

Chapter 11

REEXAMINATIONS

INTRODUCTION

The PHA is required to reexamine each family's income and composition at least annually, and to adjust the family's level of assistance accordingly. Interim reexaminations are also needed in certain situations. This chapter discusses both annual and interim reexaminations, and the recalculation of family share and subsidy that occurs as a result. HUD regulations and PHA policies concerning reexaminations are presented in three parts:

Part I: Annual Reexaminations. This part discusses the process for conducting annual reexaminations including the new HUD *Streamlined annual reexamination for fixed sources of income* which offers PHAs the discretion to adopt a streamlined income determination for any family member with a "fixed" income.

Part III: Interim Reexaminations. This part details the requirements for families to report changes in family income and composition between annual reexaminations.

Part IV: Recalculating Family Share and Subsidy Amount. This part discusses the recalculation of family share and subsidy amounts based on the results of annual and interim reexaminations.

Policies governing reasonable accommodation, family privacy, required family cooperation, and program abuse, as described elsewhere in this plan, apply to both annual and interim reexaminations.

PART I: ANNUAL REEXAMINATIONS [24 CFR 982.516]

11-I.A. OVERVIEW

The PHA must conduct a reexamination of family income and composition at least annually (*except as referenced in Part I to follow regarding Streamlined annual reexaminations*).

This includes gathering and verifying current information about family composition, income, and expenses. Based on this updated information, the family's income and rent must be recalculated. This part discusses the schedule for annual reexaminations, the information to be collected and verified, and annual reexamination effective dates.

11-I.B. SCHEDULING ANNUAL REEXAMINATIONS

The PHA must establish a policy to ensure that the annual reexamination for each family is completed *within* a 12-month period, and may require reexaminations more frequently [HCV GB p. 12-1].CHAOS Policy

TCHAO will begin the annual reexamination process 90 days in advance of its scheduled effective date. Generally, TCHAO will schedule annual reexamination effective dates to coincide with the family's anniversary date.

Anniversary date is defined as 12 months from the effective date of the family's last annual reexamination or, during a family's first year in the program, from the effective date of the family's initial examination (admission).

TCHAO also may schedule an annual reexamination for completion prior to the anniversary date for administrative purposes.

TCHAO may also have a background check conducted on any/all household members, 18 years of age and older.

Notification of and Participation in the Annual Reexamination Process

The PHA is required to obtain the information needed to conduct annual reexaminations. How that information will be collected is left to the discretion of the PHA. However, PHAs should give tenants who were not previously provided the opportunity to complete Form HUD-92006, the opportunity to do so at this time (Notice PIH 2009-36).

TCHAO Policy

Assistance Connect Reexaminations

Families are required to transmit an electronic annual reexamination via "*Assistance Connect*" (internet).

Notification of "Assistance Connect" transmission will be done via Email. If a family does not transmit the requested information, the PHA will send a second notification. If the family fails to complete the annual recertification after the second request, they will receive a final notice via email and mail requiring them to come into the office to complete their recertification. In addition, the notification will inform the family of the information and documentation required that must be scanned, faxed or brought to the TCHAO office. Tenants are required to keep TCHAO advised of their correct Email address at all times and must check their Email and Junk mail on a weekly basis. Any electronic mail that is not returned to TCHAO is considered received. All *Assistance Connect* participants are so notified upon enrollment.

If a family fails to respond after three notifications, a notice of termination (see Chapter 12) will be sent to the family's Email address of record, mail, and to any alternate address provided in the family's file.

TCHAO allows families who are elderly or disabled (head of household, spouse, or co-head) to opt-out from the *Assistance Connect* process. An Opt-Out request must be done in writing.

U.S. Mail Annual Reexaminations

If the head of household, spouse, or co-head are elderly or disabled, and unable to complete their re-examination via *Assistance Connect*, the family should contact TCHAO in advance to request a ***re-examination by mail***. If a family does not ***return the mail-in packet***, TCHAO will send a second notification to return the ***mail-in re-examination packet***.

