

HUDSON HOUSING AUTHORITY

ADMISSION AND CONTINUED OCCUPANCY

POLICY

2025



This document is available in alternative format upon request

Approved by HHA Board of Commissioners 7/10/2025

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ADMISSIONS AND CONTINUED OCCUPANCY POLICY

This Admissions and Continued Occupancy Policy (ACOP) defines the Hudson Housing Authority's policies for the operation for the Public Housing Program, incorporating Federal, State and local law. The Hudson Housing Authority (HHA) has adopted and complies with the rules and regulations for housing assistance as established by the U.S. Department of Housing and Urban Development. If there is any conflict between this ACOP policy and laws or regulations, the laws and regulations will prevail.

1.0 FAIR HOUSING

It is the policy of the Hudson Housing Authority 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 and Massachusetts State law governing Fair Housing. The Hudson Housing Authority shall affirmatively further Fair Housing in the administration of its public housing program.

The HHA shall not discriminate because of race, color, sex, religion, familial status, age, disability or national origin, marital status, gender identity, transgender status, sexual orientation, receipt of welfare, public assistance or rental subsidy, military or veteran status or genetic information.

To further its commitment to full compliance with applicable Civil Rights laws, the Hudson Housing Authority will provide Federal and State information to applicants/tenants of the Public Housing Program regarding discrimination and any recourse available to them if they believe they may be victims of discrimination. Such information will be made available with the application, and all applicable Fair Housing Information and Discrimination Complaint Forms will be made available at the Hudson Housing Authority office. In addition, all written documents and advertisements will contain the appropriate Equal Housing Opportunity logo and slogan.

The Hudson Housing Authority will assist any family that believes it may have suffered illegal discrimination by providing to the family copies of the appropriate housing discrimination forms. The Hudson Housing Authority 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 and the Massachusetts Commission against Discrimination.

2.0 REASONABLE ACCOMMODATION

2.1 POLICY

Sometimes people with disabilities may need a reasonable accommodation in order to take full advantage of the Hudson Housing Authority housing programs and related services. When such accommodations are granted, they do not confer special treatment or advantage for the person with a disability; rather, they make the program accessible to them in a way that would otherwise not be possible due to their disability. The HHA Reasonable Accommodation in Housing Policy clarifies how people can request accommodations and the guidelines the Hudson Housing Authority will follow in determining whether it is reasonable to provide a requested accommodation. Because disabilities are not always apparent, the Hudson Housing Authority will ensure that all applicants/tenants are aware of the opportunity to request reasonable accommodations.

The HHA adopted the current Reasonable Accommodation in Housing Policy on October 6, 2016 which is incorporated herein by reference.

2.2 PERSONS WITH HEARING OR VISION IMPAIRMENTS

HUD regulations require the HHA to take reasonable steps to ensure that persons with disabilities related to hearing and vision have reasonable access to the HHA's programs and services.

To meet the needs of persons with hearing impairments, TTD/TTY (text telephone display / teletype) communication will be available.

To meet the needs of persons with vision impairments, large-print and audio versions of key program documents will be made available upon request. When visual aids are used in public meetings or presentations, or in meetings with HHA staff, one-on-one assistance will be provided upon request.

Additional examples of alternative forms of communication are sign language interpretation, having material explained orally by staff, or having a third-party representative (a friend, relative or advocate, named by the applicant) to receive, interpret, and explain housing materials and be present at all meetings.

3.0 LIMITED ENGLISH PROFICIENCY

Limited English Proficient (LEP) persons are defined by HUD as, persons who, as a result of national origin, do not speak English as their primary language and who have limited ability to speak, read, write or understand English. The HHA has prepared a Four Factor Analysis and Language Access Plan (LAP) to assist the agency to ensure meaningful access to individuals with Limited English Proficiency (LEP) in relation to its housing programs.

The HHA adopted a Language Access Plan on May 3, 2018, which is incorporated herein by reference.

4.0 VIOLENCE AGAINST WOMEN

The Violence against Women Act of 1994, as amended and reauthorized in 2000, 2005, 2013, 2016 and 2022 provides protections for victims of domestic violence, dating violence, sexual assault, and stalking. The HHA's current VAWA Policy which contains the Notice, associated forms and Emergency Transfer Plan is incorporated herein by reference. The VAWA policy addresses definitions, general VAWA requirements and HHA policies with regard to notification, documentation, and confidentiality.

