

STATEMENT OF POLICIES

GOVERNING ADMISSION TO
AND CONTINUED OCCUPANCY OF
HUD-AIDED LOW-INCOME HOUSING DEVELOPMENTS

OPERATED BY:
LEBANON HOUSING AUTHORITY

WITH THE ASSISTANCE OF
THE UNITED STATES DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT

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This Admissions and Continued Occupancy Policy defines the PHA policies for the operation of the Public Housing Program, incorporating Federal, State, and local law. If there is any conflict between this policy and laws or regulations, the laws and regulations will prevail.

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SECTION I: DEFINITIONS

SECTION I DEFINITION OF TERMS

A. Mandatory deductions.

- (1) \$480 for each dependent, which amount will be adjusted by HUD annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers, rounded to the next lowest multiple of \$25;
- (2) \$400 (\$525 when HIP is fully implemented) for any elderly family or disabled family, which amount will be adjusted by HUD annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers, rounded to the next lowest multiple of \$25;
- (3) The sum of the following, to the extent the sum exceeds ten percent of annual income:
 - (i) Unreimbursed health and medical care expenses of any elderly family or disabled family; and
 - (ii) Unreimbursed reasonable attendant care and auxiliary apparatus expenses for each member of the family who is a person with a disability, to the extent necessary to enable any member of the family (including the member who is a person with a disability) to be employed. This deduction may not exceed the combined earned income received by family members who are 18 years of age or older and who are able to work because of such attendant care or auxiliary apparatus; and
- (4) Any reasonable childcare expenses necessary to enable a member of the family to be employed or to further his or her education.

2. **ADULT:** A person who is 18 years of age or older or an emancipated minor.

3. **ANNUAL INCOME:** Annual income includes, with respect to the family:

- (1) All amounts, not specifically excluded in this 24 CFR § 5.609(b), received from all sources by each member of the family who is 18 years of age or older or is the head of household or spouse of the head of household, plus unearned income by or on behalf of each dependent who is under 18 years of age, and
- (2) When the value of net family assets exceeds \$50,000 (which amount HUD will adjust annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers) and the actual returns from a given asset cannot be calculated, imputed returns on the asset based on the current passbook savings rate, as determined by HUD.

4. **ATTENDANT CARE EXPENSES** can include teaching a person with disabilities how to perform day-to-day tasks independently like cleaning, bathing, doing laundry, and cooking. Attendant care can be 24-hour care or care during sporadic periods throughout the day.

5. **AUTOMATED CLIENT CERTIFICATION AND ELIGIBILITY NETWORK FOR TENNESSEE +(ACCENT):** On-line system provided by the State of Tennessee Department of Human Services that tracks client benefits and other data.

6. **AUXILIARY APPARATUS ITEMS** can include expenses for wheelchairs, ramps, adaptations to vehicles, guide dogs, assistance animals, or special equipment to enable a person who is blind or has low vision to read, or type or special equipment to assist a person who is deaf or hard of hearing.

7. **BASIC ELIGIBILITY:** An applicant must meet all eligibility requirements in order to receive housing assistance. At a minimum, the applicant must be a family, as defined herein, must be income-eligible, as described in this section, and must meet the net asset and property ownership restriction requirements in 24 CFR 5.618.

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8. **CHILD:** A member of the family, other than the family head, co-head or spouse who is under 18 years of age.
9. **CHILD CARE EXPENSES (REASONABLE):** Reasonable child care expenses are the amounts anticipated to be paid by the family for care of children less than 13 years of age, (including foster children) may be deducted during the period for which annual income is computed, but only where such care is necessary to enable a family member to actively seek employment, be gainfully employed or to further his or her education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable and necessary charges for childcare, and, in the case of childcare necessary to permit employment, the amount deducted shall not exceed the amount of income received from such employment.
10. **CITIZEN:** A citizen or national of the United States.
11. **CO-HEAD (of Household):** An adult member of the family who is treated the same as a head of the household for purposes of determining income, eligibility, and rent.
12. **COMMUNITY SERVICE:** 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.
13. **COVERED FAMILY:** Families who receive welfare assistance or other public assistance benefits from a State or other public agency under a program for which Federal, State, or local law requires that a member of the family must participate in an economic self-sufficiency program as a condition for the assistance.
14. **COVERED PERSON:** A covered person means a tenant, any member of the tenant's household, a guest, or another person under the tenant's control.
15. **CURRENTLY ENGAGING IN ILLEGAL DRUG USE:** Illegal drug use occurred recently enough to justify a reasonable belief that continuing illegal drug use by a household member is a real and ongoing problem.
16. **DAY LABORER:** An individual hired and paid one day at a time without an agreement that the individual will be hired or work again in the future.
17. **DEPENDENT:** A member of the family (which excludes foster children and foster adults) other than the family head or spouse who is under 18 years of age, or is a person with a disability, or is a full-time student.
18. **DISABLED FAMILY:** A family whose head (including co-head), spouse, or sole member is a person with a disability. It may include two or more persons with disabilities living together, or one or more persons with disabilities living with one or more live-in aides.
19. **DISALLOWANCE:** An exclusion from annual income.
20. **DISPLACED PERSON(S):** Individuals or families displaced by government action or whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized pursuant to Federal Disaster Relief Laws.
21. **DOMESTIC VIOLENCE:** Includes felony or misdemeanor crimes of violence committed by a current or Former spouse of the victim, by a person with whom the victim shares a child in common, by a person who is cohabitating with, or has cohabited with the victim as a spouse, by a person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving grant monies, or by any other person against an adult or youth victim who is protected from that person's acts under the domestic or family violence laws of the jurisdiction.
22. **DRUG:** A controlled substance as defined in Section 102 of the Controlled Substances Act (21 U.S.C. 802).

23. **DRUG ABUSE TREATMENT FACILITY:** An entity that holds itself out as providing, and provides, diagnosis, treatment, or referral for treatment with respect to the illegal drug use and is either an identified unit within a general care facility or an entity other than a general medical care facility.
24. **DRUG-RELATED CRIMINAL ACTIVITY:** The illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell, distribute, or use the drug.
25. **EARNED INCOME:** Earned income means income or earnings from wages, tips, salaries, other employee compensation, and net income from self-employment. Earned income does not include any pension or annuity, transfer payments (meaning payments made or income received in which no goods or services are being paid for, such as welfare, social security, and governmental subsidies for certain benefits), or any cash or in-kind benefits.
26. **ECONOMIC SELF-SUFFICIENCY PROGRAM:** Any program designed to encourage, assist, train, or facilitate the economic independence of HUD-assisted families or to provide work for such families. These programs include programs for job training, employment counseling, work placement, basic skills training, education, English proficiency, workfare, financial or household management, apprenticeship, and any program necessary to ready a participant for work (including a substance abuse or mental health treatment program), or other work activities.
27. **ELDERLY FAMILY:** A family whose head (including co-head), spouse or sole member is a person who is at least 62 years of age. It may include two or more persons who are at least 62 years of age living together, or one or more persons who are at least 62 years of age living with one or more live-in aides.
28. **ELIGIBLE FAMILIES:** Low-income families who are eligible for admission to the public housing program.
29. **EMANCIPATED MINOR:** Emancipation is when a minor has achieved independence from his or her parents, such as by getting married before reaching age 18 or by becoming fully self-supporting. It is possible for a child to petition a court for emancipation to free the minor child from the control of parents and allow the minor to live on his/her own or under the control of others. It usually applies to adolescents who leave the parents' household by agreement or demand.
30. **ENTERPRISE INCOME VERIFICATION SYSTEM (EIV):** A HUD-provided Internet-based wage and benefit tool that allows PHAs to validate the accuracy of tenant-reported income from an independent source that systematically and uniformly maintains income information in computerized form for a large number of individuals.
31. **EVIDENCE OF CITIZENSHIP OR ELIGIBLE IMMIGRATION STATUS:** The documents which must be submitted to evidence of citizenship or eligible immigration status.
32. **EXCLUSIONS FROM INCOME:**
 - A. Any imputed return on an asset when net family assets total \$50,000 or less (which amount HUD will adjust annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers) and no actual income from the net family assets can be determined.
 - B. The following types of trust distributions:
 - (1) For an irrevocable trust or a revocable trust outside the control of the family or household excluded from the definition of net family assets under § 5.603(b):
 - (a) Distributions of the principal or corpus of the trust; and
 - (b) Distributions of income from the trust when the distributions are used to pay the costs of health and medical care expenses for a minor.

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- (2) For a revocable trust under the control of the family or household, any distributions from the trust, except that any actual income earned by the trust, regardless of whether it is distributed, shall be considered income to the family at the time it is received by the trust.
- C. Earned income of children under 18 years of age.
 - D. Payments received for the care of foster children or foster adults, or State or Tribal kinship or guardianship care payments.
 - E. Insurance payments and settlements for personal or property losses, including but not limited to payments through health insurance, motor vehicle insurance, and workers' compensation.
 - F. Amounts received by the family that are specifically for, or in reimbursement of, the cost of health and medical care expenses for any family member.
 - G. Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member arising out of law, that resulted in a member of the family becoming disabled.
 - H. Income of a live-in aide, foster child, or foster adult as defined in this policy.
 - I. Higher Education
 - (1) Any assistance that section 479B of the Higher Education Act of 1965, as amended (20 U.S.C. 1087uu), requires be excluded from a family's income; and
 - (2) Student financial assistance for tuition, books, and supplies (including supplies and equipment to support students with learning disabilities or other disabilities), room and board, and other fees required and charged to a student by an institution of higher education (as defined under Section 102 of the Higher Education Act of 1965 (20 U.S.C. 1002)) and, for a student who is not the head of household or spouse, the reasonable and actual costs of housing while attending the institution of higher education and not residing in an assisted unit.
 - (i) Student financial assistance, for purposes of this section, means a grant or scholarship received from:
 - (a) The Federal government;
 - (b) A State, Tribe, or local government;
 - (c) A private foundation registered as a nonprofit under 26 U.S.C. 501(c)(3);
 - (d) A business entity (such as corporation, general partnership, limited liability company, limited partnership, joint venture, business trust, public benefit corporation, or nonprofit entity); or
 - (e) An institution of higher education.
 - (ii) Student financial assistance, for purposes of this section, does not include:
 - (a) Any assistance that is excluded pursuant to this section (refer to 24 CFR § 5.609(b)(9)(i));
 - (b) Financial support provided to the student in the form of a fee for services performed (e.g., a work study or teaching fellowship that is not excluded pursuant to 24 CFR § 5.609(b)(9)(i));
 - (c) Gifts, including gifts from family or friends; or
 - (d) Any amount of the scholarship or grant that, either by itself or in combination with assistance excluded under this paragraph or 24 CFR § 5.609(b)(9)(ii)(E)), exceeds the actual covered costs

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of the student. The actual covered costs of the student are the actual costs of tuition, books and supplies (including supplies and equipment to support students with learning disabilities or other disabilities), room and board, or other fees required and charged to a student by the education institution, and, for a student who is not the head of household or spouse, the reasonable and actual costs of housing while attending the institution of higher education and not residing in an assisted unit. This calculation is described further in 24 CFR § 5.609(b)(9)(i).

- (iii) Student financial assistance, for purposes of this section must be:
 - (a) Expressly for tuition, books, room and board, or other fees required and charged to a student by the education institution;
 - (b) Expressly to assist a student with the costs of higher education; or
 - (c) Expressly to assist a student who is not the head of household or spouse with the reasonable and actual costs of housing while attending the education institution and not residing in an assisted unit.
- (iv) Student financial assistance, for purposes of this section, may be paid directly to the student or to the educational institution on the student's behalf. Student financial assistance paid to the student must be verified by the housing authority as student financial assistance consistent with this 24 CFR § 5.609(b)(9)(ii).
- (v) When the student is also receiving assistance excluded under this section, the amount of student financial assistance under this paragraph is determined as follows:
 - (a) If the amount of assistance excluded under 24 CFR § (b)(9)(i) is equal to or exceeds the actual covered costs under 24 CFR § (b)(9)(ii)(B)(4), none of the assistance described in 24 CFR § (b)(9)(i) is considered student financial assistance excluded from income under 24 CFR § (b)(9)(ii)(E) .
 - (b) If the amount of assistance excluded under 24 CFR § (b)(9)(i) is less than the actual covered costs under 24 CFR § (b)(9)(ii)(B)(4), the amount of assistance described in 24 CFR § (b)(9)(ii) that is considered student financial assistance excluded under this paragraph is the lower of:
 - 1) the total amount of student financial assistance received under 24 CFR § (b)(9)(ii), or
 - 2) the amount by which the actual covered costs under this section exceeds the assistance excluded under 24 CFR § (b)(9)(i).
- J. Income and distributions from any Coverdell education savings account under section 530 of the Internal Revenue Code of 1986 or any qualified tuition program under section 529 of such Code; and income earned by government contributions to, and distributions from, “baby bond” accounts created, authorized, or funded by Federal, State, or local government.
- K. The special pay to a family member serving in the Armed Forces who is exposed to hostile fire.
- L. Other Amounts Received:
 - (1) 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);

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- (2) Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (e.g., special equipment, clothing, transportation, childcare, etc.) and which are made solely to allow participation in a specific program;
 - (3) Amounts received under a resident service stipend not to exceed \$200 per month. A resident service stipend is a modest amount received by a resident for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of life in the development.
 - (4) Incremental earnings and benefits resulting to any family member from participation in training programs funded by HUD or in qualifying Federal, State, Tribal, or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives and are excluded only for the period during which the family member participates in the employment training program unless those amounts are excluded under 24 CFR (b)(9)(i).
- M. 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.
- N. Earned income of dependent full-time students in excess of the amount of the deduction for a dependent in § 24 CFR 5.611.
- O. Adoption assistance payments for a child in excess of the amount of the deduction for a dependent in § 24 CFR 5.611.
- P. Deferred periodic amounts from Supplemental Security Income and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts, or any deferred Department of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts.
- Q. Payments related to aid and attendance under 38 U.S.C. 1521 to veterans in need of regular aid and attendance.
- R. 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.
- S. Payments made by or authorized by a State Medicaid agency (including through a managed care entity) or other State or Federal agency to a family to enable a family member who has a disability to reside in the family's assisted unit. Authorized payments may include payments to a member of the assisted family through the State Medicaid agency (including through a managed care entity) or other State or Federal agency for caregiving services the family member provides to enable a family member who has a disability to reside in the family's assisted unit.
- T. Loan proceeds (the net amount disbursed by a lender to or on behalf of a borrower, under the terms of a loan agreement) received by the family or a third party (e.g., proceeds received by the family from a private loan to enable attendance at an educational institution or to finance the purchase of a car).
- U. Payments received by Tribal members as a result of claims relating to the mismanagement of assets held in trust by the United States, to the extent such payments are also excluded from gross income under the Internal Revenue Code or other Federal law.

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- V. Amounts that HUD are required by Federal statute to exclude from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that include assistance under any program to which the exclusions set forth in CFR 24 § (b) apply. HUD will publish a notice in the Federal Register to identify the benefits that qualify for this exclusion. Updates will be published when necessary.
- W. Replacement housing “gap” payments made in accordance with 49 CFR part 24 that offset increased out of pocket costs of displaced persons that move from one federally subsidized housing unit to another Federally subsidized housing unit. Such replacement housing “gap” payments are not excluded from annual income if the increased cost of rent and utilities is subsequently reduced or eliminated, and the displaced person retains or continues to receive the replacement housing “gap” payments.
- X. Nonrecurring income, which is income that will not be repeated in the coming year based on information provided by the family. Income received as an independent contractor, day laborer, or seasonal worker is not excluded from income under this paragraph, even if the source, date, or amount of the income varies. Nonrecurring income includes:
- (1) Payments from the U.S. Census Bureau for employment (relating to decennial census or the American Community Survey) lasting no longer than 180 days and not culminating in permanent employment.
 - (2) Direct Federal or State payments intended for economic stimulus or recovery.
 - (3) Amounts directly received by the family as a result of State refundable tax credits or State tax refunds at the time they are received.
 - (4) Amounts directly received by the family as a result of Federal refundable tax credits and Federal tax refunds at the time they are received.
 - (5) Gifts for holidays, birthdays, or other significant life events or milestones (e.g., wedding gifts, baby showers, anniversaries).
 - (6) Non-monetary, in-kind donations, such as food, clothing, or toiletries, received from a food bank or similar organization.
 - (7) Lump-sum additions to net family assets, including but not limited to lottery or other contest winnings.
- Y. Income of a live-in aide, foster child, or foster adult as defined in 24 CFR §§ 5.403 and 5.603 is excluded from the family’s calculation of annual income.
- Z. Civil rights settlements or judgments, including settlements or judgments for back pay.
- AA. Income received from any account under a retirement plan recognized as such by the Internal Revenue Service, including individual retirement arrangements (IRAs), employer retirement plans, and retirement plans for self-employed individuals; except that any distribution of periodic payments from such accounts shall be income at the time they are received by the family.
- BB. Income earned on amounts placed in a family's Family Self Sufficiency Account.
- CC. Gross income a family member receives through self-employment or operation of a business; except that the following shall be considered income for a family member:
- (1) Net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations; and

- (2) Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family (owner).
- 33. EXTREMELY LOW-INCOME FAMILY:** Very low-income families whose incomes do not exceed the higher of the Federal poverty level or 30 percent of Area Median Income.
- 34. FAMILIAL STATUS:** Those protected under the familial status class are those who:
- A. Have a child under the age of 18 living with them (can be a natural child or a child over whom they have secured legal custody)
 - B. People in the process of securing custody of children, such as adoption and
 - C. Pregnant Women
- 35. FAMILY:** Family includes but is not limited to, the following, regardless of actual or perceived sexual orientation, gender identity, or marital status;
- A. A single person, who may be an elderly person, displaced person, disabled person, near-elderly person, or any other single person; or
 - B. An otherwise eligible youth who has attained at least 18 years of age and not more than 24 years of age and who has left foster care, or will leave foster care within 90 days, in accordance with a transition plan described in section 475(5)(H) of the Social Security Act (42 U.S.C. 675(5)(H)), and is homeless or is at risk of becoming homeless at age 16 or older; or
 - C. A group of people residing together, and such group includes, but is not limited to:
 - (1) 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);
 - (2) An elderly family;
 - (3) A near-elderly family;
 - (4) A disabled family;
 - (5) A displaced family; and
 - (6) The remaining member of a tenant family.
- 36. FINANCIAL HARDSHIP:** Financial hardship exemption for unreimbursed health and medical care expenses and reasonable attendant care and auxiliary apparatus expenses.
- A. Phased in relief. This paragraph provides financial hardship relief for families affected by the statutory increase in the threshold to receive health and medical care expenses and reasonable attendant care and auxiliary apparatus expense deductions from annual income.
 - (1) Eligibility for relief. To receive hardship relief under this section, the family must have received a deduction from annual income because their sum of expenses under 24 CFR § 5.611 (a)(3) exceeded 3 percent of annual income as of January 1, 2024.
 - (2) Form of relief.
 - (i) The family will receive a deduction totaling the sum of the expenses under 24 CFR § 5.611 (a)(3) that exceeds 5 percent of annual income.
 - (ii) Twelve months after the relief in 24 CFR § 5.611 (c)(1)(ii) is provided, the family must receive a deduction totaling the sum of expenses under 24 CFR § 5.611 (a)(3) that exceed 7.5 percent of annual income.
 - (iii) Twenty-four months after the relief in 24 CFR § 5.611 (c)(1)(ii) is provided, the family must receive

a deduction totaling the sum of expenses under 24 CFR § 5.611 (a)(3) that exceed ten percent of annual income and the only remaining relief that may be available to the family will be in this section.