If any family fails to return the mail-in packet after the second return date, without TCHAO's approval, a final notice will be sent to the participant to complete their recertification.

If there is still no response to the final notice or if the notice is returned by the post office with no forwarding address, TCHAO will send a termination letter.

As a convenience, elderly and families with disabilities, whose **ONLY** source of income is SS, SSI, pension and/or SSDI may be mailed a "***Compact***" re-examination packet.

If any family fails to attend the in-person individual appointment (on-line *Assistance Connect*) or return the mail-in packet after the second return date, the family will have five (5) days to come in to the TCHAO and complete their recertification. If the family fails to show for the appointment TCHAO will proceed with termination of the housing choice voucher. If the notice is returned by the post office with no forwarding address, a notice of termination (see Chapter 12) may be sent to the family's address of record, and to any alternate address provided in the family's file (at the discretion of TCHAO based upon the severity of extenuating circumstances or lack thereof).

An advocate, interpreter, or other assistant may assist the family in the annual process. The family and TCHAO must execute a certification attesting to the role and assistance of any such third party.

11-I.C. CONDUCTING ANNUAL REEXAMINATIONS

As part of the annual reexamination process, families are required to provide updated information to the PHA regarding the family's income, expenses, and composition [24 CFR 982.551(b)].

TCHAO Policy

Assistance Connect Reexaminations

Families will be instructed via Email of all required information and details (as described in the *Assistance Connect* reexamination notice). The required information may include, but is not limited to, official, original, computerized statements/letters, utility bills and all other supporting documentation related to the family's income, expenses, family composition and lease.

TCHAO will notify program participants, on a rotational basis, of its policy of conducting Annual Re-Examinations via the internet ("*Assistance Connect*"). Program participants are given the option to enroll, attend Group Annual Reexaminations or have their annual conducted via mail or telephone.

Participants participating in *Assistance Connect* must have (or have access to via a friend, relative, neighbor, public library, or other source) the following equipment:

- Computer
- Mobile Device
- Email address that is accessed daily
- Internet access

It is mandatory for the participant to attend an *Assistance Connect* class prior to using the software. Additionally, weekly classes are scheduled for enrolling in *Assistance Connect*.

Participants are able to use TCHAO computers to conduct recertification and interim changes. If assistance is needed, however, they **MUST** call the office to schedule an appointment.

Whenever "notice" and/or "in writing" is stated anywhere in this plan it should be construed to mean written by hand, computer or electronically via the internet/Email or "*Assistance Connect*".

Group/Individual Annual Reexaminations

Families will be instructed to bring all required information (as described in the group reexamination notice) to the group or individual reexamination appointment. The required information may include, but is not limited to, official, original, computerized statements/letters, utility bills and all other supporting documentation related to the family's income, expenses, family composition and lease.

During the Group On-line Annual Recertification participants will be called for computer assignment in the order of arrival and sign-in time (first come, first served). An exception may be made (or participant re-scheduled), at the discretion of TCHAO, if TCHAO staff observes any illness or discomfort of any family member present, or other extenuating circumstance.

Any required documents or information that the family is unable to provide at the time of the Assistance Connect submission must be provided within 10 calendar days of the submission. The family will be notified at the time of submission by TCHAO staff, the documents that have not been received, along with the timeline for submitting the required information. All requested documents must be submitted via *Assistance Connect*. If the family is unable to obtain the information or materials within the required time frame, the family may request an extension.

If the family does not provide the required documents/information within the required timeframe (including any approved extension time); the family may be sent a notice of termination (See Chapter 12).

Criminal background checks may be conducted by TCHAO at any time deemed necessary, at the sole discretion of TCHAO.

Individual Online Assistance Connect Annual Reexamination Appointments

The process and procedures for Individual Annual *Assistance Connect* appointments will be fundamentally the same as described above for group appointments.