5.0 FAMILY OUTREACH

The Hudson Housing Authority will publicize the availability and nature of the Public Housing Program for extremely low, very low and low-income families in a newspaper of general circulation, minority media, and by other suitable means.

To reach people who cannot or do not read the newspapers, the Hudson Housing Authority may distribute fact sheets to the broadcasting media and initiate personal contacts with members of the news media and community service personnel. The Hudson Housing Authority may also try to utilize public service announcements.

The Hudson Housing Authority will communicate the status of housing availability to other service providers in the community such as the South Middlesex Opportunity Council and inform them of housing eligibility factors and guidelines so they can make proper referrals for the Public Housing Program.

Contact information for the Hudson Housing Authority is on websites of the Department of Housing and Urban Development and the Department of Housing and Community Development.

6.0 RIGHT TO PRIVACY

The Authorization for Release of Information and Privacy Act Notice states how family information will be released and includes the Federal Privacy Act Statement.

The HHA requires that each family member above the age of 18 sign a HUD 9886 A form to authorize the release of certain information to the HHA on admission. At each annual or interim reexamination, the HHA will determine if any family member turned eighteen (18) and has not yet signed the HUD 9886A form. Such a family member will be required to sign the appropriate form at the next reexamination. The HA may also require signature at an earlier date.

Any request for applicant or tenant information will not be released unless there is a signed release of information request from the applicant or tenant.

Families have the right to revoke consent by notice to the HHA; however, revoking consent will result in termination or denial of assistance. The HHA will explain to families the consequences, if any, of revoking their consent. The HHA will notify their local HUD office when an applicant or participant family member revokes their consent of the form 9886A.

7.0 POSTINGS

In each of its offices, the Hudson Housing Authority will post, in a conspicuous place and at a height easily read by all persons, important information relative to program administration.

8.0 TAKING APPLICATIONS

Families wishing to apply for the Public Housing Program will be required to complete an application for housing assistance. Applications will be accepted during regular business hours at:

Applications will be mailed to interested families upon request. Applications may be accepted by mail, email or fax to accommodate those who cannot come to the office in person.

**8 Brigham Circle
Hudson, MA 01749**

Applications are taken to compile a waiting list. Due to the demand for housing in the Hudson Housing Authority jurisdiction, the Hudson Housing Authority may take applications on an open enrollment basis, depending on the length of the waiting list.

Completed applications will be accepted from all applicants and the Hudson Housing Authority will verify the information.

Applications may be submitted in person on **Monday through Friday, between the hours of 8:30 a.m. and 4:00 p.m.** Applications will be mailed to interested families upon request.

The completed application will be dated and time stamped upon its return to the Hudson Housing Authority.

Persons with disabilities who require a reasonable accommodation in completing an application may call the Hudson Housing Authority to make special arrangements. A Telecommunication Device for the Deaf (TDD) is available for the deaf. The TDD telephone number is **1-800-545-1833 Ext. 145**.

Upon receipt of the family's application, the Hudson Housing Authority will make a preliminary determination of eligibility. The Hudson Housing Authority will notify the family in writing of the date and time of placement on the waiting list, and the approximate wait before housing may be offered. If the Hudson Housing Authority determines the family to be ineligible, the notice will state the reasons therefore and will offer the family the opportunity for an informal review of the determination.

The applicant may at any time report changes in the family's applicant status including changes in family composition, income, or preference factors. The Hudson Housing Authority will annotate the applicant's file and will update the family's place on the waiting list. Confirmation of the changes will be confirmed with the family in writing.

When the application nears the top of the waiting list, the Hudson Housing Authority will ensure that verification of all preferences, eligibility, suitability and selection factors are

current in order to determine the family's final eligibility for admission into the Public Housing Program.

9.0 ELIGIBILITY AND SCREENING

9.1 INTRODUCTION

There are eligibility requirements for applicant admission to public housing: families must qualify as a family, have income and assets that are within applicable limits and restrictions, meet citizenship/eligible immigrant criteria, provide documentation of Social Security numbers, and sign consent authorization documents. In addition to the eligibility criteria, families must also meet the Hudson Housing Authority screening criteria in order to be admitted to public housing.