- (iv) A family may request hardship relief under 24 CFR § 5.611 (c)(2) prior to the end of the twenty-four-month transition period. If a family making such a request is determined eligible for hardship relief under 24 CFR § 5.611 (c)(2), hardship relief under this paragraph ends and the family's hardship relief shall be administered in accordance with 24 CFR § 5.611 (c)(2). Once a family chooses to obtain relief under 24 CFR § 5.611 (c)(2), a family may no longer receive relief under this paragraph.
- B. General. This paragraph provides financial relief for an elderly or disabled family or a family that includes a person with disabilities that is experiencing a financial hardship.
- (1) Eligibility for relief.
 - (i) To receive hardship relief under 24 CFR § 5.611 (c)(2), a family must demonstrate that the family's applicable health and medical care expenses or reasonable attendant care and auxiliary apparatus expenses increased or the family's financial hardship is a result of a change in circumstances (as defined by the housing authority) that would not otherwise trigger an interim reexamination.
 - (ii) Relief under 24 CFR § 5.611 (c)(2) is available regardless of whether the family previously received deductions under 24 CFR § 5.611 (a)(3), is currently receiving relief under 24 CFR § 5.611 (c)(1), or previously received relief under 24 CFR § 5.611 (c)(1).
 - (2) Form and duration of relief.
 - (i) The family will receive a deduction for the sum of the eligible expenses in 24 CFR § 5.611 (a)(3) that exceeds 5 percent of annual income.
 - (ii) The family's hardship relief ends when the circumstances that made the family eligible for the relief are no longer applicable or after 90 days, whichever comes earlier.
- C. Exemption to continue childcare expense deduction. A family whose eligibility for the childcare expense deduction is ending may request a financial hardship exemption to continue the childcare expense deduction under 24 CFR § 5.61 (a)(4). The housing authority must recalculate the family's adjusted income and continue the child care deduction if the family demonstrates to the housing authority's satisfaction that the family is unable to pay their rent because of loss of the child care expense deduction, and the child care expense is still necessary even though the family member is no longer employed or furthering his or her education. The hardship exemption and the resulting alternative adjusted income calculation must remain in place for a period of up to 90 days. Responsible entities, at their discretion, may extend such hardship exemptions for additional 90-day periods based on family circumstances.
- D. Hardship policy requirements.
- (1) Housing authority determination of family's inability to pay the rent. The housing authority must establish a policy on how it defines what constitutes a hardship under 24 CFR § 5.611 (c) and (d), which includes determining the family's inability to pay the rent, for purposes of determining eligibility for a hardship exemption under 24 CFR § 5.611 (d).
 - (2) Family notification. The housing authority must promptly notify the family in writing of the change in the determination of adjusted income and the family's rent resulting from the hardship exemption. The notice must also inform the family of when the hardship exemption will begin and expire (i.e., the time periods specified under 24 CFR § 5.611 (c)(1)(ii) or within 90 days or at such time as the responsibility entity determines the exemption is no longer necessary in accordance with 24 CFR § 5.611 (c)(2)(ii)(B) or (d).

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

38. **FOSTER CHILD:** A member of the household who meets the definition of a foster child under State law. In general, a foster child is placed with the family by an authorized placement agency (e.g., public child welfare agency) or by judgement, decree, or other order of any court of competent jurisdiction.
39. **FULL-TIME STUDENT:** A person who is attending school or vocational training on a full-time basis. This definition includes "vocational training" which does not require that the training be a certificate program.
40. **HANDICAPPED ASSISTANCE EXPENSES:** Reasonable expenses that are anticipated, during the period for which annual income is computed, for attendant care and auxiliary apparatus for a handicapped or disabled family member and that are necessary to enable a family member (including the handicapped or disabled member) to be employed provided that the expenses are neither paid to a member of the family nor reimbursed by an outside source.
41. **HANDICAPPED PERSON:** Any person having a physical or mental impairment which (1) is expected to be of long, continued and indefinite duration, (2) substantially impedes his or her ability to live independently, and (3) is of such nature that such ability could be improved by more suitable housing conditions. NOTE: All three conditions must be met.
42. **HATE CRIMES:** Actual or threatened physical violence or intimidation directed against a person or his/her property and is based on the person's race, religion, ethnicity, nationality, gender, sexual orientation, gender identity, disability, or family status.
43. **HEAD OF HOUSEHOLD:** The adult member of the family who is the head of the household for purposes of determining income eligibility and rent. The head of household must be of legal age or an emancipated minor under state law. The head of household is the person who is held responsible and accountable for the family.
44. **HEALTH AND MEDICAL CARE EXPENSES:** Health and medical care expenses are any costs incurred in the diagnosis, cure, mitigation, treatment, or prevention of disease or payments for treatments affecting any structure or function of the body. Health and medical care expenses include medical insurance premiums and long-term care premiums that are paid or anticipated during the period for which annual income is computed.
45. **HOUSEHOLD:** The family and any PHA-approved live-in aide.
46. **IMPUTED WELFARE INCOME:** The amount of annual income not actually received by a family, as a result of a specified welfare benefit reduction, that is nonetheless included in the family's annual income.
47. **INDEPENDENT CONTRACTOR:** An individual who qualifies as an independent contractor instead of an employee in accordance with the Internal Revenue Code Federal income tax requirements and whose earnings are consequently subject to the Self-Employment Tax. In general, an individual is an independent contractor if the payer has the right to control or direct only the result of the work and not what will be done and how it will be done.
48. **INFANT:** A child under two years of age.
49. **INTERNAL REVENUE SERVICE LETTER 1722:** An IRS Letter 1722, also known as a tax account listing, provides information including: applicants'/tenants' filing status, exemptions claimed, adjusted gross income, taxable income, and taxes paid.
50. **INVOLUNTARY DISPLACEMENT:** An applicant who is or will be involuntarily displaced if he or she has vacated or will have to vacate his or her housing unit as a result of one or more of the following actions and is not living in standard, permanent replacement housing:
 - A. A disaster, such as fire or flood, which results in the inhabitability of an applicant's unit; or,

- B. Activity carried on by an agency of the United States, state, or local government body in connection with a public improvement; or,
 - C. Action by a housing owner that results in an applicant having to vacate his or her unit where:
 - (1) The reason for the owner's action is beyond an applicant's ability to control or prevent;
 - (2) The action occurs despite an applicant's having met all previously imposed conditions of occupancy; and,
 - (3) The action taken is other than rent increase; or,
 - B. Displacement by domestic violence where:
 - (1) The applicant has vacated his or her housing unit as a result of recent or continuing threats or actual physical violence directed against the applicant by one or more members of the applicant's household, including spouse or co-head; or,
 - (2) The applicant certifies that the person who engaged in such violence will not reside with the applicant family unless advanced written approval has been given by the PHA. The PHA may terminate assistance to the family for breach of the certification.
 - C. Displacement to avoid reprisals where:
 - (1) Family members provided information on criminal activity to a law enforcement agency; and,
 - (2) The law enforcement agency recommends rehousing the family to avoid or minimize the risk of violence against the family as reprisal with appropriate safeguards to conceal the family identify; or,
 - D. Displacement by hate crimes where:
 - (1) The threatened physical violence or intimidation occurred recently or is of a continuing nature, and,
 - (2) The applicant has vacated a housing unit because of crime, or the fear associated with such crime has destroyed the applicant's peaceful enjoyment of the unit (see Hate Crimes definition); or
 - E. Displacement by inaccessibility of the applicant's present unit where:
 - (1) The family member has a mobility or other impairment that does not enable the person to use certain critical elements of the unit, and,
 - (2) The owner is not legally obligated, or willing, to make changes to the critical elements necessary to provide reasonable accommodations to the disabled person; or
 - F. Displacement due to HUD multifamily project disposition activities under Section 203 of the Housing and Community Development Amendments of 1978.
- 51. LIVE-IN AIDE:** One specified adult, with prior approval of the PHA, who resides with an elderly, disabled, handicapped person or persons and who:
- A. Is determined by the PHA to be essential to the care and well-being of the person(s),
 - B. Is not obligated for support of the person(s) and;
 - C. Would not be living in the unit except to provide necessary supportive services. (See this Section. for treatment of a live-in aide's income.)
- 52. LOW INCOME FAMILY:** A family whose annual income does not exceed 80 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. HUD may establish income limits higher or lower than 80 percent of the median income for the area on the basis of its findings that such variations are necessary because of unusually high or low family incomes.

- 53. MEDICAL EXPENSES:** Those medical expenses, including medical insurance premiums, which are anticipated during the period for which annual income is computed, and that are not covered by insurance.
- 54. MINOR:** A member of the family, other than the head of family or spouse, who is under 18 years of age.
- 55. MIXED FAMILY:** A family whose members include those with citizenship or eligible immigration status, and those without citizenship or eligible immigration status.
- 56. MIXED POPULATION DEVELOPMENT:** A public housing development, or portion of a development, which was reserved for elderly and disabled families at its inception (and has retained that character). If the development was not so reserved at its inception, the PHA has obtained HUD approval to give preference in tenant selection for all units in the development (or portion of development) to elderly families and disabled families. These developments were formerly known as elderly projects.
- 57. NATIONAL:** A person who owes permanent allegiance to the United States, for example, as a result of birth in a United States territory or possession.
- 58. NEAR ELDERLY:** A family whose head (including co-head), spouse, or sole member is a person who is at least 50 years of age but below the age of 62; or two or more persons, who are at least 50 years of age but below the age of 62, living together; or one or more persons who are at least 50 years of age but below the age of 62, living with one or more live-in aides.
- 59. NET FAMILY ASSETS:**
- A. Net family assets are the net cash value of all assets owned by the family, after deducting reasonable costs that would be incurred in disposing of real property, savings, stocks, bonds, and other forms of capital investment.
 - B. In determining net family assets, PHAs or owners, as applicable, must include the value of any business or family assets disposed of by an applicant or tenant for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application for the program or reexamination, as applicable, in excess of the consideration received therefor. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or tenant receives consideration not measurable in dollar terms. Negative equity in real property or other investments does not prohibit the owner from selling the property or other investments, so negative equity alone would not justify excluding the property or other investments from family assets.
 - C. Excluded from the calculation of net family assets are:
 - (1) The value of necessary items of personal property;
 - (2) The combined value of all non-necessary items of personal property if the combined total value does not exceed \$50,000 (which amount will be adjusted by HUD in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers);
 - (3) The value of any account under a retirement plan recognized as such by the Internal Revenue Service, including individual retirement arrangements (IRAs), employer retirement plans, and retirement plans for self-employed individuals;
 - (4) The value of real property that the family does not have the effective legal authority to sell in the jurisdiction in which the property is located;
 - (5) Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member arising out of law, which resulted in a family member being a person with a disability;
 - (6) The value of any Coverdell education savings account under section 530 of the Internal Revenue Code of 1986, the value of any qualified tuition program under section 529 of such Code, the value of any Achieving a Better Life Experience (ABLE) account authorized under Section 529A of such Code, and the value of any "baby bond" account created, authorized, or funded by Federal, State, or local government.
 - (7) Interests in Indian trust land;

- (8) Equity in a manufactured home where the family receives assistance under 24 CFR part 982;
 - (9) Equity in property under the Homeownership Option for which a family receives assistance under 24 CFR part 982;
 - (10) Family Self-Sufficiency Accounts; and
 - (11) Federal tax refunds or refundable tax credits for a period of 12 months after receipt by the family.
- D. The full amount of assets held in an irrevocable trust.
- E. The full amount of assets held in a revocable trust where a member of the family is the beneficiary, but the grantor/owner and trustee of the trust is not a member of the participant family or household.
- F. In cases where a trust fund has been established and the trust is not revocable by, or under the control of, any member of the family or household, the trust fund is not a family asset and the value of the trust is not included in the calculation of net family assets, so long as the fund continues to be held in a trust that is not revocable by, or under the control of, any member of the family or household.
- 60. NONCITIZEN:** A person who is neither a citizen nor national of the United States.
- 61. PERSON WITH DISABILITIES:** Means a person who:
- A. Has a disability, as defined in 42 U.S.C.423;
 - B. Is determined, pursuant to HUD regulations, to have a physical, mental, or emotional impairment that:
 - (1) Is expected to be of long continued and indefinite duration;
 - (2) Substantially impedes his or her ability to live independently, and
 - (3) Is of such nature that the ability to live independently could be improved by more suitable housing conditions; or
 - (4) Has a developmental disability as defined in 42 U.S.C. 6001.
 - C. Does not exclude persons who have the disease of acquired immunodeficiency syndrome (AIDS) or any conditions arising from the etiologic agent for acquired immunodeficiency syndrome;
 - D. For purposes of qualifying for low-income housing, does not include a person whose disability is based solely on any drug or alcohol dependence; and
 - E. Means “handicapped person,” as defined in this document, for purposes of reasonable accommodation and program accessibility for persons with disabilities.
- 62. PREMISES:** The building or complex in which the public housing dwelling unit is located, including common areas and grounds.
- 63. PREVIOUSLY UNEMPLOYED:** 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 prevailing in the jurisdiction.
- 64. PUBLIC HOUSING AGENCY:** HUD has removed the acronym "HA". The currently recognized terminology to refer to a housing agency is "Public Housing Agency" or "PHA". Reference is also made herein to “PHA” which refers to the specific housing authority administering this policy.
- 65. REAL PROPERTY:** Real Property has the same meaning as that provided under the law of the State in which the property is located.
- 66. RENT BURDEN:** For purposes of determining whether an applicant qualifies for rent burden preference, if applicable, as paying more than 50 percent of family income for rent, the following applies:
- A. Rent is the actual monthly amount due under a lease or occupancy agreement plus:

- (1) Either the utility allowance for family-purchased utilities and services of the PHA's tenant-based program, providing the PHA administers such program, or
 - (2) By family choice, should such choice be available, the average monthly payments actually made for these utilities and services for the most recent 12-month period. Should this information not be obtainable for the entire period, a shorter time period may be averaged as appropriate.
- B. Amounts paid to or on behalf of the family under any energy assistance program may not be included in the rental amount due.
- C. The applicant does not qualify for a rent burden preference if either of the following applies:
- (1) The applicant has been paying more than 50 percent of family income for rent for less than 90 days, or
 - (2) The applicant family is paying more than 50 percent of family income because of the applicant's termination from any HUD funded housing program because of their refusal to comply with program policies and procedures on the occupancy of under or over occupied units.
- 67. RESIDENCY PREFERENCE:** A preference for admission of persons who reside in a specified geographic area.
- 68. RESIDENT SERVICE STIPENDS:** A modest amount (i.e., \$200, or less per month) received by a resident for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of life in the assisted housing development.
- 69. RESPONSIBLE ENTITY:** For Public Housing, Section 8- tenant-based assistance, project-based certificate assistance and the moderate rehabilitation program: the PHA administering the program under an ACC with HUD.
- 70. SEASONAL WORKER:** An individual who is hired into a short-term position and the employment begins at about the same time each year (such as summer or winter). Typically, the individual is hired to address seasonal demands that arise for the particular employer or industry.
- 71. SERVICE REQUIREMENT:** The obligation of each adult resident, other than an exempt individual, to perform community service or participate in an economic-self sufficiency program.
- 72. SPECIFIED WELFARE BENEFIT REDUCTION:** 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 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:
- at expiration of a lifetime or other time limit on the payment of welfare benefits;
 - 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
 - because a family member has not complied with other welfare agency requirements.
- 73. SPOUSE:** The husband or wife of the head of household.
- 74. STATE WAGE INFORMATION COLLECTION AGENCIES (SWICA):** often a part of a state's Department of Labor, SWICAs can disclose wage information, and whether an individual is receiving, has received, or has made application for, unemployment compensation. In some states, information on disabilities-including the amount of any disability compensation being received or to be received can also be disclosed.
- 75. SUBSTANDARD HOUSING:**
- A. A housing unit is substandard if it:
- (1) Is dilapidated if it:
 - (i) Does not provide safe and adequate shelter and it endangers the health, safety, or well-being of a

- family; or,
- (ii) has one or more critical defects; or,
- (iii) has a combination of intermediate defects in sufficient number or extent to require considerable repair or rebuilding whether built-in or from neglect, lack of repair or serious damage.
- (2) does not have operable indoor plumbing, a usable flush toilet inside the unit for the exclusive use of a family, or a usable bathtub or shower inside the unit for the exclusive use of a family;
- (3) does not have electricity or has inadequate or unsafe electrical service;
- (4) does not have a safe or adequate heat source;
- (5) should have but does not have a kitchen; or,
- (6) has been declared unfit for habitation by an agency of government.

NOTE: A Single Room Occupancy (SRO) housing unit is not considered substandard solely because it does not contain separate sanitary and food preparation facilities.

- B. For the purpose of this definition, "Homeless Families" are living in substandard housing if the individual or family:
 - (1) Lacks a fixed, regular, and adequate night-time residence and;
 - (2) Has a primary residence that is:
 - (i) A supervised public or privately-operated shelter designed to provide temporary living accommodations, including welfare hotels, congregate shelters, and transitional housing; or,
 - (ii) An institution where an individual resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution;
 - (iii) A public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.

NOTE: A "Homeless Family" does not include any individual imprisoned or otherwise detained pursuant to an act of Congress or state law.

76. TEMPORARILY ABSENT FAMILY MEMBER a family member who intends to remain as part of the household although they are temporarily away from the household. If the family member will be absent for a period longer than thirty days, the family must report this to the PHA office. A temporarily absent family member may include:

- A. A family member attending school or a training program;
- B. A family member who is confined to a hospital or nursing home. If the household member is confined to a hospital or nursing home for more than sixty days, the family member may be removed from the lease and his or her income will not be counted for rent calculation purposes.
- C. A child or children who are temporarily away from home because of placement in foster care are considered family members and their income is treated the same as that of other children in the family. If the children remain out of the household for a period of six months or longer, the PHA will review their case to determine if any adjustments in rent or unit size are necessary.
- D. A family member who is incarcerated on charges that would not affect the eligibility of the resident family.