The information provided by the family generally must be verified in accordance with the policies in Chapter 7. Unless the family reports a change, or the agency has reason to believe a change has occurred in information previously reported by the family, certain types of information that are verified at admission typically do not need to be re-verified on an annual basis. These include:

- Legal identity
- Age
- Social security numbers
- A person's disability status
- Citizenship or immigration status

If adding a new family member to the unit causes overcrowding according to the Housing Quality Standards (HQS) (see Chapter 8), the PHA must issue the family a new voucher, and the family and PHA must try to find an acceptable unit as soon as possible. If an acceptable unit is available for rental by the family, the PHA must terminate the HAP contract in accordance with its terms [24 CFR 982.403].

11-I.D. STREAMLINED ANNUAL REEXAMINATION FOR FIXED SOURCES OF INCOME [24 CFR 960.257, 982.516, Notice PIH 2016-05]

This provision offers PHAs the discretion to adopt a streamlined income determination for any family member with a fixed source of income. Note, 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, 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

	Under previous regulation	Under this regulation
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 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 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 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.
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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.

**11-I.E. DETERMINING ONGOING ELIGIBILITY OF CERTAIN STUDENTS
[24 CFR 982.552(b)(5)]**

Section 327 of Public Law 109-115 established new restrictions on the ongoing eligibility of certain students (both part- and full-time) who are enrolled in institutions of higher education.

If a student enrolled in an institution of higher education is under the age of 24, is not a veteran, is not married, and does not have a dependent child, the student’s eligibility must be reexamined along with the income eligibility of the student’s parents on an annual basis. In these cases, both the student and the student’s parents must be income eligible for the student to continue to receive HCV assistance. If, however, a student in these circumstances is determined independent from his or her parents in accordance with PHA policy, the income of the student’s parents will not be considered in determining the student’s ongoing eligibility.

Students who reside with parents in an HCV assisted unit are not subject to this provision. It is limited to students who are receiving assistance on their own, separately from their parents.

PHA Policy

During the annual reexamination process, the PHA will determine the ongoing eligibility of each student who is subject to the eligibility restrictions in 24 CFR 5.612 by reviewing the student’s individual income as well as the income of the student’s parents. If the student has been determined “independent” from his/her parents based on the policies in Sections 3-II.E and 7-II.E, the parents’ income will not be reviewed.

If the student is no longer income eligible based on his/her own income or the income of his/her parents, the student’s assistance will be terminated in accordance with the policies in Section 12-I.D.

If the student continues to be income eligible based on his/her own income and the income of his/her parents (if applicable), the PHA will process a reexamination in accordance with the policies in this chapter.

11-I.F. EFFECTIVE DATES

The PHA must establish policies concerning the effective date of changes that result from an annual or interim reexamination [24 CFR 982.516].

TCHAO Policy

In general, an *increase* in the family share of the rent that results from an annual reexamination will take effect on the family's anniversary date, and the family will be notified at least 30 days in advance.

If less than 30 days remain before the scheduled effective date, the increase will take effect on the first of the month following the end of the 30-day notice period.

If a family moves to a new unit, the increase will take effect on the effective date of the new lease and HAP contract, and no 30-day notice is required.

If the TCHAO chooses to schedule an annual reexamination for completion prior to the family's anniversary date for administrative purposes, the effective date will be determined by the TCHAO, but will always allow for the 30-day notice period.

If the family causes a delay in processing the annual reexamination, *increases* in the family share of the rent will be applied retroactively, to the scheduled effective date of the annual reexamination. The family will be responsible for any overpaid subsidy and may be offered a repayment agreement in accordance with the policies in Chapter 16.

In general, a *decrease* in the family share of the rent that results from an annual reexamination will take effect on the family's anniversary date.

If a family moves to a new unit, the decrease will take effect on the effective date of the new lease and HAP contract.

If the TCHAO chooses to schedule an annual reexamination for completion prior to the family's anniversary date for administrative purposes, the effective date will be determined by the TCHAO.