9.2 ELIGIBILITY CRITERIA

- A. Each applicant for assistance under the public housing program must meet the HHA's definition of family.

A family is either a single person or a group of persons, with or without children, a family includes but is not limited to the following, regardless of actual or perceived sexual orientation, gender identity, or marital status and is defined below:

1. A Single Person Family is:

An elderly person, (a person that is at least 62 years of age);

A displaced person, (a person displaced by governmental action, or whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized by federal disaster relief laws);

A person with a disability as defined in 24 CFR 5.403. Subject to any other legal limitations, individuals may not be considered disabled for eligibility purposes solely on the basis of any drug or alcohol dependence;

A remaining member of a tenant family (a family member of an assisted tenant family who remains in the unit when other members of the family have left the unit); or

An otherwise eligible youth who has attained at least eighteen (18) years of age and not more than twenty-four (24) years of age and who has left foster care, or will leave foster care within ninety (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 sixteen (16) or older; or

Any other single person (not an elderly or displaced person, or a person with disabilities, or the remaining member of a tenant family).

2. A Group of Persons Family is:

(i) Regulatory Definition

An elderly family, which is defined as a family whose head, co-head, or spouse is at least 62 years of age; or two or more persons, each of whom are at least 62, living together; or one or more persons who are at least 62 living with one or more live-in aides;

A disabled family, which means a family whose head, co-head, or spouse is a person with disabilities; or two or more persons with disabilities; or one or more persons with disabilities with one or more live-in aides; a person with a disability as defined in 24 CFR 5.403; and

A displaced family, which is a family in which each member is a person displaced by governmental action, or whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized by federal disaster relief laws.

(ii) Other Policy

For a group of persons, a Family is also defined as: two or more persons sharing residency, whose income and resources are available to meet family needs. The group must provide evidence of a significant relationship determined to be stable by the Housing Authority.

The Housing Authority generally defines a stable relationship as a relationship that has been in existence for a minimum of 6 months, and the parties provide financial support for each other.

Acceptable documentation of a stable relationship includes lease agreements indicating that the parties have lived together for at least 6 months, utility bills, other joint bills and/or bank account(s) (need to provide for a 6-month period), and, on a case-by-case basis, letters from a social service provider or religious organization confirming the relationship. The Housing Authority will consider other evidence of stable relationship presented by the family on a case-by-case basis.

The HA recognizes that a variety of relationships exist, which are not necessarily relationships of ancestry or marriage. Each family must identify the individuals to be included in the family and provide evidence that there is a stable relationship.

3. All federal Public Housing Developments administered by the HHA are for the elderly/disabled and as such families must meet the definition for elderly/disabled families to fill these units.

B. Income Eligibility

1. To be eligible for admission to developments, the family's annual income must be within the low-income limit set by HUD. This means the family income cannot exceed 80 percent of the median income for the area adjusted for family size. HUD may establish income ceilings higher or lower than 80 percent of the median income for the area if HUD finds that this is necessary because of unusually high or low family incomes.
2. Income limits apply only at admission and are not applicable for continued occupancy. HUD publishes over-income limits annually, but these are not used at admission.
3. A family may not be admitted to the public housing program from another assisted housing program (e.g., tenant-based Section 8), or from a public housing program operated by another housing authority, without meeting the income requirements of the HHA and applicable federal regulations.
4. Unless there is an applicable legal exception, If the Hudson Housing Authority 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.

5. Initial Income limit restrictions do not apply to families transferring within the Public Housing Program except as they relate to the over-income limit established under the HOTMA.
6. The Hudson Housing Authority may allow police officers who would not otherwise be eligible for occupancy in public housing to reside in a public housing dwelling unit. Such occupancy must be needed to increase security for public housing residents. Their rent shall at least equal the cost of operating the public housing unit. They are not subject to income limits for the program.
7. If there are no eligible families on the waiting list and the Hudson Housing Authority has published a 30-day notice of available units in at least one newspaper of general circulation, families above the applicable income limit may be housed. They must vacate the unit if an eligible family applies.
8. Income limits for continued occupancy are addressed elsewhere in this document.