If the temporarily absent family member is the sole member of a resident household, he or she may not be absent from the unit for longer than ninety days. If the absence exceeds ninety days, the PHA will terminate the lease. Any exception to this will be considered on a case-by-case basis and a determination will be made by the Executive Director or designated representative.

77. TENANT ASSESSMENT SUBSYSTEM (TASS): A HUD-provided Internet-based benefit tool, TASS matches Social Security and Supplemental Security Income to comparable tenant data from PIC and TRACS databases.

- 78. TENANT RENT:** The amount payable monthly by the family as rent to the unit owner.
- 79. TOTAL TENANT PAYMENT (TTP).** The total tenant payment for all families shall be the highest of the following amounts rounded to the nearest dollar;
- A. 30 percent of the family's monthly adjusted income;
 - B. 10 percent of the family's monthly income;
 - C. If the family is receiving payments for welfare assistance from a public agency and a part of those payments, adjusted in accordance with the family's actual housing costs, is specifically designated by such agency to meet the family's housing costs, the portion of those payments which is so designated.
 - D. The minimum rent, as determined in accordance with § 5.630;

NOTE: The amount calculated under this section for Total Tenant Payment does not include charges for excess utility consumption or other miscellaneous charges as posted.

- 80. TUITION:** Tuition is 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. 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. 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.
- 81. UNEARNED INCOME:** Unearned income means any annual income that is not earned income as defined in 24 CFR 5.609.
- 82. UNREIMBURSED MEDICAL EXPENSES:** (formerly Handicapped Assistance Expense): Reasonable expenses that are anticipated, during the period for which annual income is computed, for attendant care and auxiliary apparatus for a handicapped or disabled family member and that are necessary to enable a family member (including the handicapped or disabled member) to be employed provided that the expenses are neither paid to a member of the family nor reimbursed by an outside source.
- 83. UPFRONT INCOME VERIFICATION (UIV):** A report generated utilizing the HUD EIV system, to compare tenant information to HUD-compiled information before or during a tenant's re-examination. This provides information about those households where the actual income level fails to match that which was projected during the annual recertification process.
- 84. UTILITY ALLOWANCE:** An amount equal to the estimated usage of utilities as approved by the PHA, of the monthly cost of a reasonable consumption of such utilities and other services for the unit by an energy-conservative household of modest circumstances consistent with the requirements of a safe, sanitary and healthful living environment will be provided to the tenant.
- 85. UTILITY REIMBURSEMENT:** The amount, if any, by which the tenant-paid utility allowance for the unit, if applicable, exceeds the total tenant payment for the family occupying the unit. Any payment under this section may be made payable jointly either to the tenant or by the Authority directly to the utility company on behalf of the tenant. Where the Authority makes the payment directly to the utility supplier, the Authority will notify the tenant of the amount paid.

- 86. VERY LOW-INCOME FAMILY:** A family whose annual income does not exceed 50 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. HUD may establish income limits higher or lower than 50 percent of the median income for the area on the basis of its findings that such variations are necessary because of unusually high or low family incomes.
- 87. VIOLENCE AGAINST WOMEN ACT (VAWA):** refers to the Violence Against Women and Department of Justice Reauthorization Act of 2005 (Pub. L. 109-162, approved August 28, 2006), as amended by the U.S. Housing Act of 1937 (42 U.S.C. 13925 and 42 U.S. 14043e)
- 88. VIOLENT CRIMINAL ACTIVITY:** Any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, non-trivial bodily injury or property damage.
- 89. WELFARE ASSISTANCE:** Income assistance from Federal or State welfare programs and includes only cash maintenance payments designed to meet a family's ongoing basic needs. Welfare assistance does not include:
- A. Non-recurrent, short-term benefits that:
 - (1) Are designed to deal with a specific crisis situation or episode of need
 - (2) Are not intended to meet recurrent or ongoing needs; and
 - (3) Will not extend beyond four months.
 - B. Work subsidies (i.e., payments to employers or third parties to help cover the costs of employee wages, benefits, supervision, and training);
 - C. Supportive services such as childcare and transportation provided to families who are employed;
 - D. Refundable earned income tax credits;
 - E. Contributions to, and distributions from, Individual Development Accounts under TANF;
 - F. Services such as counseling, case management, peer support, childcare information and referral, transitional services, job retention, job advancement and other employment-related services that do not provide basic income support;
 - G. Transportation benefits provided under a Job Access or Reverse Commute project, pursuant to Section 404(k) of the Social Security Act, to an individual who is not otherwise receiving assistance;
 - H. Amounts solely directed to meeting housing expenses;
 - I. Amounts for health care;
 - J. Food stamps and emergency rental and utilities assistance; and;
 - K. SSI, SSDI, or Social Security.
- 90. WORK NUMBER, THE:** An automated service that provides controlled access to a national database of almost 40 million employment and income records. The Work Number can provide quick and accurate employment and wage information.
- 91. WORK OR WORKING:** Where the PHA has a working preference, work is defined as follows: Where the head, co-head, spouse or sole member is employed by a third party for at least the minimum wage for a minimum of 30 hours per week or the equivalent of 1560 hours per year at minimum wage.

**SECTION II:
ADMISSIONS POLICY**

SECTION II ADMISSION POLICY

1. FAIR HOUSING AND EQUAL OPPORTUNITY

- A. It is the policy of the PHA to fully comply with all federal, state, and local nondiscrimination laws, the Americans with Disabilities Act, and the U. S. Department of Housing and Urban Development regulations governing Fair Housing and Equal Opportunity.
- B. No person shall, on the basis of race, color, religion, sex (including gender identity and sexual orientation), familial status, national origin, disability, age and marital status be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under the PHA programs.
- C. The PHA will assist any family that believes they have suffered illegal discrimination by providing the family copies of the appropriate housing discrimination forms. The PHA will also assist them in completing the forms if requested and will provide them with the address of the nearest HUD office of Fair Housing and Equal Opportunity.

2. REASONABLE ACCOMMODATION

- A. This policy clarifies how people can request accommodations and the guidelines the PHA will follow in determining whether it is reasonable to provide the requested accommodation. Because disabilities are not always apparent, the PHA will ensure that all applicants/tenants are aware of the opportunity to request reasonable accommodations. Examples of reasonable accommodations would include:
 - (1) Offering a unit that has been modified for use by someone in a wheelchair to an applicant that needs this type of unit or making minor modifications to other units to make them accessible;
 - (2) Installing strobe type flashing light smoke detectors in apartments for a family with a hearing-impaired member;
 - (3) Permitting a family to have a support animal necessary to assist a family member with a disability;
 - (4) Making large type documents or a reader available to a vision-impaired applicant or a sign language interpreter available during the application process;
 - (5) Permitting an outside agency to assist an applicant with a disability to meet our applicant screening criteria and/or assist with other responsibilities required by our lease;
 - (6) Allowing a resident to make a physical change to their apartment at their own expense if it does not violate codes or affect the structural integrity of the unit.
- B. An applicant family that has a member with a disability must still be able to meet essential obligations of tenancy which include being able to: 1) pay rent, 2) care for their apartment, 3) report required information to the PHA, 4) avoid disturbing their neighbors, etc. There is no requirement that they be able to do these things without assistance from a family member or an outside agency.
- C. If an applicant, resident, or a member of the household has a disability, they may request a reasonable accommodation during the application process or after admission. The PHA will provide a form to use to request a reasonable accommodation and assist with completing the form if requested. The PHA may require documentation that the requested accommodation is needed due to the disability. The PHA will not inquire as to the nature of the disability.
- D. Anyone requesting an application will also receive a copy of the Reasonable Accommodation Policy.
- E. All decisions granting or denying requests for reasonable accommodations will be in writing.

- F. Generally, the individual knows best what it is they need; however, the PHA retains the right to be shown how the requested accommodation enables the individual to access or use the PHA's programs or services.
- G. If more than one accommodation is equally effective in providing access to the PHA programs and services, the PHA retains the right to select the most efficient or economic choice.
- H. The cost necessary to carry out approved requests, including requests for physical modifications, will be borne by the PHA.

3. SERVICES FOR NON-ENGLISH-SPEAKING APPLICANTS AND RESIDENTS

- A. The PHA will comply with its Limited English Proficiency Policy and Language Assistance Plan to assist non-English speaking residents, applicants, and the general public.

4. RECEIPT OF APPLICATION

- A. Prior to the admission of each family as a resident, a written application signed by a responsible member of the family shall be obtained. The application shall contain all information necessary for the PHA to determine whether the family meets eligibility requirements.
- B. Each application for admission shall indicate:
 - (1) the date and time of receipt;
 - (2) the determination of the PHA as to eligibility or ineligibility of the applicant and where eligible, the unit size for which eligible;
 - (3) the date of the assignment to the dwelling unit and the identification of the unit to which assigned; and,
 - (4) where applicable, the applicant's rejection of a dwelling unit and identification of the unit offered.

5. VERIFICATION POLICY

- A. It is imperative to verify all claims made by each applicant/resident so that proper determinations can be made of eligibility, rent and unit size. Complete and accurate documentation of all data must be maintained at all times. The current status of all information, including any priority selection, must be verified immediately prior to admission.
- B. The documentation required, but not limited to, includes:
 - (1) Authoritative written information from all sources concerning income, exclusions, and deductions. Income shall be verified by the source from which it is derived; expenses shall be verified by the recipients of such payments.
 - (2) Reproductions or carbon copies of documents which substantiate the applicant's/resident's claims or a brief summary of pertinent contents. The summaries shall be signed and dated by the staff member who examined them.
 - (3) Notarized financial statements showing all income, itemized expenses (costs of business expansion, and amortization of capital indebtedness are not allowed) and net income of every self-employed person.
 - (4) Written records of all data obtained by telephone, personal interview, home visits or other means, showing source of information.
 - (5) Birth certificates, driver's license, etc., to support claims of age in the absence of other supportive data.
 - (6) Social Security disability award letters, pensions and Social Security certification of total and permanent disability or doctor's certification that all conditions of disability or handicap, as prescribed by the Social Security definitions, are present to support any claim of disability or handicap.
 - (7) Bank statements, bank books, stock certificates and copies of tax returns on real estate, and registers of bonds to support any claims of income.
 - (8) Written records of all rent determinations and the methods used in making such determinations.

- (9) Verification of any preference will be made prior to any admission for which this priority was considered.
 - (10) Verification of Social Security numbers for all family members.
 - (11) Verification of citizenship or eligible immigration status in accordance with the Immigration and Naturalization Service procedures.
 - (12) Verification of enrollment in Families First Program.
 - (13) Medicare approved discount drug card bearing the words "Medicare Approved."
 - (14) For residents receiving discounted prescription drugs through the Medicare Prescription Discount Card or transitional assistance, copies of receipts or statements from a pharmacy indicating the pre-discount and after-discount cost of each prescription. Where information cannot be obtained from either the resident or the pharmacy to confirm the cost savings, the PHA will use an imputed value of \$48.17 per prescription as a substitute for the actual discount price.
 - (15) For full-time college students who are applying for admission as a non-parental/guardian household (college student as head of household), the following additional verification is required:
 - (i) A written and signed certification that the student does or does not anticipate receiving financial support from his/her parent(s) or guardian(s) and the amount of the support to be provided.
 - (ii) The college student must provide documentation acceptable to the PHA that he/she has established a household separate from his/her parent(s) or legal guardian(s) for at least one year prior to applying for admission to public housing.
 - (iii) A copy of the college student's tax return for the prior year indicating that the student's parents cannot claim him/her on their tax return.
 - (iv) A copy of the parent(s) or guardian(s) tax return or a certified statement from the parents(s) or guardian(s) indicating that the student is not claimed on the parent(s) or guardian(s) income tax return for the most recent filing year.
 - (v) If the college student receives an athletic scholarship that includes a specific amount available for housing cost, or, one that allows for a portion of the cost to be used towards housing cost, the student must provide a copy of the financial aid statement from the college or university he/she will be attending that specifically indicates the amount of the scholarship applicable for housing cost.
 - (16) Verification of Excluded Income: For income where the entire amount qualifies to be excluded from the annual income determination in accordance with 24 CFR § 5.609(b) and any Federal Register notice on mandatory exclusions issued by HUD, the PHA is not required to:
 - (i) Verify the income using third-party verification;
 - (ii) Document in the tenant files as to why the third-party verification was not available as required by 24 CFR §§ 5.659(d), 960.259(c)(i), and 24 CFR 982.516(a)(2); 891.105; 891.410(b)-(c) and (g); or
 - (iii) Report the income on form HUD-50058.
 - (17) PHAs may accept an applicant or participant's self-certification as verification of excluded income. The PHA's application and reexamination questionnaire documentation may serve as the self-certification of excluded income. PHAs have the option of verifying the income using third-party verification, if necessary, to determine if a source of income qualifies for exclusion.
 - (18) Examples of excluded income categories that are verifiable through applicant or participant self-certification include:
 - (i) Supplemental Nutrition Assistance Program (SNAP) benefits, formerly known as food stamps.
 - (ii) Income of a live-in aide.
 - (iii) For the complete list of income exclusions, see 24 CFR § 5.609(b).
 - (19) An income source that is partially excluded, for example, earnings in excess of \$480 for full-time students 18 years of age or older (24 CFR § 5.609(b)(14)), must be third-party verified and reported on forms HUD 50058.
- C. As a condition of admission to or continued assistance under the program, the PHA shall require the family head and such other family members as the PHA designates, to execute a consent form authorizing any depository or private source of income, or any Federal, State or local agency, to furnish or release to the PHA or HUD such information as the PHA or HUD determines to be necessary.

- D. As a condition of admission to or continued assistance under the program, applicants/residents reporting zero income will be required to complete a family expense form to document how much they spend on: food, transportation, health care, child care, debts, household items, etc. and what the source of income is for these expenses.
- E. In calculating the annual income, PHAs must not assign monetary value to non-monetary in-kind donations from a food bank or similar organization received by the family (24 CFR § 5.609(b)(9)(24)(9vi)). PHAs perform an interim reexamination only due to an increase in the family’s adjusted income (24 CFR §§ 5.657 (c)(3); 882.515(b)(3); 891.410(g)(2); 891.610(g)(2); 960.257(b)(3); and 982.516(c)(3)).

6. THE ENTERPRISE INCOME VERIFICATION PROCESS (EIV):

The PHA will provide a copy of this policy to all applicants and to all residents during the re-examination process.

- A. The PHA will use all available information sources to verify income information provided by the applicant/tenant. These sources may include, but are not limited to, the following:
 - (1) HUD’s Enterprise Income Verification System (EIV). See Section I – Definitions.
 - (2) HUD’s Tenant Assessment Subsystem (TASS). See Section I - Definitions.
 - (3) The State of Tennessee’s Automated Client Certification and Eligibility Network for Tennessee (ACCENT). See Section I-Definitions.
 - (4) National Credit Bureau Information Credit Reports.
 - (5) Private Sector databases such as The Work Number. See Section I – Definitions.
 - (6) Internal Revenue Service – Letter 1722. See Section I – Definitions.

B. Third Party Verification

- (1) The Verification Hierarchy: The PHA will begin the verification process with the highest level of verification techniques. The PHA is required to access the EIV system and obtain an Income Report for each household. If the Income Report does not contain any employment and income information for the family, the PHA will attempt the next lower-level verification technique, as noted in the chart below.

Level	Verification Technique	Ranking/Order of Acceptability
6	Upfront Income Verification (UIV), using HUD’s Enterprise Income Verification (EIV) system	Highest PHAs must pull the EIV Income Report for each family at every Annual Reexamination, unless using Safe Harbor documentation to verify the family’s income. EIV may be used as the sole verification of Social Security income. EIV income information may be used to calculate other types of annual income when family agrees. See Level 4 for more information.
5	Upfront Income Verification (UIV) using non-EIV system (e.g., The Work Number, web-based state benefits systems, etc.)	Highest <ul style="list-style-type: none"> • Written, third-party verification is used when tenant disputes EIV-reported employment and income information. • The EIV Income Report may be used to verify and calculate income if the family self-certifies that the amount is accurate and representative of current income. The family must be provided with the information from EIV.
4	Written, third-party verification from the source, also known as “tenant-provided verification.” OR	High <ul style="list-style-type: none"> • Written, third-party verification is used when tenant disputes EIV-reported employment and income information. • The EIV Income Report may be used to verify and

Level	Verification Technique	Ranking/Order of Acceptability
	EIV + Self-Certification PHAs can choose either option when both are available to verify income. PHAs must use written, third-party verification when the income type is not available in EIV (e.g., self-employment, Go Fund Me accounts, general public assistance, Veterans Administration benefits, etc.)	calculate income if the family self-certifies that the amount is accurate and representative of current income. The family must be provided with information from EIV.
3	Written Third Party Verification Form	Medium <ul style="list-style-type: none"> Use if Level 5 or Level 4 verification is not available or is rejected by the PHA and when the applicant or tenant is unable to provide acceptable documentation. May substitute Level 2 for written, third-party verification form, only completing one of the two forms of verification before moving to self-certification.
2	Oral Third-Party Verification	Medium
1	Self-Certification (not third-party verification)	Low <ul style="list-style-type: none"> Use as a last resort when unable to obtain any type of third-party verification or if specifically permitted, such as to determine actual income from assets when the family certifies that net family assets do not exceed \$50,000. May be used as highest form of verification when the family reports zero income.

This verification hierarchy applies to income determinations for applicants and participants. However, EIV is not available for verifying income of applicants.

C. Third-Party Verification Descriptions and Guidance

- (1) **Upfront Income Verification (UIV) (Level 6/5):** The verification of income before or during a family reexamination, through an independent source that systematically and uniformly maintains income information in computerized form for a number of individuals. It should be noted that the EIV system is available to all PHAs as a UIV technique and that all PHAs are required to use EIV in its entirety (see paragraph J.3 on Mandated and Discretionary Use of EIV). PHAs are encouraged to continue using other non-HUD UIV tools, such as The Work Number (an automated verification system) and state government databases, to verify tenant-reported income.
- (2) **Written, Third-Party Verification (Level 4):** An original or authentic document generated by a third-party source dated within 120 days of the date received by the PHA. For fixed-income sources, a statement dated within the appropriate benefit year is acceptable documentation.

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

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

PHAs are required to obtain a minimum of two current and consecutive pay stubs for determining projected annual income from wages when they are relying on pay stubs for Level 4 documentation. MFH Owners were previously required to collect the most recent four to six weeks of pay stubs to

verify employment income. For new income sources or when two pay stubs are not available, the PHA should determine income based on the information from a traditional written, third-party verification form or the best available information.

Income tax returns with corresponding official tax forms and schedules attached and including third-party receipt of transmission for income tax return filed (i.e., tax preparer's transmittal receipt, summary of transmittal from online source, etc.) are an acceptable form of written, third-party verification.

