For a more detailed explanation, please refer to section 6.):

- **Initial notification of a confirmed case to HUD:** The PHA must notify the Field Office and HUD's Office of Lead Hazard Control (OLHCHH) of the EBLL case within 5 business days.
- **Initial notification of a confirmed case to public health department, when necessary:** The PHA must notify the public health department of the EBLL case within 5 business days when it received the notification of the case from another medical health care professional.
- **Verification of the case, when necessary:** If a PHA learns that a child has an EBLL from someone other than a medical health care provider, such as from a parent, the PHA must immediately verify the report with the health department or medical health care provider.
- **Environmental Investigation:** The PHA must conduct an environmental investigation of the child's unit and the common areas servicing that unit within 15 calendar days in accordance with Chapter 16 of the HUD *Guidelines*, as described in section 6 below. If lead-based paint hazards are found in the index unit in a multiunit property, perform risk assessments in other covered units with a child under age 6 and the common areas servicing those units, as described in section I below.
- **Control:** The PHA must ensure that any lead-based paint hazards identified by the environmental investigation are controlled within 30 calendar days by a certified lead based paint abatement firm or certified lead renovation firm, including having the unit and common area pass a post-work dust clearance exam in accordance with section 35.1340. If lead-based paint hazards are found in the index unit in a multiunit property, and the risk assessments in other covered units with a child under age 6 and the common areas servicing those units identified lead-based paint hazards, control those lead-based paint hazards as described in section I below.
- **Notification to other residents:** As already required by the LSHR, in a multiunit property, the PHA must notify all residents of lead evaluation and hazard control activities.
- **Follow-up notification:** The PHA must notify the HUD Field Office of the results of the environmental investigation and then of the lead hazard control work within 10 business days of each activity.
- **Ongoing maintenance and reevaluation:** As already required by the LSHR in sections 35.1120(c) and 35.1355(a), after the work passes clearance, the PHA must ensure that the unit and common areas are maintained as lead-safe for continued occupancy, which includes no deteriorated paint or failed lead hazard control methods. As also already required by the LSHR in section 35.1355(b), the PHA must generally conduct periodic reevaluations every two years, using a certified lead risk assessor, and respond to them. The reevaluations shall be for: deteriorated paint surfaces unless they are known not to be lead-based paint, deteriorated or failed interim controls of lead-based paint hazards or encapsulation or enclosure treatments, dust-lead hazards, and soil-lead hazards in newly bare soil. Exceptions from the reevaluation requirement are in section 35.1355(b)(1) and (4); the requirements for responding to the reevaluations are in section 35.1355(c).

The following table summarizes the responsibilities of the PHA for compliance when a child in the public housing program is identified with an EBLL.

	<b>Responsible Entity</b>
<b>Activity</b>	<b>PHA</b>
Initial notification to HUD of confirmed case	√
Verification, if necessary	√
Initial notification of confirmed case to public health department	√
Environmental investigation	√
Lead hazard control	√
Clearance after work completed	√
Follow-up notification to HUD	√
Notification to other residents	√
Ongoing LBP maintenance	√
Ensuring compliance with LSHR	√

### **Housing Choice Voucher (HCV) Program**

For Housing Choice Voucher (HCV) units, when a child under 6 is identified with an EBLI, the PHA or the owner, as described below, must take certain steps. (For a more detailed explanation, please refer to section 6.) For the HCV program, the regulations identify the PHA as the designated party for ensuring compliance with all the regulations. This includes the same steps as for public housing, except that the owner is responsible for some of the steps, and the PHA, other steps. In addition, for several steps, as described below, the PHA may wish to collaborate with the owner to expedite implementation.

The Owner is responsible for:

- **Initial notification of a confirmed case to HUD:** Notifying the HUD field office and the HUD Office of Lead Hazard Control and Healthy Homes of the case – that is, the child’s address – within 5 business days. The PHA may wish to collaborate with the owner on this notification process, such as by agreeing with the owner to be notified of the case by the owner and to forward the notification to the two HUD offices.
- **Initial notification of the public health department, when necessary:** When the owner is notified of the case by any medical health care professional other than the public health department, the owner shall notify the public health department of the name and address of the child within 5 business days. The PHA may wish to collaborate with the owner on this notification process, such as by agreeing with the owner to inform the public health department.
- **Verification of the case, when necessary:** When the owner receives information from a person who is not a medical health care provider that a case may have occurred, the



owner should immediately convey the information to the PHA so the PHA may notify the public health department, if the PHA has indicated, or indicates at this time, that it wishes to collaborate with the owner on implementation of the rule, as described below.

- **Control of lead-based paint hazards:** Completing the reduction of lead-based paint hazards in the index unit and common areas servicing that unit that were identified by the environmental investigation conducted by the PHA within 30 calendar days, using a certified lead-based paint abatement firm or certified lead renovation firm. Work shall include occupant protection, and clearance of the unit and common areas servicing that unit by an independent certified risk assessor or a trained dust sampling technician working under the risk assessor in accordance with section 35.1340.
- **Notification to other residents:** As already required by the LSHR, in a multiunit property, the owner must notify all residents of lead evaluation and hazard control activities.
- **Ongoing maintenance:** Maintaining covered housing without deteriorated paint if there is child under 6 in the family in accordance with sections 35.1220 and 35.1355(a).

The PHA is responsible for:

- **Verification of the case, when notification is not from a medical health care provider:** The PHA may wish to collaborate with the owner on this verification of an EBLL case, such as by agreeing with the owner to receive the information about the possible case. The PHA shall immediately verify the information with the public health department or other medical health care provider.
- **Environmental Investigation:** Conducting an environmental investigation of the child's unit and the common areas servicing that unit in accordance with Chapter 16 of the HUD *Guidelines*, as described in section 6 below. If lead-based paint hazards are found in the child's unit (the index unit) in a multiunit property, see section 9 below regarding risk assessments to be conducted in other covered units with a child under age 6 and the common areas servicing those units.
- **Monitoring of owner's compliance with LSHR:** Monitoring the owner's compliance with the LSHR in accordance with the Housing Assistance Payments (HAP) contract between the PHA and the owner. PHAs can perform oversight of this in conjunction with periodic Housing Quality Standards (HQS) inspections, but not at a frequency less than annually if there was deteriorated paint or known lead-based paint hazards identified in the child's unit or common areas servicing that unit. This includes such actions as (see above) monitoring the owner's:
  - Notifying HUD of a confirmed case;
  - Notifying the public health department when any other medical health care professional notified the owner of the case;
  - Verifying the case when the owner receives information from a person who is not a medical health care provider that a case may have occurred;

- Ensuring that any required lead hazard control (including passing clearance) is complete;
- Ensuring that residents of other units in a multiunit property were notified of lead evaluation and hazard control activities; and
- Ensuring that ongoing maintenance of paint is conducted in accordance with sections 35.1220 and 35.1355(a).
- **Control:** Ensuring the owner completes and clears the control of lead-based paint hazards identified in the Environmental Investigation of the index unit and the common areas servicing that unit. If lead-based paint hazards are found in the index unit in a multiunit property, and the risk assessments in other covered units with a child under age 6 and the common areas servicing those units identified lead-based paint hazards, control those lead-based paint hazards as described in section 9 below.

The PHA may wish to collaborate with the owner on the response, including providing the names of qualified and certified lead hazard control contractors, providing for the clearance examination, and ensuring notification to other residents in a multi-unit property.

The following table summarizes the responsibilities of PHAs and HCV rental property owners for compliance when a child in the HCV program is identified with an EBLL.

Activity	Responsible Entity	
	PHA	HCV Owner
Initial notification of confirmed case to HUD	*	√
Verification, when necessary	√	*
Initial notification of confirmed case to public health department, when necessary	*	√
Environmental Investigation	√	
Lead Hazard Control		√
Clearance after work completed	*	√
Notification to other residents		√
Ongoing LBP Maintenance		√
Monitoring of owner's compliance with LSHR and HQS	√	

\* The PHA may wish to collaborate with the owner on implementing this process, as described above.

### **Project-Based Vouchers (PBV)**

For project-based vouchers, when a child under 6 is identified with an EBLL, the owner must take the following steps. (For a more detailed explanation, please refer to section F.) For several

steps, as described below, the PHA may wish to collaborate with the owner to expedite implementation.

The owner is responsible for:

- **Initial notification of a confirmed case to HUD:** Notifying the HUD field office and the HUD Office of Lead Hazard Control and Healthy Homes of the case – that is, the child’s address – within 5 business days. The PHA may wish to collaborate with the owner on this notification process, such as by agreeing with the owner to be notified of the case by the owner and to forward the notification to the two HUD offices.
- **Initial notification of a confirmed case to public health department, when necessary:** When the owner is notified of the case by any medical health care professional other than the public health department, the owner shall notify the public health department of the name and address of the child within 5 business days. The PHA may wish to collaborate with the owner on this notification process, such as by agreeing with the owner to inform the public health department.
- **Verification of the case, when necessary:** When the owner receives information from a person who is not a medical health care provider that a case may have occurred, the owner shall immediately convey the information to the public health department, asking that department to verify the information to determine whether the child has an EBLL. The PHA may wish to collaborate with the owner on this verification process, such as by agreeing with the owner to receive the information, convey the information to the public health department and ask for that department’s verification, and convey the result of the verification to the owner for further action if the case is confirmed or closing out the action if not.
- **Environmental Investigation:** Within 15 calendar days, conducting an environmental investigation of the child’s unit and the common areas servicing that unit in accordance with Chapter 16 of the HUD *Guidelines*, as described in section F below. The PHA may wish to collaborate with the owner on this evaluation process, such as by agreeing with the owner to conduct the environmental investigation. If lead-based paint hazards are found in the child’s unit (the index unit) in a multiunit property, see section I below regarding risk assessments to be conducted within 30 or 60 calendar days in other covered units with a child under age 6 and the common areas servicing those units depending on the number of units.
- **Control:** The owner must control (and clear) any lead-based paint hazards identified by the environmental investigation within 30 calendar days using a certified lead-based paint abatement firm or certified lead renovation firm, including having the unit and common area pass a post-work dust clearance exam in accordance with section 35.1340. If lead based paint hazards are found in the index unit in a multiunit property, and the risk assessments in other covered units with a child under age 6 and the common areas servicing those units identified lead-based paint hazards, control those lead-based paint hazards within 30 or 90 days depending on the number of units as described in section I below.

- **Notification to other residents:** As already required by the LSHR, in a multiunit property, the owner must notify all residents of lead evaluation and hazard control activities.
- **Follow-up notification:** The owner must notify the HUD Field Office of the results of the environmental investigation and then of the lead hazard control work within 10 business days of the deadline for each activity. The PHA may wish to collaborate with the owner on this notification process, such as by agreeing with the owner to be notified of the results and then forward them to the Field Office.
- **Ongoing lead-based paint maintenance:** As already required by the LSHR in sections 35.715(c) and 35.720(b), after the work passes clearance, the owner must ensure that the unit and common areas are maintained as lead-safe for continued occupancy, which includes no deteriorated paint or failed lead hazard control methods. The requirements for ongoing LBP maintenance are in section 35.1355(a).
- **Reevaluation if PBV exceeds \$5,000 per unit per year:** As already required by the LSHR in section 35.715(c), if the PBV is for more than \$5,000 per unit per year, the owner must generally conduct periodic reevaluations every two years, using a certified lead risk assessor, and respond to them. The reevaluations shall be for: deteriorated paint surfaces unless they are known not to be lead-based paint, deteriorated or failed interim controls of lead-based paint hazards or encapsulation or enclosure treatments, dust-lead hazards, and soil-lead hazards in newly-bare soil. Exceptions from the reevaluation requirement are in section 35.1355(b)(1) and (4); the requirements for responding to the reevaluations are in section 35.1355(c).

The PHA is responsible for:

- **Monitoring of owner's compliance with LSHR:** Monitoring the PBV owner's compliance with the LSHR in accordance with the Housing Assistance Payments (HAP) contract between the PHA and the owner. This includes such actions as (see above) monitoring the owner's compliance in:
  - Notifying HUD of a confirmed case;
  - Notifying the public health department when any other medical health care professional notified the owner of the case;
  - Verifying the case when the owner receives information from a person who is not a medical health care provider that a case may have occurred;
  - Ensuring that any required lead hazard control (including passing clearance) is complete;
  - Ensuring that residents of other units in a multiunit property were notified of lead evaluation and hazard control activities; and
  - Ensuring that ongoing maintenance of paint is conducted.

The PHA may wish to collaborate with the owner on this monitoring, such as in ways described above.

- **Housing Assistance Payments Contract monitoring:** For the owner to allow the resident family to return to full occupancy of their housing unit, the owner must notify the family of the completion of work and passing of clearance. Because the PHA will be monitoring the owner’s compliance with the LSHR in accordance with the HAP contract between the PHA and the owner, the PHA may wish to collaborate with the owner on this monitoring process, such as by agreeing to have the owner inform the PHA that the lead hazard control (including passing clearance) is complete, and providing documentation.
- **Lead Hazard Control:** Ensuring the owner completes and clears the control of lead based paint hazards identified in the Environmental Investigation of the index unit and the common area servicing that unit. If lead-based paint hazards are found in the index unit in a multiunit property, and the risk assessments in other covered units with a child under age 6 and the common areas servicing those units identified lead-based paint hazards, control those lead-based paint hazards as described in section I below.
- **Ongoing monitoring:** Units with identified lead-based paint hazards must have annual re-examinations for deteriorated paint and/or failed hazard control. This can be done in conjunction with periodic HQS inspections, but not at a frequency less than annually if there was deteriorated paint or known lead-based paint hazards identified in the child’s unit or common areas servicing that unit.

The following table summarizes the responsibilities of the owner for compliance when a child in the PBV program is identified with an EBLL, and ways in which the PHA can collaborate with the owner in such a case.

Activity	Responsible Entity	
	PHA	PBV Owner
Initial notification of confirmed case to HUD	*	√
Verification, when necessary	*	√
Initial notification of confirmed case to public health department, when necessary	*	√
Environmental Investigation	*	√
Lead Hazard Control		√
Clearance after work completed	*	√
Notification to other residents		√
Ongoing LBP Maintenance		√
Periodic Reevaluation and Response, if >\$5,000/unit/year	√	√

Monitoring of owner's compliance with LSHR	√	
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\* The PHA may wish to collaborate with the owner on implementing this process, as described above.

**F. Responding to EBLs, Environmental Investigations, and Lead Hazard Control**

**Verification:**

The first step a PHA or owner, as applicable, based on the type of assistance, or the PHA on behalf of the owner, if they have decided to collaborate in that way (see section 5, above), must take when learning of a child with an EBL from a parent, guardian, or other person or entity that is not a medical health care provider is to verify the results, and determine whether it is a confirmed EBL. In accordance with Chapter 16 of the HUD *Guidelines*, a confirmed EBL is one measured through a venous (i.e., from a vein) blood draw, or two capillary blood specimens, drawn within 12 weeks of each other, both with elevated lead concentration. If the parent or guardian suspects that a child under 6 has an EBL based on a single finger print, they should see a medical health care provider to obtain confirmation.

PHAs and owners can verify the report with the local health department or the child's medical health care provider. For the HCV and PBV programs, the owner may wish to collaborate with the PHA to notify the PHA of the EBL within 5 days so that the PHA can notify the public health department or the child's medical health care provider.

If the parent or guardian provides the PHA or owner, as applicable, with a written EBL diagnosis from a medical healthcare professional, or the public health department notifies the PHA or owner, as applicable, of the case, no additional verification is needed.

If an EBL has been reported but not verified, the PHA or owner shall make at least 2 attempts to verify the information with the medical health care provider or health department. If the PHA's verification attempts fail, the PHA must inform the Field Office, which must attempt its own verification and/or inform OLHCHH, which will attempt the verification.

Once an EBL has been verified, the PHA (for public housing) or owner (for PBV or HCV housing), as applicable, must notify their field office representative and OLHCHH within 5 business days. Notifications to OLHCHH must be by done via email to [LeadRegulations@hud.gov](mailto:LeadRegulations@hud.gov). The PHA may wish to collaborate with the owner on this notification process, such as by agreeing with the owner to be notified of the results and then forwarding them to the Field Office and OLHCHH.

In the notification to their field office representative and OLHCHH, the PHA or owner, as applicable, must provide:

- PHA code and name, if the PHA is providing the notification, or Owner's name and address, if the owner is;
- Date of EBLL test result;
- Program (public housing, HCV, project-based vouchers);
- Unit address and, if the housing is in a multi-unit property or development, the development name; and
- Whether the PHA or owner has notified the public health department of the EBLL, or been notified by the health department, and the date of that notification.

Information emailed to HUD should not include the child's name or blood result. This information is considered personally identifiable information (PII), and is also confidential medical information which shall be maintained in accordance with the PHA's policy for private medical information. If the PHA must transmit PII, it shall be done in a secure manner or in an encrypted email. For more information on Privacy Protection Guidelines for PHAs, see [PIH2015-06](#).

### **Investigation:**

Next, the PHA or owner, as applicable, based on the type of assistance, or the PHA on behalf of the owner, if they have decided to collaborate in that way (see section 5, above), must next ensure that a certified Lead-Based Paint Risk Assessor performs an "environmental investigation," as defined above, in the child's home and any common areas that service the unit.

The environmental investigation must be completed within 15 calendar days after verification or notification by a public health department or other medical health care provider. PHAs and owners can find certified lead risk assessment firms through either their state lead licensing agency or EPA's website at [www.epa.gov/lead](http://www.epa.gov/lead).

In some cities and counties, the local public health department will evaluate the child's home for lead-based paint hazards and other possible sources of lead exposure when a child is found with an EBLL. In these instances, the PHA or owner, as applicable, is not required to perform an additional environmental investigation, and can rely on the results of the health department's evaluation.

After receiving the results of an environmental investigation (or an evaluation report from the health department), the PHA must notify their assigned HUD field office contact within 10 business days and the family of the results within 15 calendar days. The notifications must include the date the investigation was completed. If the evaluation was completed in a multiunit property, the PHA must also notify all residents that an evaluation was completed in accordance with section 35.125. This must be done by letter or notice delivered to each occupied dwelling unit affected by the evaluation, and not by central posting. The LSHR prohibits, for the protection of the privacy of the child and the child's family or guardians, notice of environmental investigation being posted to any centrally located common area. (See section 35.125(c)(4)(iii).)

## Required Lead-Based Paint Hazard Control

If lead-based paint hazards are identified by the environmental investigation, the hazards must be addressed within 30 calendar days of receiving the results. This means performing any necessary lead-based paint hazard control work in the unit and common areas servicing the unit, and conducting a clearance examination on the unit and common areas when the work is complete. The work must be performed by a certified lead abatement or lead renovation firm, with the clearance examination performed by a certified risk assessor or clearance sampling technician as described in section 35.1340.

The party that does the hazard control work and the clearance examination depends on the assistance program:

- In the public housing program, the PHA is responsible for completing the hazard control work and conducting the clearance examination.
- In the HCV and PBV programs, the owner is responsible for completing the hazard control work and conducting the clearance examination. The PHA may wish to collaborate with the owner on conducting the clearance examination, as described in section 5, above.

The HUD field office must be notified of the lead hazard control work that was completed and the results of the clearance examination within 10 business days of passing clearance. The party that does this notification depends on the assistance program:

- In the public housing program, the PHA is responsible for notifying the HUD field office.
- In the HCV and PBV programs, the owner is responsible for notifying the HUD field office. The PHA may wish to collaborate with the owner on notifying the HUD field office, as described in section 5, above.

The table below summarizes the timelines for environmental investigations, lead hazard control work, clearance, and field office notifications when the PHA learns a child has an EBLL.

<b>Activity</b>	<b>Timeframe</b>
Notify HUD field office and OLHCHH of EBLL case	Within 5 business days after verification of the EBLL
Conduct environmental investigation	Within 15 calendar days after verification of the EBLL
Notify HUD field office of results of environmental investigation	Within 10 business days after receiving the results of the environmental investigation
Complete lead hazard control work and clearance	Within 30 calendar days of receiving the results of the environmental investigation.



Notify HUD field office of results of clearance	Within 10 business days after clearance
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### **G. Index Units**

In a case where the child discovered to have an EBLL lives in a multiunit property, the child’s home is considered the “index unit” under the new regulations. As described in section 9 below, if the index unit is found to contain lead-based paint hazards, additional evaluation is required for other assisted target housing units in the property where children under age 6 reside (known as other “covered units”). Note that a multiunit property can include multiple buildings, and all buildings are covered if they meet the definition of target housing. This requirement already existed for public housing under 35.1130(f). Under this new rule, the requirement has been extended to the HCV and PBV programs.

### **H. Index Units Recently Tested**

An index unit may not need a full environmental investigation under the following scenarios:

- An environmental investigation was performed by the health department or another party between the time that the child’s blood was last sampled and the date that the PHA, designated party or owner (as applicable) was notified of the EBLL. If a risk assessment was performed, a certified risk assessment firm can be brought in to conduct the elements of an environmental investigation that go beyond the requirements of a risk assessment.
  - If a risk assessment was performed on the unit prior to the date that the child’s blood was last sampled, the results of the risk assessment cannot be relied on, and a full environmental investigation must be performed.
  
- If the unit is scheduled for redevelopment or demolition, and the tenants are expected to be relocated within 45 calendar days. In this scenario, the PHA does not have to perform the environmental investigation if the family is relocated within 15 calendar days.
  - In this scenario, the PHA may not know if the index unit contains lead-based paint hazards. Without test results, the PHA would have to presume all covered units contain lead-based paint hazards.
  - Allowing the family to move from the index unit would not exempt any other covered unit in the property from the need for a risk assessment, unless those units are also scheduled for redevelopment or demolition and relocation is scheduled within 45 days.
  - If the PHA chooses to perform an environmental investigation in the index unit anyway, and finds there are no lead-based paint hazards, additional testing or expedited relocation of families in covered units would not be necessary.

## **I. Other Covered Units of the Property (and Common Areas Servicing those Units)**

If the environmental investigation indicates there are lead-based paint hazards in the index unit or common areas servicing that unit, any other assisted units in the property with a child under age 6 residing (“Other Covered Units”) must receive a risk assessment, as must common areas servicing those units. This includes other assisted units designated as housing for the elderly and/or persons with disabilities where a child under age 6 resides or is expected to reside. The party that conducts the risk assessments depends on the assistance program:

- In the public housing program, the PHA conducts the risk assessments.
- In the HCV and PBV programs, the owner is responsible for conducting the risk assessments. The PHA may wish to collaborate with the owner on conducting the risk assessments, as described in section 5, above.

The risk assessments of the other covered units must be conducted within 30 calendar days of receiving the results of the environmental investigation for a property with 20 other covered units or fewer, and within 60 calendar days for a property with more than 20 other covered units.

While a PHA or owner may, for its own strategic reasons, choose to conduct risk assessments on all the other assisted dwelling units with a child under age 6 (or even all the other assisted dwelling units or all the other dwelling units), random sampling of other covered dwelling units to be assessed is permissible in properties with more than 20 covered dwelling units for pre-1960 properties, and more than 10 covered dwelling units for 1960-1977 properties. HUD’s sampling protocol can be found in Table 7.3 of the *Guidelines*, on page 7-38. For example, for a 1925 multiunit property in which there are 47 other covered units (with certain characteristics identified in the table) shows that at least 31 units are to be sampled randomly.

If the evaluation was completed in a multiunit property, all assisted residents must be notified that an evaluation was completed. The party that conducts the resident notification depends on the assistance program:

- In the public housing program, the PHA is responsible for notifying the assisted residents.
- In the HCV and PBV programs, the owner is responsible for notifying the assisted residents. The PHA may wish to collaborate with the owner on notifying the assisted residents, as described in section 5, above.

All lead-based paint hazards identified by the risk assessments must be controlled. As under the original LSHR, if a random sampling of units and/or common areas is used in the risk assessment, if lead-based paint hazards were found in that sample, all units and/or common areas represented by the random sampling must have corresponding building components that have lead-based paint hazards in sampled and un-sampled units controlled, because the components in un-sampled units are presumed to have lead-based paint hazards.

The table below summarizes the timelines for risk assessments, lead hazard work, and clearance for other covered dwelling units depending on the number of units in the property.

Activity	If the Property Has 20 or Fewer Other Covered Units	If property Has More than 20 Other Covered Units:
Conduct risk assessment	Within 30 calendar days of receiving the results of the environmental investigation	Within 60 calendar days of receiving the results of the environmental investigation
Complete lead hazard control work and clearance	Within 30 calendar days of receiving the results of the risk assessment	Within 90 calendar days of receiving the results of the risk assessment

### **J. Exemptions for Other Covered Units**

A covered dwelling unit *is* exempt from needing a risk assessment under the following scenarios:

- The property has been certified by a State- or EPA-certified lead inspector as lead-based paint free or all lead-based paint has been identified and removed through abatement, and clearance has been achieved. Lead-based paint free means that the housing has been found to be lead-based paint free by a State- or EPA-certified lead inspector in accordance with Chapter 7 of the Guidelines. This exemption would not be applicable to units that have undergone lead abatement through enclosure or encapsulation, because they still contain lead-based paint behind the enclosure or encapsulant.
- The dwelling unit is scheduled for demolition. While units scheduled for redevelopment are generally not exempt, language in the preamble to the Final Rule permits exemption of a dwelling unit for redevelopment where start of construction and completion of tenant relocation is to occur within 45 calendar days (i.e., the sum of the 15-day period for conducting the environmental investigation and the 30-day period for conducting lead hazard control in the unit). In that scenario, the dwelling unit does not need a risk assessment; however, the family must be relocated out of the unit within 15 calendar days.

A covered dwelling unit *may* be exempted from needing a risk assessment if one was recently performed and hazards were already controlled. Specifically:

- The PHA or owner conducted a risk assessment of the covered dwelling unit in question and the common areas servicing that unit, and any necessary interim controls on identified lead-based paint hazards were performed, including passing clearance. The risk assessment and controls must have been performed between the date the child’s blood was last sampled and the date the owner received the notification of the elevated blood lead level; and

- The PHA or owner has documentation of compliance with evaluation, notification, lead disclosure, ongoing lead-based paint maintenance, and lead-based paint management requirements under this part throughout the 12 months preceding the date the owner received the environmental investigation report; and

Certified documentation is provided to the HUD field office to this effect, including copies of the risk assessment and the results, and a copy of the clearance exam. The party that provides this documentation depends on the assistance program:

- In the public housing program, the PHA is responsible for providing the documentation to the HUD field office.
- In the HCV and PBV programs, the owner is responsible for providing the documentation to the HUD field office. The PHA may wish to collaborate with the owner on providing the documentation, as described in section 5, above.

### **K. Monitoring and Enforcement**

HUD may request documentation of compliance with the LSHR at any time, for the HCV, PBV, and public housing programs.

### **HCV and PBV Program**

PHAs are responsible for ensuring compliance with the regulations, and, for the HCV programs, funding initial lead evaluations, but the HCV or PBV owner has certain requirements that the PHA must oversee in accordance with their housing assistance payment contract with the owner, including:

- The owner is responsible for promptly notifying the HUD field office and the Office of Lead Hazard Control and Healthy Homes of EBLL cases, although the PHA may wish to collaborate with the owner on this notification, as described in section 5, above.
- The owner is responsible for performing the lead hazard control work, and for incorporating ongoing lead-based paint maintenance activities into regular building operations (see section 35.1355(a)), including conducting a visual assessment for deteriorated paint, dust-lead hazards, bare soil, and the failure of any hazard reduction measures at unit turnover and every twelve months.

The PHA can assist owners in finding certified contractors, or in obtaining training and submitting the documentation to become certified to perform lead hazard control work themselves. See the EPA lead website, [www.epa.gov/lead](http://www.epa.gov/lead). PHAs can also opt to have a certified risk assessor on staff with the PHA becoming a certified risk assessment firm, where required, or available via contract (the PHA does not have to become a certified risk assessment firm). PHAs must also ensure units that had lead-based paint hazards identified receive annual and turnover visual assessments to ensure that the interim controls have not failed and that there is no new

deteriorated paint. The party that conducts the visual assessments depends on the assistance program:

- In the public housing program, the PHA is responsible for conducting the visual assessments.
- In the HCV and PBV programs, the owner is responsible for conducting the visual assessments. The PHA may wish to collaborate with the owner on conducting the visual assessments, as described in section 5, above.

If the required evaluation and lead hazard control work is not completed for the index unit or other covered units within the established timeframes, the dwelling unit(s) shall be considered out of compliance with HQS. Enforcement may include suspension, reduction, or termination of housing assistance payments (HAP). If the owner does not meet the requirements after enforcement, the unit is not in compliance with HQS, and the PHA must terminate the HAP contract and assist the family in finding a unit that will meet HQS and is lead-safe. A lead safe unit is one that is either built after 1977, or one built before 1978 that has had a risk assessment, control of any lead-based paint hazards identified, and met clearance. PHAs should follow the existing regulations at section 982.404 for HQS enforcement of the HCV and PBV programs before the family moves in. (If the owner or PHA, as applicable, is unable to comply with the deadline for lead hazard control work due to weather conditions, the PHA can allow additional time in accordance with section 35.115(a)(12).)

See the Non-Reporting segment below for guidance on instances when the owner has not reported an EBLL case to HUD or the public health department, either directly or through the PHA, or when the PHA, after being notified of an EBLL case by the owner, has not reported the case to HUD or the public health department, when required.

### **Public Housing Program**

Compliance with the LSHR is included as part of the Capital Fund Program regulations at Part 905 Subpart H. PHAs annually certify compliance with new Capital Fund awards. PHAs that are not compliant with the LSHR may be subject to Sanctions described at Part 905-804, including limiting, withholding, reducing, or terminating Capital Fund or Operating Fund assistance.

PHAs that believe properties are exempt from the LSHR because leasing is done exclusively to elderly or persons with a disability can only qualify for this exemption if 1) the PHAs has a current, HUD-approved Designated Housing Plans, or 2) as described in the Quality Housing and Work Responsibility Act of 1998, the housing has been operating continuously as a mixed housing designated for both elderly and disabled residents. Evidence of the second option must be made available to HUD upon request. However, the Fair Housing Act prohibits PHA properties, including those designated for elderly and/or disabled occupancy, from excluding eligible families with children. Therefore, as described in section 3, regardless of the Designated

Housing Plan, if a child under six resides or is expected to reside in the dwelling unit, that unit and common areas serving the dwelling unit lose their LSHR exemption.

HUD's Real Estate Assessment Center (REAC) inspectors will continue to request to view lead evaluation reports, i.e., reports of lead-based paint inspections, lead risk assessments, environmental investigations, clearance examinations, and Lead Disclosure Rule forms as part of regular physical assessments of public housing developments. PHAs should ensure that all relevant lead paint evaluation records are available at the property for the inspector.

### **Non-Reporting in HCV, PBV, and Public Housing Programs**

If a person becomes aware of an EBLL case where the owner or PHA did not report the EBLL to HUD or the public health department when required, the person should report the case to the OLHCHH at [LeadRegulations@hud.gov](mailto:LeadRegulations@hud.gov), and to the Office of the Inspector General via the OIG Hotline at [www.hudoig.gov/hotline](http://www.hudoig.gov/hotline). Under the Whistleblower Protection Act, it is illegal for HUD, PHAs, HCV property owners, and PBV property owners to retaliate against their employees and personal service contractors for disclosing a case to the OIG. See 5 U.S.C. § 2302; 41 U.S.C. § 4712.

### **L. Preparing for Full Compliance**

HUD recommends that PHAs that manage public housing take steps now to ensure they can respond quickly if they are notified of an EBLL case. Preparations can include:

- Ensuring that all lead-based paint testing required under the existing LSHR is already completed and that records are securely stored at the property and are available for inspection.
  - Public housing subject to the existing rule should already have at minimum received a lead-based paint inspection, undergone lead-based paint abatement at the time of modernization, undergone interim controls of lead-based paint hazards identified by risk assessments before the abatement, and passed post-work clearance. ○ If any lead-based paint remained after the abatement, it should be monitored as part of ongoing building operations to ensure that abatement methods have not failed.
- Determining whether lead evaluations and hazard control work will be performed by trained, certified staff or through contract.
  - If new contracts require approval by the PHA's Board of Commissioners, the process should be started in advance of the need.