C. Asset Limits This section C is not applicable until the HHA's HOTMA 102/104 Implementation Date which is to be determined by HUD.

1. Net Assets above Threshold Limit

A family is not eligible to receive assistance if the family has net assets in excess of \$100,000 (as defined in 24 CFR 5.603), as adjusted annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers.

This is at admission, the Housing Authority has adopted a nonenforcement policy for residents.

2. Real Property Suitable for Occupancy

A family is not eligible to receive assistance if the family has a present ownership interest in, a legal right to reside in, and the effective legal authority to sell real property that is suitable for occupancy by the family as a residence. (See Assets Section for further details.)

This is at admission, the Housing Authority has adopted a nonenforcement policy for residents.

C. Citizenship/Eligibility Status

1. To be eligible each member of the family must be a citizen, national, or a non-citizen who has eligible immigration status under one of the categories set forth in Section 214 of the Housing and Community Development Act of 1980 (see 42 U.S.C. 1436a(a)).
2. Family eligibility for assistance.
 - a. A family shall not be eligible for assistance unless every member of the family residing in the unit is determined to have eligible status, with the exception noted below.
 - b. Despite the ineligibility of one or more family members, a mixed family may be eligible for one of three statutory types of assistance as described in the federal regulations. For most families this will mean prorated assistance.
 - c. A family without any eligible members and receiving assistance on June 19, 1995, may be eligible for temporary deferral of termination of assistance.
 - d. The Housing Authority allows for the self-certification of citizenship using the Declaration Form and will not require additional verification of the same unless fraud is suspected.
 - e. Documentation of eligible noncitizen status is governed by the regulations addressing the same.
 - f. The HHA will not assist applicants unless at least one family member has supplied acceptable evidence of citizenship or eligible immigration status pursuant to permitted HUD election under the rule. The HHA will not otherwise delay or deny assistance in accordance with the requirements of the rule.

D. Social Security Number Documentation

The applicant and all members of the applicant's household¹ must disclose the complete and accurate social security number (SSN) assigned to each household member, and the documentation necessary to verify each SSN.

In addition, each participant who has not previously disclosed an SSN, has previously disclosed an SSN that HUD or the SSA determined was invalid, or has been issued a new SSN must submit their complete and accurate SSN and the documentation required to verify the SSN at the time of the next interim or annual reexamination or recertification. Participants age 62 or older as of January 31, 2010, whose determination of eligibility was begun before January 31, 2010, are exempt from this requirement and remain exempt even if they move to a new assisted unit.

Documentation shall consist of:

- An original SSN card issued by the Social Security Administration (SSA);
- An original SSA-issued document, which contains the name and SSN of the individual ; or
- An original document issued by a federal, state, or local government agency, which contains the name and SSN of the individual .

The HHA may only reject documentation of an SSN provided by an applicant or resident if the document is not an original document, if the original document has been altered, mutilated, is illegible, or if the document appears to be forged.

In such instances the HHA will explain to the applicant or resident the reasons the document is not acceptable and request that the individual obtain and submit acceptable documentation of the SSN to the HHA within 90 days.

Finally, if the applicant family contains a household member who is under the age of 6 which has been added to the household within the past six months and has not been assigned a social security number, the applicant shall be provided with a 90 day extension to disclose and verify the child's SSN. The HHA will allow an additional 90 days if it determines that failure to comply was outside the control of the family, or was due to unforeseen circumstances. The HHA must include the child as part of the household during this period and must provide the family with any related benefits such as allowances and deductions.

¹ This does not apply to members that do not contend to have eligible immigration status

Families that reach the top of the wait list but do not have Social Security numbers may elect to remain on the HHA wait list for a period of six (6) months.

HUD has indicated that PHAs may accept a self-certification and a third-party document with the applicant's name printed on it. The HHA will generally not accept this as verification.

However, in rare and compelling circumstances when no other document is available to the family, the HHA may accept self-certification of SSN and at least one third-party document, such as a bank statement, utility or cell phone bill, benefit letter, etc., that contains the name of the individual. Examples include fire flood natural disaster.