When verification of assets is required, PHAs are required to obtain a minimum of one statement that reflects the current balance of banking/financial accounts. MFH Owners were previously required to average the balance of six checking account statements to determine the cash value of a checking account.

EIV may be used as Level 4 verification and may be used to calculate income as long as the family agrees with the information in EIV; this practice is known as "EIV + Self-Certification." The PHA may use their discretion to determine which method of calculation is reasonable: the last 4 quarters combined or an average of any number of quarters. The EIV Income 123 report must be pulled within 120 days prior to the effective reexamination date.

- (3) Written, Third-Party Verification Form (Level 3): This practice is also known as "traditional third-party verification." This type of verification is a form developed by the PHA and used uniformly for all families when needed to collect information from a third-party source. The form is completed by the third party by hand (in writing or typeset). PHAs send the form directly to the third-party source by mail, fax, or email. The PHA may skip this level of verification before attempting Level 2, which means they will have only completed Level 3 or Level 2 verification before moving to Self-Certification.
- (4) Oral Third-Party Verification (Level 2): Independent verification of information by contacting the individual income/expense source(s), as identified through the UIV technique, or identified by the family, via telephone or in-person visit. PHA staff must document in the tenant file the date and time of the telephone call (or visit to the third party) and the name of the person contacted and their telephone number, along with the confirmed information.

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

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

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

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

Sample language to use in a self-certification: "I/We, the undersigned, certify under penalty of perjury that the information provided here is true and correct, to the best of my knowledge and recollection. WARNING: Anyone who knowingly submits a false claim or knowingly makes a false statement is subject to criminal and/or civil penalties, including confinement for up to 5 years, fines, and civil and administrative penalties. (18 U.S.C. 287, 1001, 1010, 1012; 31 U.S.C. 3279, 3802)"

D. Circumstances Requiring Written Third-Party Verification

- (1) The PHA must request written third-party verification under the following circumstances:
 - (i) When the tenant disputes the EIV information and is unable to provide acceptable documentation

- to support his/her dispute;
- (ii) When the PHA requires additional information that is not available in EIV and /or the tenant is unable to provide the PHA with current acceptable tenant-provided documentation. Examples of additional information include but are not limited to:
 - (a) Effective dates of income (i.e., employment, unemployment compensation, or social security benefits)
 - (b) For new employment: pay rate, number of hours worked per week, pay frequency, etc.
 - (c) Confirmation of change in circumstances (i.e., reduced hours, reduced rate of pay, temporary leave of absence, etc.)
- E. Third Party Verification Requirement for Social Security Benefits:
- (1) 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 EIV Income Report which displays the current social security benefit amount is considered third party verification. No additional verification is required by the PHA.
- F. Third Party Verification of SS/SSI Benefits of Applicants and Household Members:
- (1) The PHA will request 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.
 - (2) The PHA will 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 will use the listed gross benefit amount to calculate annual income from social security benefits.
- G. Third Party Verification of SS/SSI Benefits of Participants and Household Members:
- (1) The PHA is required to use EIV to verify SS/SSI benefits of current participants and household members.
 - (2) The PHA is required to print 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 will use the gross benefit amount to calculate annual income from social security benefits.
 - (3) 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 benefit letter. If the tenant is unable to provide the requested document, or if benefit information is not available in the EIV system, the PHA will utilize the process described in Third Party Verification of SS/SSI Benefits of Applicants and Household Members.
 - (4) Photocopies of social security checks or bank statements are not acceptable forms of verification for SS/SSI benefits.
- H. Treatment of SSA Overpayment Deductions from Social Security Benefits:
- (1) SSA Overpayment Deductions. An overpayment occurs when SSA pays an individual more than he/she 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.
 - (2) Regardless of the amount withheld to repay the SSA an 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 will verify 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.
- I. File Documentation Required to Demonstrate PHA Compliance with Mandated Use of EIV:
- (1) For each *new admission* (form HUD-50058 action type 1), the PHA is required to do the following:

- (i) Review the EIV Income Report to confirm/validate family-reported income within 120 days of the PIC submission date; and
 - (ii) Print and maintain a copy of the EIV Income Report in the tenant file; and
 - (iii) Resolve any income discrepancy with the family within 60 days of the EIV Income Report date.
- (2) For each *historical adjustment* (form HUD-50058 action type 14), the PHA is required to do the following:
 - (i) Review the EIV Income Report to confirm/validate family-reported income within 120 days of the PIC submission date; and
 - (ii) Print and maintain a copy of the EIV Income Report in the tenant file; and
 - (iii) Resolve any income discrepancy with the family within 60 days of the EIV Income Report date.
- (3) For each *interim reexamination* (form HUD-50058 action type 3) of family income and composition, the PHA is required to have the following documentation in the tenant file:
 - (i) ICN Page when there is no household income discrepancy noted on the household's Summary Report tab or Summary Report.
 - (ii) EIV Income Report when there is an income discrepancy noted on the household's Summary Report tab or Summary Report.
- (4) For each *annual reexamination* of family income and composition, the PHA is required to have the following documentation in the tenant file:
 - (i) No Dispute of EIV Information: EIV Income Report, current acceptable tenant-provided documentation, and if necessary, as determined by the PHA, traditional third-party verification form(s).
 - (ii) Disputed EIV Information: EIV Income report, current acceptable tenant provided documentation, and/or traditional third-party verification form(s) for disputed information.
 - (iii) Tenant-reported income not verifiable through EIV system: Current tenant-provided documents, and if necessary, as determined by the PHA, traditional third-party verification form(s).

J. Tenant Repayment Agreement.

- (1) Tenants are required to reimburse the PHA if they were charged less rent than required by HUD's rent formula due to the tenant's underreporting or failure to report income. The tenant is required to reimburse the PHA for the difference between the tenant rent that should have been paid and the tenant rent that was charged. This rent underpayment is referred to as retroactive rent. If the tenant refuses to enter into a repayment agreement or fails to make payments on an existing or new repayment agreement, the PHA must terminate the family's tenancy.
- (2) All repayment agreements must be in writing, dated, signed by both the tenant and the PHA, including the total retroactive rent amount owed, amount of lump sum payment made at time of execution, if applicable, and the monthly repayment amount. At a minimum, repayment agreements must contain the following provisions:
 - (i) Reference to the paragraphs in the Public Housing lease whereby the tenant is in non-compliance and may be subject to termination of tenancy.
 - (ii) The monthly retroactive rent repayment amount is in addition to the family's regular rent contribution and is payable to the PHA.
 - (iii) The terms of the agreement may be renegotiated if there is a decrease or increase in the family's income.
 - (iv) Late and missed payments constitute default of the repayment agreement and may result in termination of tenancy and/or assistance.
- (3) The PHA will determine the retroactive rent amount as far back as the PHA has documentation of family reported income. The monthly retroactive rent payment plus the amount of rent the tenant pays at the time the repayment agreement is executed should be affordable and not exceed 40 percent of the family's monthly adjusted income.

However, in no instance shall the monthly repayment amount be less than one-twelfth of the total retroactive rent unless otherwise approved by the Executive Director on a case-by-case basis.

K. Security of EIV Data

- (1) The data in EIV contains personal information on individual tenants which is protected under the Federal Privacy Act. The information in EIV may only be used for limited official purposes, as noted below.
 - (i) PHAs, in connection with the administration of PIH programs, for verifying the employment and income at the time of interim and annual reexaminations.
 - (ii) HUD staff for monitoring and oversight of PHA compliance with HUD program requirements.
 - (iii) Independent Auditors hired by the PHA or HUD to perform a financial audit for use in determining the PHA's compliance with HUD program requirements, including verifying income and determining the accuracy of the rent and subsidy calculations.
- (2) Restrictions on disclosure requirements for Independent Auditors:
 - (i) May only access EIV income information within family files and only within the offices of the PHA or PHA-hired management agent;
 - (ii) May not transmit or transport EIV income information in any form;
 - (iii) May not enter EIV income information on any portable media;
 - (iv) Must sign non-disclosure oaths that the EIV income information will be used only for the purpose of the audit; and
 - (v) May not duplicate EIV income information or re-disclose EIV income information to any user not authorized by Section 435(j)(7) of the Social Security Act to have access to the EIV income data.
- (3) The PHA will compare the documents submitted by the applicant/tenant to the information it receives from the income verification sources to determine the accuracy of the information reported by the applicant/tenant. Information that may be verified includes, but is not limited to:
 - (i) Gross wages and salaries.
 - (ii) Unemployment compensation.
 - (iii) Welfare benefits.
 - (iv) Social Security benefits including:
 - (v) Social Security
 - (vi) Supplemental Security Income (SSI)
 - (vii) Child support.
 - (viii) Pensions.
- (4) Utilizing the HUD EIV system, the PHA will generate a report to compare tenant information to HUD-compiled information before or during a family's re-examination. This report, called the Summary Report, provides information about those households where the actual income level fails to match that which was projected during the annual recertification process.

L. Use of The EIV System in Its Entirety Is Mandatory to verify tenant employment and income information at annual and streamlined reexaminations of family composition and income. However, PHAs are not required to use EIV to verify tenant employment and income information during an interim reexamination of family composition and income. PHAs that choose to use EIV to verify income information at interim reexaminations must include this information in the PHA's ACOP.

- (1) The PHA is required to compare the information on the EIV report with the family-reported information. If the EIV report reveals an income source that was not reported by the tenant or a substantial difference in the reported income information, the PHA is required to take the following actions: (*A substantial difference is defined as an amount equal to or greater than \$2,400, annually*).
 - (i) Discuss the income discrepancy with the tenant; and
 - (ii) Request the tenant to provide any documentation to confirm or dispute the unreported or underreported income and/ or income sources; and
 - (iii) In the event the tenant is unable to provide acceptable documentation to resolve the income discrepancy, the PHA is required to request from the third-party source, any information necessary to resolve the income discrepancy; and
 - (iv) If applicable, determine the tenant's underpayment of rent as a result of unreported or underreported income, retroactively; and
 - (v) Take any other appropriate actions.
- (2) The tenant must be provided with an opportunity to contest the PHA's determination of tenant rent underpayment. The PHA will promptly notify tenants in writing of any adverse findings made on the basis of the information verified through the aforementioned income discrepancy resolution process. The tenant may contest the findings in accordance with the PHA's established grievance procedures. The

- PHA will not terminate, deny, suspend, or reduce the family's assistance until the expiration of any notice or grievance period.
- (3) When there is an unsubstantial or no disparity between tenant-reported and EIV-reported income information, the PHA is required to obtain from the tenant any necessary documentation to complete the income determination process. The PHA may reject any tenant-provided documentation, if the PHA deems the documentation unacceptable. The PHA may reject documentation provided by the tenant for only the following reasons:
 - (i) The document is not an original; or
 - (ii) The original document has been altered, mutilated, or is not legible; or
 - (iii) The document appears to be a forged document (i.e., does not appear to be authentic).
 - (4) The PHA should explain to the tenant the reason(s) the submitted documents are not acceptable and request the tenant to provide additional documentation. If at any time, the tenant is unable to provide acceptable documentation that the PHA deems necessary to complete the income determination process, the PHA is required to submit a traditional third-party verification form to the third-party source for completion and submission to the PHA.
 - (5) If the third-party source does not respond to the PHA's request for information, the PHA is required to document the tenant file of its attempt to obtain third party verification and that no response to the third-party verification request was received.
 - (6) The PHA should then pursue lower-level verifications in accordance with the verification hierarchy.

M. CONFIDENTIALITY OF EIV DATA:

- (1) Due to the sensitive nature of income data, the PHA will restrict access to the information. Safeguards to protect confidentiality of participant income data include the following:
 - (i) The Executive Director of the PHA will determine which employees need access to EIV data and the level of access each user needs to the EIV system. Access will be restricted to employees who have a recognized need to know for valid administrative reasons in the operation of the public housing program.
 - (ii) User agreements must be signed by all authorized PHA users.
 - (iii) Verification documents are kept in the applicant/tenant file, when needed, and destroyed when no longer needed.
 - (iv) Tenant files are kept in locking file cabinets in a secure work area and are locked at the end of each workday.
 - (v) Move-out files are shredded when no longer needed.
 - (vi) Training for the staff is provided.

7. ELIGIBILITY FOR ADMISSION

A. Eligibility Requirements:

- (1) There are five eligibility requirements for admission to public housing:
 - (i) qualifies as a family,
 - (ii) has an income within the income limits,
 - (iii) meets citizenship/eligible immigrant criteria,
 - (iv) provides required documentation including Social Security numbers, and
 - (v) signs consent authorization documents.
- (2) In addition to the eligibility criteria, families must also meet the PHA screening criteria in order to be admitted to public housing.

B. Eligibility Criteria

(1) Family Status

- (i) Family includes, but is not limited to, the following, regardless of actual or perceived sexual orientation, gender identity, or marital status:
 - (a) A single person, who may be an elderly person, displaced person, disabled person, near-elderly person, or any other single person; or
 - (b) A group of people residing together, who have evidenced a stable family relationship for a minimum of six months as evidenced by previous rental history, and such group includes, but is not limited to:
 - 1) 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);
 - 2) An elderly family;
 - 3) A near-elderly family;
 - 4) A disabled family;
 - 5) A displaced family; and
 - 6) The remaining member of a tenant family.
 - (c) An elderly family, which is:
 - 1) A family whose head, (including co-head), spouse or sole member is a person who is at least 62 years of age;
 - 2) Two or more people who are at least 62 years of age living together; or
 - 3) One or more people who are at least 62 years of age living with one or more live-in aides.
 - (d) A near-elderly family, which is:
 - 1) 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;
 - 2) Two or more people, who are at least 50 years of age but below the age of 62, living together; or
 - 3) One or more persons, who are at least 50 years of age but below the age of 62, living with one or more live-in aides.
 - (e) A disabled family, which is:
 - 1) A family whose head, (including co-head), spouse, or sole member is a person with disabilities;
 - 2) Two or more persons with disabilities living together; or
 - 3) One or more persons with disabilities living with one or more live-in aides.
 - (f) A displaced family, which is:
 - 1) A family in which each member, or whose sole member, has been displaced by governmental action, or whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized pursuant to federal disaster relief laws.
 - (g) A single person who is not an elderly or displaced person, a person with disabilities, or the remaining member of a tenant family.
- (2) Calculation of Income. The PHA must calculate family income as follows:
 - (i) Initial occupancy or assistance and interim reexaminations. The PHA must estimate the income of the family for the upcoming 12-month period:
 - (a) To determine family income for initial occupancy or for the initial provision of housing assistance; or
 - (b) To determine family income for an interim reexamination of family income under §§ 5.657(c), 960.257(b), or 982.516(c) of 24 CFR.
 - (ii) 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 of family income that have not yet been completed and will be effective January 1 or later of the upcoming year.

- (3) Annual Reexaminations.
- (i) The PHA must determine the income of the family for the previous 12-month period and use this amount as the family income for annual reexaminations, except where the PHA uses a streamlined income determination under §§ 5.657(d), 960.257(c), or 982.516(b) of 24 CFR.
 - (ii) In determining the income of the family for the previous 12-month period, the PHA must take into consideration any redetermination of income during the previous 12-month period resulting from an interim reexamination of family income under §§ 5.657(c), 960.257(b), or 982.516(c) of 24 CFR.
 - (iii) The PHA must make adjustments to reflect current income if there was a change in income during the previous 12-month period that was not accounted for in a redetermination of income.
- (4) Use of other programs' determination of income Means Tested Public Assistance (i.e., "Safe Harbor").
- (i) The PHA may, using the verification methods in paragraph (c)(3)(ii) of this section, determine the family's income prior to the application of any deductions applied in accordance with § 5.611 based on income determinations made within the previous 12-month period for purposes of the following means-tested forms of Federal public assistance:
 - (a) The Temporary Assistance for Needy Families block grant (42 U.S.C. 601, et seq.).
 - (b) Medicaid (42 U.S.C. 1396 et seq.).
 - (c) The Supplemental Nutrition Assistance Program (42 U.S.C. 2011 et seq.).
 - (d) The Earned Income Tax Credit (26 U.S.C. 32).
 - (e) The Low-Income Housing Credit (26 U.S.C. 42).
 - (f) The Special Supplemental Nutrition Program for Woman, Infants, and Children (42 U.S.C. 1786).
 - (g) Supplemental Security Income (42 U.S.C. 1381 et seq.).
 - (h) Other programs administered by the Secretary.
 - (i) Other means-tested forms of Federal public assistance for which HUD has established a memorandum of understanding.
 - (j) Other Federal benefit determinations made in other forms of means-tested Federal public assistance that the Secretary determines to have comparable reliability and announces through the Federal Register.
 - (ii) If a PHA intends to use the annual income determination made by an administrator for allowable forms of Federal means-tested public assistance under this paragraph (c)(3), the PHA must obtain it using the appropriate third-party verification. If the appropriate third-party verification is unavailable, or if the family disputes the determination made for purposes of the other form of Federal means-tested public assistance, the PHA must calculate annual income in accordance with 24 CFR part 5, subpart F. The verification must indicate the tenant's family size and composition and state the amount of the family's annual income. The verification must also meet all HUD requirements related to the length of time that is permitted before the third-party verification is considered out-of-date and is no longer an eligible source of income verification.
 - (iii) Annual income includes income earned from assets, therefore when using Safe Harbor to verify a family's income, PHAs Owners will neither further inquire about a family's net family assets, nor about the income earned from those assets, except with respect to whether or not the family owns assets that exceed the asset limitation in 24 CFR § 5.618.
 - (iv) The Safe Harbor verification may be in the form of an award letter from the relevant federal program and must show that the family's income determination was made in the previous 12 months.

- (v) The Safe Harbor documentation will be considered acceptable if any of the following dates fall into the 12-month period prior to the receipt of the documentation by the PHA:
 - (a) Income determination effective date;
 - (b) Program administrator's signature date;
 - (c) Family's signature date;
 - (d) Report effective date; or
 - (e) Other report-specific dates that verify the income determination date.

- (vi) The only information that PHA are permitted to use to determine income under this Safe Harbor is the total income determination made by the federal means-test program administrator. Other federal programs may provide additional information about income inclusions and exclusions in their award letters; however, these determinations and any other information must not be considered by the PHA for purposes of the HOTMA Safe Harbor provision. PHAs are not permitted to mix and match Safe Harbor income determinations and other income verifications.

The amounts of unreimbursed reasonable attendant care expenses and child-care expenses deducted from a family's annual income, except for when a family is approved for a child-care expense hardship exemption, must still be capped by the amount earned by any family member who is enabled to work as a result of the expense. PHAs are therefore required to obtain third-party verification of the applicable employment income and cap the respective expense deductions accordingly.