- Ensuring that all PHA employees who disturb paint in pre-1978 housing (e.g., through repairs or scraping) are certified as renovators under EPA’s Renovation, Repair, and Painting Rule. More information is in [PIH Notice 2011-44](#) and [www.epa.gov/lead](http://www.epa.gov/lead).
- Updating the Annual Plan and Five-Year Plan (or Moving to Work annual plan and report, as appropriate) with any additional testing or abatement not yet completed identified for action.
- Identifying a current contact person at the local or state health department for communication and data sharing. Under the existing LSHR, PHAs are required to exchange address data and any known EBLLs with health departments on a quarterly basis, so these contacts should have been made, but they may need updating.
- Informing residents of the risks of lead-based paint and encouraging them to have young children tested for lead in their blood. Blood lead testing is covered by Medicaid and often available for free at the local health department. Resident Service Coordinators can include obtaining local blood-lead testing as part of the information they make available to families with children.
- Continuing to disclose known lead-based paint, lead-based paint hazards, and all records or reports on lead-based paint or lead-based paint hazards, to residents as part of their lease of target housing units. Providing a copy of “Protect Your Family from Lead in Your Home” found at [www.hud.gov/healthyhomes](http://www.hud.gov/healthyhomes) and [www.epa.gov/lead/real-estatedisclosure](http://www.epa.gov/lead/real-estatedisclosure).

Preparations for PHAs managing HCV housing should include:

- Ensuring that HQS inspectors have completed training in visual assessment for deteriorated paint posted at [www.hud.gov/offices/lead/training/visualassessment/h00101.htm](http://www.hud.gov/offices/lead/training/visualassessment/h00101.htm) and are performing this enhanced visual inspection at initial and periodic inspections in target housing dwelling units when a family has a child under age six. (HQS inspectors who are certified lead risk assessors do not need the visual assessment training above; the subject is covered in their risk assessment course.)
- Determining whether lead evaluations will be performed by trained, certified staff or through a contract. If staff are to be certified, the PHA’s obtaining certification as a firm in the discipline(s) in which the staff will be certified.
- Confirming a current contact person at the local or state health department for communication and data sharing.
- Informing residents of target housing of the risks of lead-based paint and encouraging them to have young children tested for lead in their blood. Notify residents of how to promptly report EBLLs to the PHA. This may include written notice in the leasing package, and/or at the next regular reexamination.

- Informing and engaging HCV owners about lead safety and their obligations under the LSHR, including the Lead Disclosure Rule. Note that for project-based vouchers (PBV), the rules regarding lead-based paint are different from those applying to tenant-based vouchers. PHAs with project-based vouchers in their HCV programs should ensure that those PBV dwelling units with vouchers for a property valued at over \$5,000 per unit per year have already received a risk assessment and hazard control as outlined in 24 CFR 35, Subpart H, 35.700 et seq.; if the PBV vouchers are for no more than \$5,000 per unit per year, the units should have already received a visual assessment for deteriorated paint and paint stabilization as outlined in 24 CFR 35, Subpart H.

#### **M. Data Sharing with Public Health Departments**

At least quarterly, the PHA must provide an updated list of their HCV property target housing addresses to the health department so that the health department may evaluate whether they have information about incidences of EBLL cases in assisted housing. If the health department does not want, or is unable, to receive this data, the PHA should document this for HUD compliance reviews. PHAs should also attempt quarterly to obtain the names and addresses of children under age 6 with an EBLL that live in their owned or managed housing from the health department. If a match occurs, the PHA shall comply with all requirements of the LSHR and this guidance.

If a health department agrees to share EBLL information, the PHA must ensure that this information is protected and maintained as confidential, and is used only for the public health protection of children and their families from lead exposure.

#### **N. For Further Information**

Contact your field office representative, or HUD's Lead Regulations Hotline, Office of Lead Hazard Control and Healthy Homes, Programs and Regulatory Support Division, U.S. Department of Housing and Urban Development, 451 7<sup>th</sup> Street, SW (8236), Washington, DC 20410, 202-402-7698 (or, for persons who are deaf or hard of hearing, or have speech disabilities, the Federal Relay (FedRelay) teletype (TTY) number, 800-877-8339, or by other methods shown at [www.gsa.gov/fedrelay](http://www.gsa.gov/fedrelay)), or [LeadRegulations@hud.gov](mailto:LeadRegulations@hud.gov).

Information on the functions and activities of the HUD Office of Inspector General (OIG) is at [www.hudoig.gov](http://www.hudoig.gov). Information on whistleblower protection is on the OIG's website at [www.hudoig.gov/fraud-prevention/whistleblower-protection](http://www.hudoig.gov/fraud-prevention/whistleblower-protection). To submit a question or complaint to the OIG, go to the OIG Hotline at [www.hudoig.gov/hotline](http://www.hudoig.gov/hotline).



## Appendix A: Optional PHA or Owner's Elevated Blood Lead Level Case Checklist

This checklist is intended as a courtesy for optional use by a public housing authority (PHA) or Owner in tracking the main steps for responding to an elevated blood lead level (EBLL) case; it is not intended to be submitted to the HUD Field Office nor the HUD Office of Lead Hazard Control and Healthy Homes.

PHA code (if applicable):

PHA or owner name:

Date of EBLL test result:

Program: \_\_\_\_\_ Public housing    \_\_\_\_\_ Housing choice voucher    \_\_\_\_\_ Project-based voucher

Dwelling unit address and (if applicable) development name:

Required Steps:

- \_\_\_ Verify EBLL case report with medical provider or health department, if report came from elsewhere.
- \_\_\_ Maintain confidentiality for all records related to the EBLL, and ensure the identity of the child or family are not disclosed to other residents in multiunit property.
- \_\_\_ Notify health department of EBLL case (if it is not already aware of it) within 5 days (either directly or through PHA).
- \_\_\_ Notify HUD field office contact and [LeadRegulations@hud.gov](mailto:LeadRegulations@hud.gov) of EBLL case within 5 days (either directly or through PHA).
- \_\_\_ Engage certified lead risk assessor to perform environmental investigation of child's unit within 15 days.
- \_\_\_ Notify residents of child's unit of results of environmental investigation within 15 days directly, but not by posting in common area.
- \_\_\_ If lead-based paint hazards are found in the child's unit or in a common area servicing that unit in a multiunit property, engage a certified lead abatement professional or certified renovation firm to control the hazards, and a certified lead risk assessor to conduct risk assessments of other assisted dwelling units with a child under age six ("other covered units").
- \_\_\_ In a multiunit property, notify residents that lead-based evaluation will be performed.
- \_\_\_ If lead-based paint hazards are identified in other covered units, engage a certified lead abatement professional or certified renovation firm, and notify other residents of the results of the risk assessment and that lead hazard control work will be performed.

- Ensure adequate occupant protection, including temporary relocation for EBL family and/or other families, when required, until their dwelling unit passes clearance.
  
- Complete lead hazard control in child's unit and common area servicing that unit if lead-based paint hazards are identified, within 30 days of receiving environmental investigation report.
  
- Complete lead hazard control in other covered units and common areas servicing those units if leadbased paint hazards are identified, within 30 days of receiving environmental investigation report, if up to 20 other covered units, or 90 days, if over 20 other covered units.
  
- Ensure all dwelling units and common areas that received lead hazard control pass clearance as determined by a certified risk assessor.
  
- In multiunit property, notify other residents that lead hazard control work was completed, and results.
  - Provide all documentation to the HUD field office contact in 10 business days.
  - Disclose information about lead-based paint hazards and all new records and report to residents upon lease initiation or renewal (if not already disclosed).

# **APPENDIX 1**

## **FLAT RENTS**

**Flat Rents - Area 1 Senior Communities  
2019 FMRs Effective October 1, 2018**

1	2	3	4	5	6	7	8	9	10	11	12
<i>Bedrooms</i>	<i>Number Of Units</i>	<b>Current Flat Rents</b>	<i>Total Annual Income Current Flat Rents</i>	<i>Current Annual Cost By Bedroom</i>	<i>Current Annual Operating Cost By Br By Month</i>	<i>HUD 2019 FMR Changes</i>	<i>Most Recent HUD Published FMR</i>	<b>New Flat Rent no less than 80% of FMR</b>	<i>Flat Rent Increase in \$</i>	<i>Flat Rent Increase in %</i>	<i>Total Annual Income New Flat Rents</i>
WA 0 BR	26	<b>\$473</b>	\$147,576	\$205,972	\$556	1.1521	\$697	<b>\$558</b>	\$85	18%	\$173,971
St Small 1 BR	40	<b>\$541</b>	\$259,680	\$316,880	\$556	1.0369	\$702	<b>\$562</b>	\$21	4%	\$269,568
ST Stand 1 BR	20	<b>\$541</b>	\$129,840	\$158,440	\$556	1.0369	\$702	<b>\$562</b>	\$21	4%	\$134,784
ST Large 1 BR	20	<b>\$590</b>	\$141,600	\$158,440	\$556	1.0369	\$702	<b>\$612</b>	\$22	4%	\$146,880
WA 1 BR	27	<b>\$541</b>	\$175,284	\$213,894	\$556	1.0369	\$702	<b>\$562</b>	\$21	4%	\$181,958
WA 2 BR	5	<b>\$693</b>	\$41,580	\$39,610	\$556	1.0448	\$908	<b>\$726</b>	\$33	5%	\$43,584
<b>TOTALS</b>	<b>138</b>		\$895,560	\$1,093,235				<b>Total Income New Flat Rents</b>			<b>\$950,746</b>

13	14	15	16	17	18	19
<i>Total Annual Operating Budget Costs</i>	<i>Total 2017 PHA Wide Cap Fund</i>	<i>Cap Fund Per Unit</i>	<i>Cap Fund Allocated To AMP</i>	<i>Total Operating Cost</i>	<i>Total Oper Costs as a percentage of total income from New flat rents</i>	<i>Total oper &amp; Cap Fund costs as % of total income from flat rents</i>
\$772,803	\$935,754	\$2,322	\$320,432	\$1,093,235	123%	87%

Flat rents shall be set at no less than 80% of current FMRs. Large one bedroom ST units set at 87% of FMR to reflect increased market value for larger apartment

Note: Any rent increase caused by a flat rent increase must be limited to 35%.

**Flat Rents - Area 2 North Side Family Units  
2019 FMRs Published October 1, 2018**

1	2	3	4	5	6	7	8	9	10	11	12
<i>Bedrooms</i>	<i>Number Of Units</i>	<i>Current Flat Rents</i>	<i>Total Annual Income Current Flat Rents</i>	<i>Current Annual Cost By Bedroom</i>	<i>Current Annual Operating Cost By Br By Month</i>	<i>HUD 2019 FMR Change</i>	<i>Most Recent HUD Published FMR</i>	<i>New Flat Rent - No Less than 80% of FMR</i>	<i>Flat Rent Increase in \$</i>	<i>Flat Rent Increase in %</i>	<i>Total Annual Income New Flat Rents</i>
0	0										
1	8	\$541	\$51,936	\$77,979	\$732	1.037	\$702	\$562	\$21	4%	\$53,914
2	35	\$693	\$291,060	\$341,157	\$732	1.045	\$908	\$726	\$33	5%	\$305,088
3	66	\$893	\$707,256	\$643,324	\$732	1.034	\$1,186	\$949	\$56	6%	\$751,450
4	22	\$1,013	\$267,432	\$214,441	\$732	1.004	\$1,357	\$1,086	\$73	7%	\$286,598
5	4	\$1,167	\$56,016	\$38,989	\$732	1.004	\$1,560	\$1,248	\$81	7%	\$59,904
<b>TOTALS</b>	<b>135</b>		<b>\$1,373,700</b>	<b>\$1,315,890</b>				<b>Total Income New Flat Rents</b>			<b>\$1,456,954</b>

13	14	15	16	17	18	19
<i>Total Annual Operating Budget Costs</i>	<i>Total 2018 PHA Wide Cap Fund</i>	<i>Cap Fund Per Unit</i>	<i>Cap Fund Allocated To AMP</i>	<i>Total Operating Cost</i>	<i>Total Oper Costs as a percentage of total income from New flat rents</i>	<i>Total Oper &amp; Cap Fund Costs as % of total inome form flat rents</i>
\$1,002,424	\$935,754	\$2,322	\$313,466	\$1,315,890	145%	111%

Note: Any rent increase caused by a flat rent increase must be limited to 35%

**Flat Rents - Area 3 South Side Family Units  
2019 FMRs Published October 1, 2018**

1	2	3	4	5	6	7	8	9	10	11	12
<i>Bedrooms</i>	<i>Number Of Units</i>	<i>Current Flat Rents</i>	<i>Total Annual Income Current Flat Rents</i>	<i>Current Annual Cost By Bedroom</i>	<i>Current Annual Operating Cost By Br By Month</i>	<i>HUD 2019 FMR Change</i>	<i>Most Recent HUD Published FRM</i>	<i>New Flat Rent - No Less than 80% of FMR</i>	<i>Flat Rent Increase in \$</i>	<i>Flat Rent Increase in %</i>	<i>Total Annual Income New Flat Rents</i>
0	0										
1	0										
2	65	\$693	\$540,540	\$620,527	\$720	1.045	\$908	<b>\$726</b>	\$33	5%	\$566,592
3	51	\$893	\$546,516	\$486,875	\$720	1.034	\$1,186	<b>\$949</b>	\$56	6%	\$580,666
4	14	\$1,013	\$170,184	\$133,652	\$720	1.004	\$1,357	<b>\$1,086</b>	\$73	7%	\$182,381
5	0										
<b>TOTALS</b>	<b>130</b>		\$1,257,240	\$1,241,053				<b>Total Income New Flat Rents</b>			<b>\$1,329,638</b>

13	14	15	16	17	18	19
<i>Total Annual Operating Budget Costs</i>	<i>Total 2018 PHA Wide Cap Fund</i>	<i>Cap Fund Per Unit</i>	<i>Cap Fund Allocated To AMP</i>	<i>Total Operating Cost</i>	<i>Total Oper Costs as a percentage of total income from flat rents</i>	<i>Total Oper and Cap Fund costs as 5 of total income from flat rents</i>
\$939,197	\$935,754	\$2,322	\$301,856	\$1,241,053	142%	107%

Note: Any rent increase caused by a flat rent increase must be limited to 35%

## APPENDIX 2

### Guidance on the use of Tenant Participation Funds – HUD Notice 2013-21

- 1. Purpose.** This notice serves to clarify previous guidance on the use of tenant participation (TP) funds as established by 24 C.F.R. § 964.150 and supersedes PIH Notice 2001-3.
- 2. Applicability.** This notice applies to all public housing agencies (PHAs) operating public housing (PH) programs.
- 3. Background.** The regulations on tenant participation funding allow for a more active resident role in determining TP funding use and a broader range of eligible activities than was previously outlined in PIH Notice 2001-3, including allowing self-sufficiency activities as eligible uses. The regulations at § 964.150(a)(2) require PHAs to provide TP funds to duly elected resident councils. The regulation also states that TP funds must be used for activities outlined in § 964 subparts B and this Notice clarifies that subpart C is also applicable in providing guidance on the use of TP funds, specifically § 964.205(b)(1)-(6). A list of eligible uses is provided in Section 7 of this Notice.
- 4. Tenant Participation Funds and the Roles of PHAs and Resident Councils.** To correctly apply the Department's policy on TP funds, it is important that PHAs and RCs understand their specific roles and responsibilities.

#### *The Role of the PHA*

The PHA's role in regards to the use of TP funds is to:

- Provide TP funds to duly elected RCs as required by § 964.150(a)(2) (TP funds may be prorated due to Operating Fund proration);
- Collaborate with RCs on how funds will be distributed in accordance with § 964.150(3);
- Administer TP funds reasonably and efficiently, including establishing policies on how a RC is to make a request for TP funds and ensuring that funds are being used responsibly;
- Enter into a written agreement with a RC on the use of TP funds as described in § 964.150(b)(3);
- Ensure the RC's requested activity is consistent with the requirements under § 964, subparts B and C;
- Maintain accurate records of TP funds and expenditures and provide this information to RCs; and
- Advise RCs on the supporting documentation that may be necessary to verify and audit expenses.

PHA policies on the use of TP funds should be designed to ensure that each funding request from a RC:

- 1) Is consistent with the applicable HUD requirements and the PHA Plan;
- 2) Incorporates appropriate financial controls, including the submission of a budget, conforms with procurement rules and insurance requirements, etc.; and

- 3) Meets other administrative requirements specified in the written agreement between the PHA and the RC.

PHAs may need to provide or encourage RCs to seek technical assistance in the areas of administration, budgeting, and financial reporting to comply with PHA policy. If an RC does not have the technical capacity to comply with PHA TP fund use policy, the PHA may use TP funds to provide technical assistance and training in these areas to the RC.

If residents have not yet established a RC, the PHA should fund allowable activities for residents and may use TP funds to improve resident capacity in establishing and operating a RC.

### ***The Role of the Resident Council***

In accordance with § 964.100, the role of the resident council (RC) is to improve the quality of life and resident satisfaction and to participate in self-help initiatives that enable residents to create a positive living environment for families living in public housing.

The RC's responsibility regarding tenant participation funds includes:

- Entering into a written agreement with the PHA in order to receive the TP funds;
- Submitting a budget for the use of the TP funds;
- Providing assurances that all resident council expenditures will not violate provisions of law and will promote serviceability, efficiency, economy and stability in the operation of the local development; and
- Accounting to the PHA for the use of the funds and permit the PHA to inspect and audit the resident council's financial records related to the agreement.

RCs and their leadership play an active role in determining how the tenant participation funds will be used to improve the quality of life for public housing residents. In accordance with 24 CFR Part 964 subpart B, each RC has the ability to decide which activities they will pursue to expend TP funds as long as they:

- 1) Meet the intent of HUD's regulations;
- 2) Comply with the PHA's tenant participation funding guidelines and procurement policies; and
- 3) Are made in accordance with the written agreement with the PHA.

Under previous guidance a program providing literacy materials for children could be denied by the PHA. Under this updated guidance, this activity should be an allowable activity because it is consistent with those activities listed under § 964.205(b)(1)-(6). Additional examples of activities that would be allowable under this updated policy, and examples of unallowable activities are listed in Section 6 of this Notice. These lists are not exhaustive.

**5. Tenant Participation Funds in Mixed-Income Communities.** Public Housing residents in mixed-income communities are eligible to use TP funds in accordance with the requirements outlined in this Notice.



The Department recommends that the amount of TP funds used for eligible activities be in appropriate proportion to the number of public housing residents who live in the development or community. For example, if a mixed-income development is composed of half public housing residents and the resident association would like to purchase computers for a community center, the resident association could fund half of this expense with TP funds. TP funds along with other sources of funds may be used to support eligible resident participation and self-sufficiency activities benefitting all of the development's residents. This does not prohibit the ability of these associations and/or management from funding activities entirely with other sources.

PHAs serving mixed-income communities must adopt policies as outlined in Section 4 of the Notice regarding the use of TP funds in these communities.

**6. Resolution of Disputes.** The Department strongly encourages residents and PHA staff to resolve questions concerning specific uses of TP funds or proposals for TP funds at the PHA level. § 964.150(a)(3) states that if a dispute over funding arises:

- The issue shall be referred to the HUD Field Office for intervention.
- The Field Office will require the parties to undertake further negotiations to resolve the dispute.
- If there is no resolution after 90 days from the date of the Field Office intervention, the issue shall be referred to HUD Headquarters for final resolution.

Issues deemed unresolved by the Field Office shall be referred to the Office of Public Housing Programs office, and other program offices as appropriate, in Headquarters for resolution.

While HUD may hear disputes over uses of TP funds, the Department cannot overturn PHA policies that are consistent with relevant statutes and regulations. HUD can determine whether the PHA's policy is a permissible implementation of the applicable statutes and regulations.

**7. Allowable and Unallowable Activities.** The following is not a comprehensive list of allowable and unallowable activities. However, this represents a starting framework that PHAs may use in establishing their TP policies and for RCs to assess the suitability of requests for the use of TP funds.

#### ***Allowable Activities***

- Those included in PIH Notice 2001-3 and those outlined in § 964.140 and 964.150:
  - Consultation and outreach efforts that support active interaction between the PHA and residents
  - Activities that inform residents on issues and/or operations that affect resident households and their living environment
  - Resident surveys and other mechanisms to collect resident input
  - Annual membership events or site-based community activities that enhance resident participation
  - Resident commissioner training, resident council (RC) training, resident advisory board (RAB) training, leadership development, household training, orientation and training for new and existing residents on resident responsibilities

- Resident council elections and organizing
- Planning functions for matters such as the Public Housing Agency Plan (PHA Plan), revitalization, safety and security, property management and maintenance, and capital improvements
- Reasonable refreshment and light snack costs that are directly related to resident meetings for the activities discussed in this section
- Stipends to resident council officers who serve as volunteers in their public housing developments
- Self-sufficiency and capacity building activities, such as those listed in § 964.205:
  - Social support needs (such as self-sufficiency and youth initiatives) including: coordination of support services; training of residents for programs such as child care, early childhood development, parent involvement, volunteer services, parenting skills, before and after school programs, and senior programs; training programs on health, nutrition and safety; child abuse and neglect prevention; tutorial services, including those in partnership with community-based organizations such as local Boys and Girls Clubs, YMCA/YWCA, Boy/Girl Scouts, Campfire and Big Brother/Big Sisters, etc.; youth education and sports programs; drug use and violence prevention programs; financial literacy and credit counseling
  - Resident management training for residents in skills directly related to the operation, management, maintenance, and financial systems of a project as potential employees of an existing or proposed resident management corporation (RMC), including training on nondiscrimination and equal opportunity requirements
  - Training related to the development of resident-owned businesses and technical assistance for job training and placement in RMC developments

### ***Unallowable Activities***

Any activity outside the scope of the PHA policy and HUD regulatory requirements behind TP funds and activities. Unallowable expenses also include any activities prohibited by laws related to fair housing and non-discrimination. In addition, the [Office of Management and Budget's \(OMB\) Circular A-87](#) prohibits the use of federal funds, including TP funds, for the following: □ Purchase of alcoholic beverages

- Entertainment, where the dedicated purpose of the event falls under the following categories:
  - Amusement (trips to theme parks, county fairs, etc.)
  - Diversions (theatre, movies, sports events, etc.)
  - Social activities (parties, bowling nights, etc.)
  - Any directly associated costs for the events in the categories above (tickets to shows or sports events, meals, lodging, rentals, transportation, and gratuities)
- Organized fund raising costs, including financial campaigns, solicitation of gifts and bequests, and similar expenses incurred to raise capital or obtain contributions, regardless of the purpose for which the funds will be used

Although TP funds cannot be used for the activities listed above, the Department encourages RCs and PHAs to seek additional funds or partnerships to provide activities with beneficial outcomes to public housing residents and communities.

**8. Proposed Criteria for Evaluating Use of TP Funds.** HUD encourages PHAs and RCs to consider the following criteria in conducting the evaluation of proposed TP fund expenditures:

- Is the proposed TP activity consistent with the written agreement between the PHA and the RC regarding TP funding?
- Is the requested activity consistent with the intent of HUD's regulations and the PHA's policies?
- Is the request clear? What exact activity or resource is being requested by the RC?
- Will residents have equal or broad access to the resource being provided? Will this expense benefit an individual or is it being made available to a larger group?
- Is the proposed TP activity reasonable in cost? Does the request include consideration of other more affordable alternatives? Can other vendors provide a similar resource at a lower cost? Will this expense present any conflicts of interest? Does the proposed expense abide by applicable procurement policies?
- Is the requested expense reasonable considering the PHA's size, residents served, and the amount of TP funds available?
- Is the proposed TP activity to take place locally? If not, is there a compelling reason for the activity to take place outside of the PHA's jurisdiction?
- Are the needs of the community, such as those documented in the PHA Plan, being met by the proposed TP activity?
- Will the RC be able to provide the appropriate receipts and invoices for auditing purposes?

In addition, HUD recommends that PHA policy on TP fund use require a written explanation for any denied requests, which should provide specific details as to why the request failed to meet established evaluation criteria.

## **APPENDIX 3 HUD NOTICES**

2013-04	Guidance on Verification of Excluded Income
2014-20	Program Eligibility Regardless of Sexual Orientation, Gender Identity or Marital Status
2015-12	Administering the Community Service and Self Sufficiency Requirement
2015-21	Amendment to the Definition of Tuition
2016-05	Streamlining Administrative Regulations
2016-06	Administering Self Certification of Community Service Compliance
2017-23	Updates to Flat Rent Requirements
2018-19	Minimum Heating Standards in Public Housing Properties
2018-24	Verification of Social Security Numbers



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
PUBLIC AND INDIAN HOUSING

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**Special Attention of:**

**NOTICE: PIH-2013-04 (HA)**

Public Housing Agencies;  
Public Housing Hub Office Directors;  
Public Housing Program Center Directors;  
Public Housing Division Directors;  
Regional Directors;  
Field Office Directors

Issued: 01/28/13  
Expires: Effective until amended,  
superseded, or rescinded

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Cross References: 24 CFR 5.609(c)  
24 CFR 960.259(a)  
24 CFR 960.259(c)  
24 CFR 982.516(a)  
24 CFR 982.551(b)

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**Subject:** Guidance on Verification of Excluded Income.

**1. Purpose:**

This notice provides clarification and guidance on the verification requirements of income excluded from the determination of annual income in accordance with 24 CFR 5.609(c).

**2. Applicability:**

This notice applies to the Public Housing, Housing Choice Voucher (including the project-based certificate and voucher), and Section 8 Moderate Rehabilitation programs.

**3. Background:**

In an effort to reduce administrative burdens on Public Housing Agencies (PHAs), HUD is providing guidance and clarification on the requirements to verify income that is excluded from the determination of annual income. There are two categories of excluded income: fully excluded and partially excluded. Each category has different verification requirements and Sections 4 and 5 of this notice provide details on how each is to be verified.

**4. Fully Excluded Income:**

Income that is fully excluded means the entire amount qualifies to be excluded from the annual income determination. For fully excluded income, the PHA is **not required** to:

- Verify the income in accordance with the HUD-prescribed verification hierarchy;
- Document in the tenant file why third party verification was not available as required by 24 CFR 960.259(c)(i) and 24 CFR 982.516(a)(2); and
- Report the income in Section 7 of the form HUD-50058.

PHAs may accept an applicant or participant’s self-certification as verification of fully excluded income. The PHA’s application and reexamination documentation, which is signed by all adult family members, may serve as the self-certification of the fully excluded income. PHAs have the option of elevating the verification requirements if necessary, to determine if a source of income qualifies for a full exclusion.

Examples of common fully excluded income categories that are verifiable through applicant or participant self-certification are:

- Supplemental Nutrition Assistance Program (SNAP) benefits, formerly known as food stamps.
- Income from a live-in aide.

For a complete list of income exclusions, see 24 CFR 5.609(c).

### **5. Partially Excluded Income:**

Income that is partially excluded means that only a certain portion of the income reported by the family qualifies to be excluded, while the remainder must be included when determining the family’s annual income. For partially excluded income, PHAs are required to:

- Comply with HUD-prescribed verification requirements and all applicable regulations pertaining to the determination of annual income; and
- Report the income in Section 7 of the form HUD-50058. The example below shows how the partially excluded income for a full-time student should be reported on the form HUD-50058.

7a. Family member name	No.	7b. Income Code	7c. Calculation (PHA use)	7d. Dollars per year	7e. Income exclusion	7f. Income after exclusions (7d minus 7e)
Jane Smith	3	W	\$3,000-\$480=\$2,520	\$3,000	\$2,520	\$480

Examples of partially excluded income that are subject to regular verification requirements include:

- The Department of Veterans Affairs “Aid and Attendance” benefits – in accordance with 24 CFR 5.609(c)(4), these benefits may be excluded from income if they are used “specifically for, or in reimbursement of, the cost of medical expenses for any family member.” Live-in or periodic medical assistance and services of doctors and health care professionals are among the services that may be counted as medical expenses. The PHA must verify the amount provided for aid and attendance medical expenses and the amount actually being used by the veteran for such expenses. Any portion of the benefit not used for such expenses would continue to be counted as income by the PHA when determining the family’s annual income.
- Earnings in excess of \$480 for full-time students 18 years old or older (24 CFR 5.609(c)(11) – in order to determine the amount of earnings to include in the calculation of the family’s annual income, the PHA must verify the amount of employment income for these family members.

For a complete list of income exclusions, see 24 CFR 5.609(c).

**6. Further Information.** Any questions related to this notice should be directed to the nearest HUD Office of Public Housing within your region. Locations of these offices are available on HUD's website at <http://www.hud.gov>.

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/s/

Sandra B. Henriquez, Assistant Secretary  
for Public and Indian Housing



**U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing**

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**SPECIAL ATTENTION OF:**

Regional Managers; Office of Public Housing  
Directors; Program Center Coordinators;  
Public Housing Agencies; Resident  
Management Corporations

**NOTICE PIH 2014-20 (HA)**

Issued: August 20, 2014  
This notice remains in effect until  
amended, superseded or rescinded.

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**SUBJECT:** Program Eligibility Regardless of Sexual Orientation, Gender Identity or Marital Status as Required by HUD's Equal Access Rule

1. Purpose: On February 3, 2012, HUD published a final rule entitled Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity (77 FR 5662) ("Equal Access Rule" or "rule"). The final rule requires HUD's assisted and insured housing programs are open to all eligible individuals regardless of sexual orientation, gender identity or marital status. The rule revises HUD's general program requirements by adding the following provisions at 24 CFR 5.105(a)(2):
  - (a) A determination of eligibility for housing that is assisted by HUD or subject to a mortgage insured by the Federal Housing Administration shall continue to be made in accordance with the eligibility requirements provided for such program by HUD, and such housing shall be made available without regard to actual or perceived sexual orientation, gender identity, or marital status, and
  - (b) No owner or administrator of HUD-assisted or HUD-insured housing, approved lender in an FHA mortgage insurance program, or any other recipient or sub-recipient of HUD funds may inquire about the sexual orientation or gender identity of an applicant for, or occupant of, HUD-assisted or HUD-insured housing for purposes of determining eligibility or otherwise making such housing available. (See Permissible Inquiries in item 6 herein.)

Through this notice, the Office of Public and Indian Housing (PIH) provides guidance on how the Equal Access Rule applies to PIH-assisted housing programs administered by public housing agencies (PHAs). The rule does not create any additional protected classes under the Fair Housing Act or any other civil rights law. Although the Fair Housing Act does not include sexual orientation, gender identity, or marital status as protected classes, complaints involving LGBT persons may raise claims that are actionable under one or more of the Fair Housing Act's protected classes (See section 10 of this notice).

2. Applicability: The Equal Access Rule applies to all HUD-assisted and HUD-insured housing. This notice applies to all PIH programs administered by PHAs, affiliates,



instrumentalities and mixed-finance owner-entities, specifically the Public Housing, Section 8 Housing Choice Voucher (HCV), Project-Based Voucher (PBV), Project-Based Certificate (PBC) and Moderate Rehabilitation programs (collectively PIH-assisted housing programs). This notice also applies to PHAs under Moving to Work (MTW) and Rental Assistance Demonstration (RAD). This notice describes requirements and provides examples applicable to all PIH-assisted housing programs.

In addition, the Equal Access Rule applies to private owners that participate in housing programs funded under section 8 of the U.S. Housing Act of 1937, 42 U.S.C. § 1437, who must make housing available without regard to actual or perceived sexual orientation, gender identity, or marital status.

A private owner that participates in the HCV program becomes subject to the rule when the owner executes a housing assistance payments (HAP) contract with the PHA. It is at that point the owner becomes subject to the rule.

All housing providers are also subject to applicable state and local fair housing laws prohibiting discrimination because of sexual orientation, gender identity and/or marital status.

Individual offices within HUD are providing their own guidance on how the Equal Access Rule affects their programs and program participants. In addition, HUD's Native American programs will incorporate the requirements of making housing available regardless of sexual orientation, gender identity, or marital status and prohibiting inquiries on the basis of sexual orientation and gender identity after conducting tribal consultation.

3. **Terms and Definitions.** PHAs must use federal definitions and follow federal eligibility requirements in their administration of PIH-assisted housing programs. Accordingly, PHAs are required to update their admissions and continued occupancy policies (ACOP) and/or Administrative Plans consistent with the Equal Access Rule. The rule defines "sexual orientation" and "gender identity" at 24 CFR 5.100 and clarifies the term "family" at 24 CFR 5.403. *Sexual orientation* means homosexuality, heterosexuality or bisexuality. *Gender identity* means actual or perceived gender-related characteristics.

The term "*family*" includes, but is not limited to the following, **regardless of actual or perceived sexual orientation, gender identity, or marital status:**

- (1) A single person, who may be an elderly person, displaced person, disabled person, near-elderly person or any other single person; or
- (2) A group of persons residing together and such group includes, but is not limited to:
  - (i) A family with or without children (a child who is temporarily away from the home because of placement in foster care is considered a member of the family);
  - (ii) An elderly family;
  - (iii) A near-elderly family;
  - (iv) A disabled family;
  - (v) A displaced family; and

(vi) The remaining member of a tenant family.