The HHA will document why the other SSN documentation was not available. If the tenant's SSN becomes verified in EIV, then no further verification is required. If the tenant's SSN fails the SSA identity match, then the HHA will obtain a valid SSN card issued by the SSA or an original document issued by a federal or state government agency that contains the name of the individual and the SSN of the individual, along with other identifying information of the individual. The family's assistance will be terminated if they fail to provide the required documentation.

E. Signing Consent Forms

The family must supply any information that the HHA or HUD determines is necessary to the administration of the program and must consent to HHA verification of that information. In order to be eligible, each member of the family who is at least 18 years of age, and each family head and spouse regardless of age, shall sign one or more consent forms.

The HHA requires that each family member above the age of 18 sign a HUD 9886-A form to authorize the release of certain information to the HHA on admission. At each annual or interim reexamination, HHA will determine if any family member turned eighteen (18) and has not yet signed the HUD 9886 form. Such a family member will be required to sign the appropriate form at the next reexamination.

Adult family members must sign other consent forms as needed to collect information relevant to the family's eligibility and level of assistance.

Massachusetts Criminal Offender Record Information acknowledgement form which will be required for all household members age 17 and over.

If any family member who is required to sign a consent form fails to do so or revokes consent, the HHA will deny admission to applicants and terminate the lease of tenants. In the case of the 9886-A HUD will also be notified. The family may request a hearing in accordance with the informal hearing or grievance procedures as applicable.

9.3 SUITABILITY

- A. Applicant families will be evaluated to determine whether, based on their recent behavior, such behavior could reasonably be expected to result in noncompliance with the public housing lease. The Hudson Housing Authority will look at past conduct as an indicator of future conduct. Emphasis will be placed on whether a family's admission could reasonably be expected to have a detrimental effect on the development environment, other tenants, Hudson Housing Authority 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 Hudson Housing Authority will consider objective and reasonable aspects of the family's background, including the following:
 - 1. History of meeting financial obligations, especially rent;
 - 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 there from; and

6. History of abusing alcohol in a way that may interfere with the health, safety, or right to peaceful enjoyment by others.
- C. The Hudson Housing Authority will ask applicants to provide information demonstrating their ability to comply with the essential elements of the lease. The Hudson Housing Authority will verify the information provided. Such verification may include but may not be limited to the following:
1. A rental history check of all adult family members;
 2. A criminal background check on all adult household members, including live-in aides. This check will be made through the Department of Criminal Information Services (DCJIS) in accordance with the
 3. HHA's CORI Policy. The HHA's current CORI Policy was adopted on May 3, 2018 and is incorporated herein by reference. CORI may also be requested from a similar entity in another state if available, if the applicant has not been residing in Massachusetts for the past two (2) years and has the legal authority to request said information. The policies herein shall apply to said requests unless laws governing said requests differ (i.e. the HA will utilize the applicable release form for CORI when applicable to an out of state request.)
 4. A check of the State's and National lifetime sex offender registration program for each adult household member, including live-in aides. Lifetime registrants are statutorily ineligible for the program. Others will be reviewed in accordance with grounds for denial in this ACOP and federal regulations.

9.4 GROUND FOR DENIAL

The Hudson Housing Authority is not required or obligated to assist applicants who:

- A. Do not meet any one or more of the eligibility criteria within this document, federal regulations or other federal state or local law;
- B. Do not supply information or documentation required by the application process;
- C. Have failed to respond to a written request for information or a request to declare their continued interest in the program;

- D. Have a history of not meeting financial obligations, especially rent;
- E. Do not have the ability to maintain (with assistance) their housing in a decent and safe condition where such habits could adversely affect the health, safety, or welfare of other tenants;
- F. Have a history of criminal activity by any household member involving crimes of physical violence against persons or property and any other criminal activity including drug-related criminal activity that would adversely affect the health, safety, or well-being of other tenants or staff, or cause damage to the property;
- G. Have a history of disturbing neighbors or destruction of property;
- H. Currently owes rent or other amounts to any housing authority in connection with their public housing or Section 8 programs;
- I. 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;
- J. Were evicted from assisted housing within five years of the projected date of admission because of drug-related criminal activity. The HHA may waive this requirement if:
 - (i) The evicted household member who engaged in drug-related criminal activity has successfully completed a supervised drug rehabilitation program approved by the HHA; or
 - (ii) The circumstances leading to the eviction no longer exist (for example, the criminal household member has died or is imprisoned).
- L. Are currently illegally using a drug;
- M. The HHA determines that it has reasonable cause to believe that a household member's illegal use or pattern of illegal use of a drug may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents;
- N. The HHA determines that it has reasonable cause to believe that a household member's abuse or pattern of abuse of alcohol may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents;