If the PHA uses a Safe Harbor determination to determine the family's income for an income examination (New Admission/Move Ins, Initial Certification for MFH programs only, Interim Reexamination, or Annual Reexamination), then the family is obligated to report changes in income that meet the reporting requirement and occur after the effective date of the PHA's transaction. This might mean that a certain source of income was not considered in the family's income, because the other program does not consider the source to be income.

- (vii) De minimis errors. The PHA will not be considered out of compliance with the requirements in this paragraph (c) solely due to de minimis errors in calculating family income. A de minimis error is an error where the PHA determination of family income deviates from the correct income determination by no more than \$30 per month in monthly adjusted income (\$360 in annual adjusted income) per family.
 - a. The PHA must still take any corrective action necessary to credit or repay a family if the family has been overcharged for their rent or family share as a result of the de minimis error in the income determination, but families will not be required to repay the PHA in instances where a PHA has miscalculated income resulting in a family being undercharged for rent or family share.
 - b. HUD may revise the amount of de minimis error in this paragraph (c)(4) through a rulemaking published in the Federal Register for public comment.

(5) Restrictions based on net assets and property ownership.

- (i) A dwelling unit in the public housing program may not be rented, and assistance under the Section 8 (tenant-based and project-based) programs may not be provided, either initially or upon reexamination of family income, to any family if:
- (ii) The family's net assets (as defined in § 24 CFR 5.603) exceed \$100,000, which amount will be adjusted annually by HUD in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers; or
- (iii) The family has a present ownership interest in, a legal right to reside in, and the effective legal authority to sell, based on State or local laws of the jurisdiction where the property is located, real property that is suitable for occupancy by the family as a residence, except this real property

restriction does not apply to:

- (a) Any property for which the family is receiving assistance under 24 CFR 982.620; or under the Homeownership Option in 24 CFR part 982;
- (b) Any property that is jointly owned by a member of the family and at least one non-household member who does not live with the family, if the non-household member resides at the jointly owned property;
- (c) Any person who is a victim of domestic violence, dating violence, sexual assault, or stalking, as defined in this part 5 (subpart L); or
- (d) Any family that is offering such property for sale.

(iv) A property will be considered “suitable for occupancy” under paragraph (a)(1)(ii) of this section unless the family demonstrates that it:

- (a) Does not meet the disability-related needs for all members of the family (e.g., physical accessibility requirements, disability-related need for additional bedrooms, proximity to accessible transportation, etc.);
- (b) It is not sufficient for the size of the family;
- (c) It is geographically located so as to be a hardship for the family (e.g., the distance or commuting time between the property and the family's place of work or school would be a hardship to the family, as determined by the PHA);
- (d) It is not safe to reside in because of the physical condition of the property (e.g., property's physical condition poses a risk to the family's health and safety, and the condition of the property cannot be easily remedied); or
- (e) It is not a property that a family may reside in under the State or local laws of the jurisdiction where the property is located.

(6) Acceptable documentation; confidentiality.

- (i) A PHA may determine the net assets of a family based on a self-certification by the family that the net family assets (as defined in § 24 CFR 5.603) do not exceed \$50,000, which amount will be adjusted annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers, without taking additional steps to verify the accuracy of the declaration. The declaration must state the amount of income the family expects to receive from such assets; this amount must be included in the family's income.
- (ii) A PHA may determine compliance with paragraph (d)(1)(ii) of this section based on a certification by a family that certifies that such family does not have any present ownership interest in any real property at the time of the income determination or review.
- (iii) When a family asks for or about an exception to the real property restriction because a family member is a victim of domestic violence, dating violence, sexual assault, or stalking, the PHA must comply with the confidentiality requirements under § 24 CFR 5.2007. The PHA must accept a self-certification from the family member, and the restrictions on requesting documentation under §24 CFR 5.2007 apply.

(7) Enforcement.

- (i) When recertifying the income of a family that is subject to the restrictions of this section, a PHA may choose not to enforce such restrictions, or alternatively, may establish exceptions to the restrictions based on eligibility criteria.
- (ii) The PHA may choose not to enforce the restrictions of this section or establish exceptions to such restrictions only pursuant to a policy adopted by the PHA.
- (iii) Eligibility criteria for establishing exceptions may provide for separate treatment based on family type and may be based on different factors, such as age, disability, income, the ability of the family to find suitable alternative housing, and whether supportive services are being provided. Such policies must be in conformance with all applicable fair housing statutes and regulations, as discussed in this section.

- (8) Delay of eviction or termination of assistance. The PHA may delay for a period of not more than 6 months the initiation of eviction or termination proceedings of a family based on noncompliance under this provision unless it conflicts with other provisions of law.
- (9) Income Eligibility
 - (i) To be eligible for admission to PHA developments, the family's annual income must be within the income limits set by HUD which are revised annually and posted for public viewing at the PHA.
 - (ii) Income limits apply only at admission and are not applicable for continued occupancy.
 - (iii) A family may not be admitted to the public housing program from another assisted housing program (e.g., tenant-based Section 8) or from a public housing program operated by another PHA without meeting the income requirements of the PHA.
 - (iv) If the PHA acquires a property for federal public housing purposes, the families living there must have incomes within the low-income limit in order to be eligible to remain as public housing tenants.
 - (v) Income limit restrictions do not apply to families transferring within the PHA's public housing program.
- (10) Occupancy by Police Officers
 - (i) The PHA may allow police officers who would not otherwise be eligible for public housing, to reside in a public housing dwelling unit.
 - (ii) For the purposes of this policy, a police officer is defined as a person determined by the PHA to be, during the period of residence of that person in public housing, employed on a full-time basis as a duly licensed professional police officer by a federal, state or local government or by an agency of any of these governments.
 - (iii) An officer of an accredited police force of the PHA may qualify.
 - (iv) The PHA must include in the PHA annual plan or supporting documents the number and location of the units to be occupied by police officers, and the terms and conditions of their tenancies; and a statement that such occupancy is needed to increase security for public housing residents.
- (11) Full-time college students who are applying for admission as a non-parental/guardian household (college student as head of household) are not eligible to be admitted to public housing if they receive an athletic scholarship that includes more than \$5,000 annually for housing costs.
- (12) Citizenship/Eligibility status
 - (i) To be eligible, at least one member of the family must be a citizen, national, or a noncitizen who has eligible immigration status under one of the categories set forth in Section 214 of the Housing and Community Development Act of 1980 and revised in 24 CFR Part 5 "Revised Restrictions on Assistance to Noncitizens"; Final Rule, dated May 12, 1999.
 - (ii) If a family member knowingly permits an ineligible individual to reside in an assisted housing unit, the family member's assistance must be "terminated" for a period of not less than 24 months.

8. VERIFICATION OF SOCIAL SECURITY NUMBERS

A. Social Security Number Disclosure Requirements

In accordance with 24 CFR 5.216, applicants, and participants (including each member of the household and including live-in-aid, foster children and foster adults) are required to disclose his/her assigned SSN, with the exception of the following individuals:

- (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 an SSN.
 - (i) A family that consists of a single household member (including a pregnant individual) who does not have 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 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.
- (2) Existing program participants 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 program participants as of January 31, 2010, who are 62 years of age or older and had not previously disclosed a valid SSN. This exemption continues even if the individual moves to a new 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 law.

B. Social Security Number Documentation:

- (1) The PHA will request the applicant and participant (including each member of the household) who are not exempt to provide documentation of each disclosed SSN. Acceptable evidence of the SSN consists of:
 - (i) An original SSN card issued by SSA;
 - (ii) An original SSA-issued document, which contains the name and SSN of the individual; or
 - (iii) An original document issued by a federal, state, or local government agency, which contains the name and SSN of the individual.

C. Rejection of Documentation:

- (1) The PHA may reject documentation of the SSN provided by the applicant or participant for only the following reasons:
 - (i) The document is not an original document; or
 - (ii) The original document has been altered, mutilated, or not legible; or
 - (iii) The document appears to be a forged document (i.e., does not appear to be authentic).
- (2) The PHA will explain to the applicant 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.

D. Verification of the Social Security Number:

- (1) The PHA shall verify each disclosed SSN by:
 - (i) Obtaining the documentation from applicants and participants (including each member of the household);
 - (ii) Making a copy of the original documentation submitted, returning it to the individual, and retaining the copy in the file folder; and
 - (iii) Recording the SSN on line 3n of the form HUD-50058 and transmitting the form HUD-50058 to HUD within 30 calendar days of completing the form.
- (2) Once the individual's verification status is classified as verified, the PHA will remove and destroy, by no later than the next re-exam of family income or composition, the copy of the documentation. Paper documentation will be destroyed by either shredding or burning. Electronic documentation will be destroyed by erasing or permanently deleting the file. The retention of the aforementioned EIV report in the tenant file is adequate. The PHA will maintain EIV reports in the tenant file for the duration of tenancy, and no longer than three years from the end of participation date.

E. Individuals without an assigned SSN:

- (1) Citizens and lawfully present noncitizens who state that they have not been assigned an SSN by the SSA should make such declaration in writing and under penalties of perjury to the PHA. The PHA will maintain the declaration in the tenant file.
- (2) The PHA will use the Alternate ID (ALTD ID) generator within the Public and Indian Housing

- Information Center (PIC) to generate a unique identifier for those individuals who do not have or are unable to disclose an SSN.
- (3) Once an individual discloses an SSN, the PHA will delete the ALT ID, enter the SSN on line 3n of the form HUD-50058, and transmit the form HUD-50058 to HUD within 30 calendar days of receipt of the SSN.
- F. Addition of a New Household Member:
- (1) When a participant requests to add a new household member to the family, who is at least six year of age and has an assigned SSN, the participant must disclose the assigned SSN and provide the PHA with the documentation referenced above 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 will not add the new household member until the family provides such documentation.
 - (2) When a participant requests to add a new household member, who is under the age of six and does not have an assigned SSN, the participant must disclose the assigned SSN and provide the PHA with the documentation referenced above within 90 calendar days of the child being added to the household.
 - (3) 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.
 - (4) The child is to be included as part of the assisted household and 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 will generate an ALT ID as described above. 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.
- G. Penalties for Failure to Disclose and/or Provide Documentation of the SSN:
- (1) Applicants. The PHA must deny the eligibility of an assistance applicant if he/she (including each member of the household required to disclose his/her SSN) does not disclose an 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 a period of 90 days. If all household members have not disclosed their SSN at the time a unit becomes available, the PHA will offer the available unit to the next eligible applicant family on the waiting list.
 - (2) Participants. The PHA must terminate the tenancy of Public Housing participants (the entire household) if she/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 tenancy in the program, the PHA 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.
 - (3) If the family is unable to comply with the requirements by the specified deadline, the PHA will terminate the tenancy of the entire family.

9. SIGNING CONSENT FORMS

- A. In order to be eligible, each member of the family who is at least 18 years of age, and each family head, co-head and spouse regardless of age, shall sign one or more consent forms.
- B. The consent form must contain, at a minimum, the following:

- (1) A provision authorizing HUD or the PHA to obtain from State Wage Information Collection Agencies (SWICAs) any information or materials necessary to complete or verify the application for participation or for eligibility for continued occupancy; and
 - (2) A provision authorizing HUD or the PHA to verify with previous or current employer's and financial institutions, income information pertinent to the family's eligibility for, or level of, assistance;
 - (3) A provision authorizing HUD to request income information from the IRS and the SSA for the sole purpose of verifying income information pertinent to the family's eligibility, or level of benefits; and
 - (4) A statement that the authorization to release the information requested by the consent form expires 15 months after the date the consent form is signed.
- C. The information covered by consent forms involves income information from SWICAs, wages, income, and resource information from financial institutions, net earnings from self-employment, payments of retirement income, and unearned income.
- D. Consent by assistance Applicants and Participants.
- (1) Applicants. The assistance applicant must submit the signed consent forms to the processing entity when eligibility under a covered program is being determined.
 - (2) Subsequent consent forms. A participant must sign and submit consent forms at their next interim or regularly scheduled income reexamination. After all applicants or participants over the age of 18 in a family have signed and submitted a consent form once on or after January 1, 2024, family members do not need to sign and submit subsequent consent forms at the next interim or regularly scheduled income examination except under the following circumstances:
 - (i) When any person 18 years or older becomes a member of the family, that family member must sign and submit a consent form;
 - (ii) When a member of the family turns 18 years of age, that family member must sign and submit a consent form; or
 - (iii) As required by HUD or the PHA in administrative instructions.
- E. Consent form—contents. The consent form required by this section shall contain, at a minimum, the following:
- (1) A provision authorizing HUD and PHAs to obtain from SWICAs any information or materials necessary to complete or verify the application for participation and to maintain continued assistance under a covered program; and
 - (2) A provision authorizing HUD, PHAs, or the owner responsible for determining eligibility for or the level of assistance to verify with previous or current employers' income information pertinent to the assistance applicant's or participant's eligibility for or level of assistance under a covered program;
 - (3) A provision authorizing HUD to request income return information from the IRS and the SSA for the sole purpose of verifying income information pertinent to the assistance applicant's or participant's eligibility or level of benefits; and
 - (4) A provision authorizing PHAs to obtain any financial record from any financial institution, as the terms financial record and financial institution are defined in the Right to Financial Privacy Act (12 U.S.C. 3401), whenever the PHA determines the record is needed to determine an applicant's or participant's eligibility for assistance or level of benefits; and
 - (5) A statement that the authorization to release the information requested by the consent form will remain effective until the earliest of:
 - (i) The rendering of a final adverse decision for an assistance applicant;
 - (ii) The cessation of a participant's eligibility for assistance from HUD and the PHA; or
 - (iii) The express revocation by the assistance applicant or recipient (or applicable family member) of the authorization, in a written notification to HUD.

F. Penalties for failing to sign consent forms.

- (1) Denial or termination of benefits. In accordance with the provisions governing the program involved, if the assistance applicant or participant, or any member of the assistance applicant's or participant's family, does not sign and submit the consent form as required in § 5.230, then:
 - (i) The processing entity shall deny assistance to and admission of an assistance applicant;
 - (ii) Assistance to, and the tenancy of, a participant may be terminated.
- (2) This section does not apply if the applicant or participant, or any member of the assistance applicant's or participant's family revokes his/her consent with respect to the ability of the PHA to access financial records from financial institutions, unless the PHA establishes an admission and occupancy policy that revocation of consent to access financial records will result in denial or termination of assistance or admission.

10. SUITABILITY

- A. 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 the past three (3) years of conduct as an indicator of future conduct. The PHA will perform various background checks to determine eligibility. 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 will be denied admission if they fail to meet the suitability criteria.
- B. The PHA will consider objective and reasonable aspects of the family's background, including the following:
 - (1) History of meeting financial obligations, especially rent; Applicants are not eligible for admission for three (3) years if they owe more than \$2,400.
 - (2) Ability to maintain (or with assistance would have the ability to maintain) their housing in a decent and safe condition based on living or housekeeping habits and whether such habits could adversely affect the health, safety, or welfare of other tenants;
 - (3) 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;
 - (4) History of disturbing neighbors or destruction of property;
 - (5) Having committed fraud in connection with any federal housing assistance program, including the intentional misrepresentation of information related to their housing application or benefits derived therefrom; and
 - (6) History of abusing alcohol in a way that may interfere with the health, safety, or right to peaceful enjoyment by others, which may be verified by obtaining information from a drug treatment facility.
- C. The PHA will ask applicants to provide information demonstrating their ability to comply with the essential elements of the lease. The PHA will verify the information provided. Such verification may include, but may not be limited to, the following:
 - (1) A credit check of the head, spouse, and co-head;
 - (2) A rental history check of all adult family members;
 - (3) A criminal background check on all adult household members, including live-in aides. This check will be conducted through state or local law enforcement, court records, or through the FBI's National Crime Information Center (NCIC), or through third-party providers;
 - (4) A home visit to provide the opportunity for the family to demonstrate their ability to maintain their home in a safe and sanitary manner. This inspection considers cleanliness and care of rooms, appliances, and appurtenances. The inspection may also consider any evidence of criminal activity; and,

- (5) A check of the state's lifetime sex offender registration program for each adult household member, including live-in aides. No individual registered with this program will be admitted to public housing. The PHA will utilize the U.S. Department of Justice's Dru Sjodin National Sex Offender website as an additional resource. The Dru Sjodin National Sex Offender Database is an online, searchable database, hosted by the Department of Justice, which combines the data from Individual state sex offender registries."
- (6) A check of the State of Tennessee Meth Offender Registry Database.

11. GROUNDS FOR DENIAL

- A. The PHA is not required or obligated to assist applicants who:
 - (1) Do not meet any one or more of the eligibility or suitability criteria;
 - (2) Do not supply information or documentation required by the application process;
 - (3) Have failed to respond to a written request for information or a request to declare their continued interest in the program;
 - (4) Have a history of not meeting financial obligations, especially rent;
 - (5) Do not have the ability to maintain (with assistance) their housing in a decent and safe condition where such inability could adversely affect the health, safety, or welfare of other tenants; which includes:
 - (i) The creation of a fire hazard through acts such as the hoarding of rags and paper;
 - (ii) severe damage to premises and equipment, if it is established that the family is responsible for the conditions;
 - (iii) seriously affecting neighbors by causing infestations, foul odors, depositing garbage improperly; or serious neglect of the premises.
 - (iv) In cases where a qualified agency is working with the family to improve its housekeeping and the agency reports that the family shows potential for improvement, decision as to eligibility shall be reached after recommendation by a social advisor. This category does not include families whose housekeeping is found to be superficially unclean or to lack of orderliness where such conditions do not create a problem for the neighbors.
 - (6) Have a history of disturbing neighbors or damaging property;
 - (7) Currently owes rent or other amounts to this PHA, any other PHA or assisted housing.
 - (8) Have 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 therefrom;
 - (9) Have a household member who has ever been evicted from public housing for a serious violation of the lease;
 - (10) Have a family household member who has been terminated under the certificate or voucher program;
 - (11) Have been involved as offender in rape, indecent exposure, sodomy, carnal abuse or impaired the morals of a minor. Exception is permitted in the case of any individual, regardless of age, who was involved in such offense but evidence from a reliable source shows that the individual may be considered rehabilitated.
 - (12) Have not been able to meet the eligibility requirements imposed by state and federal laws and any regulations promulgated thereunder, including the inability to legally enter into binding contracts and other similar restrictions.

12. PROHIBITING ADMISSION OF DRUG CRIMINALS:

- A. The PHA will prohibit admission of a household member to the PHA's public housing program if:
 - (1) The PHA determines that any household member is currently engaging in or has engaged in drug-related criminal activity; or
 - (2) The PHA determines that it has reasonable cause to believe that illegal drug use or a pattern of illegal drug use by a household member may adversely affect the health or safety of, or the right to peaceful enjoyment of the premises by other residents.
- B. The PHA may require the household to submit sufficient evidence, as determined by the PHA, that the members of the household have not engaged in drug-related criminal activity during a reasonable period, as

determined by the PHA, before admission to the PHA's public housing program.