In addition, for categorizing family as defined above, the terms disabled family, elderly family and near-elderly family (per 24 CFR 5.403) are:

*Disabled family* means a family whose head (including co-head), spouse or sole member is a person with a disability.

*Elderly family* means a family whose head (including co-head), spouse or sole member is a person who is at least 62 years of age.

*Near elderly family* means 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.

4. Required Revisions to PHA Plans and Policies: PHAs are required to review and update, if necessary, their ACOP and/or Administrative Plans to ensure consistency with the Equal Access Rule.
  - a. Annual Plan: In accordance with 24 CFR 903.7(b), a PHA's Annual Plan includes a statement of the PHA's policies governing eligibility, selection and admissions. The PHA's definition of family as provided in the admissions and continued occupancy policies will have to be amended as a result of the rule and this notice. Thus, the next Annual Plan submitted by the PHA subsequent to the posting of this notice must include a statement in the section on eligibility, selection and admissions to reflect the change in the definition of family and the requirement to provide equal access regardless of sexual orientation, gender identity or marital status.
  - b. Section 8 Administrative Plan: In accordance with 24 CFR 982.54, PHAs must revise their Administrative Plans to reflect the definition of "family" at 24 CFR 982.4 and the definition of "family composition" at 24 CFR 982.201(c):
    - i. *Family*. A person or group of persons, as determined by the PHA consistent with 24 CFR 5.403, approved to reside in a unit with assistance under the program. See discussion of family composition at section 982.201(c).
    - ii. *Family Composition*. See definition of "family" in 24 CFR 5.403.
  - c. Public Housing Tenant Selection Policies: In accordance with 24 CFR 960.202, PHAs must revise their tenant selection policies to reflect the definition of "family" at 24 CFR 945.105:
    - i. *Family*. A person or group of persons, as determined by the PHA consistent with 24 CFR 5.403, approved to reside in a unit with assistance under the program.

5. Equal Access and Prohibited Inquiries: Housing assisted under the U.S. Housing Act of 1937 must be made available without regard to actual or perceived sexual orientation, gender identity or marital status. HUD clarified the term “family” at 24 CFR 5.403 to preclude the exclusion of otherwise qualified persons who may identify as LGBT individuals, who have an LGBT relationship or who may be perceived as such.

PHAs and owners are prohibited from inquiring about an applicant’s or participant’s sexual orientation or gender identity for the purpose of determining eligibility or otherwise making housing available. This does not prohibit an individual from voluntarily self-identifying sexual orientation or gender identity.

6. Permissible Inquiries: The Equal Access Rule does not prohibit all inquiries concerning an applicant’s or participant’s sex. For example, the rule permits a PHA to ask an applicant’s or participant’s sex in order to determine the number of bedrooms for which a household may be eligible based on the PHA’s written occupancy standards.

In addition, PHAs must collect and report on a program participant’s sex through form HUD-50058 and submit the data electronically to the Information Management System/PIH Information Center (IMS/PIC)

([http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/public\\_indian\\_housing/systems/pic/50058](http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/systems/pic/50058).) HUD does not require reporting on sexual orientation through form HUD-50058 or in any other form. As noted above, sexual orientation means homosexuality, heterosexuality or bisexuality.

PHAs may maintain voluntary and anonymous reporting of sexual orientation or gender identity for compliance with data collection requirements by state and local governments or other federal assistance programs so long as information obtained pursuant to such reporting has no bearing on eligibility for housing or program participation.

7. Program Compliance: A PHA’s or owner’s actions or policies that are inconsistent with the rule could result in HUD’s determination that the PHA or owner has failed to comply with program requirements. HUD may pursue any available remedy, including sanctions or corrective action plans that it deems appropriate to remedy the violation. HUD may review a PHA’s or owner’s policies and performance to determine if it is complying with the Equal Access Rule. This may include monitoring by PIH or HUD’s Office of Fair Housing and Equal Opportunity (FHEO). It may also include requests for information concerning allegations of noncompliance. The PHA or owner must cooperate with HUD and provide access to staff, records and beneficiaries as needed.

Typically, HUD seeks voluntary corrective action in the event a PHA or owner violates a requirement under the Equal Access Rule. Applicants and participants may request corrective action directly from the PHA if they believe they have been denied housing or subjected to improper inquiries in violation of the rule.

8. Complaints to PHAs: Upon receipt of a complaint from an applicant or participant alleging a violation of the Equal Access Rule, the PHA must determine if a program violation occurred and implement appropriate corrective action(s). The PHA may seek assistance from its local HUD Field Office of Public Housing in order to make this determination. In all cases, the PHA may advise the family to file a fair housing complaint if the family feels they have been discriminated against under the Fair Housing Act (see sections 10 and 11).

In addition, the PHA must follow its written policies for responding to complaints; policies must include that the PHA provide written notice of receipt of the complaint to those alleged to have violated the rule and that the complainant be informed that such notice was made. Following an investigation of the allegations, the PHA must provide the complainant and those alleged to have violated the rule with findings from the investigation and either a proposed corrective action to resolve any violation or an explanation as to why corrective action is not warranted. The PHA must keep records of all complaints, investigations, notices and corrective actions consistent with its current record-keeping obligations.

9. Examples of Program Violations under the Equal Access Rule:

- a. A PHA asks a woman who has applied for assistance under a PHA's HCV program to update her eligibility information prior to the PHA issuing a voucher. She brings another woman with her to the PHA office. While completing program verifications, her companion puts her arm around her. The PHA's occupancy specialist believes that the women are lesbians and denies the woman's application because of perceived sexual orientation. The actions taken by the PHA's occupancy specialist constitute a violation of 24 CFR 5.105(a)(2)(i) by the PHA because the denial of housing assistance was based on perceived sexual orientation.
- b. A gay man who currently receives rental assistance under the PBV program contacts the property owner and requests to add his male partner, who is also income-eligible, to the lease so they may live together. The owner seeks approval from the PHA. The PHA denies the request stating that the couple does not meet the PHA's definition of "family," which requires that family members be related either through blood or marriage. The owner informs the family of the denial. The PHA's restrictive definition of "family" violates the rule's prohibition on considering sexual orientation or marital status when determining who qualifies as a "family" and who may occupy HUD-assisted housing. A PHA must determine whether a family is eligible for assistance without regard to the sexual orientation, gender identity, or marital status of any of its members. *See* 24 CFR 983.8 ("The PBV program requires compliance with all equal opportunity requirements under federal law and regulation, including the authorities cited at 24 CFR 5.105(a)"). In addition, the denial is a violation of 24 CFR 5.105(a)(2)(i) because the denial was based on sexual orientation and/or marital status.
- c. A gay man who currently receives rental assistance under the PBV program contacts the property owner to request to add his male partner, who is also income-eligible, to the lease so they could live together. The owner asks "Are you gay?" and denies the request when the tenant confirms that he is gay. The actions taken by the owner constitute a

violation of 24 CFR 5.105(a)(2)(i) and (ii) because the owner inquired about sexual orientation for the purpose of determining eligibility and making housing available, and the denial was based on sexual orientation and/or marital status.

10. Fair Housing Act Implications: The Fair Housing Act does not include sexual orientation, gender identity or marital status as protected classes. However, complaints involving LGBT persons may raise claims that are covered by one or more of the Fair Housing Act's protected classes. For example, courts have recognized that the Fair Housing Act's prohibition against discrimination because of sex includes discrimination based on non-conformance with sex stereotypes. Therefore, under certain circumstances, complaints involving sexual orientation or gender identity may be investigated under the Fair Housing Act.

When reviewing alleged violations of the Equal Access Rule, FHEO determines whether the Fair Housing Act is implicated. If HUD lacks jurisdiction to investigate a complaint from an LGBT person, an applicant or beneficiary may still be protected under state and local laws that include sexual orientation, gender identity and/or marital status as protected classes. Many states and local jurisdictions prohibit housing discrimination on the basis of sexual orientation, gender identity and/or marital status, and HUD may refer complaints or other information concerning these protected classes to appropriate state and local fair housing enforcement agencies.

Below are examples of actions that may violate both the Fair Housing Act and the Equal Access Rule:

- a. A gay man applies for public housing, but the PHA denies his application because he is gay and it presumes that, because he is gay, he is HIV-positive and may infect other tenants. This action violates 24 CFR 5.105(a)(2)(i) because the man is denied HUD-assisted housing based on sexual orientation. This action also violates the Fair Housing Act because the man is regarded as having a disability, HIV/AIDS. Disability, which includes a record of having a disability, or being regarded as having a disability, is a protected class under the Fair Housing Act.
- b. A lesbian tenant who dresses in masculine clothes alleges the PHA's property manager at the public housing complex where she resides refuses to make necessary repairs to her apartment. She alleges the property manager tells her that he "only does repairs for real ladies." An investigation confirms that the property manager refused to make the repairs because the tenant is a lesbian and did not conform to gender stereotypes. This action violates 24 CFR 5.105(a)(2)(i) because the action of the PHA's representative is based on sexual orientation and/or gender identity and is affecting the habitability of the tenant's housing. The rule requires that housing be made available regardless of the actual or perceived sexual orientation, gender identity, or marital status of a resident. This complaint may also raise a claim under the Fair Housing Act as discrimination based on sex, because the property manager's actions are based on the tenant's nonconformance with gender stereotypes.

- c. A gay man alleges he was harassed by the PHA's maintenance worker at the public housing complex where he resides. The maintenance worker routinely told the tenant "you walk like a girl" and "you should man up," whistled at him and made sexual gestures. The tenant reported the harassment to the PHA, but the PHA made no effort to stop it. Therefore, as a result of inaction by the PHA, the tenant moved out. Due to the continued harassment, the PHA violated the requirement at 24 CFR 5.105(a)(2)(i) to make housing available without regard to actual or perceived sexual orientation, gender identity, or marital status. The rule prohibits consideration of a person's sexual orientation throughout the tenancy, not just at the time of application. This conduct may also be considered sex discrimination under the Fair Housing Act because the actions of the maintenance worker may constitute discrimination based on gender non-conformity and/or sexual harassment.

In the example above, the tenant moved out of the assisted housing unit as a result of the harassment by the PHA maintenance work. Please note; a program participant is not required to leave the assisted housing unit, or terminate participation in the HCV program, for the purpose of filing a complaint for violation under the Equal Access Rule.

11. Further information: For further information about this Notice, contact your local HUD Office of Public Housing. Contact information is available through the PIH Customer Service Center, 1-800-955-2232 (toll free), and is available on HUD's website at [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/public\\_indian\\_housing/about/field\\_office](http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/about/field_office). Fair Housing questions may be directed to appropriate Fair Housing Field Offices. Complaints may be filed electronically at [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/fair\\_housing\\_equal\\_opp/online-complaint](http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/online-complaint). Persons with hearing or speech impairments may access these numbers via TTY by calling the Federal Information Relay Service at (800) 877-8339.

/s/

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Jemine A. Bryon, Acting Assistant Secretary  
for Public and Indian Housing



**U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing**

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**Special Attention of:**

Public Housing Agency Directors;  
Public Housing Hub Office Directors;  
Public Housing Field Office Directors;  
Program Center Coordinators;  
Resident Management Corporations;  
Resident Councils

**Notice PIH-2015-12 (HA)**

Issued: August 13, 2015

Expires: Effective until amended or  
superseded

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Cross References: PIH Notice 2009-48

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**Subject: Administering the Community Service and Self-Sufficiency Requirement (CSSR)**

- 1. Purpose:** The Department is issuing this Notice to assist public housing authorities' (PHAs) understanding and administration of the Community Service and Self-Sufficiency Requirement (CSSR) and in response to an audit report issued by the Office of Inspector General on February 13, 2015. This Notice addresses:
  - Statutory/Regulatory Requirements for Administering CSSR;
  - Data Collection and Reporting Requirements;
  - Action to take against non-compliant tenants; and,
  - Penalties/sanctions against PHAs housing ineligible households.
- 2. Applicability:** This Notice applies to PHAs that administer the Public Housing Program and all HUD Field Offices with Public Housing Programs. This Notice supersedes all previous guidance and provides clarification guidance on administering the CSSR.
- 3. Background:** Section 12(c) [42 U.S.C. Section 1437j] of the United States Housing Act of 1937, as amended on October 12, 1998 by Section 512 (Pub. L. 105-276) of the Quality Housing and Work Responsibility Act of 1998, contained a CSSR that every adult resident of public housing contribute eight hours of community service per month, or participate in an economic self-sufficiency program for eight hours per month. Regulations for the CSSR requirement can be found at 24 CFR Subpart F, 960.600 through 960.609.
- 4. Statutory/Regulatory Requirements for Administering CSSR:** Community Service is "The performance of voluntary work or duties that are a public benefit, and that serve to improve the quality of life, enhance resident self-sufficiency, or increase resident self-responsibility in the community. Community service is not employment and may not include political activities." (See 24 CFR 960.601(b)).

Community service and economic self-sufficiency requirements mandate that each nonexempt adult household member (18 years or older) shall either contribute 8 hours per month of community service, or participate in an economic self-sufficiency program for 8 hours per month (see 24 CFR 960.603(a)). The requirements can also be met by performing a combination of 8 hours of community service and participation in an economic self-sufficiency program. The required community service or self-sufficiency

activity may be completed at 8 hours each month or may be aggregated across a year. Any blocking of hours is acceptable as long as 96 hours is completed by each annual certification.

- 5. Administrative Provisions:** PHAs must develop a local policy for administration of the CSSR for public housing residents (see 24 CFR 960.605(a)) within the Admissions and Continued Occupancy Policies (ACOP). Elements of the CSSR policy include, but are not limited to, the PHA responsibility to administer the requirement; eligible and non-eligible activities; exemptions from the requirement; and compliance review standards. These elements are described further in this document.

PHAs may administer qualifying community service and self-sufficiency activities directly, or make the activities available to residents through a contractor or partnership with qualifying organizations (including resident organizations), community agencies, or institutions (see 24 CFR 960.605(b)). In administering the CSSR, a PHA may provide names and contacts of agencies offering opportunities for residents, including persons with disabilities, to fulfill their community service obligations. In administering the CSSR, PHAs may choose to coordinate with social service agencies, local schools and human service offices to develop a referral list of names and agency contacts. PHAs that administer a ROSS or Family Self-Sufficiency program may wish to engage the Program Coordinating Committee in this endeavor. PHAs are encouraged to create agreements with local organizations, including faith-based and community organizations, to assist CSSR. Specifically, such agreements would allow local organizations to advertise their programs, assist with transportation, child-care or other barriers to CSSR attainment and verify hours within individual monthly logs. HUD strives to provide maximum flexibility to PHAs to allow successful CSSR implementation without adding excessive costs or administrative burdens (see 24 CFR 960.605(b)).

- 6. Community Services:** Eligible community service activities include, but are not limited to, serving at:
- A. Local public or nonprofit institutions, such as schools, Head Start Programs, before-or after-school programs, childcare centers, hospitals, clinics, hospices, nursing homes, recreation centers, senior centers, adult daycare programs, homeless shelters, feeding programs, food banks (distributing either donated or commodity foods), or clothes closets (distributing donated clothing);
  - B. Nonprofit organizations serving PHA residents or their children, such as: Boy or Girl Scouts, Boys or Girls Club, 4-H Clubs, Police Activities League (PAL), organized children's recreation, mentoring, or education programs, Big Brothers or Big Sisters, Garden Centers, community clean-up programs, beautification programs;
  - C. Programs funded under the Older Americans Act, such as Green Thumb, Service Corps of Retired Executives, senior meals programs, senior centers, Meals on Wheels;
  - D. Public or nonprofit organizations dedicated to seniors, youth, children, residents, citizens, special-needs populations or with missions to enhance the environment, historic resources, cultural identities, neighborhoods or performing arts;
  - E. PHA housing to improve grounds or provide gardens (so long as such work does not alter the PHA's insurance coverage); or work through resident organizations to help other residents with problems, including serving on the Resident Advisory Board, outreach and assistance with PHA-run self-sufficiency activities including supporting computer learning centers; and,
  - F. Care for the children of other residents so parents may volunteer.

PHAs may form their own policy in regards to accepting community services at profit-motivated entities, acceptance of volunteer work performed at homes or offices of general private citizens, and court-ordered or probation-based work.

Pursuant to 24 CFR 960.609, no PHA may substitute community service activity performed by a resident for work ordinarily performed by a PHA employee. However, residents may do community service on PHA property or with or through PHA programs to assist with or enhance work done by a PHA employee.



- 7. Self-Sufficiency:** Eligible self-sufficiency activities include, but are not limited to:
- A. Job readiness or job training while not employed;
  - B. Training programs through local One-Stop Career Centers, Workforce Investment Boards (local entities administered through the U.S. Department of Labor), or other training providers;
  - C. Higher education (junior college or college);
  - D. Apprenticeships (formal or informal);
  - E. Substance abuse or mental health counseling;
  - F. Reading, financial and/or computer literacy classes;
  - G. English as a second language and/or English proficiency classes;
  - H. Budgeting and credit counseling.
- 8. CSSR Partnerships:** PHAs with a ROSS Service Coordinators program or Family Self-Sufficiency (FSS) program may coordinate Individual Training and Services Plans (ITSPs) with CSSR. The ITSP is a tool to plan, set goals and track movement towards self-sufficiency through education, work readiness and other supportive services such as health, mental health and work supports. Specific CSSR activities may be included in ITSPs to enhance a person’s progress towards self-sufficiency. Regular meetings with PHA coordinators may satisfy CSSR activities and PHA Service Coordinators or FSS Program Coordinators may verify community service hours within individual monthly logs.
- 9. Exempt Residents:** PHAs are required to set out in their Admissions and Continuing Occupancy Policy (ACOP) how the PHA determines if an individual is exempt from the CSSR and the documentation needed to support the exemption. Exemptions for adult residents, as codified at 24 CFR 960.601, include persons who are:
- A. 62 years or older;
  - B. 1. Blind or disabled, as defined under 216(i)(1) or 1614 of the Social Security Act (42 U.S.C. Section 416(i)(1); Section 1382c), and who certify that, because of this disability, she or he is unable to comply with the service provisions of this subpart, or  
2. is a primary caretaker of such individual;
  - C. Engaged in work activities (see Notice PIH 2003-17 (HA)). In order for an individual to be exempt from the CSSR requirement because he/she is “engaged in work activities,” the person must be participating in an activity that meets one of the following definitions of “work activity” contained in Section 407(d) of the Social Security Act (42 U.S.C. Section 607(d)):
    - 1. Unsubsidized employment;
    - 2. Subsidized private-sector employment;
    - 3. Subsidized public-sector employment;
    - 4. Work experience (including work associated with the refurbishing of publicly assisted housing) if sufficient private sector employment is not available;
    - 5. On-the-job-training;
    - 6. Job-search;
    - 7. Community service programs;
    - 8. Vocational educational training (not to exceed 12 months with respect to any individual);
    - 9. Job-skills training directly related to employment;
    - 10. Education directly related to employment in the case of a recipient who has not received a high school diploma or a certificate of high school equivalency;
    - 11. Satisfactory attendance at secondary school or in a course of study leading to a certificate of general equivalency, in the case of a recipient who has not completed secondary school or received such a certificate;

- D. Able to meet requirements under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. Section 601 et seq.) or under any other welfare program of the State in which PHA is located including a State-administered Welfare-to-Work program; or,
- E. A member of a family receiving assistance, benefits, or services under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. Section 601 et seq.), or under any other welfare program of the State<sup>1</sup> in which the PHA is located, including a State-administered Welfare-to-Work program, and has not been found by the State or other administering entity to be in noncompliance with such a program.

PHAs are encouraged to use 30 hours per week as the minimum number of hours for a work activity as described in Section 407(d) of the Social Security Act, and implementing regulations 45 CFR 261.31(1)(a)(1). PHAs can use reasonable guidelines in clarifying this statutory list of work activities in coordination with the Temporary Assistance to Needy Families (TANF) agency, as appropriate (see Notice PIH 2004-17(HA)).

PHAs must describe in its CSSR policy the process to determine which family members are exempt from the requirement, as well as the process for determining any changes to the exempt status of the family member. PHAs provide the family a copy of CSSR policy at initial application and secure certification of receipt as shown in Attachment A, (see 24 CFR 960.605(c)(2)).

PHAs make the final determination whether to grant an exemption from the community service requirement. If a resident does not agree with the PHA's determination, the resident may dispute the decision through the PHA's Grievance Procedures (see 24 CFR Part 966 Subpart B, 24 CFR 960.607(b)).

**10. Resident Responsibilities at Lease Execution or Re-examination:** At lease execution or re-examination, after the effective date of the adopted policy, all adult members (18 or older) of a public housing resident family must:

- A. Provide documentation, if applicable, that they qualify for an exemption; (Documentation provided by the tenant will be used by the PHA to determine whether the tenant is exempt from the CSSR) and,
- B. Sign a certification (examples provided in Attachments A and B) that they have received and read the policy and understand that if they are not exempt, failure to comply with the community service requirement will result in nonrenewal of their lease, per 24 CFR 966.4(l)(2)(iii)(D).

When a non-exempt person becomes exempt, it is his or her responsibility to report this to the PHA and provide documentation. When an exempt person becomes non-exempt, it is his or her responsibility to report this to the PHA as soon as possible.

**11. Documentation of CSSR Completion:** PHAs must include in the CSSR policy that exemption/CSSR completion is verified annually by the PHA. At least 30 days before the annual reexamination and/or lease expiration, the PHA reviews the exempt or nonexempt status and compliance of non-exempt family members (see 24 CFR 960.605(c)(3)). At each regularly scheduled rent re-examination, each non-exempt family member presents a signed certification on a form provided by the PHA of CSSR activities performed over the previous twelve (12) months. PHAs must obtain third-party verification of CSSR completion administered through outside organizations. Each PHA develops a standardized form with places for signature confirmation by supervisors, instructors, or counselors certifying the number of hours contributed. Additional supporting documentation may be requested of the resident to verify CSSR participation or

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<sup>1</sup> HUD has determined that the Supplemental Nutrition Assistance Program (SNAP) qualifies as a welfare program of the state. Therefore, if a tenant is a member of family receiving assistance under SNAP, and has been found by the administering State to be in compliance with the program requirements, that tenant is exempt from the CSSR.

exempt status. Copies of the certification forms and supporting documentation must be retained in PHA files.

**12. Noncompliant Residents:** PHAs may not evict a family due to CSSR non-compliance. However, if PHA finds a tenant is non-compliant with CSSR, then the PHA must provide written notification to the tenant of the noncompliance which must include:

- A. A brief description of the finding of non-compliance with CSSR.
- B. A statement that the PHA will not renew the lease at the end of the current 12-month lease term unless the tenant enters into a written work-out agreement with the PHA or the family provides written assurance that is satisfactory to the PHA explaining that the tenant or other noncompliant resident no longer resides in the unit. Such written work-out agreement must include the means through which a noncompliant family member will comply with the CSSR requirement.

The tenant may request a grievance hearing on the PHA determination, in accordance with 24 CFR Part 966, subpart B, and the tenant may exercise any available judicial remedy to seek timely redress for the PHA's nonrenewal of the lease because of such determination.

**13. Enforcement Documentation:** Should a family member refuse to sign a written work-out agreement, or fail to comply with the terms of the work-out agreement, PHAs are required to initiate termination of tenancy proceedings at the end of the current 12-month lease (see 24 CFR 966.53(c)) due to the fact that the family is failing to comply with lease requirements. When initiating termination of tenancy proceedings, the PHA will provide the following procedural safeguards:

- A. Adequate notice to the tenant of the grounds for terminating the tenancy and for non-renewal of the lease;
- B. Right of the tenant to be represented by counsel;
- C. Opportunity for the tenant to refute the evidence presented by the PHA, including the right to confront and cross-examine witnesses and present any affirmative legal or equitable defense which the tenant may have; and,
- D. A decision on the merits.

**14. 50058 Coding:** The Instruction Booklet for Form HUD 50058 contains information on coding CSSR status. At the time of program admission, enter either 3 or 4. At each annual re-examination, enter code 1, 2, or 4. See below:

- 1 - PHA determines resident is *not exempt* and is *in compliance* with CSSR
- 2 - PHA determines resident is *not exempt* and *not complying* with CSSR
- 3 - PHA is in the process of verifying CSSR compliance
- 4 - PHA determines resident is exempt
- 5 - Do not use this code for "not applicable" under any circumstance

**15. Monitoring:** HUD has re-instated the generation of the Community Service and Self-Sufficiency monitoring report on a quarterly basis. The monitoring report includes tenants that have reported Wage or Welfare incomes on the HUD-50058. The monitoring report does not exclude tenants with disabilities. The report will be posted on the REAC web site and access will be provided to all affected PHAs. REAC will be sending an e-mail to each PHA listed on the CSSR report advising them of the content of the report and explaining the steps necessary to make corrections and changes in PIC as appropriate.

The Department requests through this Notice that all PHAs review the 50058 coding reported for CSSR in the PIC system for their residents and update any that do not conform to these instructions. PHAs must be

prepared to supply adequate supporting documentation as listed in Section 9 – Exempt Residents, Section 12 – Noncompliant Residents and Section, and 11 – Resident Responsibilities at Lease Execution or Re-examination above in the case of a review or audit.

- 16. Sanctions Against PHAs:** Section 6(j)(4)(A) of the United States Housing Act of 1937 provides sanctions against any housing authority failing to comply substantially with any provision of the Act relating to the public housing program. Sanctions include, but are not limited to, terminating, withholding, or reducing assistance payments. These sanctions are applicable to housing authorities failing to substantially comply with the CSSR requirement.
- 17. Further Information:** Direct inquiries to Todd Thomas of the Office of Public Housing and Voucher Programs at (678)732-2056.
- 18. Paperwork Reduction:** The information collection requirements contained in this Notice have been approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3520) and assigned OMB control numbers 2577-0083 and 2577-0226.

/s/

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Lourdes Castro Ramírez  
Principal Deputy Assistant Secretary  
for Public and Indian Housing

Community Services and Self-Sufficiency Requirement Certification  
For Non-Exempt Individuals

## Entrance Acknowledgement

Date:

Participant Name:

I have received and read the Community Services and Self Sufficiency Requirement. I understand that as a resident of public housing, I am required by law to contribute 8 hours per month (96 hours over the course of a year) of community service or participate in an economic self-sufficiency program. I further understand that if I am not exempt, failure to comply with CSSR is grounds for lease nonrenewal. My signature below certifies I received notice of this requirement at the time of initial program participation.

Signature: \_\_\_\_\_

Date of Signature: \_\_\_\_\_

Community Services and Self-Sufficiency Requirement Certification  
For Non-Exempt Individuals

# Annual Renewal

Date:

Participant Name:

I understand that as a resident of public housing, I am required by law to contribute 8 hours per month (96 hours over the course of a year) of community service or participate in an economic self-sufficiency program.

Signature: \_\_\_\_\_

Date of Signature: \_\_\_\_\_



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-8000

Office of Housing  
Office of Public and Indian Housing

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**Special Attention of:**

NOTICE: PIH 2015-21  
H 2015-12

Multifamily Regional Center Directors  
Multifamily Hub Directors  
Multifamily Program Center Directors  
Supervisory Housing Project Managers

Issued: December 10, 2015

Expires: This notice remains in effect until amended, revoked, or superseded.

Rural Housing Service (RHS) Directors  
Account Executives  
Contract Administrators  
Owners, Management Agents Administering  
Multifamily Housing Assistance Programs  
Public Housing Agency Directors  
Section 8 and Public Housing Administrators  
HUD Directors of Public Housing  
PIH Program Center Coordinators

Cross References: Fiscal Year 2012 Appropriations; Eligibility of Students for Assisted Housing Under Section 8 of the U.S. Housing Act of 1937; Supplementary Guidance (71 FR 18146, appendix A); 24 CFR 5.609(b)(9); 24 CFR 5.609(c)(6)

Public Housing Division Directors

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**Subject: Amendment to the Definition of Tuition**

**I. Purpose**

This notice serves to amend the definition of tuition found in the *Eligibility of Students for Assisted Housing Under Section 8 of the U.S. Housing Act of 1937; Supplementary Guidance* (71 FR 18146, appendix A) which is used in both Multifamily Housing and Public and Indian Housing (PIH) programs. The *Supplementary Guidance* states that “tuition shall have the meaning given this term by the institution of higher education in which the student is enrolled<sup>1</sup>.” To promote consistency across HUD’s programs and provide PHAs and O/As with a standard definition of tuition and fees, HUD is aligning with the Department of Education’s definition of tuition and fees. With the issuance of this notice, tuition will now be defined in the same manner in which the Department of Education defines “tuition and fees.” Section IV of this Notice provides details of the amended definition.

This Notice is effective upon publication.

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<sup>1</sup> The term “tuition” is defined in the *Eligibility of Students for Assisted Housing Under Section 8 of the U.S. Housing Act of 1937; Supplementary Guidance* (71 FR 18146, appendix A). Multifamily Housing programs define the term tuition in HUD Handbook 4350.3 REV-1.

## II. Background

HUD has become aware of many institutions of higher education moving from a traditional tuition-only structure to a new tuition and fee structure. Fees often include, but are not limited to, student service fees, student association fees, student activities fees, and laboratory fees. HUD believes the inclusion of many of these required fees within the definition of tuition will increase opportunities for its participants to further their education.

This position was reinforced with the inclusion of the language (in bold below) of section 215(b) in the Fiscal Year 2012 appropriations. The FY 2012 appropriations require that the amount of any financial assistance an individual receives in excess of amounts received for tuition and “other required fees and charges” be considered when determining an applicant’s or participant’s annual income. For purposes of section 8 programs only see section 215 (b) below.

SEC. 215. (b) For purposes of determining the eligibility of a person to receive assistance under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f), any financial assistance (**in excess of amounts received for tuition and any other required fees and charges**) that an individual receives under the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.), from private sources, or an institution of higher education (as defined under the Higher Education Act of 1965 (20 U.S.C. 1002)), shall be considered income to that individual, except for a person over the age of 23 with dependent children.

## III. Applicability

All provisions of this notice apply to owners and management agents (O/As) and public housing authorities (PHAs) administering the following covered programs under section 8 of the United States Housing Act of 1937:

- A. Project-based Section 8
  - 1. New Construction
  - 2. State Agency Financed
  - 3. Substantial Rehabilitation
  - 4. Section 202/8
  - 5. Rural Housing Services Section 515/8
  - 6. Loan Management Set-Aside (LMSA)
  - 7. Property Disposition Set-Aside (PDSA)
- B. Section 8 Housing Choice Voucher (including Project-Based Voucher and Project-Based Certificate)



### C. Moderate Rehabilitation

In programs, other than HUD's section 8 programs, that follow the definition of annual income in 24 CFR part 5 (e.g. the Public Housing program), PHAs and other grantees may continue to exclude the full amount of student financial assistance from a person's annual income in accordance with 24 CFR § 5.609(c)(6).

The amended definition of tuition in section IV of this notice applies to all HUD programs. The income determination (section V) and verification requirements (section VI) may also apply to other HUD programs that follow 24 CFR part 5. Administrators and participants in those programs should contact the appropriate HUD program office overseeing your program if you have questions concerning the implementation of HUD's amended definition of tuition or the income determination and verification requirements for your program.

## IV. Amended Definition of Tuition as Defined by the Department of Education

Prior to this Notice, when determining an applicant's or participant's income, HUD's definition of tuition required PHAs and O/As to defer to the definition of tuition used by the institution of higher education in which the student is enrolled. The definition can vary across institutions and academic programs. With the inclusion of "other required fees and charges" being added to the definition of tuition, PHAs and O/As may experience difficulty in determining income.

The Department of Education defines tuition as the amount of money charged to students for instructional services which may be charged per term, per course, or per credit. The Department of Education further defines tuition and fees as the amount of tuition and required fees covering a full academic year most frequently charged to students.<sup>2</sup> These values represent what a typical student would be charged and may not be the same for all students at an institution. If tuition is charged on a per-credit-hour basis, the average full-time credit hour load for an entire academic year is used to estimate average tuition. Required fees include all fixed sum charges that are required of a large proportion of all students. The student who does not pay the charges is an exception.<sup>3</sup> 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.

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<sup>2</sup> See, Integrated Postsecondary Education Data System Glossary for definition of "tuition" and "tuition and fees." Retrieved February 5, 2013, from <http://nces.ed.gov/ipeds/glossary/?charindex=T>

<sup>3</sup> *Id.*

## V. Income Determination

In implementing the amended definition of tuition, for section 8 programs only, O/As and PHAs must include amounts of financial assistance an individual receives in excess of tuition and other required fees and charges when determining annual income in accordance with 24 CFR 5.609(b)(9).