- O. Have engaged in or threatened abusive or violent behavior towards any Hudson Housing Authority staff member, subcontractor, agent or resident;
- P. Have a household member who has ever been evicted from public housing;
- Q. Have a family household member who has been terminated under the housing choice or project based Section 8 voucher program;
- S. Have a household member who has been convicted of drug-related criminal activity for manufacture or production of methamphetamine on the premises of federally assisted housing. (Statutorily ineligible)
- T. Have a member of the household that is subject to a lifetime registration requirement under a State sex offender registration program in any state. (Statutorily ineligible)

9.5 EVIDENCE

The Hudson Housing Authority must have evidence of a violation before taking an action. Criminal and drug-related activity does not require conviction. Criminal and drug-related activity includes convictions, city ordinance violations or other credible/preponderance of evidence that such activity has occurred. An arrest record alone will not be used to deny a housing opportunity. However, an arrest record can trigger an inquiry into whether there is sufficient evidence for the HHA to determine that the applicant engaged in disqualifying criminal activity. The HHA may utilize other evidence, including but not limited to police reports detailing the circumstances of an arrest, witness statements, and other relevant documentation to assist in making a determination that disqualifying conduct occurred.

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

"Credible evidence" may be obtained from police and/or court records. Testimony from neighbors, when combined with other factual evidence, can be considered credible

evidence. Other credible evidence includes documentation of drug raids or arrest warrants, evidence gathered by Housing Authority inspectors and/or investigators, and past file records.

The HHA may pursue fact-finding efforts as needed to obtain credible evidence. Applicants and residents shall work cooperatively with courts and police departments.

An individualized assessment of relevant mitigating information beyond that contained in an individual's criminal record will be taken into consideration where proffered by the applicant. Relevant individualized evidence might include: the facts or circumstances surrounding criminal conduct; the age of the individual at the time of the conduct; evidence that the individual has maintained a good tenant history before and/or after the conviction or conduct; and evidence of rehabilitation efforts.

In conducting a review of an applicant's history of criminal activity the review shall be limited to a period of three (3) years for criminal activities which would be punishable as a misdemeanor or equivalent level of culpability under local law and seven (7) years (except where the Housing Authority has an obligation to ban applicants whose criminal activity is subject to mandatory denial) for an activity which would be punishable as a felony or equivalent level of culpability under local law. The time period shall run from the date of conviction or the release date, whichever is later. The Housing Authority may deny an applicant whose criminal record shows a pattern of violent criminal activity, or activity that is inherently violent, even though the activity has occurred outside of the time frame set out above.

9.6 *INFORMAL HEARINGS*

If the HHA determines that an applicant does not meet the criteria for receiving public housing assistance, the HHA will promptly provide the applicant with written notice of the determination. The notice must contain a brief statement of the reason(s) for the decision and state that the applicant may request an informal hearing of the decision within 10 business days of the denial. The Hudson Housing Authority will describe how to obtain the informal hearing. The notice will also inform the family that a person with a disability has the opportunity to request consideration of reasonable accommodations and will contain the VAWA Notice and form.

The informal hearing may be conducted by any person designated by the Hudson Housing Authority, other than a person who made or approved the decision under review or subordinate of this person. The applicant must be given the opportunity to present

written or oral objections to the Hudson Housing Authority's decision. The Hudson Housing Authority must notify the applicant of the final decision within 14 calendar days after the informal hearing, including a brief statement of the reasons for the final decision.

If the HHA uses a criminal record or sex offender registration information obtained under 24 CFR 5, Subpart J, as the basis of a denial, a copy of the record must precede the notice to deny, with an opportunity for the applicant to dispute the accuracy and relevance of the information before the HHA can move to deny the application.