- C. The PHA will prohibit admission to public housing if any household member has been evicted from federally assisted housing for drug-related criminal activity. This prohibition applies for three years from the date of the judicial determination authorizing the eviction. However, the PHA may admit the household if the PHA determines:
 - (1) The evicted household member who engaged in drug-related criminal activity has successfully completed a supervised drug rehabilitation program approved by the PHA; or
 - (2) That the circumstances leading to the eviction no longer exist (for example, the criminal household member has died or is imprisoned).
- D. The PHA will prohibit admission to public housing if any household member has been evicted from assisted housing within three years of the projected date of admission because of drug-related criminal activity involving the personal use or possession for personal use;
- E. The PHA will prohibit admission to public housing if any household member was evicted from assisted housing within five years of the projected date of admission because of drug-related criminal activity involving the illegal manufacture, sale, distribution, or possession with the intent to manufacture, sell, distribute a controlled substance as defined in Section 102 of the Controlled Substances Act, 21 U.S.C. 802;
- F. The PHA will permanently prohibit admission to public housing if any household member has ever been convicted of drug-related criminal activity for manufacture or production of methamphetamine on the premises of federally assisted housing.

13. PROHIBITING ADMISSION OF OTHER CRIMINALS

- A. The PHA may prohibit admission to public housing, under standards established by the PHA, if the PHA determines that any household member is currently engaging in or has engaged in:
 - (1) Violent criminal activity; or
 - (2) Criminal or other activity which may threaten the health or safety of, or the right to peaceful enjoyment of the premises by other residents; or
 - (3) Criminal or other activity which may threaten the health or safety of PHA management staff, or persons performing management functions on behalf of the PHA (including a PHA employee or a PHA contractor, subcontractor, or agent).
- B. The PHA may require the family to submit sufficient evidence, as determined by the PHA, that the members of the household have not engaged in such criminal activity during a reasonable period, as determined by the PHA, before admission to the PHA's public housing program.
- C. The PHA will prohibit admission to public housing program if any member of the household is subject to a lifetime registration requirement under a state sex offender registration program. In screening of applicants, the PHA will perform criminal history background checks necessary to determine whether any household member is subject to a lifetime sex offender registration requirement.

14. PROHIBITING ADMISSION OF ALCOHOL ABUSERS

- A. The PHA will prohibit admission to public housing if the PHA determines that it has reasonable cause to believe that abuse or pattern of abuse of alcohol by a household member may threaten the health or safety of, or right to peaceful enjoyment of the premises by other public housing residents.

15. EVIDENCE OF CRIMINAL ACTIVITY

- A. The PHA may deny admission for criminal activity by a household member if the PHA determines that the household member has engaged in criminal activity, regardless of whether the household member has been arrested or convicted for such activity.

- B. Criminal records. When a PHA denies admission to public housing on the basis of a criminal record, the PHA will provide the household member with a copy of the criminal record and an opportunity to dispute the accuracy and relevance of that record, if requested.
- C. Criminal activity directly relating to domestic violence, dating violence or stalking, engaged in by a member of an applicant's household, or other persons under the applicant's control, shall not be cause for denial of assistance or admission of the applicant or immediate family members(s), who otherwise qualify for assistance or admission, if the applicant's family is the victim or threatened victim of abuse. Individuals must certify that the individual is a victim of abuse in accordance with the PHA's Violence Against Women Act Policy.

16. DRUG USE AND ALCOHOL ABUSE

- A. In determining whether to deny admission to public housing for illegal drug use or alcohol abuse or a pattern of illegal drug use or alcohol abuse by a household member who is no longer engaging in such use, the PHA may consider whether such household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program, or has otherwise been rehabilitated successfully.
- B. In determining whether to deny admission to the PHA's public housing program for illegal drug use or alcohol abuse by a household member, the PHA may impose, as a condition of admission to, and continued assistance in public housing for other family members, a requirement that the household member who engaged in or is culpable for the drug use or alcohol abuse may not reside in the unit.
- C. The PHA may require a household member who has engaged in the illegal use of a drug, or in alcohol abuse that affected the health or safety of, or the right to peaceful enjoyment of the premises by other residents, to submit evidence of current participation in or successful completion of, a supervised drug or alcohol rehabilitation program as a condition to be allowed to reside in the unit.
- D. The PHA may deny admission to public housing for a reasonable time period determined by the PHA if any household member has been evicted from federally assisted housing for serious violation of the lease (other than eviction for drug-related criminal activity).
- E. The PHA may require the family to submit for any household member who is at least 18 years of age, and for each family head, co-head or spouse regardless of age a consent form signed by such household member that:
 - (1) Requests any drug abuse treatment facility to inform the PHA whether the drug abuse treatment facility has reasonable cause to believe that the household member is currently engaging in illegal drug use;
 - (2) Authorizes the PHA to receive such information from the drug treatment facility, and to utilize such information in determining whether to prohibit admission of the household member to public housing.
- F. The consent form submitted for a proposed household member will expire automatically after the PHA has made a final decision to either approve or deny the admission of such person.
- G. The PHA may request that a drug abuse treatment facility disclose whether the drug abuse treatment facility has reasonable cause to believe that the proposed household member is currently engaging in the illegal use of a drug.
- H. The PHA's request to the drug abuse treatment facility will include a copy of the consent form signed by the proposed household member.
- I. The drug abuse treatment facility is required to provide the information requested by the PHA.
- J. The PHA may request information from a drug abuse treatment facility utilizing the following policy:
 - (1) Request for certain household members. Under this policy, the PHA will submit a request to a drug

- abuse treatment facility only with respect to each proposed household member whose criminal record indicates prior arrest or conviction for any criminal activity that may be a basis for denial of admission, or whose prior tenancy records indicate that the proposed household member: engaged in the destruction of property; engaged in violent activity against another person; or interfered with the right of peaceful enjoyment of the premises or other residents.
- K. The PHA has established a system of records management that ensures that any information which the PHA receives from the drug abuse treatment facility about a person:
- (1) Is maintained confidentially in accordance with Section 543 of the Public Health Service Act (12 U.S.C. 290dd-2);
 - (2) Is not misused or improperly disseminated; and
 - (3) Is destroyed no later than five business days after the PHA admits the person as a household member under the PHA's public housing program or, if the PHA denies the admission of such person as a household member, in a timely manner after the date on which the statute of limitations for the commencement of a civil action based upon that denial of admissions has expired.

17. ESTABLISHING AND MAINTAINING THE WAITING LIST

A. Opening and Closing Waiting Lists

- (1) For any unit size or type, if the PHA's waiting list has sufficient applications to fill anticipated vacancies for the coming 12 months, the PHA may elect to:
 - (i) close the waiting list completely;
 - (ii) close the list during certain times of the year; or
 - (iii) restrict intake by preference, type of project, or by size and type of dwelling.
- (2) A decision to close the waiting list will consider the number of applications for each size and type of unit, the number of applicants who qualify for a preference, and the ability of the PHA to house applicants in 12 to 18 months. Decisions to close waiting lists, restrict intake, or open waiting lists will be publicly announced.
- (3) When the waiting list is closed, the PHA will not maintain a list of individuals who wish to be notified when the waiting list is reopened.

B. Updating the Waiting List

- (1) Once each year, the PHA will update each waiting list by contacting all applicants in writing. If, after one attempt in writing, no response is received, the PHA will withdraw the name of an applicant from the waiting list in accordance with the paragraph below entitled "Removing Applicant Names from the Waiting List."
- (2) At the time of initial intake, the PHA will advise families that they must notify the PHA when their circumstances, mailing address or phone numbers change.

C. Change in Preference Status While on the Waiting List

- (1) Situations of some families who did not qualify for a local or ranking preference when they applied may change so they are qualified for a preference. The family should contact the PHA so their status may be recertified or re-verified. Applicants whose preference status changes while they are on the waiting list retain their original date and time of application, or application number, as applicable.
- (2) If the PHA determines that the family does now qualify for a preference, they will be moved up on the waiting list in accordance with the preference(s) and the date and time of the application. If a family no longer has a preference they will be reassigned based on the original date and time of their application without regard to the preference. They will then be informed in writing of how the change in status has affected their place on the waiting list.

D. Removing Applicant Names from the Waiting List

- (1) To ensure vacant units are filled in a timely manner, the PHA needs a waiting list that is accurate. While each applicant must keep the PHA apprised of changes in address, phone number, income or other circumstances, no applicant shall be removed from the waiting list except when one of the following situations occurs:

- (i) The applicant receives and accepts an offer of housing;
- (ii) The applicant requests that his/her name be removed from the waiting list;
- (iii) The application is withdrawn because the PHA attempted to contact the applicant and was unable to do so. In attempting to contact an applicant, the following methods shall be undertaken before an application may be withdrawn:
 - (a) The PHA will mail a prepaid first-class letter to the applicant and will allow ten (10) working days for the applicant to respond;
 - (b) If an applicant contacts the PHA as required within any deadline stated above, he/she shall be reinstated at the former waiting list position;
 - (c) If the PHA is unable to contact an applicant to schedule a meeting, or interview or to make an offer, the application will be withdrawn.
- (2) Persons who fail to respond to PHA attempts to contact them because of verified situations related to a disability shall be entitled to reasonable accommodation. In such circumstances, the PHA shall reinstate these individuals to their former waiting list positions.
- (3) Families whose applications are withdrawn or rejected will be removed from the waiting list and must submit a new application for housing when the waiting list is open.

18. NOTIFICATION TO APPLICANTS

- A. The PHA shall properly notify any applicant determined to be ineligible for admission as to the basis for such determination. The applicant is to be given, upon request, an opportunity for an informal hearing on such determination. Any applicant determined to be eligible for admission to the development is to be notified of the approximate date of occupancy insofar as such date can be reasonably determined.
- B. An estimate of the admission date will be determined based upon the normal rate of turnover that the PHA experiences in a given 12-month period.

19. RESIDENT SELECTION

- A. It shall be the policy of this PHA to attain, to the maximum extent feasible, a tenant body in each project that is composed of families with a broad range of incomes and to avoid concentrations of the most economically deprived families with serious social problems.
- B. The PHA will not, on account of race, color, religion, sex, handicap, familial status, sexual orientation or gender identity, age or national origin, deny to any family or individual the opportunity to apply for admission nor deny or hinder any eligible applicant the opportunity to make application, lease, or rent dwelling units suitable to its need in any development.

20. PREFERENCES

- A. The PHA will inform all applicants about available preferences and will give applicants an opportunity to show that they qualify for available preferences. The PHA will select families based on the following preferences within each bedroom size category. applicant with the highest point rating will receive an offer above applicants with lower point ratings:
 - a. Preference No. 1 – Preference will be given to families who reside within the boundaries of Wilson County at the time the application is submitted. (One Point) The use of a residency preference will not have the purpose or effect of delaying or otherwise denying admission to the program based on the race, color, ethnic origin, gender, religion, disability, or age of any member of an applicant family. Applicants who are working or who have been notified that they are hired to work in a residency preference area must be treated as residents of the residency preference area. The PHA may treat graduates of, or active participants in, education and training programs in a residency preference area as residents of the residency preference area if the education or training program is designed to prepare individuals for the job market.

- b. Preference No. 2 – Preference will be given to applicant families who’s head or co-head meets the definition of working in this document at the time the application is submitted. Applicants whose head and co-head or sole member is age 62 or older or is a person with disabilities as defined in 24 CFR 960.206(b)(2). To be eligible for this preference, the applicant must agree, in writing, that if the applicant quits the job within 6 months of initial occupancy and cannot pay the rent as originally calculated, they lose their preference and must vacate the apartment. (One Point)
- c. Preference No. 3 - Preference will be given to veterans who are, honorably discharged, who reside in Wilson County and meet the definition of working in this document. (One Point)

Based on the above preferences, all families with the above preference will be offered housing before any families without the preference. The date and time of the application will be noted and utilized to determine the sequence with in the above prescribed preference.

21. RESIDENT ASSIGNMENTS

- A. A central application pool will be maintained, filed first by unit size and by preference. Each application shall be identified by date and time of application.
- B. The PHA shall exercise discretion, notwithstanding the provisions outlined above, however, in the assignment of residents to units where such assignment is made desirable by such things as heart attacks, longtime illness, etc., in order to permit adequate medical attention.
- C. A record will be maintained on the application listing and on the Waiting List as to the vacancies offered, including location, date and circumstances of the offer and the rejection or acceptance.
- D. In the assignment of residents, there is to be no discrimination against families, otherwise eligible for admission, because their incomes are derived in whole or part from public assistance.
- E. The applicant will be offered a suitable unit that has been vacant the longest. If the offer is rejected, the applicant’s name will be removed from the waiting list.

22. DECONCENTRATION POLICY

- A. The objective of the Deconcentration Policy for the PHA is to achieve the goal that families are housed in a manner that will prevent a concentration of poverty families and/or a concentration of higher income families in any one development or census tract. The PHA will take actions as necessary to achieve the goal that no individual development has a concentration of higher income or lower income families. To ensure that the PHA does not concentrate families with higher or lower income levels in any one development, the PHA will track the status of family income, by development, at each admission utilizing income reports generated by the PHA’s computer system.
- B. The PHA will periodically compare the relative incomes of its developments to the relative incomes of the census tracts in which they are located. Where significant differences are identified, income targeting will be applied.

23. INCOME TARGETING

- A. To accomplish the deconcentration goals, the PHA will take the following actions:
 - (1) At the beginning of each fiscal year the PHA will establish a numerical goal for admission of families whose incomes are at or below 30 percent of the area median income. The target annual goal will be calculated by taking 40 percent of the total number of move-ins from the previous PHA fiscal year.
 - (2) The PHA will limit the number of admissions to ensure that not less than 40 percent of admissions are families with incomes at or below 30 percent of the area median income.
 - (3) The PHA will skip families on the waiting list or skip developments to accomplish these goals.

- B. The PHA will not hold units vacant to accomplish these goals.

24. TRANSFER OF RESIDENTS

- A. Transfer of a family within a low-income public housing development aided by HUD, or transfer to such a development from any other low-income development operated by this PHA, when such family is eligible for continued occupancy in the dwelling to which it is transferred, is not for any purpose deemed to be an admission to the development and is not to be subject to the preference enumerated previously.
- B. The following transfers will have preference over eligible applicants: units the PHA must vacate for modernization or renovation, families in units too small for their needs, families with verified medical needs, families requiring reasonable accommodation under ADA, and, other PHA required transfers. Victims of domestic violence, dating violence, sexual assault, or stalking. These families will not be assessed a transfer fee.
- C. Moving costs are the responsibility of the tenant except for activities subject to the Uniform Relocation Act or other HUD initiated property improvement programs. In instances where the Executive Director determines that a hardship or condition exists that threatens a residents' health, safety or well-being, a resident requested transfer will be considered on a case-by-case basis. This will also be considered the PHA's Emergency Transfer Plan.
- D. All families transferring will be required to pay any charges for maintenance repairs beyond normal wear and tear and deemed to be the responsibility of the resident.
- E. If a family has accepted a handicapped accessible unit but does not require the handicapped features and the PHA has an applicant that needs the accessible unit, the resident must agree to transfer to another unit upon request. If the PHA must transfer the family out of the accessible unit, the PHA will pay the cost to relocate the resident.
- F. Victims of domestic violence, dating violence, sexual assault or stalking may request an emergency transfer in accordance with the housing authority's Emergency Transfer Plan.

25. LEASING OF DWELLING UNITS

- A. A lease agreement is to be entered into between this PHA and each resident family. The lease is to be kept current at all times and is to reflect the rent being charged, the unit occupied and the conditions governing occupancy. Cancellation of a resident's lease is to be in accordance with the provision of the lease and applicable regulations.
- B. Written records of all evictions from any low-income public housing development shall be maintained as required by HUD.
- C. The lease must be signed by the head of household, co-head and spouse (if spouse is an adult) and by any other adult person who resides in the dwelling unit (excluding live-in-aides).

26. OCCUPANCY STANDARDS

- A. To avoid overcrowding and prevent waste of space, dwellings are to be leased in accordance with the occupancy standards set forth below. In the event, however, there should be dwellings in a development which cannot be filled with families of appropriate size to make effective use of all available accommodations and to prevent or limit vacancy loss, eligible families of the most nearly appropriate size may be assigned to them, in which case the PHA reserves the right to transfer to the proper unit at a later date.

Number of Bedrooms	Number of Persons	
	Minimum	Maximum
0	1	1
1	1	2
2	2	4
3	3	6
4	4	8
5	5	10

- B. When it is found that the size of the dwelling is no longer suitable for the family in accordance with the standards listed above, the family will be required to move as soon as a dwelling of appropriate size becomes available. To the maximum extent possible, needed transfers to units of appropriate size will have precedence over new admissions.

- C. The aforementioned standards are to be maintained insofar as possible at admission and continued occupancy. However, the following relaxation from such standards may be permitted:
 - (1) Dwellings shall be assigned insofar as possible so that persons of the opposite sex (other than husband and wife) will not occupy the same bedroom, except for minors under the age of four years.
 - (2) Dwellings shall be assigned so as not to require the use of the living room for sleeping purposes except in zero-bedroom units. Any exception to this can be approved by the Executive Director or his/her designee on a temporary basis.
 - (3) Additional space may be assigned by the Executive Director or designee as deemed necessary due to age, illness, disability, or employment.
 - (4) Three small children under school age of the same sex may share the same bedroom in the larger size units.
 - (5) Every family member residing in the household regardless of age is to be counted as a person.
 - (6) The maximums allowed on the above table may be exceeded to permit an infant to share a bedroom with its parents.

**SECTION III
CONTINUED OCCUPANCY POLICIES**

SECTION III CONTINUED OCCUPANCY POLICIES

1. CONDITIONS GOVERNING CONTINUED OCCUPANCY

- A. There are to be eligible for continued occupancy in the HUD-aided Public Housing Developments operated by this PHA only those residents who:
- (1) Qualify as a family or remaining member of tenant family legally of age to sign contracts.
 - (2) Conform to the PHA's established Eligibility and Occupancy Standards (see "Eligibility for Admission")
 - (3) Conform with the requirements contained in the Apartment Lease executed between the resident and the PHA.
 - (4) Comply with the Community Service Requirements of this section.
 - (5) Comply with the housing authority's Smoke Free Policy.