Under other programs, such as 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 pursuant to 24 CFR § 5.609(c)(6).

### *Example:*

Kim, a 22 year old, married, participant in a Section 8 program is enrolled in a nursing program at her local community college. She is receiving \$7,000 in financial assistance to cover the full cost of tuition and fees of \$6,000 for the academic year. The \$6,000 includes:

- \$2,500 in tuition per semester (total \$5,000) *plus*
- \$500 in individual fees (total \$1,000)—athletic fee, writing laboratory fee, student center fee, science laboratory fee, technology fee—charged to every student per semester.

In this example, the excess \$1,000 (\$7,000 - \$6,000) Kim received in financial assistance will be included in her annual income in accordance with 24 CFR 5.609(b)(9).

Under HUD's previous definition of tuition, Kim's housing authority might have considered her financial assistance to be in excess of \$2,000 if her college's definition of tuition did not include fees. Under HUD's new definition, Kim's housing authority will determine her excess financial assistance to be \$1,000 rather than \$2,000 because the required fees and charges are included with tuition.

Using the same example, if Kim was a participant in the Public Housing program, the full amount of financial assistance she received would be excluded from her income in accordance with 24 CFR § 5.609(c)(6).

## VI. Verification of Tuition and Fees

O/As and PHAs must verify the amounts of tuition and required fees charged by the school when determining annual income. O/As and PHAs may wish to verify those amounts using the student's bill or account statement (including an online account statement) as provided by the school's bursar's office, or by contacting the bursar's office directly. It is also recommended that you visit the school's website as many institutions of higher education provide an itemized list covering tuition and fees that are charged to a majority of their students on their websites.

**VII. Contact Information**

For those administering or participating in programs administered by the Office of Multifamily Housing, please contact Michael Sharkey via email, [Michael.A.Sharkey@hud.gov](mailto:Michael.A.Sharkey@hud.gov) should you have questions regarding this Notice. For those administering or participating in PIH programs, you may contact your local [HUD Field Office of Public Housing](#). Persons with hearing or speech impairments may access their field office via TTY by calling the Federal Information Relay Service at (800) 877-8339.

\_\_\_\_\_/s/\_\_\_\_\_  
Lourdes Castro Ramirez,  
Principal Deputy Assistant Secretary  
for Public and Indian Housing

\_\_\_\_\_/s/\_\_\_\_\_  
Edward Golding  
Principal Deputy Assistant Secretary for  
Housing



## U.S. Department of Housing and Urban Development Office of Public and Indian Housing

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### SPECIAL ATTENTION OF:

Public Housing Agency Directors  
Public Housing Hub Office Directors  
Public Housing Field Office Directors

### NOTICE PIH 2016-05 (HA)

Issued: April 7, 2016

This notice remains in effect until amended, superseded, or rescinded

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**Subject:** Streamlining Administrative Regulations for Programs Administered by Public Housing Agencies

- (1) **Purpose.** This Notice presents implementation guidance for provisions included in the regulation titled “Streamlining Administrative Regulations for Public Housing, Housing Choice Voucher, Multifamily Housing, and Community Planning and Development Programs,” also known as the “streamlining rule.” This Notice addresses provisions only as they apply to programs administered by public housing agencies (PHAs).
- (2) **Background.** Published on March 8, 2016, the final streamlining rule contains 16 provisions. All of the provisions touch on programs administered by HUD’s Office of Public and Indian Housing; some of the provisions apply as well to multifamily programs administered by HUD’s Office of Housing and/or HUD’s Office of Community Planning and Development. The background section of the rule explains in detail how the provisions were selected for inclusion in the rule.

While some of the provisions included in the final rule are fairly simple and therefore require no implementation guidance, others are less straightforward and require further implementation guidance. This Notice addresses each provision and either provides implementation guidance directly or refers the reader to other implementation resources.

- (3) **Applicability to Moving to Work (MTW) Agencies.** This Notice applies generally to MTW agencies. With respect to individual MTW agencies, any specific regulatory provision that is addressed in this Notice and has been waived as part of the agency’s approved Annual MTW Plan does not apply to that agency.
- (4) **Structure.** This Notice presents each provision as a separate attachment. Each attachment follows a uniform structure:
  - (a) Regulation;

- (b) Programs to which the provision applies;
- (c) Description of change;
- (d) Background;
- (e) Whether adoption of the change is mandatory or at the discretion of the public housing agency. If a PHA adopts a provision that is addressed in its Admissions and Continued Occupancy Policy (ACOP) and/or Administrative Plan (Admin. Plan), then the PHA must amend its ACOP/Admin. Plan prior to implementing the provision. If adoption of a provision constitutes a significant amendment to a PHA's Plan according to the PHA's definition of a significant amendment, then the PHA must complete a significant amendment to the PHA Plan as described in 24 CFR 903.21.
- (f) Effective date. For any provision that requires a PHA to update its ACOP and/or Admin. Plan or that requires a significant amendment to the PHA Plan, a PHA must begin the process of updating its ACOP/Admin. Plan or begin the significant amendment process as soon as possible following the publication of this final rule so that the provision may be implemented as soon as possible following the effective date of the provision.

(5) **Summary chart.** The chart below lists each of the attachments to this Notice, showing, for each provision, whether its adoption is mandatory or at the discretion of the PHA.

Attachment	Provision	Mandatory or Discretionary
A	Verification of Social Security Numbers	mandatory
B	Definition of extremely low-income families	mandatory
C	Exclusion of mandatory education fees from income	mandatory
D	Streamlined annual reexamination for fixed sources of income	discretionary
E	Earned income disregard	mandatory
F	Family declaration of assets under \$5,000	discretionary
G	Utility reimbursements	discretionary
H	Public housing rents for mixed families	mandatory
I	Tenant self-certification for Community Service and Self-Sufficiency Requirement	discretionary
J	Public housing grievance procedures	discretionary

K	Biennial inspections and the use of alternative inspection methods	discretionary
L	Housing Quality Standards reinspection fee	discretionary
M	Exception payment standards for providing reasonable accommodations	discretionary
N	Family income and composition: regular and interim examinations	discretionary
O	Utility payment schedules	mandatory

- (6) **Paperwork Reduction Act.** The information collection requirements contained in this Notice have been approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3520) and assigned OMB control numbers 2577-0220 and 0169.

HUD is submitting a Paperwork Reduction Act (PRA) request to OMB. With an approval and PRA number, PHAs may submit requests to use an alternative inspection method to: Deputy Assistant Secretary, Real Estate Assessment Center, 550 12<sup>th</sup> Street SW, Washington, DC 20410. REAC anticipates a review period of up to 90 days from the date of the receipt of the request, without presumption of approval if REAC does not respond to the PHA within 90 days.

\_\_\_\_\_  
/s/  
Principal Deputy Assistant Secretary  
Lourdes Castro Ramírez

## **Attachment A: Verification of Social Security Numbers**

Regulation: 24 CFR §5.216

Programs to which this provision applies: Housing Choice Voucher (including project-based voucher), public housing, Section 8 Moderate Rehabilitation

Description of change: This provision modifies the regulation as it applies to program *applicants* (as differentiated from program *participants*). The change creates a 90-day period during which an applicant family may become a program participant, even if the family lacks the documentation necessary to verify the Social Security Number (SSN) of a family member under the age of 6 years. An extension of one additional 90-day period must be granted if the PHA determines that, in its discretion, the applicant's failure to comply was due to circumstances that could not reasonably have been foreseen and were outside of the control of the applicant. For example, an applicant may be able to demonstrate timely submission of a request for an SSN, in which case processing time would be the cause of the delay. If the applicant family does not produce the required documentation within the authorized time period, the PHA or processing entity must impose appropriate penalties, in accordance with 24 CFR 5.218.

In terms of offering a grace period and an extension, if merited, a PHA will implement this provision just as it currently implements the provision for program participants. Specifically, an applicant family with a child under the age of 6 years may become a participant family, even if the SSN for the child has not been verified at the time of admission. If the SSN has still not been verified at the end of the initial 90-day period, then the PHA must determine whether a 90-day extension is merited. If it is not merited, then the PHA must follow the provisions of 24 CFR 5.218. If a 90-day extension is merited, then the PHA must either verify the SSN for the child by the end of the 90-day extension period or follow the provisions of 24 CFR 5.218.

Background: This change brings the guidance for applicants more closely in line with longstanding guidance for program participants (at 24 CFR 5.216(e)(2)(ii)). For applicants, the change is slightly more flexible, requiring at least one 90-day grace period if the SSN has not been *verified* (for program participants, the standard is that the SSN has not been *assigned*). Program staff, in considering the change, determined that greater flexibility could make a difference for applicant families who adopt a child or add a foster child within the 6-month period preceding their admission to the program; such a child may already have been assigned a SSN, but there may be circumstances that make it difficult for the adoptive or foster family to obtain the documentation in a timely fashion.

Mandatory or discretionary: Mandatory

Effective date: April 7, 2016

## **Attachment B: Definition of extremely low-income families**

Regulation: 24 CFR §§5.603, 903.7, and 960.102

Programs to which this provision applies: Housing Choice Voucher (including project-based voucher), public housing, Section 8 Moderate Rehabilitation

Description of change: These regulations have been revised to reflect the new statutory definition of an extremely low-income (ELI) family. Section 238 of HUD's FY 2014 Appropriations Act<sup>1</sup> amended Section 3 of the United States Housing Act of 1937 (42 U.S.C. 1437a) to define ELI families as very low-income families whose income does not exceed the higher of 30 percent of the area median income or the federal poverty level. The federal poverty level provision in the definition of ELI families does not apply in the case of public housing agencies or projects located in Puerto Rico or any other territory or possession of the United States.

Background: Previously, there was no statutory definition of ELI families, and the regulatory definition did not take the federal poverty level into consideration. The adoption of a statutory definition that takes the federal poverty level into account is intended to increase access to HUD rental assistance for working-poor families in areas where median incomes are so low that a family with a full-time worker may have an income that exceeds 30 percent of the area median income, even though the family's income is below the federal poverty level. The revised definition ensures that such a family will not be skipped over on the waiting list as a result of the ELI admission targeting requirements in the public housing and Housing Choice Voucher programs. For the public housing program, not less than 40 percent of the units that become available per PHA fiscal year must be made available for occupancy by ELI families. For the HCV program, not less than 75 percent of new admissions from the PHA waiting list during the PHA fiscal year must be ELI families.

HUD determines the ELI limits for all areas in the United States annually. New Housing Choice Voucher and public housing income limits are generally issued in March. The ELI limits are available at the following Web site: <https://www.huduser.gov/portal/datasets/fmr.html>.

PHAs do not need to research the federal poverty level to comply with the ELI definition, since the HUD-published ELI dollar amounts are calculated in accordance with the new definition and reflect the higher of 30 percent of area median income or the federal poverty level for the metro area or non-metropolitan county. The ELI limits for each metropolitan area and non-metro county are listed by dollar amount and family size. When calculating the ELI limits, HUD uses the poverty guidelines issued by the Department of Health and Human Services for the 48 contiguous states and the District of Columbia (lower 48 states), Alaska, and Hawaii.

In some communities with very low median incomes, the federal poverty level may equal or exceed the very low-income (VLI) limit for some or all household sizes. (In general, a VLI family is defined as a family whose income does not exceed 50 percent of the area median income.) In these relatively rare instances, the ELI limit is set at the VLI limit, and consequently any family whose income meets the VLI limit also qualifies as an ELI family. From a practical

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<sup>1</sup> HUD's 2014 Appropriations Act is Title II of Division L of Public Law 113-76, 128 Stat. 5, approved January 17, 2014.



standpoint, in these rare circumstances, this simply means that a VLI/ELI family who is admitted to the HCV or public housing program counts as an ELI family for ELI targeting requirements.

Mandatory or discretionary: Mandatory

Effective date: This provision has been in effect since July 1, 2014. (See *Federal Register* Notice 79 FR 35940, “HUD Implementation of Fiscal Year 2014 Appropriations Provisions on Public Housing Agency Consortia, Biennial Inspections, Extremely Low-Income Definition and Utility Allowances”).

## Attachment C: Exclusion of mandatory education fees from income

Regulation: 24 CFR §5.609(b)(9)

Programs to which this provision applies: Housing Choice Voucher (including project-based voucher), public housing, Section 8 Moderate Rehabilitation

Description of change: This provision amends the definition of “income” to exclude from calculations of individual income any financial assistance received for mandatory fees and charges (in addition to tuition). Notice PIH 2015–21 provides guidance as to what constitutes such fees. The notice discusses the definitions of tuition and fees used by the Department of Education, provides examples on calculating income, and explains how to verify fee information.

For the *public housing program*, there is no change. The example below shows how financial assistance is treated in the public housing program.

Kim, a 22 year–old, married, participant in the public housing program, is enrolled in a nursing program at her local community college. She is receiving \$7,000 in financial assistance to cover the full cost of tuition and fees of \$6,000 for the academic year. The \$6,000 includes:

- \$2,500 in tuition per semester (total \$5,000) *plus*
- \$500 in individual fees (total \$1,000)—athletic fee, writing laboratory fee, student center fee, science laboratory fee, technology fee—charged to every student per semester.

In this example, the full amount of financial assistance Kim receives (\$7,000) while participating in the program continues to be excluded from her annual income pursuant to 24 CFR § 5.609(c)(6).

For *section 8 programs* (HCV, PBV, Sec. 8 Mod. Rehab.), the amended definition of “income” may result in a change in how such income is calculated, as explained in the example below:

Kim, a 22 year–old, married, participant in a section 8 program, is enrolled in a nursing program at her local community college. She is receiving \$7,000 in financial assistance to cover the full cost of tuition and fees of \$6,000 for the academic year. The \$6,000 includes:

- \$2,500 in tuition per semester (total \$5,000) *plus*
- \$500 in individual fees (total \$1,000)—athletic fee, writing laboratory fee, student center fee, science laboratory fee, technology fee—charged to every student per semester.

In this example, the excess \$1,000 (\$7,000 – \$6,000) Kim received in financial assistance will be included in her annual income in accordance with 24 CFR 5.609(b)(9).

Under HUD’s previous definition of tuition, Kim’s housing authority might have considered her income from financial assistance in excess of tuition to be \$2,000 (excess of \$1,000, as calculated above, plus total fees of \$1,000) if her college’s definition of tuition did not

include fees. Under HUD's new definition, Kim's housing authority will determine her excess financial assistance to be \$1,000 rather than \$2,000, because the required fees and charges are included with tuition.

Background: Many institutions of higher education have moved from a traditional, tuition-only structure to a new tuition-and-fee structure. Fees often include, but are not limited to, student service fees, student association fees, student activities fees, and laboratory fees. HUD believes that inclusion of many of these required fees within the definition of tuition will increase opportunities for its participants to further their education.

Mandatory or discretionary: Mandatory

Effective date: April 7, 2016

## **Attachment D: Streamlined annual reexamination for fixed sources of income**

Regulation: 24 CFR §§960.257, 982.516

Programs to which this provision applies: Housing Choice Voucher (including project-based voucher), public housing

Description of change: This provision offers PHAs the discretion to adopt a streamlined income determination for any family member with a fixed source of income. Note that the family member may also have non-fixed sources of income, which remain subject to third-party verification. Upon request of the family, the PHA must perform third-party verification of all income sources. Note that this provision pertains only to the verification of sources of income; PHAs must continue to conduct third-party verification of deductions.

For purposes of this Notice, the term “fixed-income” includes income from:

- Social Security payments, to include Supplemental Security Income (SSI) and Supplemental Security Disability Insurance (SSDI);
- Federal, state, local, and private pension plans; and
- Other periodic payments received from annuities, insurance policies, retirement funds, disability or death benefits, and other similar types of periodic payments.

The determination will be made by applying a verified cost of living adjustment (COLA) or current rate of interest to the previously verified or adjusted income amount. The COLA or current interest rate applicable to each source of fixed income must be obtained either from a public source or from tenant-provided, third-party generated documentation. In the absence of such verification for any source of fixed income, third-party verification of income amounts must be obtained.

This provision is available for program participants only and may be implemented at the family’s next annual reexamination following adoption of the provision in the PHA’s ACOP or Admin. Plan. The provision is not available for program applicants; in the initial year in which a streamlined income determination is made, the COLA must be applied to a source of income that has been verified previously.

In the initial year of employing a streamlined income determination, a PHA must determine whether a source of income is fixed. A PHA may do this by comparing the amount of income from the source to the amount generated during the prior year. If the amount is the same or if it has changed only as a result of a COLA or due to interest generated on a principal amount that remained otherwise constant, then the source is fixed. A PHA may also make such a determination by requiring a family to identify as to which source(s) of income are fixed. A PHA must document in the tenant file how it made the determination that a source of income is fixed.

For the second income determination involving a family member whose income was adjusted previously using a streamlined income determination, the adjustment would be made to the previously determined income amount (i.e., in year two, the COLA is applied to the year one

income amount, as previously adjusted by a COLA). For any family member whose income is determined pursuant to a streamlined income determination, *third-party verification of all income amounts for all family members must be performed at least every three years*. This means that, for the third income determination involving a family member whose income had been adjusted twice using a streamlined income determination, the PHA would need to obtain third-party verification of *all* income amounts. 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 PHA must obtain third-party verification of all income amounts for that family member at the next reexamination if the PHA wishes to have all family members with fixed incomes on the same schedule with respect to streamlined annual reexaminations.

Example: Streamlined income determination for program participant’s first reexamination following PHA’s adoption of provision

	<b>Under previous regulation</b>	<b>Under this regulation</b>
January 2016 — baseline year	<p>Carl’s income consists of 90% fixed sources and 10% non-fixed sources.</p> <p>The PHA must verify all income amounts using third-party verification.</p>	(not yet implemented)
January 2017	<p>Carl’s income consists of 90% fixed sources and 10% non-fixed sources.</p> <p>The PHA must verify all income amounts using third-party verification.</p>	<p>Carl’s income is reported to be 90% fixed sources and 10% non-fixed sources</p> <p>The PHA must compare the amount of income from the fixed sources to the amount generated during the prior year; if the amounts are the same or if they have changed only as a result of the application of a COLA or due to interest generated on a principal amount that remained otherwise constant, then the amounts are fixed.</p> <p>The PHA may adjust the fixed sources by a COLA or current interest rate obtained from a public source or from tenant-provided, third-party generated documentation.</p> <p>The PHA must verify the non-fixed amounts using third-party verification</p>
January 2018	<p>Carl’s income consists of 90% fixed sources and 10% non-fixed sources.</p> <p>The PHA must verify</p>	<p>Carl’s income is reported to be 90% fixed sources and 10% non-fixed sources</p> <p>The PHA may adjust the fixed sources by a COLA or current interest rate obtained from a public source or from tenant-</p>

	all income amounts using third-party verification.	provided, third-party generated documentation.  The PHA must verify the non-fixed amounts using third-party verification
January 2019	Carl's income consists of 90% fixed sources and 10% non-fixed sources.  The PHA must verify all income amounts using third-party verification.	Carl's income is reported to be 90% fixed sources and 10% non-fixed sources  The PHA must verify all income amounts using third-party verification.

Background: Existing guidance (Notice PIH 2010–19) explains how to identify and verify existing sources of income using HUD’s Enterprise Income Verification system. Non-fixed sources of income remain subject to full income-verification requirements. For example, if a family member has both fixed and non-fixed sources of income, this provision may be applied only to the fixed sources of income.

Mandatory or discretionary: Discretionary. Prior to adopting streamlined income determinations, PHAs must amend any policies governing income determinations to identify the sources of income that will be considered eligible for a streamlined income determination. Note: A PHA that adopts this provision must continue to obtain family member signatures on the consent forms required by 24 CFR 5.230, as if this provision had not been adopted.

Effective date: April 7, 2016

## Attachment E: Earned income disregard

Regulation: 24 CFR §§5.617, 960.255

Programs to which this provision applies: Housing Choice Voucher (including project-based voucher), public housing

Description of change: The new regulatory provisions limit to 24 straight months the time period during which a family member is eligible to receive the benefit of the earned income disregard (EID), which streamline the administration of the EID by eliminating the requirement for PHAs to track family member changes in employment over a 4-year period. There are no changes to EID eligibility criteria, the benefit amount of the EID, the single lifetime eligibility requirement, or the ability of the applicable family member to stop and restart employment during the eligibility period.

Under the previous regulations, families were eligible to receive the EID benefit for no more than 24 months, which could be spread across a 48-month time period to account for potential changes in the employment status of the family member whose original employment caused the family to be eligible for EID. PHAs were required to track the employment of such family members and stop and start the EID benefit accordingly. The final rule provides:

- Once a family member is determined to be eligible for the EID, the 24–calendar month period starts;
- If the family member discontinues the employment that initially qualified the family for the EID, the 24–calendar month period continues;
- During the 24–calendar month period, EID benefits are recalculated based on changes to family member income and employment (no change from current practice);
- During the first 12–calendar month period, a PHA must exclude all increased income resulting from the qualifying employment of the family member. After the first 12–calendar month period, the PHA must exclude from annual income of the family at least 50 percent of any increase in income of such family member as a result of employment over the family member’s income before the qualifying event (i.e., the family member’s baseline income);
- The EID benefit is limited to a lifetime 24-month period for the qualifying family member;
- At the end of the 24 months, the EID ends regardless of how many months were “used.”

Example: Illustration of differences between previous and new EID implementing regulations

	<b>EID under previous regulation</b>	<b>EID under this regulation</b>
January 2017 (month one)	Carl begins working and is eligible for EID. 100% of Carl’s increase in earned income is excluded.	Carl begins working and is eligible for EID. 100% of Carl’s increase in earned

		income is excluded.
July 2017 (month seven)	Carl is laid off. EID “clock” stops.	Carl is laid off. EID “clock” continues to run.
January 2018 (month 13)		Carl’s second 12-month period begins.
February 2018 (month 14)	Carl begins working again. 100% of the increase in earned income due to Carl’s employment is excluded.	Carl begins working again. 50% of the increase in earned income due to Carl’s employment is excluded.
July 2018 (month 19)	Carl’s second 12-month period begins. 50% of the increase in earned income due to Carl’s employment is excluded.	
December 2018 (month 24)		This is the final month during which Carl receives his EID benefit.
June 2019 (month 30)	Carl has benefited from the EID for 24 months total. This is the final month during which Carl receives his EID benefit.	

Families that currently benefit from the EID, or who become eligible prior to the effective date of changes to the ACOP/Admin. Plan/PHA Plan, are eligible to receive the EID benefit for 24 months over a 48-month period, as was in effect prior to the effective date of this provision.

PHAs are advised to notify all participants and applicants who are eligible for the EID of their eligibility.

Background: The earned income disregard is designed to promote self-sufficiency for certain families in public housing and families with disabilities in the HCV program who meet the definition of a “qualified family.” This provision does not change the eligibility criteria for EID or how the EID benefit is calculated. For information about the EID, please see the HCV or Public Housing Occupancy Guidebooks.

Mandatory or discretionary: Mandatory

Note that PHAs operating the public housing program have the discretion to establish income exclusions beyond what is required of the EID, for the public housing program. As such, a PHA could establish alternative EID requirements to encourage employment among public housing



program participants, but these requirements may not be more restrictive than the minimum EID benefit required under 24 CFR §§5.617, 960.255.

Effective date: May 9, 2016

## **Attachment F: Family declaration of assets under \$5,000**

Regulation: 24 CFR §§960.259, 982.516

Programs to which this provision applies: Housing Choice Voucher (including project-based voucher), public housing

Description of change: Under this provision, a PHA must obtain third-party verification of all family assets upon admitting a family to the HCV or public housing program and then again at least every 3 years thereafter. During the intervening annual reexaminations, a PHA has the discretion under this provision to accept a family's declaration that it has total net assets equal to or less than \$5,000, without taking additional steps to verify the accuracy of the declaration. If a family submits such a declaration, then the PHA does not need to request supporting documentation (e.g., bank statements) to verify the assets or the amount of income expected to be received from those assets. The family's declaration of total assets must show each asset and the amount of income expected from that asset. The total amount of income expected from all assets must be less than or equal to \$5,000. The total amount of the expected income from assets will be the family's "final asset income," and must be entered in field 6j of Form HUD-50058.

A PHA may obtain a family's declaration of assets under \$5,000 at the family's next interim or annual reexamination following adoption of the provision in the PHA's ACOP or Admin. Plan.

PHAs are required to have all family members 18 years of age and older sign the family's declaration of total assets. For ease of implementation, a PHA may wish to require families to submit a declaration of assets along with the consent forms that are required pursuant to 24 CFR 5.230. A family that knowingly submits false information is subject to a civil penalty, plus damages, under the False Claims Act (31 U.S.C. 3729).

Whenever a family member is added, a PHA must obtain third-party verification of that family member's assets. At the next annual reexamination of income following the addition of that family member, a PHA must obtain third-party verification of all family assets if the addition of that family member's assets puts the family above the \$5,000 asset threshold. If the addition of that family member's assets does not put the family above the \$5,000 asset threshold, then the PHA is not required to obtain third-party verification of all family assets at the next annual reexamination of income following the addition of the family member; however, third-party verification of all family assets is required at least every 3 years.

If a PHA adopted the self-certification of assets provision in Notice PIH 2013-03 and wishes now to adopt the provision described in this Notice, then the PHA must obtain third-party verification of all assets of any family at the family's next income redetermination if that family has provided self-certification of assets for the two previous income redeterminations.

Background: The requirement to verify assets is time-consuming for PHAs and families. In addition, assets of \$5,000 or less have little to no effect on family rental payments. This provision is intended to alleviate the burden on PHAs and families of verifying such assets; it also brings the HCV, PBV, and public housing programs in line with Internal Revenue Service guidance for the federal Low Income Housing Tax Credit program. For the LIHTC program,

housing credit agencies and owners are permitted to accept a certification from families that their assets do not exceed \$5,000.

Mandatory or discretionary: Discretionary

Effective date: April 7, 2016

## Attachment G: Utility reimbursements

Regulation: 24 CFR §§960.253, 982.514

Programs to which this provision applies: Housing Choice Voucher (including project-based voucher), public housing

Description of change: This provision permits PHAs to make utility reimbursement payments quarterly, rather than monthly, if the total quarterly reimbursement payment due to a family is equal to or less than \$45 per quarter. PHAs may make reimbursement payments retroactively or prospectively. A PHA that adopts this provision, and chooses to make reimbursement payments retroactively, must permit a family to request a hardship exemption, in accordance with 24 CFR 5.630(b)(2). If a family receives a hardship exemption, then the PHA may either reimburse the family on a monthly basis or it may make *prospective* payments to the family, on a quarterly basis.

Quarterly payments must be made at least once per calendar quarter. Prospective payments must be made prior to the start of each quarter; retroactive payments must be made before the end of each quarter, as shown below.

Time period covered by payment	PHA Must Make the Reimbursement Available to the Family No Later Than	
	Prospective	Retroactive
January – March	December 31	March 31
April – June	March 31	June 30
July – September	June 30	September 30
October – December	September 30	December 31

The process for determining the utility reimbursement amount and the ability of PHAs to pay the family or the utility provider directly are not affected by this provision. Nor does the provision affect a PHA's ability to make reimbursements via electronic deposit.

Upon admission to the program or at recertification, the staff person completing Form HUD-50058 will note whether the utility reimbursement is \$15 per month or less. If it is, then the PHA must inform the family whether reimbursement will be retroactive or prospective on a quarterly basis. If the PHA's policy is to reimburse retroactively, then the PHA must also inform the family that they may request a hardship exemption. If the family requests and receives a hardship exemption, then the PHA may either reimburse the family on a monthly basis or it may make prospective payments on a quarterly basis.

If a family leaves the program with an outstanding credit from the PHA for a utility reimbursement, the PHA shall reconcile the credit with the family prior to the expiration of the lease. Please note that, under the HCV program, a family may remain in the unit after leaving the

program. The expiration of the lease does not therefore impact when the PHA reconciles the credit with the family. Reconciliation should take place when the HAP contract terminates or shortly thereafter (i.e., no later than 30 calendar days after HAP contract termination).

Background: Prior to issuance of this regulation, utility reimbursements of any amount were required to be paid monthly.

Mandatory or discretionary: Discretionary. Prior to adopting this quarterly reimbursement provision, a PHA must amend any policies governing rental payments. The policy must state whether the PHA will make quarterly payments retroactively or prospectively. If the PHA will make payments retroactively, then the policy must state whether the PHA's hardship exemption will take the form of monthly reimbursement or quarterly prospective payment. The policy must include a statement about how the PHA will reconcile any outstanding reimbursement due to a family if the family leaves the program.

Effective date: April 7, 2016

## **Attachment H: Public housing rents for mixed families**

Regulation: 24 CFR §5.520(d)

Program to which this provision applies: Public housing

Description of change: This provision changes the methodology for calculating public housing rents for mixed families by requiring PHAs to use the established flat rent applicable to the units. Currently, PHAs use the more complicated system to calculate prorated rent for families by requiring PHAs to determine the maximum rent by establishing the 95<sup>th</sup> percentile of all total tenant payments (TTP) for each bedroom size. Further, this rule eliminates an error in the current regulations and in HUD's PIC system which incorrectly reduces the rent of some mixed-families below their TTP. A mixed family is a family whose members include those with citizenship or eligible immigration status *and* those without citizenship or eligible immigration status.

Under this rule, PHAs must complete the following steps:

- Step 1. Determine the total tenant payment in accordance with 24 CFR §5.628. (Annual income includes income of all family members, including any family member who has not established eligible immigration status.)
- Step 2. Family maximum rent is equal to the applicable flat rent for the unit size to be occupied by the family.
- Step 3. Subtract the total tenant payment from the family maximum rent. The result is the maximum subsidy for which the family could qualify if all members were eligible ("family maximum subsidy").
- Step 4. Divide the family maximum subsidy by the number of persons in the family (all persons) to determine the maximum subsidy per each family member who has citizenship or eligible immigration status ("eligible family member"). The subsidy per eligible family member is the "member maximum subsidy."
- Step 5. Multiply the member maximum subsidy by the number of family members who have citizenship or eligible immigration status ("eligible family members"). The product of this calculation is the "eligible subsidy."
- Step 6. The mixed family TTP is the maximum rent minus the amount of the eligible subsidy.
- Step 7. Subtract any applicable utility allowance from the mixed family TTP. The result of this calculation is the mixed family tenant rent.

When the mixed family's TTP is greater than the maximum rent, the PHA must use the TTP as the mixed family TTP. . Note: A warning message will appear when the family's TTP is entered into field 10p of PIC. This warning message is a workaround for purposes of implementing this provision.

This method of prorating assistance applies to new admissions and annual reexaminations after the effective date of the regulation.

The following tables provide examples of the impact of this provision.

Example 1: Family of 4 with an annual income of \$20,000, and one family member that is not eligible to receive subsidy. The 95<sup>th</sup> percentile TTP is \$548 while the flat rent is \$600. The applicable utility allowance is \$100 per month.

Steps	Previous Requirements	Requirements in Streamlining Rule
Step 1: Determination of TTP	\$500	\$500
Step 2: Determination of Maximum Rent	95 <sup>th</sup> percentile of all TTPs paid in the public housing program	Applicable flat rent
Step 3: Determination of Family Maximum Subsidy	$\$548 - \$500 = \$48$	$\$600 - \$500 = \$100$
Step 4: Determination of Member Maximum Subsidy	$\$48 \div 4 = \$12$	$\$100 \div 4 = \$25$
Step 5: Determination of Eligible Subsidy	$3 * \$12 = \$36$	$3 * \$25 = \$75$
Step 6: Determination of Mixed-Family TTP	$\$548 - \$36 = \$512$	$\$600 - \$75 = \$525$
Step 7: Determination of Mixed-Family Rent	$\$512 - \$100 = \$412$	$\$525 - \$100 = \$425$

Example 2: Family of 4 with an annual income of \$20,000 and one family member that is not eligible to receive subsidy. The 95<sup>th</sup> percentile rent is \$400 and the flat rent is \$480. The applicable utility allowance is \$100 per month.