Delays in reexamination processing are considered to be caused by the family if the family fails to provide information requested by TCHAO by the date specified, and this delay prevents TCHAO from completing the reexamination as scheduled.

PART II: INTERIM REEXAMINATIONS [24 CFR 982.516]

11-II.A. OVERVIEW

Family circumstances may change throughout the period between annual reexaminations. HUD and PHA policies dictate what kind of information about changes in family circumstances must be reported, and under what circumstances the PHA must process interim reexaminations to reflect those changes. HUD regulations also permit the PHA to conduct interim reexaminations of income or family composition at any time. When an interim reexamination is conducted, only those factors that have changed are verified and adjusted [HCV GB, p. 12-10].

In addition to specifying what information the family must report, HUD regulations permit the family to request an interim determination if other aspects of the family's income or composition changes. The PHA must complete the interim reexamination within a reasonable time after the family's request.

This part includes HUD and PHA policies describing what changes families are required to report, what changes families may choose to report, and how the PHA will process both PHA- and family-initiated interim reexaminations.

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

The PHA must adopt policies prescribing when and under what conditions the family must report changes in family composition. However, due to family obligations under the program, the PHA has limited discretion in this area.

TCHAO Policy

The PHA will conduct interim reexaminations to account for any changes in household composition that occur between annual reexaminations.

Program participants must report all changes in household composition and income to TCHAO in writing within (10) calendar days of the change, via "*Assistance Connect*" or on the TCHAO prescribed "Change" form. Participants may come into the office to fill out the Change form electronically or on paper, or they may request via telephone, for TCHAO to mail a form to their current residence.

The family must obtain TCHAO approval *prior* to all additions to the household. Prior to approving additions to the household, TCHAO be provided by the family all pertinent information, including but not limited to: authorization releases, custodial/guardianship documents, information relating to citizenship/eligible immigrant status, income, etc. TCHAO will conduct background checks prior to adding any adult member to the assisted household. Families requesting to add minor children or an elderly parent may document legal guardianship or custodianship of the individual.

TCHAO will conduct an interim recertification to determine such additional income/allowances and make the appropriate adjustments in the housing assistance payment and subsidy standard. Those families who require a change in unit size based on HQS occupancy standards must submit a request for transfer (move). The family's existing lease may dictate how quickly the transfer may occur.

Any additions not reported within 10 calendar days will be considered unauthorized household members.

New Family Members Not Requiring Approval

The addition of a family member as a result of birth, adoption, or court-awarded custody does not require PHA approval. However, the family is required to promptly notify the PHA in writing of the addition [24 CFR 982.551(h) (2)].

TCHAO Policy

The family must inform the TCHAO in writing of all changes in family composition within 10 calendar days of the change. These include: the birth, adoption, or court-awarded custody or guardianship of a child (for not less than six months); provided documentation is sufficient to verify the change within 10 calendar days.

New Family and Household Members Requiring Approval

With the exception of children who join the family as a result of birth, adoption, or court-awarded custody, a family must request PHA approval to add a new family member [24 CFR 982.551(h)(2)] or other household member (live-in aide or foster child) [24 CFR 982.551(h)(4)].

When any new family member is added, the PHA must conduct a reexamination to determine any new income or deductions associated with the additional family member, and to make appropriate adjustments in the family share of the rent and the HAP payment [24 CFR 982.516(e)].

If a change in family size causes a violation of Housing Quality Standards (HQS) space standards (see Chapter 8), the PHA must issue the family a new voucher, and the family and PHA must try to find an acceptable unit as soon as possible. If an acceptable unit is available for rental by the family, the PHA must terminate the HAP contract in accordance with its terms [24 CFR 982.403].

TCHAO Policy

Families must request TCHAO approval, in writing, to add a new family member, live-in aide, foster child, or foster adult. This includes any person not on the lease who is expected to stay in the unit for more than 7 consecutive days, or 30 cumulative days within a 12 month period, and therefore no longer qualifies as a "guest". All requests including requests to increase family composition must be made in writing and approved by TCHAO *prior* to the individual moving in the subsidized unit.