2. REEXAMINATIONS

- A. Reexaminations are required when:
- (1) For families who pay an income-based rent, the PHA must conduct a reexamination of family income and composition at least annually and must make appropriate adjustments in the rent after consultation with the family and upon verification of the information.
 - (2) 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 in accordance with the procedures in § 960.253(f).
 - (3) For all families who include nonexempt individuals, as defined in § 960.601, the PHA must determine compliance once each twelve months with community service and self-sufficiency requirements in 24 CFR subpart F.
- B. Interim reexaminations.
- (1) A family may request an interim reexamination of family income or composition because of any changes since the last determination. The PHA must conduct interim reexamination within a reasonable period of time after the family request or when the PHA becomes aware of an increase in family adjusted income under paragraph B(3) below of this section. What qualifies as a "reasonable time" may vary based on the amount of time it takes to verify information but generally should not be longer than 30 days after changes in income are reported.
 - (2) The PHA may decline to conduct an interim reexamination of family income if the PHA estimates the family's adjusted income will decrease by an amount that is less than ten percent of the family's annual adjusted income (or a lower amount established by HUD by notice), or a lower threshold established by the PHA.
 - (3) The PHA must conduct an interim reexamination of family income when the PHA becomes aware that the family's adjusted income has changed by an amount that the PHA estimates will result in an increase of ten percent or more in annual adjusted income or such other amount established by HUD through notice, except:
 - (i) The PHA may not consider any increase in the earned income of the family when estimating or calculating whether the family's adjusted income has increased, except that, based on the PHA's established written policy, the PHA may consider increases in earned income if the PHA has processed an interim reexamination for a decrease in the family's income under paragraph (b)(1) of this section within the same annual or biennial reexamination cycle; and
 - (ii) The PHA will not conduct an interim reexamination in the last three months of a family's certification period, in accordance with the PHA's established written policy.

- (4) Effective date of rent changes.
 - (i) If the family has reported a change in family income or composition in a timely manner according to the PHA's policies, the PHA must provide the family with 30 days' advance notice of any rent increases, and such rent increases will be effective the first day of the month beginning after the end of that 30-day period. Rent decreases will be effective on the first day of the first month after the date of the actual change leading to the interim reexamination of family income.
 - (ii) If the family has failed to report a change in family income or composition in a timely manner according to the PHA's policies, PHAs must implement any resulting rent increases retroactively to the first of the month following the date of the change leading to the interim reexamination of family income. Any resulting rent decrease must be implemented no later than the first rent period following completion of the reexamination. However, a PHA may apply rent decreases retroactively at the discretion of the PHA, in accordance with the conditions established by the PHA in written policy and subject to this section.
 - (iii) A retroactive rent decrease may not be applied by the PHA prior to the later of the first of the month following:
 - (a) The date of the change leading to the interim reexamination of family income; or
 - (b) The effective date of the family's most recent previous interim or annual reexamination (or initial examination if that was the family's last examination).
- C. The PHA may use the results of these reexaminations to require the family to move to an appropriate size unit.
- D. As a part of the annual reexamination, a written application, signed by a responsible member of the family, shall be obtained. The application shall set forth all data and information necessary for the PHA to determine rent and eligibility. Verification for employment and income, earned and non-earned, including that from assets, shall be obtained, along with appropriate documentation, to substantiate the determination of annual income. Data and/or verifications essential to substantiate the determination of family income should be made a part of the record of each application with all other materials relating to eligibility.
- E. In addition to other pertinent information, each application for continued occupancy shall indicate the determination of the PHA as to rent and as to eligibility or non-eligibility of the applicant; and the unit size for which eligible. The application shall be appropriately certified.
- F. **Annual reexamination.** The annual reexamination date(s) for each development are posted for public viewing at the PHA and are incorporated into this document by reference.
- G. **Special reexamination.** If at the time of admission or periodic reexamination, the PHA can satisfy itself that a family is clearly a lower income family, but that it is not possible to make an estimate of annual income for the ensuing 12 months with any reasonable degree of accuracy because of conditions such as the following:
 - (1) Family member(s) are unemployed and there are no anticipated prospects of employment; or
 - (2) The conditions of employment and/or income are so unstable as to invalidate usual and normal standards of determinations; then, a special reexamination will be scheduled on a date determined by the PHA's estimate of the time required for the family's circumstances to stabilize. If, at the time of the scheduled re-examination, it is still not possible to make a reasonable estimate of annual income, special re-examinations will continue to be scheduled until such time as a reasonable estimate of annual income can be made and the re-examination completed. The special reexaminations do not replace the annual reexamination.
- H. A family may request an interim reexamination of family income or composition at any time. The Authority will make the interim reexamination within a reasonable time after the family request and will adjust the family's rent in accordance with the Apartment Lease.

3. INTERIM REPORTING

- A. Interim reporting requirements are specified in the Apartment Lease and are hereby made a part of this document by reference.

4. MISREPRESENTATION AFFECTING ELIGIBILITY AND/OR RENT

- A. If any reexamination discloses that the tenant, at the time of admission or any previous reexamination, made any misrepresentations which resulted in being classified as eligible when in fact the family was ineligible, the tenant may be required to vacate even though the family may currently be eligible.
- B. Also, if at the time of reexamination, it is found that the tenant's representations resulted in paying a lower rent than should have been paid, the tenant is to be required to pay the difference between the rent that was paid and that which should have been paid, in accordance with the terms of the lease.

5. CHOICE OF RENTS

A. Rent Options

- (1) **Annual Choice by Family:** Once a year, the PHA must give each family the opportunity to choose between the two methods for determining the amount of tenant rent payable monthly by the family. The family may choose to pay as tenant rent either a flat rent as determined in accordance with the flat rent details of this section, or an income-based rent as determined in accordance with the income-based rent details of this section.
- (2) **Relation to Minimum Rent:** Regardless of whether the family chooses to pay a flat rent or income-based rent, the family must pay at least the minimum rent.
- (3) For a family that chooses the flat rent option, the PHA must conduct a reexamination of family income and composition at least once every three years, except for families a PHA determines exceed the over-income limit described in § 960.507(b). Once a PHA determines that a family has an income exceeding the over-income limit, the PHA must follow the income examination and notification requirements under § 960.507(c).
- (4) At initial occupancy, or in any year in which a participating family is paying the income-based rent, the PHA must:
 - (i) Conduct a full examination of family income and composition, following the provisions in § 960.257;
 - (ii) Inform the family of the flat rental amount and the income-based rental amount determined by the examination of family income and composition;
 - (iii) Inform the family of the PHA's policies on switching rent types in circumstances of financial hardship; and
 - (iv) Apply the family's rent decision at the next lease renewal.
- (6) In any year in which a family chooses the flat rent option, but the PHA chooses not to conduct a full examination of family income and composition for the annual rent option under the authority of this section, the PHA must:
 - (i) Use income information from the examination of family income and composition from the first annual rent option;
 - (ii) (ii) Inform the family of the updated flat rental amount and the rental amount determined by the most recent examination of family income and composition;
 - (iii) Inform the family of the PHA's policies on switching rent types in circumstances of financial hardship; and
 - (iv) Apply the family's rent decision at the next lease renewal.

B. Switch From Flat Rent To Income-Based Rent Because Of Hardship

- (1) A family that is paying 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. The PHA must adopt written policies to determine when payment of flat rent is a financial hardship for the family.

- (2) If the PHA determines that the family is unable to pay the flat rent because of financial hardship, the PHA must immediately allow the requested switch to income-based rent. The PHA shall make the determination within a reasonable time after the family request.
- (3) The PHA policies for determining when payment of flat rent is a financial hardship include the following situations:
 - (i) The family has 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;
 - (ii) The family has experienced an increase in expenses, because of changed circumstances, for medical costs, childcare, transportation, education, or similar items; and
 - (iii) Such other situations determined by the PHA to be appropriate.

C. Flat Rent: The flat rent is determined annually, based on the market rental value of the unit as determined by the following:

- (1) The PHA must establish a flat rent for each public housing unit that is no less than 80 percent of the applicable Fair Market Rent (FMR), or
- (2) HUD may permit a flat rent of no less than 80 percent of an applicable small area FMR (SAFMR) or unadjusted rent, if applicable, as determined by HUD, or any successor determination, that more accurately reflects local market conditions and is based on an applicable market area that is geographically smaller than the applicable market area used in paragraph (1) above. If HUD has not determined an applicable SAFMR or unadjusted rent, the PHA must rely on the applicable FMR under paragraph (1) above or may apply for an exception flat rent under paragraph (3) below.
- (3) The PHA may request, and HUD may approve, on a case-by-case basis, a flat rent that is lower than the amounts in paragraphs (b)(1) and (2) of this section, subject to the following requirements:
 - (i) The PHA must submit a market analysis of the applicable market.
 - (ii) The PHA must demonstrate, based on the market analysis, that the proposed flat rent is a reasonable rent in comparison to rent for other comparable unassisted units, based on the location, quality, size, unit type, and age of the public housing unit and any amenities, housing services, maintenance, and utilities to be provided by the PHA in accordance with the lease.
 - (iii) All requests for exception flat rents under this paragraph (b)(3) must be submitted to HUD.
- (4) For units where utilities are tenant-paid, the PHA must adjust the flat rent downward by the amount of a utility allowance for which the family might otherwise be eligible.
- (5) The PHA must revise, if necessary, the flat rent amount for a unit no later than 90 days after HUD issues new FMRs.
- (6) If a new flat rent would cause a family's rent to increase by more than 35 percent, the family's rent increase must be phased in at 35 percent annually until such time that the family chooses to pay the income-based rent or the family is paying the flat rent established pursuant to this paragraph.

A. The Formula Method (Income based rent):

An income-based rent is a tenant rent that is based on the family's income and the PHA's policies for determination of such rents as follows:

- (1) The total tenant payment is equal to the highest of:
 - (i) 10 percent of monthly income;
 - (ii) 30 percent of adjusted monthly income; or
 - (iii) The welfare rent.
- (2) The family will pay the greater of the total tenant payment or the minimum rent, but never more than the ceiling rent.
- (3) The income-based tenant rent must not exceed the total tenant payment for the family, minus any applicable utility allowance for tenant-paid utilities. If the utility allowance exceeds the total tenant payment, the PHA shall pay such excess amount (the utility reimbursement) either to the family or directly to the utility supplier to pay the utility bill on behalf of the family.

B. Minimum Rent

- (1) The PHA has established and adopted a minimum rent that is posted on the bulletin board in the main office. However, if the family requests a hardship exemption, the PHA will immediately suspend the minimum rent for the family until the PHA can determine whether the hardship exists and whether the hardship is of a temporary or long-term nature. "Immediately" as used in this paragraph is defined as "the beginning of the month following the family's hardship request." The financial hardship exemption applies only to payment of the minimum rent.
- (2) A hardship exists in the following circumstances:
 - (i) When the family has lost eligibility for, or is waiting for an eligibility determination for a federal, state, or local assistance program; including a family that includes a member who is a noncitizen 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;
 - (ii) When the family would be evicted because it is unable to pay the minimum rent requirement;
 - (iii) When the income of the family has decreased because of changed circumstances, including loss of employment;
 - (iv) When a death has occurred in the family;
 - (v) Other circumstances as determined by the PHA or HUD.
- (3) The above exemptions must be proven by the resident by providing the PHA with verifiable information in writing prior to the rent becoming delinquent and before the lease is terminated by the PHA.
- (4) No hardship. If the PHA determines that there is not a qualifying permanent financial hardship that PHA reinstates the minimum rent from the time of suspension, the PHA may offer the family a reasonable repayment agreement for the amount of back rent owed.
- (5) Temporary hardship. If the PHA determines that there is a qualifying hardship, but that it is temporary, the PHA reinstates the minimum rent, including back rent owed from the beginning of suspension. The PHA cannot evict the family for nonpayment of the amount of minimum rent in excess of tenant rent otherwise payable during the 90-day period beginning on the date the family requested an exemption. The PHA must offer the family a reasonable repayment agreement for the amount of back rent owed.
- (6) Permanent hardship. If the PHA determines there is a qualifying long-term financial hardship, the housing authority must exempt the family from the minimum rent requirements so long as such hardship continues. Such exemption shall apply from the beginning of the month following the family's request for a hardship exemption until the end of the qualifying hardship.
- (7) Appeals. A family who appeals a financial hardship determination through the public housing grievance procedure is exempt from any escrow deposit that may be required by the regulations governing these procedures.

C. Rent for Families Under the Noncitizen Rule:

- (1) Method of prorating assistance for Public Housing covered programs.
 - (a) Applicability. This section applies to a mixed family other than a family receiving continued assistance, or other than a family who is eligible for and requests and receives temporary deferral of termination of assistance. An eligible mixed family who requests prorated assistance must be provided prorated assistance.
 - (b) The PHA must prorate the family's assistance except as provided in 24 CFR 60.507 as follows:
 - (i) Step 1. Determine the total tenant payment. (Annual income includes income of all family members, including any family member who has not established eligible immigration status.)
 - (ii) Step 2. Subtract the total tenant payment from the PHA-established flat rent applicable to the unit. The result is the maximum subsidy for which the family could qualify if all members were eligible ("family maximum subsidy").

- (iii) Step 3. 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.”
- (iv) Step 4. Multiply the member maximum subsidy by the number of family members who have citizenship or eligible immigration status (“eligible family members”).
- (c) The product of steps i through iv is the amount of subsidy for which the family is eligible (“eligible subsidy”). The family's rent is the PHA-established flat rent minus the amount of the eligible subsidy.

1. Information for Families.

- A. For the family to make an informed choice about its rent options, the PHA will provide sufficient information for an informed choice. Such information will include at least the following written information:
 - (1) The PHA’s policies on switching type of rent in circumstances of financial hardship, and
 - (2) The dollar amounts of tenant rent for the family under each option in accordance with “Re-examinations.”

A. PROPOSED CHANGES FOR OVER INCOME FAMILIES - OPTION 1, ALTERNATE RENT

- (1) Families participating in the public housing program must not have incomes that exceed the over-income limit for more than 24 consecutive months.
 - (i) This policy applies to all families in the public housing program, including FSS families and all families receiving EID.
 - (a) Mixed families (§ 5.504) who are non-public housing over income families pay the alternative non-public housing rent (§ 960.102), as applicable.
 - (b) All non-public housing over-income families are precluded from participating in a public housing resident council.
 - (c) Non-public housing over-income families cannot participate in programs that are only for public housing or low-income families.
 - (d) PHAs cannot provide any Federal assistance, including a utility allowance, to non-public housing over-income families.

B. Determination of over-income limit.

- (1) The PHA will determine the over-income limit each year by multiplying the applicable income limit for a very low-income family by a factor of 2.4. (§ 5.603(b.) Over income Limits will be updated within 60 days of HUD’s publication date each year, will be posted on the PHAs bulletin board and will be effective for all re-examinations.

C. Notifying over-income families.

- (1) If the PHA determines the family has exceeded the over-income limit pursuant to an initial income examination, the PHA must provide written notice to the family of the over-income determination no later than 30 days after the income examination. The notice must state that the family has exceeded the over-income limit and continuing to exceed the over-income limit for a total of 24 consecutive months will result in the PHA imposing an Alternate Rent for the over-income family. The PHA must afford the family an opportunity for a hearing if the family disputes within a reasonable time the PHA’s determination that the family has exceeded the over-income limit. 24 CFR part 966, subpart B
- (2) The PHA must conduct a second income examination 12 months after the initial over-income determination unless the PHA determined the family’s income fell below the over-income limit since the initial over-income determination.

- If the PHA determines, by a second income examination, that the family has exceeded the over-income limit for 12 consecutive months, the PHA must provide written notification of this 12-month over-income determination no later than 30 days after the income examination that led to the 12-month over-income determination. The notice must state that the family has exceeded the over-income limit for 12 consecutive months and continuing to exceed the over-income limit for a total of 24 consecutive months will result in the PHA imposing an Alternate Rent for the over-income family. The notice must include an estimate (based on current data) of the alternative non-public housing rent for the family's dwelling unit. The PHA must afford the family an opportunity for a hearing if the family disputes within a reasonable time the PHA's determination that the family has exceeded the over-income limit. 24 (CFR part 966, subpart B).
- (3) The PHA will conduct a third income examination 24 months after the initial over-income determination, unless the PHA determined the family's income has fallen below the over-income limit since the second over-income determination. If the PHA determines the family has exceeded the over-income limit for 24 consecutive months, then the PHA must provide written notification of this 24-month over-income determination no later than 30 days after the income examination that led to the 24-month over-income determination. The notice must state:
- (i) That the family has exceeded the over-income limit for 24 consecutive months.
 - (ii) That the PHA must charge the family the alternative non-public housing rent.
 - (iii) The PHA will also present the family with a new lease. (§ 960.509) and inform the family that the lease must be executed no later than 60 days of the date of the notice or at the next lease renewal, whichever is sooner.
 - (iv) The PHA must afford the family an opportunity for a hearing if the family disputes within a reasonable time the PHA's determination that the family has exceeded the over-income limit. (24 CFR part 966, subpart B).
- (4) If, at any time during the consecutive 24-month period following the initial over-income determination, a PHA determines that the family's income is below the over-income limit, the family is entitled to a new 24 consecutive month period of being over-income and new notices if the PHA later determines that the family income exceeds the over-income limit.

D. Status of families.

- (1) An over-income family will continue to be a public housing program participant until their tenancy is terminated by the PHA, or the family executes a new non-public housing lease.

E. Opportunity for Hearing.

- (1) The PHA must afford the family an opportunity for a hearing if the family disputes within a reasonable time the PHA's determination that the family has exceeded the over-income limit. (24 CFR part 966, subpart B)

F. Reporting.

- (1) The PHA must submit a report annually to HUD that specifies, as of the end of the year, the number of families residing in public housing with incomes exceeding the over-income limit and the number of families on the waiting lists for admission to public housing projects and provide any other information regarding over-income families requested by HUD. These reports must also be publicly available.

G. Annual and Interim Reexaminations.

- (1) For all non-public housing over-income families, the PHA may not conduct an annual reexamination of family income.

H. Community Service.

- (1) Non-public housing over-income families are not required to comply with the requirements of Community Service.

I. PROPOSED CHANGES FOR OVER INCOME FAMILIES - OPTION 2, TERMINATION

- (1) Families participating in the public housing program must not have incomes that exceed the over-income limit for more than 24 consecutive months.
- (2) This policy applies to all families in the public housing program, including FSS families and all families receiving EID.

J. Determination of over-income limit.

- (1) The PHA will determine the over-income limit each year by multiplying the applicable income limit for a very low-income family by a factor of 2.4. (§ 5.603(b.) Over income Limits will be updated within 60 days of HUD's publication date each year, will be posted on the PHAs bulletin board and will be effective for all re-examinations.