Steps	Previous Requirements	Requirements in Streamlining Rule
Step 1: Determination of TTP	\$500	\$500
Step 2: Determination of Maximum Rent	95 <sup>th</sup> percentile of all TTPs paid in the public housing program	Applicable flat rent
Step 3: Determination of Family Maximum Subsidy	$\$400 - \$500 = (\$100)$	$\$480 - \$500 = (\$20)$
Step 4: Determination of	$(\$100) \div 4 = (\$25)$	$(\$20) \div 4 = (\$5)$

Member Maximum Subsidy		
Step 5: Determination of Eligible Subsidy	$3 * (\$25) = (\$75)$	$3 * (\$5) = (\$15)$
Step 6: Determination of Mixed-Family TTP	$\$400 - (\$75) = \$475$	$\$480 - (\$15) = \$495$  Because the maximum rent is less than the family TTP, a PHA must use this family's TTP (\$500) for the Mixed-Family TTP.
Step 7: Determination of Mixed-Family Rent	$\$475 - \$100 = \$375$	$\$500 - \$100 = \$400$

Background: PHAs are required to calculate rent for mixed-families differently than they calculate rent for non-mixed families. For information on mixed families in public housing, please see the public housing occupancy guidebook.

Mandatory or discretionary: Mandatory

Effective date: April 7, 2016



**Attachment I: Tenant self-certification for Community Service and Self-Sufficiency Requirement**

Regulation: 24 CFR §§960.605, 960.607

Program to which this provision applies: Public housing

Description of change: HUD will provide guidance on this provision in a separate notice.

Background: All public housing residents that are not otherwise exempt are required to complete 8 hours of community service or participation in self-sufficiency activities per month. For more information on the administration of CSSR, please see the public housing occupancy guidebook.

Mandatory or discretionary: Discretionary

Effective date: April 7, 2016

## **Attachment J: Public housing grievance procedures**

Regulation: 24 CFR §§966.52 through 966.57

Program to which this provision applies: Public housing

Description of change: This provision eliminates many prescriptive requirements related to the process for obtaining a hearing and the procedures governing the hearing, and permits PHAs to establish local requirements regarding the process for obtaining a grievance hearing. This provision does not prevent a PHA from maintaining the current procedures in place immediately before this final rule. Rather, it eliminates many prescriptive requirements that are not statutory. Specifically, this provision:

- Redefines a hearing officer to include a single hearing officer or a panel of hearing officers;
- Eliminates specific procedures that a complainant must undertake to obtain a hearing;
- Eliminates the requirements related to how a PHA may choose a hearing officer, including the requirement to consult with residents about the PHA choice for the hearing officer;
- Requires PHAs to incorporate policies for selecting a hearing officer in the dwelling lease and to revise the lease accordingly;
- Eliminates the provision that outlines the consequences to a complainant for failure to properly request a hearing;
- Eliminates the requirements regarding how a grievance must be submitted in the informal settlement process;
- Eliminates a provision that would require an escrow deposit by the complainant in any grievance related to tenant rent;
- Eliminates a requirement that a hearing will be scheduled only after a complainant has adequately requested a hearing, completed an informal settlement process, and paid rent due into escrow if necessary;
- Eliminates the requirement that a hearing be conducted informally;
- Requires that a written notification specifying the time, place, and the procedures governing the hearing must be delivered to the complainant and the appropriate official;
- Eliminates the requirement that a PHA must make available for inspection a previous hearing officer decision for prospective complainants;
- Requires PHAs to create a log of hearing officer decisions and make the log available to the hearing officer, prospective complainants and his representative. At a minimum, the log must include: the date of the hearing decision, the general reason for the grievance hearing (failure

to pay rent, community service and self-sufficiency noncompliance, etc.) and whether the decision was in the favor of the complainant or the PHA.

Background: Public housing grievance procedures ensure adequate due process regarding adverse actions against public housing tenants. For information about grievance procedures beyond what is addressed in this Notice, please see the public housing occupancy guidebook.

Mandatory or discretionary: Discretionary

Effective date: April 7, 2016

## **Attachment K: Biennial inspections and the use of alternative inspection methods and inspection timeframes**

Regulation: 24 CFR §§982.405, 983.103

Programs to which this provision applies: Housing Choice Voucher (including the project-based voucher program)

Description of change: This provision offers PHAs the discretion to conduct unit inspections biennially rather than annually, for both the HCV and PBV programs. It also authorizes the use of alternative inspection methods for periodic inspections, such as inspections performed by HUD or conducted pursuant to the HOME Investment Partnerships (HOME) program or housing financed using Low-Income Housing Tax Credits (LIHTCs). PHAs have the discretion to adopt either or both of these flexibilities.

These flexibilities are applicable only to periodic unit inspections conducted during the term of the assisted tenancy. Periodic inspections are those that a PHA is required to conduct at least biennially, while a HCV participant is living in a unit. Periodic inspections do not include inspections conducted prior to the initial term of the lease or to interim inspections. Under the PBV program, the flexibilities do not apply to inspections required prior to the execution of the HAP contract pursuant to 24 CFR §983.103(a) and (b).

Note that under the homeownership option, PHAs are required only to conduct pre-contract inspections; they have the *option* of conducting periodic inspections. If a PHA conducts periodic inspections, then it may do so biennially and/or by means of alternative methods, pursuant to the requirements detailed in this Notice (e.g., update of Admin. Plan, etc.).

*Biennial inspections.* This provision authorizes PHAs to conduct unit inspections every other year instead of annually. Permitting biennial inspections for HCV units will reduce the administrative and financial burden on PHAs and high-performing landlords and enable PHAs to concentrate their inspection resources on the more marginal and higher-risk units. Additionally, this provision can assist PHAs in avoiding duplicative inspections at properties where there are other program inspections, such as under the LIHTC program.

A PHA that moves to biennial inspections for all of the units in its portfolio does not need to update its Admin. Plan to reflect the change. By contrast, a PHA that continues to perform inspections annually across its portfolio must update its Admin. Plan; this is the case because the new requirement is that inspections take place at least biennially, and the PHA is exercising the discretion to continue with annual inspections. Likewise, a PHA that employs both annual and biennial inspections must adopt policies in its Admin. Plan that specify the circumstances under which biennial inspections will be employed and the circumstances under which annual inspections will be employed. These policies must be applied uniformly. For example, a PHA might move to biennial inspections for units in properties that are already inspected annually under a local housing code enforcement program or any unit that receives a “pass” score under HQS for two or more years in a row. A PHA might continue with annual inspections of any units not inspected annually under another program or any unit that had health and safety deficiencies during its previous HQS inspection.

While this provision is intended to offer administrative relief to PHAs, it is not intended to do so at the expense of decent, safe, and sanitary housing. PHAs are discouraged from establishing policies that specify the use of biennial inspections based on factors unrelated to an owner's record of providing housing that is decent, safe, and sanitary, such as the distance of the unit from the PHA's office. While factors such as distance may be taken into account, HUD encourages PHAs to consider factors other than distance — such as the record of the unit itself — in deciding whether to employ biennial inspections.

PHAs should continue to submit the Form HUD-50058 into the Public Housing Information System (PIC) as currently required. The SEMAP module has been modified to accept inspection dates of greater than 12 months since last inspection. Inspection dates submitted into PIC will now be counted as late if they show a time of greater than 26 months since the previous inspection.

*Alternative inspection methods.* The purpose of this provision is to authorize inspection by methods other than HQS. Inspection by such alternative methods is limited, as described below.

PHAs may rely upon two different categories of alternative inspections: (1) inspections conducted by HUD's Real Estate Assessment Center (REAC) or under the HOME or LIHTC program; or (2) other inspection methods that meet or exceed HQS and have been approved by HUD's Real Estate Assessment Center. No matter which option a PHA selects, it must amend its Admin. Plan prior to employing such option.

- REAC/HOME/LIHTC inspections. Inspections covered by REAC, HOME, and LIHTC employ unit sampling. The regulation requires HCV and PBV units be included in the universe of units forming the basis of the sample. For example, if a 100-unit property includes 20 units that are occupied by HCV-assisted families or are under a PBV HAP contract, then those 20 units must be included in the universe of units from which the sample is pulled. This requirement does not mean that the 20 units must be included in the actual sample; it means only that the units must have the potential to be selected for the sample by virtue of being included in the universe of sampled units.
- Other inspection methods. In order to rely on inspections other than those covered by REAC, HOME, or LIHTC, a PHA must submit to HUD the inspection method and an analysis showing that the method meets or exceeds HQS. A PHA may not rely upon such a method unless and until HUD has reviewed and approved use of the method. Once HUD has approved the inspection method, then the PHA must amend its Admin. Plan, making clear the specific properties or types of properties for which the inspection method will be employed. If the inspection method relies upon sampling, then the HCV/PBV units must be included in the population of units forming the basis of the sample, as described above.

HUD will not approve a method that fails to assess the performance requirements and acceptability criteria of unit inspection standards outlined at 24 CFR §982.401, or any successor standard. As with HQS, HUD may approve variations to alternate inspection methods only for the purposes outlined at 24 CFR §982.401(a)(4)(ii), and then only if the variations meet the standard for approval at 24 CFR §982.401(a)(4)(iii). If a method fails to meet these requirements, then HUD will not approve its use.

*Mixed-finance properties and triennial inspections.* 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. A PHA may rely on an inspection of a mixed-finance property conducted using an alternative inspection method to meet the requirement at 24 CFR 982.405(a), if the inspection happens no less frequently than triennially.

As with all other inspection reports required under § 982.158(f)(4), reports for alternative inspection methods must be obtained by the PHA from the entity inspecting the units. Such reports must be available for HUD inspection for at least three years from the date of the latest inspection.

PHAs must receive inspection reports and other data from any entity conducting an inspection using an alternative method within 5 business days of the inspection. Prompt analysis of inspection results enable a PHA to determine if any identified deficiencies would result in HQS failure. Memorandums of understanding or other agreements could be used by the PHA and other entity to ensure timely data submission.

PHAs that use inspections conducted with alternative methods, including methods that employ sampling, must continue to submit the Form HUD-50058 into the PIC system in the same manner, which includes providing the date of last inspection, and the date the unit last passed inspection. For methods that employ sampling, the date of the inspection will be used for all units in the universe, even if those units were not selected for inspection. The SEMAP system has been modified to accept inspection dates of greater than 12 months since last inspection. Inspection dates submitted into PIC will now be counted as late if they show a time of greater than 26 months since last inspection.

*Limitations on the use of alternative inspection methods.* A PHA may rely upon an alternative inspection method to demonstrate compliance with the inspection requirement of 24 CFR 982.405(a) in two circumstances:

- In the case of an alternative method that employs a “pass/fail” scoring system, the property inspected pursuant to such alternative method receives a “pass” score. A PHA may rely on an alternative method if the property receives a “pass” score, even if deficiencies are identified.
- In the case of an alternative method that results in a list of deficiencies (without a “pass/fail” designation), the PHA determines that none of the cited deficiencies would have resulted in a “fail” score under HQS.

Under any circumstance in which a PHA is prohibited from relying on an alternative inspection method for a property, the PHA must promptly conduct an HQS inspection of all units occupied by voucher program participants, and follow HQS procedures to remedy any identified deficiencies, as required under the HQS inspection method.

*Duty to inspect.* Irrespective of the biennial/alternative inspection method provision, a PHA has a duty to inspect a unit when a participant family or government official reports a condition that violates HQS. If the condition is life-threatening (i.e., the PHA would require the owner to make the repair within no more than 24 hours in accordance with § 982.404(a)(3)), then the PHA must

inspect the unit within 24 hours of when the PHA receives the notification. If the condition is not life-threatening (i.e., the PHA would require the owner to make the repair within no more than 30 calendar days), then the PHA must inspect the unit within 15 days of when the PHA receives the notification. In the event of extraordinary circumstances, such as if a unit is within a presidentially declared disaster area or if a natural or manmade disaster makes inspection of a unit infeasible, HUD may waive the 24-hour or the 15-day inspection requirement until such time as an inspection can be made. In such circumstances, a PHA must submit a waiver request to its local HUD field office, stating the regulation from which a waiver is requested and including an explanation of why it is needed.

Background: The biennial inspections provision was put into place to enable PHAs to expend relatively fewer resources inspecting units that perform consistently well or are typically inspected by more than one oversight entity and relatively more resources inspecting other units. The alternative inspections provision is intended to address the fact that a property that has more than one funding source may be subject to more than one physical inspection using more than one method. The goal of this provision is to eliminate duplicative inspections while assuring that families with HUD assistance have access to decent, safe, and sanitary housing that is in good repair.

Mandatory or discretionary: PHAs are now authorized to inspect units at least biennially during the term of the assisted tenancy. PHAs have the *discretion*, however, to inspect units more frequently than required. PHAs also have the *discretion* to use alternative inspection methods in accordance with HUD requirements. In those cases where a PHA elects to inspect more frequently than biennially, for some or all of its units, or use an alternative inspection method, its Admin. Plan must be revised.

At any time, if a participant family or government official reports a condition that violates HQS, a PHA must inspect the subject unit within the timeframes described above.

Effective date: This provision has been in effect since July 1, 2014. (See *Federal Register* Notice 79 FR 35940, “HUD Implementation of Fiscal Year 2014 Appropriations Provisions on Public Housing Agency Consortia, Biennial Inspections, Extremely Low-Income Definition and Utility Allowances”).

## **Attachment L: Housing Quality Standards reinspection fee**

Regulation: 24 CFR §982.405

Programs to which this provision applies: Housing Choice Voucher (including project-based voucher)

Description of change: This provision offers PHAs the option to establish a reasonable fee to owners for a reinspection under two circumstances: (1) if an owner notifies the PHA that a deficiency cited in the previous inspection has been repaired and a reinspection reveals that it has not and/or (2) if the allotted time for repairs has elapsed and a reinspection reveals that any deficiency cited in the previous inspection that the owner is responsible for repairing has not been corrected.

A fee will be considered reasonable if it reflects local practices for the establishment of similar fees. PHAs may wish to inquire with local authorities regarding how such fees are established.

PHAs must not apply the fee to an owner for:

- deficiencies caused by the participant family;
- initial inspections;
- regularly scheduled inspections;
- an instance in which an inspector was unable to gain access to a unit; or
- new deficiencies identified during a reinspection. If new deficiencies are uncovered during reinspection, a PHA should follow normal procedures to address these newly identified deficiencies.

An owner who is assessed a fee may not pass the fee on to a family.

In the case of PHA-owned units, inspections and re-inspections must be performed by a HUD-approved entity in accordance with 24 CFR §982.352(b)(3) and §983.103(f)(1)). In this circumstance, and in any case in which inspections are performed by an entity other than the PHA (e.g., unit of local government, contractor), the details of any reinspection fee must be spelled out in the contractual arrangement between the PHA and the entity. (Notice PIH 2015–05 addresses the inspection of PBV units and steps that must be taken in the event the independent entity discovers an HQS violation.)

Fees collected under this reinspection fee authority will be considered unrestricted net assets.

Background: It is burdensome and costly for PHAs to have to inspect units multiple times.

Mandatory or discretionary: Discretionary. A PHA that intends to adopt a reinspection fee must amend its Admin. Plan to make clear when a fee will be assessed. For example, it must make clear whether the fee will be assessed after the first reinspection or after the second reinspection.



The Admin. Plan must also make clear, in each circumstance, what the specific fee amount will be.

In determining whether to adopt a fee, a PHA must ensure that such a fee is not prohibited by state or local law. PHAs are encouraged to consider whether the adoption of a fee may deter landlords from participating in the HCV or PBV programs. For example, if the allotted time for repairs has elapsed and a reinspection reveals that a deficiency cited in the previous inspection that the owner is responsible for repairing has not been corrected, a PHA is already required to take remedial action and will have to decide whether to assess a fee, as well, in accordance with their Admin. Plan.

Effective date: April 7, 2016

## **Attachment M: Exception payment standards for providing reasonable accommodations**

Regulation: 24 CFR §§982.503, 982.505

Program to which this provision applies: Housing Choice Voucher

Description of change: This provision authorizes a PHA to approve a payment standard of not more than 120 percent of the FMR without HUD approval if requested as a reasonable accommodation by a family that includes a person with a disability.

A PHA that adopts this provision must maintain documentation that shows:

- a rent reasonableness analysis was conducted in accordance with the HCV program regulations at 24 CFR 982.507;
- the family requested lease approval for the unit and requested an exception payment standard as a reasonable accommodation; and
- the unit has features that meet the needs of a family member with disabilities. For example, a unit may be suitable because of its physical features or for other reasons, such as having the requisite number of bedrooms, location on an accessible transit route, or proximity to accessible employment, education, services, or recreation.

A PHA may accept a verbal request for a reasonable accommodation from a family. PHAs are advised to make clear in their Admin. Plan whether the request must be in writing and/or include supporting documentation, for example from a medical professional.

Background: Under the preceding regulations, a PHA had to request a waiver from a HUD Field Office for an exception payment standard above 110 percent of the FMR, consuming considerable administrative time and resulting in delays that, in some cases, caused families to miss out on desired units. Under this provision, a PHA may approve a payment standard of not more than 120 percent of the FMR without HUD approval if required as a reasonable accommodation for a family that includes a person with disabilities.

Mandatory or discretionary: Discretionary

Effective date: April 7, 2016

## **Attachment N: Family income and composition: regular and interim examinations**

Regulation: 24 CFR §§982.516(c) through (e)

Program to which this provision applies: Housing Choice Voucher

Description of change: This provision eliminates the requirement that a voucher agency conduct a reexamination of income whenever a new family member is added. The provision does *not* eliminate the requirement to verify other aspects of program eligibility (e.g., SSNs, criminal history, etc.), nor does it eliminate the requirement to perform annual reexaminations of family income (for example, if that happens to be the point at which a new family member is added); it simply eliminates the requirement to perform an interim reexamination of income whenever a new family member is added.

A PHA that adopts this provision must make clear in its Administrative Plan how it will address the addition of a new family member under the age of 6 years, in the event the new family member is added at a time other than during a reexamination. Per 24 CFR §5.216(e)(2)(ii)(B), such a family member is to be counted as a member of the assisted household, meaning that the family becomes entitled to the dependent deduction. A PHA that adopts this provision may decide, for example, to require a full reexamination of income whenever a child under the age of 6 years is added to a family. The PHA's policy on the addition of such family members must be spelled out in its Administrative Plan.

Background: This change makes it possible for a PHA, if it so chooses, to align interim examination requirements across the public housing and Housing Choice Voucher programs.

Mandatory or discretionary: Discretionary. PHAs retain the discretion to perform interim reexaminations when a new family member is added. An agency's ACOP for public housing and HCV Admin. Plan must describe the regular and interim examination policies.

Effective date: April 7, 2016

## **Attachment O: Utility payment schedules**

Regulation: 24 CFR §982.517

Program to which this provision applies: Housing Choice Voucher

Description of change: This provision requires PHAs to use the appropriate utility allowance for the lesser of the size of dwelling unit actually leased by the family or the voucher size issued, as determined under the PHA subsidy standards.

In cases where a reasonable accommodation has been provided to a family that includes a person with disabilities, the PHA must use the appropriate utility allowance for the size of the dwelling unit actually leased by the family. To ensure compliance with this provision, PHAs may employ ad hoc reports that are available through the Inventory Management System/Public and Indian Housing Information Center, as explained in Notice PIH 2014–25 (“Over Subsidization in the Housing Choice Voucher Program”).

Background: This provision was enacted as a cost-saving measure.

Mandatory or discretionary: Mandatory

Effective date: This provision has been in effect since July 1, 2014. (See *Federal Register* Notice 79 FR 35940, “HUD Implementation of Fiscal Year 2014 Appropriations Provisions on Public Housing Agency Consortia, Biennial Inspections, Extremely Low-Income Definition and Utility Allowances”).



**U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing**

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**Special Attention of:**

Public Housing Agency Directors;  
Public Housing Hub Office Directors;  
Public Housing Field Office Directors;  
Program Center Coordinators;

Resident Management Corporations;  
Resident Councils

**Notice PIH-2016-06 (HA)**

Issued: April 7, 2016

Expires: Effective until amended or  
superseded

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Cross References: PIH Notice 2015-12

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**Subject: Administering the Self-Certification Flexibility when Verifying Community Service and Self-Sufficiency Requirement (CSSR) Compliance**

- 1. Purpose:** The Department is issuing this Notice to assist public housing agencies (PHAs) in understanding the resident self-certification process when administering the Community Service and Self-Sufficiency Requirement (CSSR).
- 2. Applicability:** This Notice applies to PHAs that administer the Public Housing Program and all HUD Field Offices with Public Housing Programs. This Notice supplements all previous guidance and provides clarification guidance on administering the resident self-certification of compliance with the CSSR.
- 3. Background:** Section 12(c) [42 U.S.C. Section 1437j] of the United States Housing Act of 1937, as amended on October 12, 1998 by Section 512 (Pub. L. 105-276) of the Quality Housing and Work Responsibility Act of 1998, contained a CSSR that every adult resident of public housing contribute eight hours of community service per month, or participate in an economic self-sufficiency program for eight hours per month. Certain individuals, including individuals that are employed and individuals with disabilities, are exempt from this requirement as outlined in 24 CFR 960.601(b). Regulations for the CSSR can be found at 24 CFR Subpart F, 960.600 through 960.609.

On March 8, 2016, HUD published a final rule in the Federal Register providing programmatic streamlining across several HUD programs. The rule amended a provision in 24 CFR Subpart F, 960.605, to permit, but not require, a PHA to accept resident self-certifications of compliance with the CSSR. The final rule also amended 24 CFR, Subpart F, 960.607 to require a PHA that elects to accept self-certification to notify residents the self-certifications may be subject to third-party verification, and to require PHAs to validate a sample of the self-certifications annually.

- 4. Contents of Annual Notification to Residents and Self-Certification:** Residents eligible to complete the CSSR must sign an acknowledgement of their obligation to complete the CSSR annually. This obligation is outlined in more detail in Notice PIH 2015-12. However, a PHA that elects to permit resident self-certifications must notify the resident of the resident's ability to submit a self-certification. Examples of such notifications are provided in Attachments A and B.

As required in Section 11 of Notice PIH 2015-12, in order to determine compliance with CSSR, at each regularly scheduled rent re-examination, each non-exempt family member presents a signed certification on a form provided by the PHA of CSSR activities performed over the previous twelve (12) months. Each PHA develops a standardized form with places for signature confirmation by supervisors, instructors, or counselors certifying the number of hours contributed. If a PHA elects to permit self-certifications, this PHA-developed form must include the following information:

- a statement that the resident has completed the number of hours listed and this statement is subject to penalties of perjury;
- the number of hours and type of activity (community service or self-sufficiency) that the resident completed;
- the name of the organization or person for which the activity was completed;
- the address of the organization or person;
- the phone number of the organization or person; and
- a contact person in the organization or the person for which the activity was completed.

If a resident completes their CSSR obligation for more than one organization or person during the course of a year, the resident must complete one self-certification for each organization or person for which the resident performed the CSSR activity.

5. **PHA Policies:** A PHA that chooses to accept resident self-certifications of compliance with CSSR must update its CSSR policies prior to accepting resident self-certifications. Further, a PHA that elects to accept self-certifications only may do so prospectively after making necessary policy changes. For residents under lease at the time the PHA amends its policies, the PHA must review annual compliance and obtain third party verification for that lease cycle. However, for any subsequent lease cycles beginning after the PHA has adopted the policy change, the PHA may accept resident self-certifications for those periods. A PHA may not accept resident self-certifications for tenants subject to a work-out agreement until the resident has completed, and the PHA has verified through a third party, that the resident has completed the required hours.
6. **Sampling Methodology and Validation Requirements:** As required by amended 24 CFR Part 960.605, a PHA that elects to accept self-certifications must validate a sample of self-certifications with the third-party for whom the resident completed the community service or self-sufficiency activity. The sample of self-certifications the PHA validates must be a statistically valid, random sample. Attachment D to this notice provides the appropriate sampling methodology to be used by a PHA when determining how many self-certifications must be validated annually. For example, a PHA that has a universe of self-certifications of 50 must validate at least 29 of the self-certifications to meet the statistically valid requirement. A PHA with a universe of self-certifications of 500 must validate 60 self-certifications to meet the statistically valid requirement.

The universe of self-certifications should only include residents that submitted a self-certification, and should not include:

- Residents that are under the age of 18 years or 62 years or older;
- Residents that are exempt;
- Residents for which a PHA receives third party verification of completion with CSSR; and
- Residents that did not complete the required CSSR.

Because the number of residents subject to the CSSR is constantly in fluctuation due to unit turnover, resident employment, etc., a PHA must choose a point in time annually to calculate the universe of self-

certifications received during the previous 12 months. However, PHAs do not need to wait until the end of the 12-month period to begin validating self-certifications. For example, a PHA that can reasonably determine the expected number of self-certifications to be received throughout the 12-month period may validate the appropriate sample of self-certifications during the 12-month period rather than waiting until the end of that time period, subject to any necessary reconciliations once the final universe and sample size is determined.

To validate a self-certification, the PHA must obtain third-party documentation that includes, at a minimum, the name of the organization or person, the number of hours completed by the resident, a signature from the appropriate staff person within the third-party organization or person and that staff person's contact information. Consistent with the written third-party verification techniques outlined in Notice PIH 2010-19, a PHA may accept third-party generated documentation directly from the third-party or from the resident.

- 7. Treatment of Fraudulent Self-Certifications:** In the event a PHA determines a resident has submitted a fraudulent self-certification, the PHA must provide a notice of noncompliance to the resident pursuant to 24 CFR 960.607. If the resident agrees to sign a work-out agreement, the PHA must obtain written third-party documentation of the resident's compliance with the requirements of the workout agreement. Should the resident refuse to enter into a work-out agreement pursuant to the notice of noncompliance, the PHA must take steps to terminate the tenancy of the resident. For more information on this process, see Notice PIH 2015-12.
- 8. HUD Oversight:** A PHA that elects to accept self-certifications must retain the self-certification, any third party validation, and any information related to fraudulent self-certifications in the resident's file for at least two years from the date the documents are received by the PHA for possible HUD review. As part of HUD's oversight and regulatory review processes, and on a risk basis, HUD may review a PHA's administration of CSSR, resident self-certifications, and sample validations.
- 9. Further Information:** Direct inquiries to Todd Thomas of the Office of Public Housing and Voucher Programs at (678) 732-2056.
- 10. Paperwork Reduction:** The information collection requirements contained in this Notice will be submitted for approval by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3520) and assigned OMB control numbers 2577-0083 and 2577-0226.

\_\_\_\_\_/s/\_\_\_\_\_  
Lourdes Castro Ramirez,  
Principal Deputy Assistant Secretary  
for Public and Indian Housing

Attachment A

Community Service and Self-Sufficiency Requirement Certification  
For Non-Exempt Individuals

## Entrance Acknowledgement

Date:

Participant Name:

I have received and read the Community Service and Self Sufficiency Requirement (CSSR). I understand that as a resident of public housing, I am required by law to contribute 8 hours per month (96 hours over the course of every 12 month period) of community service or participate in an economic self-sufficiency program. I further understand that if I am not exempt, failure to comply with CSSR is grounds for lease nonrenewal. I understand that I may submit a self-certification of compliance with the CSSR, and that my self-certification of compliance may be subject to validation with the organization for which I completed the required hours. My signature below certifies I received notice of this requirement at the time of initial program participation.

Signature: \_\_\_\_\_

Date of Signature: \_\_\_\_\_



Attachment B

Community Service and Self-Sufficiency Requirement Certification  
For Non-Exempt Individuals

**Annual Renewal**

Date:

Participant Name:

I understand that as a resident of public housing, I am required by law to contribute 8 hours per month (96 hours over the course of every 12 month period) of community service or participate in an economic self-sufficiency program. I further understand that if I am not exempt, failure to comply with CSSR is grounds for lease nonrenewal. I understand that I may submit a self-certification of compliance with the CSSR, and that my self-certification of compliance may be subject to validation with the organization for which I completed the required hours. My signature below certifies I received notice of this requirement at the time of initial program participation.

Signature: \_\_\_\_\_

Date of Signature: \_\_\_\_\_

## Attachment C

Below is a chart that indicates the universe and required sample sizes that must be validated by a PHA annually. A CSSR universe would be the number of age eligible residents that have submitted a self-certification. For universe sizes that fall between the universe sizes listed in the chart below, PHAs should utilize the sample size for the next largest universe size. For example, a PHA with a sample size of 27 self-certifications must validate at least 21 self-certifications.

<b>Universe Size</b>	<b>Sample Size AT LEAST</b>
$\leq 10$	ALL
15	13
20	16
25	19
30	21
35	24
40	26
50	29
60	33
100	41
150	47
200	51
250	54
300	56
350	57
400	58
450	59
500	60
600	61
700	62
800	63
900	63
1000	64
1500	65
2500	66
3500	67
4000	67
5000	67
6000	67
6500	67
$\geq 7000$	68



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-5000

OFFICE OF PUBLIC AND INDIAN HOUSING

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**Special Attention:**

Public Housing Agencies (PHAs)  
Public Housing Hub Office Directors  
Public Housing Program Center Directors  
Regional Directors  
Field Office Directors  
Resident Management Corporations

**NOTICE PIH-2017-23 (HA)**

**Issued:** November 30, 2017

**Expires:** Effective until amended, superseded, or rescinded

**Cross References:** 24 CFR Part 960, 24 CFR Part 903, Notice PIH 2014-12, Notices PIH 2015-13

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**Subject: Updates to Flat Rent Requirements**

**1. PURPOSE**

This Notice supersedes and replaces the guidance provided in Notice PIH 2015-13 and clarifies HUD's interpretation of the statutory amendment related to flat rents. This Notice also serves as supplemental guidance to the final rule on Streamlining Administrative Regulations for Public Housing, Housing Choice Voucher, Multifamily Housing, and Community Planning and Development Programs (81 FR 12354, published on March 8, 2016), codified at 24 CFR 960.253.

**2. APPLICABILITY**

This Notice applies to PHAs that operate a Public Housing program. It also applies to families residing in, or applying to, the Public Housing program.

Moving to Work (MTW) PHAs operating a Public Housing program can exercise flexibility and establish alternative requirements, in accordance with the terms of their respective MTW Agreement and approved Annual MTW Plan. If an MTW PHA's Annual MTW Plan does not include alternative policies regarding flat rent requirements, then the policies set forth in this Notice will apply to the MTW PHA.

**3. BACKGROUND**

The FY 2014 Appropriations Act required PHAs to establish flat rents at no less than 80 percent of the applicable Fair Market Rent (FMR), and established rent increase phase-in

requirements to prevent family rental payments from increasing by more than 35 percent. HUD implemented these requirements through Notice PIH 2014-12. Through FAQs accompanying Notice PIH 2014-12, HUD provided flexibility to PHAs to phase-in all flat rent increases over a 3-year period, including those increases that were 35 percent or less.

The FY 2015 Appropriations Act maintained the FY 2014 rent increase phase-in requirements and amended the 2014 Act to require that flat rents be set at no less than the lower of:

1. 80 percent of the applicable FMR established under Section 8(c) of this Act; or
2. At the discretion of the Secretary, 80 percent of such other applicable FMR established by the Secretary that the Secretary determines more accurately reflects local market conditions and is based on an applicable market area that is geographically smaller than the applicable market area used for purposes of the applicable FMR under Section 8(c) of this Act (such as the applicable Small Area Fair Market Rent (SAFMR) or unadjusted rent).

A PHA may apply for a flat rent amount that is lower than the two options outlined above if:

- The PHA demonstrates, through the submission of a market analysis, that those rent options are not reflective of the unit's market value; and
- HUD agrees with the PHA's market analysis determination (see Section 5 of this Notice).

In accordance with 42 U.S.C. 1437a(a)(2)(A)(ii), PHAs that established and were administering ceiling rents prior to October 1, 1999 are authorized to continue to administer ceiling rents in lieu of flat rents, provided such ceiling rents are set at the level required for flat rents as required by 24 CFR 960.253(d). Further, such PHAs must follow the requirements for calculating, adjusting, and reporting flat rents when calculating and adjusting ceiling rents. To improve transparency and accuracy of reporting, PHAs administering ceiling rents may no longer use line 10c (income-based ceiling rent) on the HUD Form-50058 to report ceiling rents for any household. Instead, PHAs must use line 10b (flat rent) to report the applicable maximum rental amount.

#### **4. SMALLER GEOGRAPHICAL AREA FMRs**

If a PHA does not believe the 80 percent FMR is reflective of its local market conditions (flat rent setting option #1), it may use a HUD-established FMR that is based on an area geographically smaller than the effective FMR published in the Federal Register to determine the minimum flat rent amount (flat rent setting option #2).