TCHAO will not approve the addition of a new family or household member unless the individual meets TCHAO eligibility criteria (see Chapter 3) and documentation requirements (see Chapter 7, Part II).

TCHAO maintains the discretion to disapprove additional family members if the addition will increase the current bedroom size.

TCHAO will not approve the addition of a foster child or foster adult if it will cause a violation of HQS space standards.

If TCHAO determines an individual meets the PHA's eligibility criteria as defined in Chapter 3 and documentation requirements, TCHAO will provide written approval to the family. If the approval of a new family member or live-in aide will cause overcrowding according to HQS standards, the approval letter will explain that the family will be issued another voucher and will be required to move, as soon as possible.

If TCHAO determines that an individual does not meet the PHA's eligibility or documentation criteria as defined in Chapter 3, TCHAO will notify the family in writing of its decision to deny approval of the new family or household member and the reasons for the denial.

The TCHAO will make its determination after receiving all information required to verify the individual's eligibility.

Departure of a Family or Household Member

Families must promptly notify the PHA if any family member no longer lives in the unit

[24 CFR 982.551(h)(3)]. Because household members are considered when determining the family unit (voucher) size [24 CFR 982.402], the PHA also needs to know when any live-in aide, foster child, or foster adult ceases to reside in the unit.

TCHAO Policy

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

If a live-in aide, foster child, or foster adult ceases to reside in the unit, the family must inform the PHA within 10 calendar days.

11-II.C. HOMEOWNERSHIP RECERTIFICATION (982.527)

TCHAO may not provide homeownership assistance for a family unless TCHAO determines that the family satisfies all of the initial requirements at commencement of homeownership assistance for the family.

TCHAO Policy

Families who are program participants in the Housing Choice Voucher Homeownership Program will have their income, assets, allowances and employment re-verified via an Interim Reexamination in accordance with the TCHAO Interim Reexamination policy within 90 days prior to closing.

If the family is within 90 days of the effective date of their regularly scheduled Annual Reexamination, the Annual Reexamination will serve to re-verify income, assets, allowances and employment.

11-II.D. CHANGES AFFECTING INCOME OR EXPENSES

Interim reexaminations can be scheduled either because the PHA has reason to believe that changes in income or expenses may have occurred, or because the family reports a change. When a family reports a change, the PHA may take different actions depending on whether the family reported the change voluntarily, or because it was required to do so.

PHA-Initiated Interim Reexaminations

PHA-initiated interim reexaminations are those that are scheduled based on circumstances or criteria defined by the PHA. They are not scheduled because of changes reported by the family.

TCHAO Policy

TCHAO will conduct interim reexaminations in each of the following instances:

For families receiving the Earned Income Disallowance (EID), TCHAO will conduct an interim reexamination at the start and conclusion of the second 12 month exclusion period (50 percent phase-in period).

Families with less than \$5,000 a year earned income or that work 32 hours per week are required to attend certain specified classes, meetings, workshops, etc. designed to assist the family in becoming gainfully employed and/or as follow-up procedures to determine any change in income, e.g.:

- Attend monthly update meetings (review family's income)
- Any two (2) missed meetings during the annual contract term may result in termination of assistance.

If at the time of the annual reexamination, it is not feasible to anticipate a level of income for the next 12 months (e.g. seasonal or cyclic income); TCHAO will schedule an interim reexamination to coincide with the end of the period for which it is feasible to project income.

If at the time of the annual reexamination, tenant-provided documents were used on a provisional basis due to the lack of third-party verification, and third-party verification becomes available the TCHAO may conduct an interim reexamination.

TCHAO may conduct an interim reexamination at any time in order to correct an error in a previous reexamination, or to investigate a tenant fraud complaint.