K. Notifying over-income families.

- (1) If the PHA determines the family has exceeded the over-income limit pursuant to an **initial income examination**, the PHA must provide written notice to the family of the over-income determination no later than 30 days after the income examination. The notice must state that the family has exceeded the over-income limit and continuing to exceed the over-income limit for a total of 24 consecutive months will result in the PHA terminating the family's tenancy.
- (2) The PHA must conduct a **second income examination** 12 months after the initial over-income determination unless the PHA determined the family's income fell below the over-income limit since the initial over-income determination.
- (3) If the PHA determines, **by a second income examination**, that the family has exceeded the over-income limit for 12 consecutive months, the PHA must provide written notification of this 12-month over-income determination no later than 30 days after the income examination that led to the 12-month over-income determination. The notice must state that the family has exceeded the over-income limit for 12 consecutive months and continuing to exceed the over-income limit for a total of 24 consecutive months will result in the PHA terminating the family's tenancy.
- (4) The PHA will conduct a **third income examination** 24 months after the initial over-income determination, unless the PHA determined the family's income fell below the over-income limit since the second over-income determination. If the PHA determines the family has exceeded the over-income limit for 24 consecutive months, then the PHA must provide written notification of this 24-month over-income determination no later than 30 days after the income examination that led to the 24-month over-income determination. The notice must state:
 - (i) That the family has exceeded the over-income limit for 24 consecutive months.
 - (ii) That the PHA will terminate the family's tenancy.
 - (iii) The period of time before tenancy termination.
- (5) If, at any time during the consecutive 24-month period following the initial over-income determination, a PHA determines that the family's income is below the over-income limit, the family is entitled to a new 24 consecutive month period of being over-income and new notices if the PHA later determines that the family income exceeds the over-income limit.

L. End of the 24 consecutive month grace period.

- (1) Once a family has exceeded the over-income limit for 24 consecutive months, the PHA must terminate the tenancy of the family no more than 6 months after the notification. The lease shall convert to a month-to-month term as of the date of the notice to the family of lease termination. The PHA must continue to charge these families the family's choice of income-based, flat rent, or prorated rent for mixed families during the period before termination. The PHA must give appropriate notice of lease tenancy termination (notice to vacate) in accordance with State and local laws.

M. Status of families.

- (1) An over-income family will continue to be a public housing program participant until their tenancy is terminated by the PHA.

N. Opportunity for Hearing.

- (1) The PHA must afford the family an opportunity for a hearing if the family disputes, within 10 calendar days, the PHA's determination that the family has exceeded the over-income limit. (24 CFR part 966, subpart B.

O. Reporting.

- (1) The PHA must submit a report annually to HUD that specifies, as of the end of the year, the number of families residing in public housing with incomes exceeding the over-income limit and the number of families on the waiting lists for admission to public housing projects and provide any other information regarding over-income families requested by HUD. These reports must also be publicly available.

6. COMMUNITY SERVICE

- A. The Quality Housing and Work Responsibility Act of 1998 requires that nonexempt residents of public housing perform community service. HUD states that the provision is not intended to be perceived as punitive but rather considered as rewarding activity that will assist residents in improving their own and their neighbors' economic and social well-being and give residents a greater stake in their communities.

- B. In order to be eligible for continued occupancy, each adult family member must either (1) contribute eight hours per month of community service or (2) participate in an economic self-sufficiency program, or a combination of the two, unless they are exempt from this requirement.

- C. **Exempt Individual:** The following adult family members of tenant families are exempt from this requirement. An adult who:

- (1) Is 62 years or older;
- (2) Is a blind or disabled individual, as defined under Section 216(i)(1) or Section 1614 of the Social Security Act (42 U.S.C. 416(i)(1); 1382c), and who certifies that because of this disability she or he is unable to comply with the service provisions of this subpart, or
- (3) Is a primary caretaker of such individual;
- (4) Is engaged in work activities;
- (5) Meets the requirements for being exempted from having to engage in a work activity under the State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) or under any other welfare program of the State in which the PHA is located, including a State-administered welfare-to-work program;
- (6) Is 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. 601 et seq.) or under any other welfare program of the State 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; or
- (7) is a member of a non-public housing over-income family.

- D. All families will be given a written description of the service requirement, and of the process for claiming status as an exempt person. This will include the PHA's determination identifying the family members who are subject to the service requirement, and the family members who are exempt persons. The PHA will provide a form to any family members requesting exemption from the service and will advise the member what documentation is required to support the exemption. The PHA will approve or deny the request for exemption within 30 days from receipt of a request that includes required documentation. A family member may request an exempt status at any time.

- E. The PHA will provide a listing of qualifying community service or self-sufficiency activities that will meet this requirement. This list may be updated by the PHA at any time. Each nonexempt family member will be given a community service time sheet to track the monthly volunteer hours. A supervisor must sign and date each period of work. If qualifying activities are administered by an organization other than the PHA, a family member who is required to fulfill a service requirement must provide signed community service time sheets certifying to the PHA by such other organization that the family member has performed such qualifying

activities.

- F. The PHA must review family compliance with service requirements and must verify such compliance. The PHA must retain reasonable documentation of service requirement performance in tenant files.
- G. If the PHA determines that there is a family member who is required to fulfill a service requirement, but who has violated this family obligation (noncompliant resident), the PHA must notify the tenant of this determination. The PHA notice to the tenant must:
 - (1) Briefly describe the noncompliance;
 - (2) State that the PHA will not renew the lease at the end of the twelve-month lease term unless;
 - (i) The tenant, and any other noncompliant resident, enter into a written agreement with the PHA, in the form and manner required by the PHA, to cure such noncompliance, and in fact cure such noncompliance in accordance with such agreement; or
 - (3) The family provides written assurance satisfactory to the PHA that the tenant or other noncompliant resident no longer resides in the unit. State that the tenant may request a grievance hearing on the PHA determination, 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.
- H. If the tenant or another family member has violated the service requirement, the PHA may not renew the lease upon expiration of the term unless:
 - (1) The tenant, and any other noncompliant resident, enter into a written agreement with the PHA, in the form and manner required by the PHA, to cure such noncompliance by completing the additional hours of community service or economic self-sufficiency activity needed to make up the total number of hours required over the twelve-month term of the new lease, and
 - (2) All other members of the family who are subject to the service requirement are currently complying with the service requirement or are no longer residing in the unit.
- I. In implementing the service requirement, the PHA may not substitute community service or self-sufficiency activities performed by residents for work ordinarily performed by PHA employees or replace a job at any location where residents perform activities to satisfy the service requirement.
- J. If a tenant (or family) moves out having not contributed to the required number of community service hours, they will not be eligible for re-admission until satisfactory documentation is submitted to the PHA indicating that the previously uncompleted community service hours have been completed.
- K. Uncompleted community service hours will be included in the tenant's rental history and will be provided to landlords requesting rental history.
- L. Requests for rental history from other PHAs may include a Request for Community Service Compliance.

7. FRAUD POLICY

- A. The Tennessee Code annotated description of Theft of Services includes the following: "Intentionally obtaining services by deception, fraud, coercion, false pretense or any other means to avoid payment for services." Title 18 of the U.S. Code makes it a criminal offense to make willful false statements or misrepresentations for the purpose of obtaining rental assistance.
- B. Fraud is defined as "a single act or pattern of actions made with the intent to deceive or mislead, including false statements, omissions of information or the concealment of a substantive fact made with the intention of deceiving or misleading the PHA when the act or acts lead to the person or person(s) involved receiving benefits to which they are not entitled.
- C. Through application of its verification procedures for income and household information, the PHA will make every effort to ensure that applicants and residents are made aware of the consequences of providing false or misleading information. Further, the PHA will make every effort to verify all information provided by

residents and applicants.

- D. When fraudulent activity is discovered, the PHA will take action to document the activity and undertake the appropriate remedy. The remedy may vary depending on the specific circumstances of the case and the action deemed appropriate by the PHA and could include, but will not be limited to:
 - (1) The tenant may be required to immediately repay the amount;
 - (2) The PHA may enter into a repayment agreement with the tenant if the amount does not exceed \$2,400.
 - (3) If the amount exceeds \$2,400.00, the families' assistance will be immediately terminated.
 - (4) If the amount exceeds \$5,000.00, the tenant will not be eligible for re-admission to the PHA, regardless of repayment.
 - (5) Where the families' assistance is terminated due to fraud, the PHA may, at its discretion, refer the case to local, state, or federal authorities for prosecution.

8. DECEASED TENANTS

- A. In order to ensure that unoccupied public housing units are made available for occupancy in a timely manner, the PHA will generate a Deceased Tenants Report at least once each month. The PHA will generate this report each month.
- B. Corrective Action for Single Member Households: The PHA will conduct a home visit to determine if anyone is residing in the unit. If there are unauthorized persons (including a live-in aide) in the unit of a deceased single member household, the PHA will pursue judicial intervention to have them lawfully removed from the unit.
- C. When the head of household (HOH) dies and the remaining household member is a live-in aid, the live-in aide is not entitled or eligible for continued occupancy in a subsidized unit. By definition, the live-in aide would not be living in the subsidized unit except to provide the necessary supportive services on behalf of the elderly or disabled head of household. The PHA will not designate the live-in aide as the new head of household or change the relation code (line item 3h on the Form HUD-50058) of the live-in aide to make him or her an eligible household member.
- D. If the head of household (HOH) is deceased, and the remaining head of household members are minors, the PHA may allow a temporary adult guardian to reside in the unit until a court-appointed guardian is established. The PHA may add the new guardian as the new HOH.
- E. In the event that a household member is misidentified as deceased on the Deceased Tenants Report, the PHA will immediately notify the individual in writing and advise the individual to contact the SSA so that the SSA may correct its records. The individual may contact SSA at (800) 772-1213 or visit his/her local SSA office for assistance.
- F. The PHA will also provide the individual with his/her section of the EIV Income Report which shows the death information. The PHA is authorized to provide EIV information only to the individual the information pertains to. The PHA may provide the minor's information to the minor's adult parent or guardian.
- G. The PHA will make a note in the tenant file that the individual has been identified as deceased; however, the PHA has confirmed that the individual is actually alive.
- H. The PHA is required to list the End of Participation (EOP) date as the date on which the family or designee of the deceased tenant's estate returned the keys and signed a vacate notice, or the date the public housing lease was terminated, or the date the PHA legally regained possession of the unit, whichever comes first.
- I. Upon notification of the death, either by HUD's EIV system or a third party, the family or designee of the deceased tenant's estate will be allotted a minimum of fourteen (14) consecutive days to remove personal belongings from the unit, beginning the day after the date of notification, unless:
 - (1) State or local law requires a shorter or longer time frame to remove personal belongings.

- (2) The rent has been paid for the month in which the death occurs, in advance of the date of death. In those instances, the family or designee of the deceased tenant's estate should be allotted time through the end of the month in which the rent has been paid, or 14 consecutive days from the date the PHA is notified of the death, whichever is greater.

9. VIOLENCE AGAINST WOMEN ACT

- A. An incident or incidents of actual or threatened domestic violence, dating violence, sexual assault or stalking will not be construed as a serious or repeated lease violation by the victim or threatened victim of the domestic violence, dating violence, or stalking, or as good cause to terminate the tenancy, or occupancy rights of, or assistance to the victim or threatened victim of such incident.
- B. Criminal activity directly related to domestic violence, dating violence, sexual assault 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 tenancy of, occupancy rights of, or assistance to the victim, if the tenant or immediate family member of the tenant is the victim.
- C. The PHA may bifurcate the lease, or remove a household member from the lease, without regard to whether a household member is a signatory to the lease, in order to evict, remove, terminate occupancy rights or terminate assistance to any individual who is a tenant or lawful occupant who engages in criminal activity directly relating to domestic violence, dating violence, sexual assault, or stalking against an affiliated individual or other individual, without evicting, removing, terminating assistance to, or otherwise penalizing the victim of such violence who is also a tenant or lawful occupant. Such eviction, removal, termination of occupancy rights, or termination of assistance shall be affected in accordance with the procedures prescribed by federal, state, and local law for the termination of leases, or assistance under HUD's Public Housing Program.
- D. The PHA will require that an individual certify that he/she is a victim of abuse and that the incidences of abuse are bonafide. The certification must include the name of the perpetrator only if the name of the perpetrator is safe to provide and is known to the victim, and any other statutorily required information. The victim must provide the certification to the PHA in accordance with the PHA's Violence Against Women Act policy. In cases where the individual does not submit the required certification, the Authority may terminate assistance.
- E. All information provided to the PHA relating to the incident(s) of domestic violence, including the fact that the individual is a victim of domestic violence, dating violence, sexual assault or stalking will be retained in confidence by the PHA and will not be entered into any shared database nor provided to a related entity. The PHA will not allow any employee or agent to have access to such information unless explicitly authorized by the PHA. For reasons that specifically call for these employees or those within their employ to have access to this information: and disclose this information to any other entity or individual, except to the extent that disclosure is requested or consented to by the individual making the documentation, in writing, required for use in an eviction proceeding, or otherwise required by applicable law.
- F. *Limitations of VAWA protections.*
 - (1) Nothing in this section limits the authority of the housing authority, when notified of a court order, to comply with a court order with respect to:
 - (i) The rights of access or control of property, including civil protection orders issued to protect a victim of domestic violence, dating violence, sexual assault, or stalking; or
 - (ii) The distribution or possession of property among members of a household.
- G. Nothing in this section limits any available authority of the housing authority to evict or terminate assistance to a tenant for any violation not premised on an act of domestic violence, dating violence, sexual assault, or stalking that is in question against the tenant or an affiliated individual of the tenant. However, the housing authority must not subject the tenant, who is or has been a victim of domestic violence, dating violence,

sexual assault, or stalking, or is affiliated with an individual who is or has been a victim of domestic violence, dating violence, sexual assault or stalking, to a more demanding standard than other tenants in determining whether to evict or terminate assistance.

- H. Nothing in this section limits the authority of the housing authority to terminate assistance to or evict a tenant under a housing authority if the housing authority can demonstrate an actual and imminent threat to other tenants or those employed at or providing service to property of the housing authority would be present if that tenant or lawful occupant is not evicted or terminated from assistance. In this context, words, gestures, actions, or other indicators will be considered an “actual and imminent threat” if they meet the standards provided in the definition of “actual and imminent threat.”
- I. Victims of domestic violence, dating violence, sexual assault or stalking may request an emergency transfer in accordance with the housing authority’s Emergency Transfer Plan.

10. EXTENDED ABSENCES AND ABANDONMENT

- A. The resident and others household members listed on the lease must live in the apartment and must report to the office anytime the apartment is going to be vacant more than seven (7) days, or anytime someone other than the persons listed on the lease are living temporarily in the apartment. The resident should provide the PHA with an emergency contact name and phone number to notify them in case of emergency and provide an estimated date of return. If they do not return by that date, they must contact the Project Manager and explain the continued absence. If the resident has given someone a Power of Attorney, they should provide a copy to the housing authority.
- B. Apartments should not normally remain vacant for more than 14 days without an extenuating circumstance (such as a serious medical condition of a family member) and absences over 14 days must have written approval from the project manager. Absences in excess of 30 days without approval of the project manager will be considered abandonment. During any absence from the apartment the resident remains responsible for assuring compliance with all provisions of the Apartment Lease and the Admissions and Continued Occupancy Policy. If the rent is past due 30 days or more, and the resident has been mailed a written eviction notice, the apartment appears vacant and no one answers the door, and the resident has not specifically and directly notified the PHA office of an extended absence, the Authority may assume the apartment is abandoned, file a warrant for possession, and remove any personal property in the apartment. A notice will be taped to the front door for 3 days prior to the property being removed.
- C. If the head of the household is the sole occupant and is confined to a medical, rehabilitation, convalescent or nursing facility for more than 60 days the PHA will request that the resident provide verification from a responsible knowledgeable professional to determine if this is a temporary or permanent condition. If the responsible professional cannot provide a determination, the person generally will be considered temporarily absent. An individual confined to a nursing home or hospital on a permanent basis is not considered a member of the household. If the responsible professional issues a determination that the absence is likely to be permanent and the resident is the sole resident of the household, then the resident must make arrangements to vacate the apartment within 30 days following the housing authority’s issuance of a notice to vacate. The housing authority will consider the public housing unit abandoned if it is not vacated within this time period. This process is necessary in order to afford another family on the waiting list the opportunity to obtain housing. The resident may reapply if the circumstances change.
- D. In no circumstances is any family or individual permitted to lease any other HUD subsidized dwelling unit while on a public housing lease. The resident is not allowed to sublease the apartment or allow anyone to stay in the unit while they are absent.
- E. When the resident of a household that requires a live-in-aide is temporarily absent or has vacated the apartment the live-in aide is not entitled or eligible for continued occupancy in a subsidized unit. By definition, the live-in aide would not be living in the subsidized unit except to provide the necessary supportive services on behalf of the elderly or disabled requiring those service.

11. SMOKE FREE POLICY

- A. The housing authority has adopted a policy regarding Smoke-Free Public Housing in accordance with HUD regulations. All residents must comply with the requirements of this policy. Non-compliance with this policy may result in sanctions up to and including lease termination and eviction.

12. HUD MINIMUM HEATING STANDARDS

- A. For a housing authority where state or local minimum heating standards do not exist, the housing authority shall use the following minimum heating requirements for public housing dwelling units in order to comply with Section 111 of HOTMA.

(1) Minimum Temperature:

- (i) If the housing authority-controlled, the minimum temperature in each unit must be at least 68 degrees Fahrenheit.
- (ii) If tenant-controlled, then the heating equipment must have the capability of heating to at least 68 degrees Fahrenheit.

(2) Minimum Capability:

- (i) The housing authority is allowed flexibility in maintenance of the indoor temperature when the outdoor temperature approaches the design day temperature. 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:
 - (a) The outside temperature reaches or drops below the design day temperature, or
 - (b) The outside temperature is within five degrees Fahrenheit of the design day temperature for more than two consecutive days.

(3) Measurement:

- (i) Temperature measurements must be taken three feet above the floor and two feet from an exterior wall in a habitable room.

(4) Eligibility for Resident Council Membership:

- (i) Any member of a public housing household whose name is on the lease of a unit in the public housing development and meets the requirements of the by-laws is eligible to be a member of a resident council. The resident council may establish additional criteria that are non-discriminatory and do not infringe on rights of other residents in the development. Such criteria must be stated in the by-laws are constitution as appropriate.

**SECTION IV:
MATERIAL POSTING REQUIREMENT**

SECTION IV MATERIAL POSTING REQUIREMENT

There shall be maintained in every PHA office a bulletin board which accommodates the following materials in such a manner as to be readily available to all visitors:

1. Statement of Admission and Continued Occupancy Policy
2. Tenant Selection and Assignment Plan (if not incorporated in the ACOP)
3. Directory of Projects including names, perimeter streets, number of units by bedroom size, number of units specifically designed for the elderly, addresses of management offices and office hours.
4. Income Limits
5. Utility Allowances
6. Current Schedule of Maintenance Charges
7. Dwelling Lease
8. Grievance Procedure
9. Fair Housing Poster
10. Equal Opportunity in Employment Poster
11. Lead-Based Paint Notification
12. State Law Requirements Regarding Fraud
13. Pet Policy
14. Re-examination Dates for Developments
15. Violence Against Women Policy Act
16. Minimum Rent