To satisfy option #2, PHAs may use the applicable SAFMR, which HUD will publish annually on its website, available at:

<http://www.huduser.org/portal/datasets/fmr/smallarea/index.html>

For some areas for which HUD does not publish a SAFMR, HUD will permit PHAs to use 80 percent of the unadjusted rent to satisfy option #2, which HUD will publish annually on its website.<sup>1</sup> While 80 percent of the unadjusted rent will always be lower than 100 percent of the FMR, it may or may not be lower than 80 percent of the FMR. Therefore, PHAs should assess all available options when setting its flat rent rates:

1. 80 percent of the FMR; or
2. 80 percent of the SAFMR (or if a SAFMR is not available, 80 percent of the unadjusted rent).

PHAs are not permitted to establish any other smaller geographical FMRs, different from these two options. For areas where HUD has not determined a SAFMR or an unadjusted rent, PHAs must set rents at no less than 80 percent of the FMR, or apply for an exception flat rent pursuant to the requirements of Section 5 of this Notice.

## **5. EXCEPTION FLAT RENTS**

### **5a. When a Flat Rent Exception is Required.**

HUD only requires flat rent exception requests when PHAs are setting flat rents at an amount that is lower than the lesser of the following (less utility allowances, if applicable):

1. 80 percent of the FMR, or
2. 80 percent of the SAFMR (or if a SAFMR is not available, 80 percent of the unadjusted rent).

PHAs do not need to submit exception requests to set flat rents at or above 80 percent of the FMR or SAFMR, or if the SAFMR is not available, 80 percent of the unadjusted rent.

The flat rent exception request process is for a PHA that wishes to base its flat rents on specific market conditions supported by a market analysis. PHAs do not need to submit a request to HUD in order to use the FMR, SAFMR, or unadjusted rent to set flat rents in accordance with Sections 3 and 4 of this Notice.

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<sup>1</sup> The unadjusted rent is the FMR estimated directly from the American Community Survey (ACS) source data that HUD uses to calculate FMRs before HUD applies its state non-metropolitan minimum rent policy. HUD maintains a minimum FMR policy within the Housing Choice Voucher (HCV) program in response to numerous public concerns that FMRs in rural areas were too low to operate the HCV program successfully. The policy establishes the FMRs at the higher of the local FMR or the State-wide average FMR of non-metropolitan counties, subject to a ceiling rent cap. The rationale for having a state minimum FMR is that some low-income, low-rent non-metropolitan counties have ACS-based FMR estimates that appear to be below long-term operating costs for standard quality rental units and raise concerns about housing quality. State minimum FMRs have been set at the respective state-wide population weighted median non-metropolitan rent level, but are not allowed to exceed the U.S. median non-metropolitan rent level.

PHAs with previously approved flat rent exception requests may submit a written request to extend their approved flat rent rates for up to 2 additional years, provided local market conditions remain unchanged (see Section 5d of this Notice).

### **5b. Flat Rent Exception Request Timeframes and Key Dates.**

HUD updates and posts new FMRs annually. Typically, the final FMR rates for the current fiscal year are effective on or around October 1. PHAs may access FMR rates here: <https://www.huduser.gov/portal/datasets/fmr.html>

From the effective date of the current fiscal year's FMRs, PHAs have 90 days to either implement new FMR-based flat rents or submit an exception request. In a typical year, this would mean that a PHA will have until December 31 to either update its flat rents based on the new FMRs, or submit an exception request.<sup>2</sup>

In the event that a PHA submits an incomplete flat rent exception request and/or incomplete supporting market analysis, HUD will provide that PHA with two opportunities to cure deficiencies before disapproving the request.

While HUD is reviewing a PHA's flat rent exception request or any supplemental information, the PHA may continue to utilize its current flat rent schedule. PHAs must receive written HUD approval to utilize an exception flat rent prior to implementing the new exception flat rent rates.

An approved exception request will remain in effect until the end of the 90-day period commencing upon the effective date of HUD's Final Fiscal Year FMRs or the date on which a PHA updates and makes effective its flat rent schedule based on that fiscal year's FMRs, whichever comes first.

The PHA must update its flat rents to the approved flat rent exception amount after the date of HUD's approval. Thereafter, the PHA may immediately apply the exception flat rent amount to intakes and reexaminations. However, the PHA must apply the approved exception flat rent amount to all intakes and reexaminations that take effect 60 days or more after HUD's approval date.

### **5c. Process to Submit a New Flat Rent Exception Request.**

PHAs may request an exception flat rent by sending an email to [flatrentexceptionrequests@hud.gov](mailto:flatrentexceptionrequests@hud.gov) with the following information attached:

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<sup>2</sup> A PHA or other interested party may request a HUD reevaluation of its FMRs, as provided for under Section 8(c)(1)(B) of the U.S. Housing Act, as amended by the Housing Opportunity Through Modernization Act (HOTMA). HUD will review FMR reevaluation requests and supporting data, and following the reevaluation, will post revised FMRs with an accompanying Federal Register notice stating the revised FMRs are available. For areas affected by a request for an FMR reevaluation, the 90-day flat rent implementation timeframe described in Section 7 of this Notice will commence upon the effective date of the revised FMRs.

- The address including unit number(s) and AMP number(s) of the unit or property for which the PHA is seeking an exception flat rent;
- A market analysis; and
- The proposed flat rent schedule.

#### **5d. Process to Extend a Previously Approved Flat Rent Exception Request.**

If HUD approved a PHA's flat rent exception request from a previous fiscal year, the PHA may request an extension of this approval under the following circumstances:

- The market study accompanying the previously approved request is no more than 2 years old;
- Market conditions remain unchanged; and
- The PHA submits the extension request to HUD no later than 90 days after the effective date of the final FMRs published by HUD (typically December 31<sup>st</sup> of that calendar year).

PHAs may request an exception flat rent extension by sending an email to [flatrentexceptionrequests@HUD.GOV](mailto:flatrentexceptionrequests@HUD.GOV) with the following information attached:

- The address, including unit number(s) of the unit or property for which the PHA is seeking an exception flat rent extension;
- The flat rent schedule to be extended; and
- The date of the previous market study.

If during the 2-year renewal period the PHA becomes aware of a change in local market conditions that would impact the market (e.g., a major employer enters or leaves the area, significant private sector redevelopment), the PHA must either:

1. Discontinue the use of the current flat rent exception and implement a flat rent that is at least equal to the lower of 80 percent of the FMR or 80 percent of the SAFMR (or if no SAFMR is available, 80 percent of the unadjusted rent), or
2. Conduct a new market analysis and submit a new flat rent exception request to HUD for approval (if the PHA selects this option, it may continue to use the current flat rent exception amounts until HUD issues its decision).

One resource for PHAs to make this market continuity determination is the U.S. Housing Market Conditions Market-at-a-Glance report. The Market-at-a-Glance for the counties and metropolitan areas are based on data from the Bureau of Labor Statistics and American Community Survey data from the U.S. Census Bureau. Some adjustments are made by HUD field economists based on regional information. The Market-at-a-Glance reports can be found here: <https://www.huduser.gov/portal/ushmc/mag.html>

#### **5e. Required Market Analysis Content.**

In order to demonstrate the need for an exception flat rent, PHAs are required to submit a market analysis that demonstrates the value of the unit. The PHA may not request an exception flat rent that is lower than the demonstrated market value of the unit.<sup>3</sup> A market analysis must:

1. Explain the methodology used to compare the Public Housing unit to unassisted units in the area using the following factors:
  - a) Location, quality, size, unit type, age of the unit;
  - b) Amenities, housing services, maintenance; and
  - c) Utilities the PHA and/or landlord (for comparable units in the market study) will pay under the applicable lease.
2. Provide a corresponding key explaining the calculations used for determining the valuation of each factor.

These criteria are meant to assist PHAs in developing a common sense approach to valuing a unit. It remains important to note that the Department places a high priority on accurate rent determinations and requires that such determinations be performed in a documented, reasonable, and consistent manner. To the extent possible, rent valuation should be based on rents paid for similar units in the same general location that are similar in terms of the overall quality of housing services provided. Any procedures or documentation used should reflect this approach.

#### **5f. Disapproved Flat Rent Exception Requests.**

After HUD receives and reviews a flat rent exception request, HUD will respond with the results of its review and provide PHAs two opportunities to cure deficiencies or provide additional information. A PHA must respond in writing no later than 30 days after receiving HUD's notification of the insufficient submission. The response should include any new information the PHA believes is necessary to supplement the original submission. While awaiting the results of HUD's review of the additional information, the PHA may continue to utilize its current flat rent schedule.

If the PHA cannot provide sufficient information to justify the exception after two requests for additional information, HUD will deny the flat rent exception request. If the PHA's exception request is denied, the PHA must immediately revise its flat rent rates using an applicable FMR product (per Section 3 and 4 of this Notice) and the updated flat rent rates must be applied to any intake or reexamination that takes effect 60 days after the denial date.

## **6. FMRs AND UTILITY PAYMENTS**

FMRs are gross rent estimates that cover the rent plus the cost of all necessary utilities regardless of who actually pays the utilities. Although the inclusion of utilities in the FMR is an accurate estimate of the cost of renting a unit in a particular area, their

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<sup>3</sup> For example, if the market analysis determines that the value of the PHA unit is \$500, then the flat rent exception request for that unit should be set at \$500 (not 80 percent of \$500).



inclusion for purposes of setting Public Housing flat rents may lead to families paying more in gross rent if the rent is not adjusted to reflect utility payments that are the family's responsibility. Specifically, families that pay a flat rent for Public Housing units and that pay their own utilities would pay more in gross rent (i.e., rent plus utilities) than a family in a similarly situated unit where the PHA pays the utilities.

To address this issue when establishing flat rents, PHAs must consider who is responsible for direct utility payments to the utility company, and provide for a utility allowance as necessary. Such utility allowances must be established consistent with the requirements of 24 CFR 960.253(b)(4) and 24 CFR 965, Subpart E.

## **7. FLAT RENT POLICIES – HOW TO COMPLY ON AN ANNUAL BASIS**

In order to comply with the flat rent requirements annually, no later than 90 days after the effective date of new FMRs or SAFMRs published by HUD, the PHA must:

1. Compare the current flat rent amount to the applicable FMR and SAFMR/unadjusted rent. If the PHA is in compliance with this the law, no further steps are necessary:
  - a) If the flat rent is at least equal to the lower of:
    - a. 80 percent of the FMR, or
    - b. 80 percent of the SAFMR (or if no SAFMR is available, 80 percent of unadjusted rent).
  - b) If the current flat rent is less than the lower of option a or option b above, the PHA must set flat rents at no less than 80 percent of the lower of the 80 percent FMR or 80 percent SAFMR/80 percent unadjusted rent, subject to the utilities adjustment in Section 6 of this Notice, or the PHA may request an exception flat rent pursuant to the requirements of Section 5 of this Notice;
2. Update the flat rent policies in the Admissions and Continued Occupancy Policies (ACOP) as necessary;
3. Permit the family to choose between the flat rent amount and the income-based rent for all new admissions; and
4. Offer the updated flat rent amount at the next annual rent option for families that are current Public Housing residents, and permit the family to choose between the flat rent amount and the income-based rent, subject to the phase-in requirements in Section 8 of this Notice.

For those PHAs with an approved flat rent exception request, the PHA must update its flat rents to the approved flat rent exception amount immediately after approval for all intake and reexamination activities. The PHA may apply the approved flat rent exception amount immediately to intakes and reexaminations, and must apply it to any intake or reexamination that takes effect 60 days or more after the approval date.

## **8. FLAT RENT INCREASE PHASE-IN REQUIREMENTS**

If an existing flat rent tenant's rental payment prior to any applicable adjustments for utilities payments increases by more than 35 percent as a result of changes to the flat rent

amount, the increase must be phased-in such that a family does not experience an increase in their rental payment of more than 35 percent.

In order to determine how to phase-in increases in rental payments, PHAs must on a case-by-case basis, at the family's next annual rent option, compare the updated flat rent amount applicable to the unit to the rent that was being paid by the family immediately prior to the annual rent option:

1. If the new flat rent amount would not increase a family's rental payment by more than 35 percent, the family may choose to pay either the updated flat rent amount or the previously calculated income-based rent;
2. If the PHA determines that the updated flat rent amount would increase a household's rental payment by more than 35 percent, the family may choose to pay the phased-in flat rent amount resulting from the flat rent impact analysis or the previously calculated income-based rent.

### **Example 1 – Flat Rent Increase Does Not Require Phase-In**

The Gordon family is currently paying the flat rent amount of \$350 per month, rather than the income-based rent of \$500. When the Gordon family meets with the PHA to discuss rent options for the upcoming year, the PHA informs the Gordon family that the flat rent amount has increased to \$450 per month. Because the increase in the flat rent amount does not represent an increase of more than 35 percent from the Gordon's previous rental payment amount, they have the option to pay the new flat rent amount of \$450, or pay the income-based rent of \$500. The Gordon family chooses to pay the new flat rent amount of \$450.

Initial Flat Rent: \$350

New Flat Rent: \$450

Family Rent Increase Impact Analysis:

Initial Household Rent	New Flat Rental amount	Impact Analysis (HRx1.35)	Income-Based Rent	New Household Rent
\$350	\$450	\$472.5	\$500	\$450

### **Example 2 – Flat Rent Increase Requires Phase-In**

The Jones family is currently paying the flat rent amount of \$500 per month. When the Jones family meets with the PHA to discuss rent options, the PHA tells the family that the flat rent amount has increased to \$700. However, the PHA tells the family that the family's flat rent payment would only increase to \$675 because flat rent changes must be phased-in as necessary to ensure that the family's existing rental payment does not increase by 35 percent or more annually. The family has the option to pay either the \$675 per month, or an income-based rent of \$800 per month based on the most recent examination of the Jones' family income. The Jones family chooses to pay the flat rent amount of \$675.

Initial Household Rent: \$500

New Flat Rent: \$700

New Household Rent: \$675

At the next annual rent option meeting between the Jones family and the PHA, the PHA informs the Jones family that the flat rent amount has increased to \$750 per month due to an increase in the FMR. Because the new flat rent amount represents less than a 35 percent increase from the previous rental payment, the Jones family has the option to pay the new flat rent amount of \$750 or the income-based rent amount of \$800 based on the most recent examination of family income and composition. The Jones family chooses to pay the new flat rent amount of \$750.

Initial Household Rent: \$675

New Flat Rent: \$750

New Household Rent: \$750

Family Rent Increase Impact Analysis:

Year	Initial Household Rent	New Flat Rental amount	Impact Analysis (HR x 1.35)	Income-Based Rent	New Household Rent
1	\$500	\$700	\$675	\$800	\$675
2	\$675	\$750	\$911.25	\$800	\$750

## **9. ANNUAL REVIEW OF RENT OPTIONS**

HUD regulations at 24 CFR 960.253(a) require PHAs to annually give families the option to choose between paying the flat rent or the income-based rent, and stipulate that PHAs may not give families the option more than once per year, except in the case that the family has chosen the flat rent and experiences a financial hardship. Further, 24 CFR 960.253(e) stipulates that PHAs provide sufficient information to allow a family to make an informed choice regarding rent options. PHAs must provide at least the following information:

- The PHA's policies on switching the type of rent due to financial hardship;
- The dollar amount of the flat rent and the income-based rent.

For families who choose to pay flat rents, PHAs are provided the flexibility not to conduct income reexaminations annually. HUD regulations at 24 CFR §960.253(e)(2) and §960.257(a)(2) provide that for families that chose to pay flat rents PHAs must conduct reexaminations of family income at least once every 3 years, not annually. In years when a PHA does not conduct a full reexamination of family income, PHAs are not released from the requirement to give the family the option of paying the flat rent or the income-based rent as calculated from the most recent examination of family income and composition.

In order for PHAs to comply with the requirements to review rent options annually with families, and to provide families with sufficient information to make an informed choice, PHAs must do the following:

At initial occupancy, or in any year where a current program participating family is paying the income-based rent:

1. Conduct a full examination of family income and composition at the first annual rent option (Year 1);
2. Inform the family of the flat rent amount and the rent amount determined by the examination of family income and composition;
3. Inform the family of the PHA's policies on switching rent types due to financial hardship; and
4. Apply the family's rent decision at the next lease renewal.

At the second and third annual rent options, for families that choose to switch from income-based rent to pay the flat rent:

1. PHAs may, but are not required to conduct a full examination of family income and composition for the second and third annual rent options. If a PHA chooses not to conduct an examination of family income for these annual rent options, PHAs must use the income information from the examination of family income and composition from the first annual rent option;
2. PHAs must inform the family of the updated flat rent amount, and the rent amount determined by the most recent examination of family income and composition;
3. PHAs must inform the family of the PHA's policies on switching rent types due to financial hardship; and
4. PHAs must apply the family's rent decision at the next lease renewal.

For the purpose of conducting the rent option meeting for a family that has paid the flat rent for the previous 3 years, and for which the PHA has not conducted a re-examination of family income and composition in the last 3 years, the PHA must complete a full re-examination of family income and composition in order to update the income-based rent amount.

PHAs are reminded that the flat rent amount a family pays is not locked in for the 3-year period. Instead, the PHA must revise the flat rent amount from year to year based on changes to the FMR. Families currently paying the flat rent amount must be offered the choice between the updated flat rent amount, and the previously calculated income-based rent.

## **10. FLAT RENT REPORTING**

PHAs are required to report the amount of a flat rent and any ceiling rent to be charged to a household on line 10b of the form HUD-50058, as outlined in Section 3 of this Notice. As per the requirements of Section 6 of this Notice, PHAs must consider whether households are responsible for any utility expenses for a unit when establishing the flat rent for a unit. In the case that a household is responsible for paying for utilities, PHAs should report the amount of such utility allowance on line 10e of the form HUD-50058.

## **11. FLAT RENTS AND LOW-INCOME HOUSING TAX CREDIT PROPERTIES**

For Low-Income Housing Tax Credit (LIHTC) Public Housing units, it is possible that the minimum flat rent amount may exceed the LIHTC maximum rent. In other cases, the HUD minimum flat rent may be less than the LIHTC maximum rent. In the event that these amounts conflict, PHAs should set flat rents so as not to exceed the LIHTC maximum rent.

### **Example 1: LIHTC Maximum Rent is Lower than 80 Percent of HUD's FMR**

- 80 percent of HUD's FMR for a one-bedroom unit is \$450
- The LIHTC maximum rent is \$400
- The PHA should set its LIHTC Public Housing flat rents at \$400

### **Example 2: 80 Percent of HUD's FMR is Lower than LIHTC Maximum Rent**

- 80 percent of HUD's FMR for a one-bedroom unit is \$400
- The LIHTC maximum rent is \$450
- The PHA should set its LIHTC Public Housing flat rents at no less than \$400 and no greater than \$450

### **Example 3: Exception Flat Rent is Lower than LIHTC Maximum Rent and 80 Percent of HUD's FMR**

- 80 percent of HUD's FMR for a one-bedroom unit is \$400
- The LIHTC maximum rent is \$450
- The PHA has a HUD-approved flat rent exception request of \$375
- The PHA should set its LIHTC Public Housing flat rents at \$375

**12. CONTACT INFORMATION**

If you have questions regarding this Notice, please contact the Public Housing Management and Occupancy Division Flat Rent Review Team at:  
[flatrentexceptionrequests@hud.gov](mailto:flatrentexceptionrequests@hud.gov).

**13. PAPERWORK REDUCTION ACT**

The information collections referenced in this Notice have been approved by OMB pursuant to the Paperwork Reduction Act under, OMB# 2577-0220 and OMB# 2577-0226.

/s/

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Dominique Blom  
General Deputy Assistant Secretary for  
Public and Indian Housing



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-5000

OFFICE OF PUBLIC AND INDIAN HOUSING

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Special Attention of:  
Public Housing Agencies (PHAs),  
Public Housing Hub Office Directors,  
Public Housing Program Center Directors,  
Regional Directors,  
Field Office Directors; and  
Resident Management Corporations.

**Notice PIH 2018-19**

Issued: November 2, 2018  
This notice remains in effect until amended,  
superseded or rescinded.

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**SUBJECT: Housing Opportunity through Modernization Act of 2016 (HOTMA) –  
Implementation of Minimum Heating Standards in Public Housing Properties**

**1. PURPOSE**

This purpose of this notice is to provide implementation guidance related to the minimum heating requirements within public housing dwelling units as required by Section 111 of the Housing Opportunity Through Modernization Act of 2016 (HOTMA).

**2. BACKGROUND**

On July 29, 2016, HOTMA was signed into law (Public Law 114–201, 130 Stat. 782). HOTMA made numerous changes to statutes that govern HUD programs, including Section 9 of the United States Housing Act of 1937 (42 U.S.C. 1437g) (1937 Act). Section 9 of the 1937 Act was amended to add Subsection (o), Public Housing Heating Guidelines, which states, “The Secretary shall publish model guidelines for minimum heating requirements for public housing dwelling units operated by public housing agencies receiving assistance under this section.”

**3. APPLICABILITY**

This Notice applies to all PHAs administering the Public Housing program, including Moving to Work agencies.

**4. UTILIZATION OF EXISTING STANDARDS**

PHAs in states, territories, or localities with existing minimum heating standards shall utilize their respective local standards for public housing dwelling units. In instances where no such

guidelines exist, HUD has established minimum heating requirements for public housing dwelling units.

## 5. HUD MINIMUM HEATING STANDARDS

For a PHA where state or local minimum heating standards do not exist, the PHA shall use the following minimum heating requirements for public housing dwelling units in order to comply with Section 111 of HOTMA<sup>1</sup>:

- ***Minimum Temperature:***
  - If PHA-controlled, the minimum temperature in each unit must be at least 68 degrees Fahrenheit.
  - If tenant-controlled, then the heating equipment must have the capability of heating to at least 68 degrees Fahrenheit.
- ***Minimum Temperature Capability:***
  - PHAs are allowed flexibility in maintenance of the indoor temperature when the outdoor temperature approaches the design day temperature.<sup>2</sup> At no point should indoor temperatures in occupied space drop below 55 degrees Fahrenheit. This flexibility applies when at least one of the below criteria are met:
    - The outside temperature reaches or drops below the design day temperature, or
    - The outside temperature is within five degrees Fahrenheit of the design day temperature for more than two continuous days.
- ***Measurement:***
  - Temperature measurements must be taken three feet above the floor and two feet from an exterior wall in a habitable room.

## 6. FURTHER INFORMATION

For additional information or questions regarding this notice, please contact the local Public Housing Field Office Director or the Public Housing Management and Occupancy Division's policy mailbox at [PublicHousingPolicyQuestions@hud.gov](mailto:PublicHousingPolicyQuestions@hud.gov). Any persons with hearing or speech impairments may access this contact by calling the Federal Information Relay Service at 800-877-8339.

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<sup>1</sup> PHAs must update their Admissions and Continued Occupancy Policy to include residential minimum heating standards. If the inclusion of heating policies constitutes a significant amendment in accordance with the PHA's definition, then the PHA Plan must be amended.

<sup>2</sup> Design-day temperature refers to the lowest expected outdoor temperature that a heating system was designed to accommodate and still maintain the desired indoor temperature. This should translate, depending on local building code, to an outdoor temperature in the 1<sup>st</sup> to 5<sup>th</sup> percentiles of low outdoor temperatures for an area. For example, for Washington, DC the design day temperature is around 17°F. This means that 97.5% of the time the outside temperature will be at least 17°F. Therefore, a properly sized heating system in Washington, DC should be able to maintain a building's indoor temperature at 68°F when it is at least 17°F outside.



## **7. PAPERWORK REDUCTION ACT**

The information collections referenced in this Notice have been approved by OMB pursuant to the Paperwork Reduction Act under, OMB control numbers 2577-0230 and 2577-0266.

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Dominique Blom  
General Deputy Assistant Secretary  
for Public and Indian Housing



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**Special Attention of:**

Public Housing and Section 8 Program Administrators, Public Housing Hub Office Directors; Public Housing Field Office Directors; Program Center Coordinators; Resident Management Corporations; Resident Councils; Participants of Public Housing, Housing Choice Voucher, Project-Based Certificate, and Project-Based Voucher Programs; Section 8 Property Owners and Landlords

**Notice:** PIH 2018-24

**Issued:** November 27, 2018

**Expires:** Effective until amended, superseded, or rescinded

**Cross References:** 24 CFR §5.216, 24 CFR §5.218, and 24 CFR §5.233

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**SUBJECT: Verification of Social Security Numbers (SSNs), Social Security (SS) and Supplemental Security Income (SSI) Benefits; and Effective Use of the Enterprise Income Verification (EIV) System's Identity Verification Report**

**1. Purpose.** This notice is the administrative guidance that explains the procedures public housing agencies (PHAs) are required to use for verifying social security numbers, social security benefits of applicants, and participants and household members at the time of application for rental housing assistance programs and during mandatory reexamination of household income. This notice also includes the procedures for effective use of the EIV system to reduce subsidy payment and administrative errors. This notice supersedes Notice PIH 2012-10.

The notice includes the following updates:

- a. Updated website links and references.
- b. Removal of the provision in Paragraph # 22 requiring a PHA to notify HUD Headquarters when the PHA determines the tenant name or surname reported on the HUD 50058 is correct. In these instances, PHAs may notify the Social Security Administration (SSA).
- c. Revisions to the "Authorized Workarounds" in Paragraph # 22 for overdue examinations not completed due to pending litigation. Any information PHAs send to the field office must now be sent only by encrypted emails.
- d. Clarification of the penalties for noncompliance with EIV's Identity Verification Report in Paragraph # 24 and elimination of the right to appeal the imposition of penalties.

e. Elimination of the attachments.

2. **Applicability.** This notice applies to the following HUD-PIH rental assistance programs: Public Housing, Section 8 Moderate Rehabilitation, Project-Based Certificate, Project-Based Voucher, and Housing Choice Voucher Programs. This notice also applies to all PHAs, including Moving-to-Work (MTW) PHAs who administer these programs.
3. **Background.** The Housing and Community Development Act of 1987 (Public Law 100242; 101 Stat. 1864; 42 USC §3543) grants the Secretary the authority to require applicants and participants (including their household members) to disclose his/her social security number (SSN) as a condition of initial or continuing eligibility for participation in any HUD rental assistance program.

HUD uses the SSN (along with the name and date of birth) of an individual to validate that person's identity, obtain employment and income information via computer matching programs, and ensure duplicate assistance is not being paid. These uses allow HUD, program administrators, and auditors to determine compliance with program requirements, as well as determine the eligibility and level of assistance a family is eligible to receive and reduce improper payments, and to prevent fraud waste and abuse in HUD rental assistance programs.

Under HUD regulations at 24 CFR §§ 5.216 and §5.233, PHAs are required to use the EIV system to reduce administrative and subsidy payment errors. In accordance with this, PHAs:

- a. Use EIV's Identity Verification report for effective decision making, corrective action implementation, and reporting activities;
- b. Implement policies and procedures to minimize erroneous subsidy payments on behalf of families who have not complied with the required SSN disclosure and documentation requirements;
- c. Use EIV to validate and/or verify tenant-reported social security benefits; and
- d. Provide accurate and reliable information to HUD in the Inventory Management System Public and Indian Housing Information Center (IMS/PIC).

PHAs verify social security benefits of applicants, participants, and household members by contacting the local office of the SSA by phone, fax, or in writing; reviewing an original social security benefit check; or accepting tenant-provided benefit verification letters. SSA electronically provides HUD with available benefit information on all current participants and household members who have disclosed a valid SSN, name and date of birth which matches SSA records. HUD makes this information available to administrators of Public Housing and Section 8 programs through the EIV system. Electronic benefit verification is the most efficient verification method available and allows PHAs to process family annual and interim reexaminations expeditiously. SSA continues to receive requests for income verification from PHAs despite the electronic exchange of SS and SSI benefit

information between SSA and HUD. However, PHAs are not to refer applicants for or participants of HUD rental assistance programs to local SSA offices to obtain verification of the amount of their SS/SSI benefits. PHAs are required to use the EIV system as a third-party source to verify tenant income information during all mandatory annual and interim reexaminations of family income and composition, in accordance with 24 CFR §5.236 and HUD administrative guidance.

4. **Effective Date.** This notice is effective upon issuance and remains effective until amended, superseded, or rescinded.
5. **SSN Disclosure.** In accordance with 24 CFR §5.216, applicants and participants (including each member of the household and including, live-in aides, foster children, and foster adults) are required to disclose his/her SSA-assigned SSN, with the exception of the following individuals:
  - a. Those individuals who do not contend to have eligible immigration status (individuals who may be unlawfully present in the United States) **and** have not been assigned an SSN. These individuals in most instances would not be eligible for a SSN.
    - i. A family that consists of a single household member (including a pregnant individual) who does not have eligible U.S. citizenship or eligible immigration status is **not eligible** for housing assistance and cannot be housed.
    - ii. A family that consists of two or more household members **and at least one** household member that has eligible U.S. citizenship or eligible immigration status, is classified as a mixed family, and **is eligible** for prorated assistance in accordance with 24 CFR §5.520. The PHA may **not** deny assistance to mixed families due to nondisclosure of an SSN by an individual who does not contend to have eligible immigration status.

**Note:** Financial assistance may only be provided to individuals with eligible immigration status in accordance with 42 USC §1436a, which is generally evidenced by the individual providing his/her Green Card (Form I-551 – U.S. Permanent Residence Card) or other documentation approved by the Department of Homeland Security for noncitizens with refugee or asylee status.

- b. Existing program participants, who as of January 31, 2010, were 62 years of age or older (born on or before January 31, 1948). This exemption continues even if the individual moves to a new public housing assisted unit.

Disclosure of SSNs is considered information subject to the Federal Privacy Act (5 USC §552a, as amended). In accordance with 24 CFR §5.212, the collection, maintenance, use, and dissemination of SSNs, any information derived from SSNs and income information must be conducted, to the extent applicable, in compliance with that Act and all other provisions of Federal, State, and local laws.

An individual who previously declared to have eligible immigration or eligible citizenship status may **not** change his/her declaration to no longer contend to have eligible immigration

status to avoid compliance with the SSN disclosure and documentation requirements or penalties associated with noncompliance of these requirements.

**Note:** There are no provisions under HUD regulations which prohibit a mixed family from executing a lease or other legally binding contract. A mixed family includes individuals that have both eligible and ineligible aliens so long as at least one household member is eligible. However, some State laws prohibit single ineligible individuals from executing a contract (i.e., lease or other legally binding documents). If this is the case in your State, the family must **not** be admitted into the program.

- 6. SSN Documentation.** The PHA must request the applicant and participant (including each member of the household), who are not exempt under Paragraph 5 of this notice, to provide documentation of each disclosed SSN. Acceptable evidence of the SSN consists of:
- a. An original SSN card issued by SSA;
  - b. An original SSA-issued document, which contains the name and SSN of the individual; or
  - c. An original document issued by a Federal, State, or local government agency, which contains the name and SSN of the individual.

It should be noted that most (if not all) individuals who are lawfully present in the U.S. have been assigned an SSN. Many existing laws require the disclosure of the SSN for various purposes. All applicants and participants, including each member of the household (with the exception of those individuals noted in Paragraph 5 of this notice) are required to disclose his/her SSA-assigned SSN.

The SSA issues three types of social security cards depending on an individual's citizen or noncitizen status and whether or not a noncitizen is authorized by the Department of Homeland Security (DHS) to work in the United States. They include:

- a. The first type of card shows the individual's name and SSN only. This is the card most people have and reflects the fact that the holder can work in the U.S. without restriction. SSA issues this card to:
  - i. U.S. citizens; or
  - ii. Noncitizens lawfully admitted to the United States for permanent residence and noncitizens with DHS permission to work permanently in the United States (i.e., refugees and asylees).
- b. The second type of card bears, in addition to the individual's name and SSN, the legend: "**NOT VALID FOR EMPLOYMENT.**" SSA issues this card to lawful noncitizens who do not have DHS permission to work and are required by law to provide an SSN to obtain general assistance benefits that they already have qualified for.

- c. The third type of card bears, in addition to the individual's name and SSN, the legend "**VALID FOR WORK ONLY WITH DHS AUTHORIZATION.**" SSA issues this card to people with DHS permission to work temporarily in the United States. SSA verifies all noncitizens' documents with DHS before an SSN card is issued to a noncitizen.

**7. Rejection of Documentation.** The PHA may reject documentation of the SSN provided by the applicant or participant for only the following reasons:

- a. The document is not an original document; 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 PHA should explain to the applicant or participant, the reason(s) the document is not acceptable and request the individual to obtain acceptable documentation of the SSN and submit it to the PHA within a specified time frame.