Family-Initiated Interim Reexaminations

The PHA must adopt policies prescribing when and under what conditions the family must report changes in family income or expenses [24 CFR 982.516(c)]. In addition, HUD regulations require that the family be permitted to obtain an interim reexamination any time the family has experienced a change in circumstances since the last determination [24 CFR 982.516(b)(2)].

Required Reporting

HUD regulations give the PHA the freedom to determine the circumstances under which families will be required to report changes affecting income.

TCHAO Policy

Increases and Decreases

Families **MUST** report all decreases and increases in income and assets. Program participants must provide all of the information/documentation necessary to verify the change within ten (10) calendar days from the date the change occurred.

TCHAO will review all decreases and increases in income when reported and changes which should be considered when determining the rent adjustment. TCHAO will not conduct an interim or make a rent adjustment if the increase reported is \$2,400 or less.

TCHAO will not lower rent for payments due to a temporary loss of income of one month (30 days) or less duration. In circumstances in which the family reports multiple changes to income reported within a short period of time, before verifications can be obtained; the interim change shall reflect the last job reported. (For example, 3 different jobs are reported for the same member, within a 4 week period, the interim change will reflect the last job reported to TCHAO.)

Temporary or Sporadic Employment

For a family member who worked temporary or sporadic employment for the past 12 months, TCHAO will anticipate the next 12 months earnings using the past income to reflect the future income.

Optional Reporting

The family may request an interim reexamination any time the family has experienced a change in circumstances since the last determination [24 CFR 982.516(b)(2)]. The PHA must process the request if the family reports a change that will result in a reduction of family income [HCV GB, p. 12-9].

If a family reports a decrease in income from the loss of welfare benefits due to fraud or non-compliance with a welfare agency requirement to participate in an economic self-sufficiency program, the family's share of the rent will not be reduced [24 CFR 5.615]. For more information regarding the requirement to impute welfare income see Chapter 6.

TCHAO Policy

Interims will be conducted if income increased \$2,400

Applicants to the Family Self-Sufficiency (FSS) Program

TCHAO Policy

In accordance with the FSS Contract (form HUD 52650) a family may not initially enroll in the FSS program if the date of the family's last transaction (annual or interim) was more than 120 days from the date of the Contract of Participation. TCHAO may conduct a new interim re-examination at the time of enrollment at the family's request.

A family may elect to wait until their next regularly scheduled re-examination to join the FSS program if the re-examination will cause an increase in the family's rent. It is the family's choice to make at the time of application to either join immediately or wait until their next regular re-examination.

If the family so requests, an FSS coordinator may immediately conduct an interim re-examination and enroll the family. If the family prefers to wait until their next regularly scheduled interim to enroll into the FSS program, the FSS coordinator may place the family on the FSS Waiting List until the time of their next interim or annual (whichever comes first) and enroll the family at that time if the family is still interested.

11-ILE. PROCESSING THE INTERIM REEXAMINATION

Method of Reporting

TCHAO Policy

The family must notify TCHAO of all changes in writing either via the on-line (*Assistance Connect Program*) or by completion of the TCHAO change form, within ten (10) calendar days of the date the change occurred.

Generally, the family will not be required to attend an interview for an interim reexamination. However, the family may be required to attend an office appointment, if TCHAO determines that an interview is warranted.

HOMEOWNERSHIP

If the change is submitted on or before the 15th day of the month, the decrease will be effective on the first day of the month following the date the change was reported and all required documentation was submitted. In cases where the change cannot be verified until after the date the change would have become effective, the change will be made retroactively.

If the change is submitted AFTER the 15th day of the month, the decrease will become effective 30 days after the first day of the following month.