**8. Verification of the SSN.** The PHA shall verify each disclosed SSN by:

- a. Obtaining the documentation listed under Paragraph 6 of this notice from applicants and participants (including each member of the household);
- b. Making a copy of the original documentation submitted, returning it to the individual, and retaining the copy in the file folder; and
- c. Recording the SSN on line 3n of the form HUD-50058 and transmitting the form HUD-50058 to HUD within a timely manner. PHAs are required to transmit the form HUD-50058 no later than 30 calendar days of receiving the SSN documentation, to enable HUD to initiate its computer matching efforts for current program participants.

**Note:** HUD does not initiate computer matching efforts for applicants.

HUD, via its computer matching program with the SSA, will validate the SSN (along with the individual's name and date of birth) against the SSA's database. EIV will report the status of the identity verification process as **Verified, Failed, Pending, Excluded, or Deceased** on the household *Summary Report*. Below is a summary of the action the PHA is required to take for each identity verification status.

- a. Verified. If the information matches the SSA database, the individual's identity verification status will be **Verified** (See Exhibit 1 below). No action is required by the PHA.

- b. **Failed.** If the information does **not** match the SSA database, the identity verification status will be **Failed** (see Exhibit 2 below). See Paragraph 22 of this notice for guidance on how to correct personal identifiers of individuals whose identity verification status is failed.
- c. **Pending.** If an individual's identity verification status is **Pending** (see Exhibit 3 below), this means that HUD has not yet sent the tenant's personal identifiers to SSA for validation. No action is required by the PHA.
- d. **Excluded.** Effective April 30, 2012, if an individual's identity verification status is **Excluded** (see Exhibit 4 below), this means that HUD will not send the tenant personal identifiers to SSA for validation because a valid SSN is not reported on line 3n of the form HUD-50058 or the individual has failed EIV pre-screening as described in Paragraph 22 of this notice.
- e. **Deceased.** If an individual's identity verification status is **Deceased** (see Exhibit 5 below), this means SSA's records indicate the person is deceased. The PHA is required to confirm the death with the family's head of household or listed emergency contact person. If the individual is deceased and the only household member or the only surviving household members are a live-in aide and the live-in aide's family (single member household), the PHA must complete an end of participation (EOP) action on form HUD-50058 and discontinue assistance and/or tenancy. If the individual is not deceased, refer to the instructions in PIH Notice 2012-04, dated January 1, 2012 (or any successor notice).

If there are authorized household members remaining in the program, update the family composition accordingly, complete an interim reexamination action on form HUD-50058, and take any other action in accordance with HUD administrative guidance (see PIH Notice 2012-04) and PHA-established policies.

See the *HUD-SSA Computer Matching Schedule* in Paragraph 17 of this notice to determine when your State's data will be matched. The PHA is required to retain the EIV **Summary Report** or **Income Report** in each family file as confirmation of compliance with the SSN disclosure, documentation and verification requirements. Electronic retention of these reports is permissible.

Once the individual's identity verification status is classified as **Verified**, the PHA may, at its discretion, remove and destroy the copy of the documents referenced in Paragraphs 6 and 8 of this notice. Paper documentation must be destroyed by either shredding or burning. Electronic documentation must be destroyed by erasing or permanently deleting the file. Additional guidance related to destruction of records is available in HUD Handbook 2400.25, Rev 4.1: *HUD Information Technology Security Policy*, dated March 2016. The handbook is available online at: <http://www.hud.gov/sites/dfiles/OCHCO/documents/240025CIOH.pdf>. Retention of the EIV report which shows an identity verification status of **Verified** in the tenant file is adequate documentation of a valid tenant SSN. This will minimize the risk of exposing the individual's SSN.

PHAs are encouraged to minimize the number of tenant records that contain documents which display the full nine-digit SSN. PHAs are permitted to maintain EIV income reports in the tenant file for the duration of tenancy, and no longer than three years from the end of participation date.

**Exhibit 1:** Example of an individual with an EIV identity verification status of **Verified**.

Household Members						
Member SSN	Member First Name	Member Last Name	Date of Birth	Age	Relationship	Identity Verification Status
***-**-0397	FLOYD		XXXX/1942	69	Head	Verified

**Exhibit 2:** Example of an individual with an EIV identity verification status of **Failed**.

Household Members						
Member SSN	Member First Name	Member Last Name	Date of Birth	Age	Relationship	Identity Verification Status
***-**-0681	Lori		XXXX/1954	58	Head	Failed

**Exhibit 3:** Example of an individual with an EIV identity verification status of **Pending**.

Household Members						
Member SSN	Member First Name	Member Last Name	Date of Birth	Age	Relationship	Identity Verification Status
***-**-3273	JOHN		XXXX/1969	42	Head	Pending

**Exhibit 4:** Example of an individual with an EIV identity verification status of **Excluded**.

Household Members						
Member SSN	Member First Name	Member Last Name	Date of Birth	Age	Relationship	Identity Verification Status
***-**-3027	zrizn	AVWMZMIVS	XX/XX/1945	67	Head	Verified
***-**-0726	zrxfo	AVWMZMIVS	XX/XX/1970	41	Other Adult	Excluded
***-**-0954	zilwzhr	AVWMZMIVS	XX/XX/1995	16	Other youth under 18	Verified
***-**-0205	luolwz	AVWMZMIVS	XX/XX/2002	10	Other youth under 18	Verified

**Exhibit 5:** Example of an individual with an EIV identity verification status of **Deceased**.

Household Members						
Member SSN	Member First Name	Member Last Name	Date of Birth	Age	Relationship	Identity Verification Status
***-**-3872	Dorothy		XX/XX/1934	78	Head	Deceased
***-**-7962	Sammuel		XX/XX/1983	28	Live-in aide	Verified

9. **Invalid SSNs.** An invalid SSN is an SSN that SSA has never assigned. SSA has never assigned an SSN with the first three digits of: 000, 666, or 900 series (numbers within the 900-999 range). Additionally, prior to June 25, 2011, SSA never assigned an SSN with the



first three digits of: 000, 666, 772, 800, or 900 series. SSA has never assigned an SSN with the second two digits of 00 or the last four digits of 0000. For additional information on ways to determine if an SSN is valid, visit SSA's website:

<http://www.socialsecurity.gov/employer/ssnvhighgroup.htm>.

If you suspect someone of committing fraud, waste, or abuse against SSA, report it to SSA's Office of Inspector General (OIG) by mail, fax, or phone.

**U.S. Mail:** Social Security OIG Hotline  
P.O. Box 17785  
Baltimore, Maryland 21235

**FAX:** 410-597-0118

**Telephone:** 1-800-269-0271 from 10:00 a.m. to 4:00 p.m. Eastern Standard Time

**TTY:** 1-866-501-2101 for individuals that are speech and/or hearing impaired

**10. Individuals without an assigned SSN.** It is not uncommon for certain individuals to not have an SSA-assigned SSN. Below is a listing of such individuals, which is not all-inclusive:

- a. U.S. newborn children (eligible citizens - these individuals will be issued an SSN upon SSA confirmation of birth).
- b. Noncitizens lawfully present in the U.S. (ineligible noncitizens - these individuals will be issued an SSN upon SSA confirmation of the individual's DHS documentation or confirmation that the individual is required by law to provide an SSN to receive general assistance benefits that they already have qualified for).
- c. Noncitizens unlawfully present in the U.S. (ineligible noncitizens - typically, these individuals cannot be assigned an SSN).

PHAs are required to use the Public and Indian Housing Information Center (PIC) Tenant ID Management tool to generate a unique identifier (commonly referred to as an alternate ID (ALT ID)) for those individuals who have not been assigned an SSN. A job aid for use of the PIC Tenant ID Management tool is available online at:

[http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/public\\_indian\\_housing/systems/pic/ts](http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/systems/pic/ts).

Contact the PIC Coach in your local HUD office if you need assistance with PIC.

Once an individual discloses an SSN, the PHA must use the Tenant ID Management tool to replace the ALT ID with the disclosed SSN within 30 calendar days of receipt of the SSN.

**Note:** SSA requires that an individual who has never been issued a SSN card or has lost their SSN card, complete Form SS-5 – *Application for a Social Security Card* to request an original or replacement SSN card or change information on his/her SSA record. The form is available online at [www.socialsecurity.gov](http://www.socialsecurity.gov), or can be obtained at the local SSA office.

**11. Individual Taxpayer Identification Number (ITIN).** An ITIN is a taxpayer identification number for **Federal tax purposes only** for certain non-residents and resident noncitizens, their spouses and dependents, who cannot obtain an SSN. The ITIN begins with the number “9” and is formatted like a SSN (9XX-XX-XXXX). However, the ITIN is **not** an SSN and PHAs must **not** report the ITIN on line 3n of the form HUD-50058. PHAs are required to use the Tenant ID Management tool to replace any reported ITIN on line 3n of the form HUD-50058 with an SSN or an ALT ID.

ITINs do not entitle a noncitizen to social security benefits, create any inference regarding a noncitizen’s immigration status, or give a noncitizen a right to work in the U.S.

**12. Addition of a New Household Member.** When a participant requests to add a new household member, who is at least 6 years of age or is under the age of six and has an SSA-assigned SSN, to the family, the participant must disclose the SSA-assigned SSN and provide the PHA with the documents referenced in Paragraph 6 of this notice at the time of such request, or at the time of processing the interim or annual reexamination of family income and/or composition. If the family is unable to provide the required documentation of the SSN, the PHA shall not add the new household member to the family composition until the family provides such documentation. The PHA is not authorized to generate an ALT ID for the affected household member.

When a participant requests to add a new household member, who is under the age of six and does not have an SSA-assigned SSN, the participant must disclose the SSA-assigned SSN and provide the PHA with the documents referenced in Paragraph 6 of this notice within 90 calendar days of the child being added to the household.

If the family is unable to disclose and provide evidence of the SSN within 90 calendar days, the PHA is required to grant the family an additional 90-day period to comply with the SSN disclosure and documentation requirement, **only if** the PHA determines the family was unable to comply with the requirements due to circumstances that could not have reasonably been foreseen and were outside the control of the family. Examples include but are not limited to: delayed processing of SSN application by SSA, natural disaster, fire, death in family, etc.

The child is to be included as part of the assisted household and is entitled to all the benefits of being a household member during the allotted time for the family to comply with the SSN disclosure and documentation requirements. The PHA is required to generate an ALT ID as referenced in Paragraph 10 of this notice. Upon expiration of the provided time period, if the family has not complied with the SSN disclosure and documentation requirements, the PHA **must** terminate the entire family’s tenancy or assistance, or both.

**13. Penalties for Failure to Disclose and/or Provide Documentation of the SSN.** In accordance with 24 CFR §5.218, the following penalties apply for noncompliance with the SSN disclosure and documentation requirements:

- a. **Applicants.** The PHA must deny the eligibility of an assistance applicant if s/he (including each member of the household required to disclose his/her SSN) does not disclose a SSN and/or provide documentation of such SSN. However, if the family is

otherwise eligible to participate in the program, the family may maintain his/her position on the waiting list for the time determined by the PHA. The PHA should prescribe in its policies, the maximum time the family may remain on the waiting list, pending disclosure of requested information. If all household members have not disclosed their SSN at the time a unit becomes available, the PHA must offer the available unit to the next eligible applicant family on the waiting list.

Applicants to the Section 8 Moderate Rehabilitation Single Room Occupancy (SRO) Program for Homeless Individuals, under 24 CFR §882, may be admitted to the program without providing the requested documentation (prior to or at admission), however, the individual must provide the PHA with such documentation within 90 calendar days from the date of admission. The PHA may grant the individual one 90-day extension, if in its discretion, determines that the individual's failure to comply with the SSN documentation requirement was due to unforeseen circumstances and outside the control of the family. If upon the expiration of the provided time period, the individual fails to comply with the SSN disclosure and documentation requirements, the PHA must terminate the individual's tenancy or assistance, or both.

- b. **Participants.** The PHA must terminate the assistance of Section 8 program participants (the entire household) and terminate the tenancy of Public Housing participants (the entire household) if s/he (including each member of the household required to disclose his/her SSN) does not disclose his/her SSN and provide the required documentation. However, if the family is otherwise eligible for continued assistance or tenancy in the program, the PHA, at its discretion, may defer the family's termination and provide the family an opportunity to comply with the requirement within a period **not to exceed** 90 calendar days from the date the PHA determined the family noncompliant with the SSN disclosure and documentation requirement, only if the PHA determines:
- i. The failure to meet the SSN disclosure and documentation requirements was due to circumstances that could not have been foreseen and were outside the control of the family; and
  - ii. There is a reasonable likelihood that the family will be able to disclose the SSN and provide such documentation of the SSN by the deadline.

If the family is unable to comply with the requirements by the specified deadline, the PHA must terminate the entire family's tenancy or assistance, or both. The PHA must deny admission or terminate the family's tenancy or assistance, or both, if the family submits falsified SSN documentation.

**14. PHA Penalties for Noncompliance.** PHAs are required to ensure compliance with SSN disclosure, documentation, and verification requirements outlined in this notice and HUD regulations, including the enforcement of penalties for a family's failure to comply with the HUD requirements. PHAs may be subject to sanctions and/or the assessment of disallowed costs associated with any resulting incorrect subsidy or tenant rent calculation or both as a result of a PHA's noncompliance and/or enforcement of the SSN disclosure, documentation, and verification requirements outlined in this notice and the applicable HUD regulations.

**15. Third Party Verification Requirement.** PHAs are required to comply with admission and occupancy requirements for Public Housing under 24 CFR §960.259(c)(1) and Section 8 under 24 CFR §982.516(a)(2), which require PHAs to obtain and document in the family/tenant file, third party verification of the following factors, or document in the file why third party verification was not available: (1) reported family annual income; (2) the value of assets; (3) expenses related to deductions from annual income; and (4) other factors that affect the determination of adjusted income or income-based rent.

It is the Department's position that an SSA benefit verification letter (dated within the last 60 days of the PHA request date for information or within the PHA-tenant interview date) provided by the family or an undisputed EIV *Income Report* which displays the current social security benefit amount is third party verification. No additional verification is required by the PHA. SSA has requested that PHAs refrain from submitting requests to SSA to verify that a family is **not** receiving social security benefits. Should neither document be available or there is a conflict, refer to PIH Notice 2018-18, dated October 26, 2018 (or any successor notice).

**16. Third Party Verification of SS/SSI Benefits of Applicants and Household Members.**

EIV does not contain SS and SSI benefit information of applicants for HUD's rental assistance programs. PHAs must ask applicants to provide a copy of their SS and/or SSI benefit letter, dated within the last 60 calendar days, for each household member that receives SS and/or SSI benefits. Do not send applicants to SSA offices if they do not have this information. Instead:

- a. While meeting with the applicant, help the applicant request a benefit verification letter from SSA's website, Social Security Online, at: [www.socialsecurity.gov](http://www.socialsecurity.gov). This service is free and SSA will send the letter to the applicant within 10 business days. To access the site for requesting benefit verification letters, go to the Social Security Online front page, click on the *Online Services* link; click on the applicable link. For example: *If you get Social Security benefits or have Medicare you can*, then click on the *Get your benefit verification letter* link; **or**, *if you get Supplemental Security Income (SSI) you can*, then click on the *Get your benefit verification Letter* link and follow the instructions on the *Information about the Proof of Income Letter* page. Assist the applicant in answering questions and explain how the applicant should provide the letter to your office; **or**
- b. Ask the applicant to request a *Proof of Income Letter* from SSA's toll-free number 800-772-1213. Persons with speech or hearing impairments may call SSA's toll-free telephone typewriter (TTY) number 800-325-0778, Monday through Friday, between 7:00 a.m. and 7:00 p.m.

**Note:** SSA encourages SS and SSI recipients to use SSA's web site rather than the toll-free number to request *Proof of Income* letters.

- c. The PHA must obtain the original SSA benefit letter from the individual, make a photocopy of the document for the PHA file and return the original document to the individual. The PHA is required to use the gross benefit amount reported on the SSA *Proof of Income Letter* to calculate annual income from social security benefits.

### 17. Third Party Verification of SS/SSI Benefits of Participants and Household Members.

**SSA-provided** SS/SSI benefit information for participants and household members, who have validated personal identifiers (the individual's identity verification status in EIV is **Verified**), is available from HUD's online EIV system, which can be accessed by authorized PHA staff at: [https://hudapps.hud.gov/HUD\\_Systems](https://hudapps.hud.gov/HUD_Systems).

- a. PHAs are required to use EIV to verify SS/SSI benefits of current participants and household members. PHAs who do not currently have access to EIV must contact their local HUD field office to register for access to the EIV system. PHA EIV access is set up by the PHA's designated EIV User administrator and approved by the EIV Coordinator in the local HUD office. Information regarding HUD's EIV system is available online at: [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/public\\_indian\\_housing/programs/ph/rhiip/uivsystem](http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/rhiip/uivsystem).

PHAs are required to view the EIV *Income Report* and confirm with the tenant that the current listed benefit amount is correct. If the tenant agrees with the current EIV-reported amount, the PHA is required to use the EIV-reported gross benefit amount to calculate annual income from social security benefits.

- b. If the tenant disputes the EIV-reported benefit amount, the PHA is required to request the tenant to provide a current (dated within the last 60 calendar days) SSA *Proof of Income Letter*. If the tenant is unable to provide the requested document, the PHA is required to follow the instructions under *Third Party Verification of SS/SSI Benefits of Applicants and Household Members* (see Paragraph 16 of this notice). The PHA is required to use the gross benefit amount reported on the SSA *Proof of Income Letter* to calculate annual income from social security benefits.
- c. If the tenant's benefit information is **not** available in the EIV system, the PHA is required to follow the instructions under *Third Party Verification of SS/SSI Benefits of Applicants and Household Members* (Paragraph 16 of this notice). The PHA is required to use the gross benefit amount reported on the SSA *Proof of Income Letter* to calculate annual income from social security benefits.

**Note:** It is possible for EIV to not display SS/SSI benefit information although the individual has been receiving benefits for years. EIV displays only benefit information that has been received from SSA.

- d. Photocopies of social security checks or bank statements are **not** acceptable forms of verification for SS/SSI benefits because the dollar amount listed may not be the gross benefit amount.

**Note:** SS/SSI benefit information in the EIV system is updated every three months in accordance with the below schedule during the 1st and 15th of the month. Income information is posted to the family's individual EIV *Income Report* (accessible by using EIV's *Income Information By Head of Household function*). Recently posted SSA

income information during the work week (Monday through Friday) will **not** be available via batch EIV **Income Reports** (accessible by using EIV's *Income Information By Reexamination Month* function) until successful completion of EIV's weekend summarization job which posts updated information to all batch verification reports every Saturday morning.

SS/SSI benefits are increased annually to reflect the SSA-approved cost of living adjustment (COLA) for all beneficiaries by December 31st in the EIV system. However, due to the large volume of data processed by the Department, there may be a delay in updating the new SS/SSI benefit amounts until January 15.

HUD-SSA Computer Matching Schedule	
PHA State	Month Matched
AK, DC, DE, GQ, HI, IA, IN, KS, LA, ME, NC, NE, NH, NJ, NV, OH, RI, SD, TN, TQ, TX, UT, VQ, VT, WV, WY	January, April, July, October
AL, FL, GA, ID, IL, KY, MD, MI, MO, ND, NY, VA	February, May, August, November
AR, AZ, CA, CO, CT, MA, MN, MS, MT, NM, OK, OR, PA, RQ, SC, WA, WI	March, June, September, December

**18. SS and SSI Benefit Amounts Reported in EIV.** All Federal SS and SSI benefit amounts are reported in EIV as whole dollar amounts. By law, SSA rounds all benefit amounts down to the next lower whole dollar. As such, the SS and SSI benefit amount listed on an SSA *Proof of Income Letter* may differ from what is reported in EIV. For example, an SSA benefit letter may list the monthly benefit amount as \$450.80 and EIV will display the amount as \$450.00. This disparity is unsubstantial and typically has no impact on the family rent contribution amount. However, to ensure consistency in the determination of annual SS and SSI income, PHAs are required to use the EIV-reported SS and SSI benefit amounts unless the tenant disputes the EIV-reported amount. In instances in which the family disputes the EIV-reported SS and/or SSI benefit amount, PHAs are required to follow the verification requirement outlined in Paragraph 16 of this notice and use the full amount listed on the SSA *Proof of Income Letter* and round the final result of the calculation and report on the applicable line(s) of the form HUD-50058 as outlined below.

**Note:** When calculating any monetary amount always use the full dollar amount and cents and round the final result.

**19. Reporting of monetary figures on the form HUD-50058.** Enter only whole dollar amounts. Do not include cents, commas, or dollar signs. Enter \$4,500.00 as 4500. Round each monetary amount up when a number is \$0.50 or above. Enter \$4,500.80 as 4501. Round each monetary amount down when a number is \$0.49 or below. Enter \$4,500.25 as 4500.

**20. Applying SSA COLA to Current Annual and Interim Reexaminations.** Each year during the month of October, SSA announces the 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](http://www.socialsecurity.gov).

Effective the day after SSA has announced the COLA, PHAs are required to factor in the COLA when determining SS and SSI annual income for all annual reexaminations and interim reexaminations (in accordance with PHA-established policy) of family income which have **not** yet been completed **and** will be effective January 1<sup>st</sup> or later of the upcoming year.

**Example:** Bob Jones currently receives \$500 a month (SS benefit). You are currently working on his reexam (in November 2011) which is effective 02/01/2012. The PHA must determine annual SS income as follows:

- Current benefit amount:  $\$500 \times 3.6\%$  [or 0.036] (COLA rate) = **\$18.00 COLA**
- New gross SS benefit effective 01/01/2012 = **\$518.00** (\$500 current benefit + \$18 COLA)
- Annual income effective 02/01/2012:  $\$518 \times 12$  = **\$6,216.00**.

## 21. Treatment of SSA Overpayment Deductions from Social Security Benefits.

**SSA Overpayment Deductions.** An overpayment occurs when SSA pays an individual more than s/he should have been paid. If this happens, SSA will notify the individual and his/her designated representative payee, if applicable. Recovery of an overpayment is made by withholding the monthly social security check until the overpayment is paid in full (individuals receiving SS benefits), unless the individual requests a lesser withholding amount and SSA approves the request. Full withholding would start 30 days after SSA notification of the overpayment. SSA begins deducting money (for overpayment recovery) from SSI payments at least 60 days after SSA notification of the overpayment. Generally, SSA will withhold 10 percent of the maximum Federal SSI benefit rate each month. However, an individual may request that less be taken from their benefit, or an individual may ask to pay back the overpayment at a rate greater than 10 percent.

Regardless of the amount withheld to repay SSA the overpayment amount, or the length of the anticipated withholding period, the PHA must use the reduced benefit amount after deducting only the amount of the overpayment withholding from the gross benefit amount. The PHA should be cognizant of the SSA-determined overpayment amount and length of time the reduced payment will occur, to ensure the family's accurate rent contribution for the duration of reduced income; however, circumstances may arise affecting the end date of the withholding period, causing it to go on longer than anticipated. See examples below.

**Note:** A Social Security overpayment can be withheld from an SSI payment due to the beneficiary.

**Example 1:** Bob's gross monthly SSI benefit is \$500 (or \$6,000 annually). On February 1, 2012, Bob brings in a letter showing that SSA has determined that he has been overpaid by

\$100 and will begin deducting 10% (\$50) from his monthly check on March 1, 2012. Note that this deduction would occur for **only 2 months** (March and April). The PHA would calculate annual income at \$5,400 ( $\$500 - \$50 = \$450 \times 12$ ) and Bob's rent contribution should be changed for two months; however, once the deduction ends (May 2012), annual income should be recalculated again, and the full SSI benefit should again be used to calculate annual income.

**Example 2:** Sue's gross monthly SSI benefit is \$500 (or \$6,000 annually). On February 1, 2012, Sue brings in a letter showing that SSA has determined that she has been overpaid by \$2,000 and will begin deducting 10% (\$50) from her monthly check on March 1, 2012.

Note that this deduction would occur for 40 months.

The PHA would calculate annual income at \$5,400 ( $\$500 - \$50 = \$450 \times 12$ ) and Sue's rent contribution should be changed and effective until the next reexamination of income, at which time a new redetermination would be made based on current information and documentation.

## 22. Additional Information Regarding Supplemental Security Income (SSI).

This paragraph provides PHAs with additional information regarding federal SSI benefits paid by SSA which should be considered by the PHA at the time a family or individual applies for initial or continued participation in a HUD rental assistance program. Additional information is available online at: <http://www.ssa.gov/ssi/spotlights/spot-living-arrangements.htm> and <http://www.ssa.gov/ssi/text-benefits-ussi.htm>.

- a. Generally, prior to the admission into a HUD rental assistance program, individuals who live in institutions such as hospitals, nursing homes, prisons or jails are not eligible for SSI or are only eligible for a maximum of \$30 a month (some States supplement this \$30 benefit). However, this reduced SSI benefit amount may increase once the individual reports his or her new residency address to SSA. Accordingly, PHAs must consider the increased benefit amount when conducting subsequent reexamination of family income in accordance with HUD requirements and the PHA's policies.
- b. Some States supplement the Federal SSI benefit with additional payments. The following States do not supplement the Federal SSI benefit with additional payments: Arkansas, Arizona, Mississippi, North Dakota, Tennessee, and West Virginia. EIV will display (as reflected in the below EIV screenshot) the State-paid SSI amount as supplied by SSA for individuals that reside in the following States: California, Delaware, District of Columbia, Hawaii, Iowa, Michigan, Montana, Nevada, New Jersey, Pennsylvania, Rhode Island, and Vermont. Accordingly, PHAs must include State-paid SSI benefits in addition to Federal-paid SSI benefits when determining annual income in accordance with HUD requirements and the PHA's policies.



Supplemental Security Income Benefits		Payment History of Net Benefits Paid			
Verification Data		Date	Federal Amount	State Amount	Type of Payment
Payment Status Code:	CO1 - Current Pay				
Alien Indicator:	K				
SSI Monthly Assistance Amount (Current):	\$898.00	01/01/2012	\$898.00	\$156.00	Recurring Payment
State Supplement Amount (Current):	\$156.00	07/01/2011	\$874.00	\$156.00	Recurring Payment
Payee Name and Address:	MARTH	09/01/2010	\$874.00	\$171.00	Recurring Payment
		08/11/2010	\$38.00	\$0.00	Underpayment
		08/01/2010	\$874.00	\$171.00	Recurring Payment
		07/01/2010	\$895.00	\$171.00	Recurring Payment
		07/01/2010	\$38.00	\$0.00	Recovery Voided
		08/01/2010	\$874.00	\$171.00	Recurring Payment

Date Received by EIV: 12/02/2011

### 23. How to Ensure Availability of Social Security Benefit Information in the EIV System.

The availability of SS and SSI benefit information in the EIV system depends on PHA data quality and timely submission of form HUD-50058 to the PIC. PHAs must ensure that data entered in section 3 of the form HUD-50058 (i.e., household members' name, date of birth and social security number) is complete and accurate. The first and last name of each household member reported on the form HUD-50058 must be listed **exactly** as it is listed on SSA records.

If a family's form HUD-50058 is not successfully submitted to PIC or if it has been 15 or more months since the effective date listed on the current form HUD-50058 available in PIC, HUD will not initiate computer matching for these individuals and new income information will **not** be available in EIV.

In accordance with 24 CFR §5.233(a)(2)(ii), PHAs are required to use EIV to reduce administrative and subsidy payment errors. As such, PHAs are required to use EIV's **Identity Verification Report** on a monthly basis to correct noted deficiencies within 30 calendar days and improve the availability of income information in EIV. This report contains two reports (*Failed EIV Pre-Screening and Failed SSA Identity Test*), which can help the PHA improve the availability of income information and assist the PHA in identifying tenant personal identifiers that require correction. The **Identity Verification Report** contains a third report called *Pending Verification*.

Below is a summary of how these reports can be beneficial to the PHA.

- a. **Failed EIV Pre-screening Report:** Informs the PHA of any tenant who has failed HUD's EIV pre-screening process due to incorrect personal identifiers (date of birth, surname, and/or SSN) or invalid form HUD-50058 transmitted (e.g. effective date of action is 15 or more months ago – an indication of a possible overdue annual reexam). Household members with a PIC-generated ALT ID will appear on EIV's **Immigration Report**. Tenants that appear on this report are excluded from the data matching process with the SSA and Department of Health and Human Services' (HHS') National Directory of New Hires (NDNH). Thus, HUD will not request or obtain income information for these individuals.

PHA staff is required to review this report on a monthly basis; if applicable, obtain appropriate documentation from the tenant, update section 3 of the form HUD-50058,

accordingly, and successfully transmit a corrected or updated form HUD-50058 to PIC; or use the PIC Tenant ID Management tool to replace incorrect SSNs, ITINs, or ALT IDs within 30 calendar days of receiving the SSN documentation.

For invalid (PIC-rejected) forms HUD-50058, PHA staff is required to review the PIC Error Submission report and take appropriate action to correct the error and successfully submit a corrected form HUD-50058 to PIC in accordance with the PIC Technical Reference Guide available online at:

<https://www.hud.gov/offices/pih/systems/pic/50058/pubs/trg>.

Pages 184-186 provide guidance on how to correct specific PIC errors. The PIC Coach within the PHA's designated local HUD office is available to assist with PIC. Additional PIC help resources are available online at:

[http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/public\\_indian\\_housing/systems/pic/gethelp](http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/systems/pic/gethelp).

- b. **Failed SSA Identity Test Report:** Informs the PHA of any tenant whose identity cannot be confirmed by SSA due to incorrect personally identifiable information (PII) (date of birth, surname, and/or SSN) recorded in section 3 of the form HUD-50058, which do not match the personal identifiers reported in SSA's database or SSA has determined that a tenant is deceased. HUD verifies all tenant-reported PII against the SSA database. For certain tenants, SSA will provide the date of birth and/or social security number as reported in SSA's files. PHAs are required to update the form HUD-50058 with the SSA-provided information. As outlined in Paragraph 10 of this notice, PHAs must use the PIC Tenant ID Management tool to replace incorrect SSNs or ALT IDs with the correct SSN. If a tenant disputes the SSA-provided information, the tenant must resolve this disparity with SSA.

PHA staff is required to review this report monthly and if applicable, obtain appropriate documentation from the tenant, update section 3 of the form HUD-50058, accordingly, and successfully transmit a corrected form HUD-50058 to PIC within 30 calendar days. Effective April 30, 2012, the **Failed SSA Identity Test Report** (and the **Income Report**) will include the date SSA verified the tenant PII, as reflected in the below EIV screenshot. This feature will allow HUD and PHAs to monitor timely implementation of corrective action to address incorrect PII.

**Failed EIV Pre-Screening** **Failed SSA Identity Test** **Pending Verification**

Failed SSA Screening as of 12/31/2011	
Participant Code:	OH001 Columbus MHA
Program Type:	All PIH Programs
Reexamination Month:	All
Households that Failed Verification:	102
Action Type:	All

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Next Group   
1 - 50 of 102 Households [Last Page](#)

HOH SSN ***-**-2272   HOH Name bruzh URIZ SH   HOH DOB 12/31/1976				
Member SSN	Member Name	Member DOB	Failed Verification Description	Date of Verification
***-**-0083	rszofwyz SZIZU	12/07/2010	Verification failed - SSN not found in SSA records	12/04/2010

HOH SSN ***-**-3404   HOH Name vshzpz NRIZPRWYZ   HOH DOB 12/31/1960				
Member SSN	Member Name	Member DOB	Failed Verification Description	Date of Verification
***-**-3404	vshzpz NRIZPRWYZ	12/31/1960	Verification failed - Date of birth matched, but surname did not match with SSA records	12/04/2008
***-**-8235	vnrw ZHRNZ	01/07/1971	Verification failed - Date of birth matched, but surname did not match with SSA records	12/04/2008
***-**-4597	vnrw MZNSZIFWYZ	07/22/1998	Verification failed - Date of birth matched, but surname did not match with SSA records	12/04/2008
***-**-9825	vshzpz ROHZ	05/28/1994	Verification failed - SSN not found in SSA records	12/04/2008

c. **Pending Verification Report:** This report identifies households and household members in which the tenant PII is scheduled to be matched against SSA's database with HUD's next monthly computer matching effort in accordance with the computer matching schedule in Paragraph 17 of this notice.

<b>Identity Verification Report: Failed SSA Identity Test Report Error Messages</b>			
<b>No.</b>	<b>Error Message Description</b>	<b>Error Message Explanation</b>	<b>Required PHA Corrective Action</b>
1	SSN is verified; <b>individual is deceased</b> <b>Or</b> SSN is verified; <b>individual is deceased MM/DD/YYYY</b>	The tenant's SSN has been verified by SSA and the individual is deceased.  If a date follows the error message, this is the date of death as reflected in SSA records.	Contact tenant's adult family member or next of kin to confirm death. Upon confirmation of death, update family composition accordingly. If a single member deceased household, take appropriate action in accordance with HUD administrative guidance, program requirements and PHA-established policies, including termination of HAP contract (Section 8 only) and transmit an End of Participation (EOP) (action type 6) form HUD-50058. If applicable, recover HAP overpayment from landlord.
2	Verification failed - SSN not found in SSA records XXXXXXXXXX	The tenant SSN recorded on line 3n of the form HUD-50058 is not a valid number issued by SSA. However, the SSN reflected in SSA records is listed at the end of the error message.	Update line 3n of form HUD-50058 with the SSA-provided SSN.

<b>Identity Verification Report: Failed SSA Identity Test Report Error Messages</b>			
<b>No.</b>	<b>Error Message Description</b>	<b>Error Message Explanation</b>	<b>Required PHA Corrective Action</b>
3	Verification failed – SS/SSI benefits cannot be disclosed due to <b>discrepancy in date of birth MM/DD/YYYY</b>	The tenant is receiving SS/SSI benefits; however, SSA cannot disclose the benefit amount because the date of birth recorded on line 3e of the form HUD-50058 does not match the DOB in SSA records is listed at the end of the error message.	Request the tenant to provide a current SS/SSI benefit letter. Update line 3e of form HUD-50058 with the SSA-provided DOB. The tenant must follow-up with SSA to dispute the SSA-provided DOB.
4	No benefits reported by SSA <b>MM/DD/YYYY</b>	No benefits reported by SSA. The date of birth recorded on line 3e of the form HUD-50058 does not match the DOB in SSA records. However, the DOB reflected in SSA records is listed at the end of the error message.	Update line 3e of form HUD-50058 with the SSA-provided with SSA to dispute the SSA provided DOB.
5	Verification failed – Date of birth matched, but surname did not match with SSA records or Surname does not match; DOB was checked	The surname recorded on line 3b of the form HUD-50058 is not the same surname reflected in SSA's records.	Ask the tenant to provide documentation (SSN card, birth certificate, State issued identification card, marriage license or court documents) of the other name he/she is using. Update line 3b of form HUD-50058 with the correct surname.
6	Verification failed – SS/SSI benefits cannot be disclosed due to <b>discrepancy in name</b>	The tenant is receiving SS/SSI benefits; however, SSA can not disclose the benefit amount because the PIC-reported SSN is not assigned by SSA to the PIC-reported tenant name.	Request the tenant to provide a current SSN assignment letter or SS/SSI benefit letter. Ask the tenant to provide documentation (SSN card, birth certificate, State issued identification card, marriage license or court documents) of the other name he/she is using. Update line 3b and/or 3c of form HUD-50058 with the correct first name and/or surname.

<b>Identity Verification Report: Failed SSA Identity Test Report Error Messages</b>			
<b>No.</b>	<b>Error Message Description</b>	<b>Error Message Explanation</b>	<b>Required PHA Corrective Action</b>
7	Verification failed – SSN not found in SSA records <b>XXXXXXXXXX</b>	The tenant’s SSN recorded on line 3n of the form HUD-50058 is not a valid number issued by SSA. However, the SSN reflected in SSA records is listed at the end of the error message.	Update line 3n of form HUD-50058 with the SSA-provided SSN.
8	Verification failed – <b>SSN not found</b> in SSA records <b>or SSN is not in file</b>	The tenant’s SSN recorded on line 3n of the form HUD-50058 is not a valid number issued by SSA or listed in SSA records.	Request original SSN card from tenant. Confirm SSN displayed on the card matches the SSN reported on line 3n of form HUD-50058. If the numbers do not match, make the necessary correction on line 3n of form HUD-50058. For continued SSN failures, notify HUD, OIG or other law enforcement agency.

**Note:** If SSA’s records are wrong, only the tenant can request SSA to correct his/her record, by completing and submitting form *SS-5 Application for a Social Security Card* to the local SSA office.

<b>Identity Verification Report: Failed EIV Pre-screening Report Error Messages</b>			
<b>No.</b>	<b>Error Message Description</b>	<b>Error Message Explanation</b>	<b>Required PHA Corrective Action</b>
1	Failed DOB check.	The date of birth is blank or null.	Enter DOB on line 3e of the form HUD-50058. Ensure only numbers are recorded.
2	Failed effective date check.	The effective date of action is more than 15 months old.	Enter a current effective date on line 2b of the form HUD-50058. The PHA must ensure that it has completed a current reexam of family income and composition.
3	Failed last name check.	The last name is blank or null.	Enter last name on line 3b of the form HUD-50058. Ensure only alpha characters are recorded. Do not include special characters such as -, ~, ` , or ‘.

4	Failed SSN check.	The SSN is not numeric or all 9s or LIKE {000% } or LIKE {__00% } or LIKE {%0000}.	Enter valid SSN on line 3n of the form HUD-50058. Do not use repetitive numbers, as directed in the current Form HUD-50058 Instruction Booklet, if tenant has not disclosed an SSN. The PHA is required to generate an ALT ID for affected individuals as outlined in Paragraph 9 of this notice. <b>Note:</b> This error message will occur for any individual with a PIC-generated ALT ID. If the individual is a U.S. Citizen/National or eligible noncitizen, the PHA is required to follow up with the family to obtain documentation of the SSN. If the individual does not contend to have eligible immigration status (and coded as an ineligible noncitizen on the form HUD-50058), no further action is required by the PHA.
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PHAs are authorized to implement the below HUD-approved workaround for any overdue reexamination which the PHA has not completed due to pending litigation.

**Authorized Workaround:**

1. The PHA has the discretion to submit the following information to their local HUD field office but **ONLY** by using encrypted email:
  - a. PHA Certification signed and dated by the Executive Director or designated official on the PHA's letterhead, which states the following:
    - i. I certify under the penalties of perjury that the attached list of head of household (HOH) names have an overdue reexamination due to pending litigation initiated by the Housing Authority or tenant. I agree to submit an updated form HUD-50058 to PIC, in accordance with HUD guidance, once the court has issued a final order or the family discontinues participation in a PIH rental assistance program, whichever occurs first.
    - ii. I understand that HUD may request copies of court proceedings filed with the court and agree to furnish such documents and any other documents associated with the pending litigation upon written request of a HUD official.
  - b. A listing of HOHs in which there is pending litigation, the type of pending litigation pending (e.g., wrongful termination, breach of lease, tenant holding overaction, etc.) the date the litigation began and court-assigned case number.
    - i. PHAs must download the EIV **Identity Verification/Failed EIV Pre-screening** report into Excel (prior to implementing action item 3 below) to create the

listing. However, the PHA must delete all tenant social security numbers before sending the file to HUD.

- ii. Add the following columns to the report and provide the applicable information:
  - > Date Litigation Initiated
  - > Court-Assigned Case Number
  - > Type of Litigation

- 2. The PHA will successfully submit an action type 3 (interim reexamination) form HUD-50058 to PIC in which **line 2b, effective date** contains a current date; line 2i, projected effective date of next reexamination is equal to a date 12 month from the date listed on line 2b; and any line between 2q – 2u (PHA use only) contains the words “Pending Litigation.”

**23. When the Identity Verification Report is Updated.** Below is guidance to explain how the Identity Verification report is updated.

#### **Failed EIV Pre-Screening Report**

- a. When the PHA corrects or updates information reported on section 2 or 3 of the form HUD-50058, EIV copies the data from PIC on a nightly basis. However, the **Failed EIV Pre-Screening** Report is updated on a weekly basis, on every Saturday morning upon successful completion of EIV’s weekend summarization job. PHAs are able to view the updated report on the following Monday.

#### **Failed SSA Identity Test Report**

- b. When the PHA corrects or updates PII reported on section 3 of the form HUD-50058, EIV copies the data from PIC on a nightly basis. However, the **Failed SSA Identity Test** Report is updated once the following actions occur:
  - i. The updated PII is submitted to SSA for verification in the month following the month in which the updated form HUD-50058 was successfully submitted to PIC; and SSA returns the results (verified, failed, or deceased) of the data matching process to EIV; or
  - ii. SSA updates the PII reported on its records and this information matches the PII reported on the form HUD-50058 when HUD submits the tenant PII to SSA for verification; and
  - iii. Successful completion of the EIV’s weekend summarization job.
 After the above actions occur, PHAs are able to view the updated report the following Monday.

**Note:** When an updated form HUD-50058 to correct a tenant’s PII is successfully submitted to PIC or a tenant’s SSN is corrected using the PIC Tenant ID Management tool, the tenant’s EIV identity verification status will change to **Pending** from **Failed**. This action is confirmation that the PHA has successfully submitted an updated form HUD-50058 to PIC and that HUD has flagged the



tenant record for data matching with SSA during the next monthly data matching process. For example, updated PII on forms HUD-50058 successfully submitted to PIC in January will be matched with SSA in February. These updated households will **not** appear on the ***Pending Verification Report*** unless these households were scheduled for the original quarterly computer matching process in accordance with the *HUD-SSA Computer Matching Schedule* in Paragraph 17 of this notice.

- 24. Penalties for Non-Compliance with Use of EIV's Identity Verification Report.** HUD will monitor each PHA's ***Identity Verification Report*** on a quarterly basis and notify affected PHAs of the need to correct deficiencies and if requested by HUD, provide documentation and/or certification of PHA-implemented corrective action(s). PHAs may be subject to sanctions for noncompliance with this notice.
- 25. For inquiries about this Notice contact:** Your local HUD field office or Rochelle Katz of HUD Headquarters' Office of Public and Indian Housing, Real Estate Assessment Center Programs at 202-475-4967, or via email at: [EIV\\_HELP@HUD.GOV](mailto:EIV_HELP@HUD.GOV). Persons with hearing or speech impairments may access this number via TTY by calling the Federal Information Relay Service at 800-877-8339.
- 26. Paperwork Reduction.** The information collection requirements contained in this notice have been approved by the Office of Management and Budget (OMB under the Paperwork Reduction Act of 1995 (44 U.S.C. 3520) and assigned OMB control number(s) 2577-0083 and 2577-0267. In accordance with the Paperwork Reduction Act, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number.

/s/

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Dominique Blom  
General Deputy Assistant Secretary  
for Public and Indian Housing

# Appendix 4

## Public Housing Admissions and Occupancy Policy

### Change Log – 2019

#### **Chapter 1 – Statement of Policies and Objectives**

*Add the words sexual orientation and gender identity at the end of the second paragraph in Section D.*

#### **Chapter 2 – Eligibility for Admission**

*Under Section B Family Composition, in the 1<sup>st</sup> paragraph replace the final sentence to read as follows:*

*The term family includes, but is not limited to the following, regardless of actual or perceived sexual orientation, gender identity or marital status*

*Under Section D Mandatory Social Security Numbers, in the 1<sup>st</sup> paragraph, at the end of the first sentence insert the following:*

*(subject to the exceptions described in other sections of this Chapter and other Chapters of this policy)*

#### **Chapter 6 – Income, Income Exclusions and Deductions**

*Add a new Section B to read as follows:*

##### **B. TYPES OF INCOME EXCLUSIONS**

*1. Fully Excluded Income - Income that is fully excluded means the entire amount qualifies to be excluded from the annual income determination. For fully excluded income the PHA is not required to:*

- Verify the income in accordance with the HUD prescribed verification hierarchy;
- Document in the tenant file why third party verification was not available;
- Report the income in Section 7 of the form HUD 50058

The PHA may accept an applicant or participant’s self-certification as verification of fully excluded income. The PHA’s application and reexamination documentation, which is signed by all adult family members, may serve as the self-certification of the fully excluded income. The PHA has the option of elevating the verification requirements if necessary, to determine if a source of income qualifies for a full exclusion.

Examples of fully excluded income categories that are verifiable through applicant or participant self-certification are: Supplemental Nutrition Assistance Program (SNAP) benefits (formerly known as food stamps); Income from a live-in aide.

2. Partially Excluded Income – Income that is partially excluded means that only a certain portion of the income reported by the family qualifies to be excluded, while the remainder must be included when determining the family’s annual income. For partially excluded income, the PHA is required to:

- Comply with the HUD prescribed verification requirements and all applicable regulations pertaining to the determination of annual income, and
- Report the income in Section 7 of the form HUD -55058 (see HUD Notice 2013-04 for more detailed examples of how to calculate partially excluded income)

Examples of partially excluded income include the Department of Veterans Affairs “aid and Attendance” benefits; and earnings in excess of \$480 for full time students 18 years old or older.

Change the existing Section B to Section C with a new heading “Income Exclusion Listing”

Renumber the remaining section headings to D through N.

**C. INCOME EXCLUSION LISTING**

*Delete the existing language under item 6 – student financial assistance and insert the following language:*

The full amount of student financial assistance (tuition and fees) paid directly to the student or to the educational institution. The Department of Education defines tuition as the amount of money charged to students for instructional services which may be charged per term, per course or per credit. The Department of Education further defines tuition and fees as the amount of tuition and required fees covering a full academic year most frequently charged to students. Required fees include all fixed sum charges that are required of a large proportion of all students. The student who does not pay the charges is an exception. Examples of required fees include, but are not limited to, writing and science lab fees and fees specific to a student's major or program (e.g. 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.

**C. INCOME EXCLUSION LISTING**

*Under item 14 on the exclusion list, insert the following 2<sup>nd</sup> paragraph*

“The disallowance of increased income of an individual family member as provided in this section is limited to a total of 24 continuous months. Once an individual family member is determined to be eligible for this Earned Income Disregard (EID), the 24 month period shall begin. If the family member discontinues the employment that initially qualified the family for the EID, the 24 calendar month period continues. The EID benefit is limited to a lifetime 24 month period for the qualifying household member. At the end of the 24 months, the EID ends regardless of how many months were “used”. In addition, the individual family member may receive no more than a total of 12 months for the 100% income forgiveness and a total of twelve months for the 50% income forgiveness.”

**Chapter 7 – Verification Procedures**

*Under the existing Section G add the following new subsection:*

**Family declaration of assets under \$5,000**

The PHA must obtain third-party verification of all family assets upon admitting a family to the public housing program and then again at least every 3 years thereafter. During the intervening annual reexaminations, a PHA has the discretion under this provision to accept a family's declaration that it has

total net assets equal to or less than \$5,000, without taking additional steps to verify the accuracy of the declaration. If a family submits such a declaration, then the PHA does not need to request supporting documentation (e.g., bank statements) to verify the assets or the amount of income expected to be received from those assets. The family's declaration of total assets must show each asset and the amount of income expected from that asset. The total amount of income expected from all assets must be less than or equal to \$5,000. The total amount of the expected income from assets will be the family's "final asset income," and must be entered in field 6j of Form HUD-50058.

A PHA may obtain a family's declaration of assets under \$5,000 at the family's next interim or annual reexamination on or after May 1, 2019. PHAs are required to have all family members 18 years of age and older sign the family's declaration of total assets. For ease of implementation, a PHA may wish to require families to submit a declaration of assets along with the consent forms that are required pursuant to 24 CFR 5.230. A family that knowingly submits false information is subject to a civil penalty, plus damages, under the False Claims Act (31 U.S.C. 3729).

Whenever a family member is added, a PHA must obtain third-party verification of that family member's assets. At the next annual reexamination of income following the addition of that family member, a PHA must obtain third-party verification of all family assets if the addition of that family member's assets puts the family above the \$5,000 asset threshold. If the addition of that family member's assets does not put the family above the \$5,000 asset threshold, then the PHA is not required to obtain third-party verification of all family assets at the next annual reexamination of income following the addition of the family member; however, third-party verification of all family assets is required at least every 3 years.

*Add new subsection headings beginning with Section I.*

#### **P. VERIFICATION OF SOCIAL SECURITY NUMBERS**

1. **SSN Disclosure.** In accordance with 24 CFR §5.216, applicants and participants (including each member of the household and including, live-in aides, foster children, and foster adults) are required to disclose his/her SSA-assigned SSN, with the exception of the following individuals:
2.
  - a. Those individuals who do not contend to have eligible immigration status (individuals who may be unlawfully present in the United States) **and** have not been assigned an SSN. These individuals in most instances would not be eligible for a SSN.

A family that consists of a single household member (including a pregnant individual) who does not have eligible U.S. citizenship or eligible immigration status is **not eligible** for housing assistance and cannot be housed.

A family that consists of two or more household members **and at least one** household member that has eligible U.S. citizenship or eligible immigration status, is classified as a mixed family, and **is eligible** for prorated assistance in accordance with 24 CFR §5.520. The PHA may **not** deny assistance to mixed families due to nondisclosure of an SSN by an individual who does not contend to have eligible immigration status.

**Note:** Financial assistance may only be provided to individuals with eligible immigration status in accordance with 42 USC §1436a, which is generally evidenced by the individual providing his/her Green Card (Form I-551 – U.S. Permanent Residence Card) or other documentation approved by the Department of Homeland Security for noncitizens with refugee or asylee status.

- b. Existing program participants, who as of January 31, 2010, were 62 years of age or older (born on or before January 31, 1948). This exemption continues even if the individual moves to a new public housing assisted unit.

Disclosure of SSNs is considered information subject to the Federal Privacy Act (5 USC §552a, as amended). In accordance with 24 CFR §5.212, the collection, maintenance, use, and dissemination of SSNs, any information derived from SSNs and income information must be conducted, to the extent applicable, in compliance with that Act and all other provisions of Federal, State, and local laws.

An individual who previously declared to have eligible immigration or eligible citizenship status may **not** change his/her declaration to no longer contend to have eligible immigration status to avoid compliance with the SSN disclosure and documentation requirements or penalties associated with noncompliance of these requirements.

**Note:** There are no provisions under HUD regulations which prohibit a mixed family from executing a lease or other legally binding contract. A mixed family includes individuals that have both eligible and ineligible aliens so long as at least one household member is eligible. However, some State laws prohibit single ineligible individuals from executing a contract (i.e., lease or other legally binding documents). If this is the case in your State, the family must **not** be admitted into the program.

3. **SSN Documentation.** The PHA must request the applicant and participant (including each member of the household), who are not exempt under Paragraph 5 of this notice, to provide documentation of each disclosed SSN. Acceptable evidence of the SSN consists of:
  - a. An original SSN card issued by SSA;
  - b. An original SSA-issued document, which contains the name and SSN of the individual;or

- c. An original document issued by a Federal, State, or local government agency, which contains the name and SSN of the individual.

It should be noted that most (if not all) individuals who are lawfully present in the U.S. have been assigned an SSN. Many existing laws require the disclosure of the SSN for various purposes. All applicants and participants, including each member of the household (with the exception of those individuals noted in Paragraph 5 of this notice) are required to disclose his/her SSA-assigned SSN.

The SSA issues three types of social security cards depending on an individual's citizen or noncitizen status and whether or not a noncitizen is authorized by the Department of Homeland Security (DHS) to work in the United States. They include:

- a. The first type of card shows the individual's name and SSN only. This is the card most people have and reflects the fact that the holder can work in the U.S. without restriction. SSA issues this card to:
  - i. U.S. citizens; or
  - ii. Noncitizens lawfully admitted to the United States for permanent residence and noncitizens with DHS permission to work permanently in the United States (i.e., refugees and asylees).
- b. The second type of card bears, in addition to the individual's name and SSN, the legend: "**NOT VALID FOR EMPLOYMENT.**" SSA issues this card to lawful noncitizens who do not have DHS permission to work and are required by law to provide an SSN to obtain general assistance benefits that they already have qualified for.
- c. The third type of card bears, in addition to the individual's name and SSN, the legend "**VALID FOR WORK ONLY WITH DHS AUTHORIZATION.**" SSA issues this card to people with DHS permission to work temporarily in the United States. SSA verifies all noncitizens' documents with DHS before an SSN card is issued to a noncitizen.

**4. Rejection of Documentation.** The PHA may reject documentation of the SSN provided by the applicant or participant for only the following reasons:

- a. The document is not an original document; 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 PHA should explain to the applicant or participant, the reason(s) the document is not acceptable and request the individual to obtain acceptable documentation of the SSN and submit it to the PHA within a specified time frame.

- 5. Verification of the SSN.** The PHA shall verify each disclosed SSN by:
- a. Obtaining the required documentation from applicants and participants (including each member of the household);
  - b. Making a copy of the original documentation submitted, returning it to the individual, and retaining the copy in the file folder; and
  - c. Recording the SSN on line 3n of the form HUD-50058 and transmitting the form HUD-50058 to HUD within a timely manner. PHAs are required to transmit the form HUD-50058 no later than 30 calendar days of receiving the SSN documentation, to enable HUD to initiate its computer matching efforts for current program participants.

**5. Invalid SSNs.** An invalid SSN is an SSN that SSA has never assigned. SSA has never assigned an SSN with the first three digits of: 000, 666, or 900 series (numbers within the 900-999 range). Additionally, prior to June 25, 2011, SSA never assigned an SSN with the first three digits of: 000, 666, 772, 800, or 900 series. SSA has never assigned an SSN with the second two digits of 00 or the last four digits of 0000. For additional information on ways to determine if an SSN is valid, visit SSA's website: <http://www.socialsecurity.gov/employer/ssnvhighgroup.htm>.

**6. Individuals without an assigned SSN.** It is not uncommon for certain individuals to not have an SSA-assigned SSN. Below is a listing of such individuals, which is not all-inclusive:

- a. U.S. newborn children (eligible citizens - these individuals will be issued an SSN upon SSA confirmation of birth).
- b. Noncitizens lawfully present in the U.S. (ineligible noncitizens - these individuals will be issued an SSN upon SSA confirmation of the individual's DHS documentation or confirmation that the individual is required by law to provide an SSN to receive general assistance benefits that they already have qualified for).
- c. Noncitizens unlawfully present in the U.S. (ineligible noncitizens - typically, these individuals cannot be assigned an SSN).

PHAs are required to use the Public and Indian Housing Information Center (PIC) Tenant ID Management tool to generate a unique identifier (commonly referred to as an alternate ID (ALT ID)) for those individuals who have not been assigned an SSN. A job aid for use of the PIC Tenant ID Management tool is available online at:

[http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/public\\_indian\\_housing/systems/pic/ts](http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/systems/pic/ts).

Contact the PIC Coach in your local HUD office if you need assistance with PIC. Once an individual discloses an SSN, the PHA must use the Tenant ID Management tool to replace the ALT ID with the disclosed SSN within 30 calendar days of receipt of the SSN. **Note:** SSA



requires that an individual who has never been issued a SSN card or has lost their SSN card, complete Form SS-5 – *Application for a Social Security Card* to request an original or replacement SSN card or change information on his/her SSA record. The form is available online at [www.socialsecurity.gov](http://www.socialsecurity.gov), or can be obtained at the local SSA office.

**7. Individual Taxpayer Identification Number (ITIN).** An ITIN is a taxpayer identification number for **Federal tax purposes only** for certain non-residents and resident noncitizens, their spouses and dependents, who cannot obtain an SSN. The ITIN begins with the number “9” and is formatted like a SSN (9XX-XX-XXXX). However, the ITIN is **not** an SSN and PHAs must **not** report the ITIN on line 3n of the form HUD-50058. PHAs are required to use the Tenant ID Management tool to replace any reported ITIN on line 3n of the form HUD-50058 with an SSN or an ALT ID.

ITINs do not entitle a noncitizen to social security benefits, create any inference regarding a noncitizen’s immigration status, or give a noncitizen a right to work in the U.S.

**8. Addition of a New Household Member.** When a participant requests to add a new household member, who is at least 6 years of age or is under the age of six and has an SSA-assigned SSN, to the family, the participant must disclose the SSA-assigned SSN and provide the PHA with the documents referenced in Paragraph 6 of this notice at the time of such request, or at the time of processing the interim or annual reexamination of family income and/or composition. If the family is unable to provide the required documentation of the SSN, the PHA shall not add the new household member to the family composition until the family provides such documentation. The PHA is not authorized to generate an ALT ID for the affected household member.

When a participant requests to add a new household member, who is under the age of six and does not have an SSA-assigned SSN, the participant must disclose the SSA-assigned SSN and provide the PHA with the documents referenced in Paragraph 6 of this notice within 90 calendar days of the child being added to the household.

If the family is unable to disclose and provide evidence of the SSN within 90 calendar days, the PHA is required to grant the family an additional 90-day period to comply with the SSN disclosure and documentation requirement, **only if** the PHA determines the family was unable to comply with the requirements due to circumstances that could not have reasonably been foreseen and were outside the control of the family. Examples include but are not limited to: delayed processing of SSN application by SSA, natural disaster, fire, death in family, etc.

The child is to be included as part of the assisted household and is entitled to all the benefits of being a household member during the allotted time for the family to comply with the SSN disclosure and documentation requirements. The PHA is required to generate an ALT ID as referenced in Paragraph 10 of this notice. Upon expiration of the provided time period, if the family has not

complied with the SSN disclosure and documentation requirements, the PHA **must** terminate the entire family's tenancy or assistance, or both

**8. Special Provision for Applicants.** Housing applicants are entitled to a 90 day period during which an applicant family may become a program participant, even if the family lacks the documentation necessary to verify the Social Security Number of a family member under the age of 6 years. An extension of one additional 90 day period must be granted if the PHA determines, in its discretion, the applicant's failure to comply was due to circumstances that could not reasonably have been foreseen and were outside of the control of the applicant. For example, an applicant may be able to demonstrate timely submission of a request for an SSN, in which case processing time would be the cause of the delay. If the applicant family does not produce the required documentation within the authorized time period, the PHA must impose appropriate penalties, in accordance with 24 CFR 5.218

In terms of offering a grace period and an extension, if merited, the PHA will implement this provision just as it currently implements the provision for program participants. Specifically, an applicant family with a child under the age of 6 years may become a participant family, even if the SSN for the child has not been verified at the time of admission. If the SSN has still not been verified at the end of the initial 90 day period, the PHA must determine whether a 90 day extension is merited. If it is not merited, the PHA must follow the provisions of 24 CFR 5.218. If a 90 day extension is merited, then the PHA must either verify the SSN for the child by the end of the 90 day extension period or follow the provisions of 24 CFR 5.218.

## **Chapter 8 – Total Tenant Payment and Tenant Rent**

*Remove the existing Section 8 and insert the following:*

### **E. PRORATION OF ASSISTANCE FOR "MIXED" FAMILIES**

Proration of assistance must be offered to any "mixed" applicant or participant family. A "mixed" family is one that includes at least one U.S. citizen or eligible immigrant and any number of ineligible members. Prorated assistance is calculated as follows:

- Step 1. Determine the total tenant payment in accordance with 24 CFR §5.628. (Annual income includes income of all family members, including any family member who has not established eligible immigration status.)
- Step 2. Family maximum rent is equal to the applicable flat rent for the unit size to be occupied by the family.

- Step 3. Subtract the total tenant payment from the family maximum rent. The result is the maximum subsidy for which the family could qualify if all members were eligible (“family maximum subsidy”).
- Step 4. Divide the family maximum subsidy by the number of persons in the family (all persons) to determine the maximum subsidy per each family member who has citizenship or eligible immigration status (“eligible family member”). The subsidy per eligible family member is the “member maximum subsidy.”
- Step 5. Multiply the member maximum subsidy by the number of family members who have citizenship or eligible immigration status (“eligible family members”). The product of this calculation is the “eligible subsidy.”
- Step 6. The mixed family TTP is the maximum rent minus the amount of the eligible subsidy.
- Step 7. Subtract any applicable utility allowance from the mixed family TTP. The result of this calculation is the mixed family tenant rent.

When the mixed family’s TTP is greater than the maximum rent, the PHA must use the TTP as the mixed family TTP. Note: A warning message will appear when the family’s TTP is entered into field 10p of PIC. This warning message is a workaround for purposes of implementing this provision. This method of prorating assistance applies to new admissions and annual reexaminations.

## **Chapter 10 – Recertifications**

*Add a new Section I as follows:*

### **I. STREAMLINED ANNUAL REEXAMINATION FOR FIXED SOURCES OF INCOME**

This provision provides for a streamlined income determination for any family member with a fixed source of income. Note that the family member may also have non-fixed sources of income, which remain subject to third-party verification. Upon request of the family, the PHA must perform third-party verification of all income sources. Note that this provision pertains only to the verification of sources of income; PHAs must continue to conduct third-party verification of deductions.

For purposes of this section, the term “fixed-income” includes income from:

- Social Security payments, to include Supplemental Security Income (SSI) and Supplemental Security Disability Insurance (SSDI);
- Federal, state, local, and private pension plans; and
- Other periodic payments received from annuities, insurance policies, retirement funds, disability or death benefits, and other similar types of periodic payments.

The determination will be made by applying a verified cost of living adjustment (COLA) or current rate of interest to the previously verified or adjusted income amount. The COLA or current interest rate applicable to each source of fixed income must be obtained either from a public source or from tenant-provided, third-party generated documentation. In the absence of such verification for any source of fixed income, third-party verification of income amounts must be obtained.

The provision is not available for program applicants; in the initial year in which a streamlined income determination is made, the COLA must be applied to a source of income that has been verified previously.

In the initial year of employing a streamlined income determination, a PHA must determine whether a source of income is fixed. A PHA may do this by comparing the amount of income from the source to the amount generated during the prior year. If the amount is the same or if it has changed only as a result of a COLA or due to interest generated on a principal amount that remained otherwise constant, then the source is fixed. A PHA may also make such a determination by requiring a family to identify as to which source(s) of income are fixed. A PHA must document in the tenant file how it made the determination that a source of income is fixed.

For the second income determination involving a family member whose income was adjusted previously using a streamlined income determination, the adjustment would be made to the previously determined income amount (i.e., in year two, the COLA is applied to the year one income amount, as previously adjusted by a COLA). For any family member whose income is determined pursuant to a streamlined income determination, *third-party verification of all income amounts for all family members must be performed at least every three years*. This means that, for the third income determination involving a family member whose income had been adjusted twice using a streamlined income determination, the PHA would need to obtain third party verification of *all* income amounts. 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 PHA must obtain third-party verification of all income amounts for that family member at the next

reexamination if the PHA wishes to have all family members with fixed incomes on the same schedule with respect to streamlined annual reexaminations.

Example: Streamlined income determination for program participant’s first reexamination following PHA’s adoption of provision.

	<b>Under previous regulation</b>	<b>Under this regulation</b>
January 2019 — baseline year	<p>Carl’s income consists of 90% fixed sources and 10% nonfixed sources.</p> <p>The PHA must verify all income amounts using third-party verification.</p>	(not yet implemented)
January 2019	<p>Carl’s income consists of 90% fixed sources and 10% nonfixed sources.</p> <p>The PHA must verify all income amounts using third-party verification.</p>	<p>Carl’s income is reported to be 90% fixed sources and 10% nonfixed sources</p> <p>The PHA must compare the amount of income from the fixed sources to the amount generated during the prior year; if the amounts are the same or if they have changed only as a result of the application of a COLA or due to interest generated on a principal amount that remained otherwise constant, then the amounts are fixed.</p> <p>The PHA may adjust the fixed sources by a COLA or current interest rate obtained from a public source or from tenant provided, third-party generated documentation.</p> <p>The PHA must verify the non-fixed amounts using third-party verification</p>
January 2020	<p>Carl’s income consists of 90% fixed sources and 10% nonfixed sources.</p> <p>The PHA must verify all income amounts using third party verification.</p>	<p>Carl’s income is reported to be 90% fixed sources and 10% nonfixed sources</p> <p>The PHA may adjust the fixed sources by a COLA or current interest rate obtained from a public source or from tenant provided third party generated documentation.</p> <p>The PHA must verify the non-fixed amounts using third party verification</p>

January 2021 Carl's income consists of 90% fixed sources and 10% nonfixed sources. Carl's income is reported to be 90% fixed sources and 10% nonfixed sources. The PHA must verify all income amounts using third-party verification.

The PHA must verify all income amounts using third-party verification.

## **Chapter 15 – Pet Policy**

*In Section A Guidelines for Pet Ownership – remove the requirements in item 17 for declawing of cats. This requirement is no longer permitted under HUD regulations.*

*Remove item 22 which required a monthly pet fee in its entirety.*

## **Chapter 17 – Lead Safe Housing Rule**

*Add a new 24 page chapter outlining the requirements of HUD's Lead Safe Housing Rule.*

## **Appendix 1 – Flat Rents**

*Flat rents for all AMPS have been adjusted to reflect HUD published 2019 FMRs.*

## **Appendix 2 – Guidance on the use of Tenant Participation Funds**

*Insert a new appendix 2*

## **Appendix 3 – HUD Notices**

*Insert a new appendix 3*

### **Appendix 3 – Summary of yearly changes**

*Move the existing Appendix 2 content to the new Appendix 4.*