EXAMPLE:

<i>Date Change Reported:</i>	<i>Effective Date</i>
<u>Decrease</u>	
09/01 – 15	10/01
09/16 – 30	11/01

PART III: RECALCULATING FAMILY SHARE AND SUBSIDY AMOUNT

11-III.A. OVERVIEW

After gathering and verifying required information for an annual or interim reexamination, the PHA must recalculate the family share of the rent and the subsidy amount, and notify the family and owner of the changes [24 CFR 982.516(d)(2), HCV 12-6 and 12-10]. While the basic policies that govern these calculations are provided in Chapter 6, this part lays out policies that affect these calculations during a reexamination.

11-III.B. CHANGES IN PAYMENT STANDARDS AND UTILITY ALLOWANCES

In order to calculate the family share of the rent and HAP amount correctly, changes in payment standards, subsidy standards, or utility allowances may need to be updated and included in the PHA's calculations.

Specific policies governing how subsidy standards, payment standards, and utility allowances are applied are discussed below.

Payment Standards [24 CFR 982.505]

The family share of the rent and HAP calculations must use the correct payment standard for the family, taking into consideration the family unit size, the size of unit, and the area in which the unit is located [HCV GB, p. 12-5]. See Chapter 6 for information on how to select the appropriate payment standard.

When the PHA changes its payment standards or the family's situation changes, new payment standards are applied at the following times:

- If the PHA's payment standard amount changes during the term of the HAP contract, the date on which the new standard is applied depends on whether the standard has increased or decreased:
 - If the payment standard amount has *increased*, the increased payment standard will be applied at the *first annual* reexamination following the effective date of the increase in the payment standard.
 - If the payment standard amount has *decreased*, the decreased payment standard will be applied at the *second annual* reexamination following the effective date of the decrease in the payment standard.
- If the family moves to a new unit, or a new HAP contract is executed due to changes in the lease (even if the family remains in place) the current payment standard applicable to the family will be used when the new HAP contract is processed.

Subsidy Standards [24 CFR 982.505(c)(4)]

If there is a change in the family unit size that would apply to a family during the HAP contract term, either due to a change in family composition, or a change in the PHA's subsidy standards (see Chapter 5), the new family unit size must be used to determine the payment standard amount for the family at the family's *first annual* reexamination following the change in family unit size.

Utility Allowances [24 CFR 982.517(d)]

The family share of the rent and HAP calculations must reflect any changes in the family's utility arrangement with the owner, or in the PHA's utility allowance schedule [HCV GB, p. 12-5]. Chapter 16 discusses how utility allowance schedules are established.

When there are changes in the utility arrangement with the owner, the PHA must use the utility allowances in effect at the time the new lease and HAP contract are executed.

At reexamination, the PHA must use the PHA current utility allowance schedule [24 CFR 982.517(d)(2)].

TCHAO Policy

Revised utility allowances will be applied to a family's rent and subsidy calculations at the first annual reexamination after the allowance is adopted.

11-III.C. NOTIFICATION OF NEW FAMILY SHARE AND HAP AMOUNT

The PHA must notify the owner and family of any changes in the amount of the HAP payment [HUD-52641, HAP Contract]. The notice must include the following information [HCV GB, p. 12-6]:

- The amount and effective date of the new HAP payment
- The amount and effective date of the new family share of the rent
- The amount and effective date of the new tenant rent to owner

The family must be given an opportunity for an informal hearing regarding the PHA's determination of their annual or adjusted income, and the use of such income to compute the housing assistance payment [24 CFR 982.555(a)(1)(i)] (see Chapter 16).

TCHAO Policy

The notice to the family will include the amount and effective date of the new HAP payment as well as both the previous and new family share of rent and tenant rent to owner.

For amendments to the contract, the participant and landlord will be notified with an amendment. This amendment will either be uploaded to Assistance Connect with an electronic signature, staff name printed on it or it will be printed and mailed.

11-III.D. DISCREPANCIES

During an annual or interim reexamination, the PHA may discover that information previously reported by the family was in error, or that the family intentionally misrepresented information. In addition, the PHA may discover errors made by the PHA. When errors resulting in the overpayment or underpayment of subsidy are discovered, corrections will be made in accordance with the policies in Chapter 13.