See also the HHA's CORI Policy.

- A. The Hearings set forth in Paragraph B above may be provided remotely. The following apply in cases of remote Informal Hearings:

Requests for a remote hearing must be made in advance to the Housing Authority and the family must demonstrate why it is necessary as a reasonable accommodation or for extenuating circumstances. The Housing Authority will make the sole determination as to whether the circumstances warrant a remote hearing as a reasonable accommodation or extenuating circumstances.

The HHA may also determine the necessity of a remote hearing based upon extenuating conditions such as quarantine, need to social distance, or weather conditions.

Remote hearings may be conducted over the phone, via video conferencing, or through other virtual platforms. The HHA may use Zoom or a similar platform for electronic hearings but will also offer telephonic remote hearings when the zoom platform is unavailable to the family.

Accessibility. Under Section 504, the ADA, and the Fair Housing Act, PHAs may need to make reasonable accommodations and take appropriate steps to ensure effective communication with individuals with disabilities. The Housing Authority will work with families on a case by case basis to ensure that remote hearings are accessible to them. The Zoom platform has the following accessibility features: Ability to add live closed captions; Ability to Produce an automated transcript; Keyboard Accessibility including specific keyboard shortcuts; and Screen Reader support.

Technology Barriers. If the family does not have proper technology access which will allow the individual to fully participate and this cannot be remedied, then the remote informal hearing will be postponed, or an in-person alternative will be provided.

Materials. All materials being presented, whether paper or electronic, will be provided to the family prior to the remote hearing or remote briefing.

Privacy Protection. The HHA will not transmit sensitive Personally Identifiable information (PII) via an unsecured information system (e.g., electronic mail, Internet, or electronic bulletin board) without first encrypting the information. In the alternative, the HHA may send this information via first class mail.

Communications. All families will be afforded the opportunity to communicate ask questions and question witnesses as applicable.

Notification of Remote Informal Hearing. When a remote informal hearing is scheduled, the letter notifying the family of the remote hearing will indicate: The manner in which the remote informal hearing will be held including information as to how to access the remote hearing; That the family may contact the HA if they have barriers to participation due to technical issues. If that is the case, the HA will postpone the remote informal hearing if necessary and attempt to address the technical issues. Other options will be discussed including the option of an in person hearing if that is necessary under the circumstances; That the HA will provide technical assistance during the remote hearing; and the manner for family and HA receipt of documents for the remote hearing.

Technical Issues During the Remote Hearing. If any family, family representative, advocate, witness, HHA representative, or the hearing officer is unable to effectively utilize the videoconferencing platform, the remote hearing will be conducted by telephone conferencing call-in. If that does not resolve the issue, the matter will be continued to a new date.

10.0 MANAGING THE WAITING LIST

10.1 OPENING AND CLOSING THE WAITING LIST

Opening of the waiting list will be announced with a public notice stating that applications for public housing will again be accepted. The public notice will state where,

when, and how to apply. The notice will be published in a local newspaper of general circulation and also by any available minority media. The public notice will state any limitations to who may apply.

The notice will state that applicants already on waiting lists for other housing programs must apply separately for this program and such applicants will not lose their place on other waiting lists when they apply for public housing. The notice will include the Fair Housing logo and slogan and will be in compliance with Fair Housing requirements.

To reach people who cannot or do not read the newspapers, the HHA may distribute fact sheets to the broadcasting media and initiate personal contacts with members of the news media and community service personnel. The HHA may also try to utilize public service announcements. An effective means of publicizing the availability of low-income housing is through the provision of notices to various community service agencies in the area.

Closing of the waiting list will also be announced with a public notice. The public notice will state the date the waiting list will be closed and where applicable for what bedroom sizes. The public notice will be published in a local newspaper of general circulation and also by any available minority media. The HHA may also notify local community service organizations prior to closing the waiting list.

10.2 ORGANIZATION OF THE WAITING LIST

The waiting list will be maintained in accordance with the following guidelines:

- A. The application will be a permanent file;
- B. All applications will be maintained in order of bedroom size, preference, and then in order of date and time of application;

10.3 FAMILIES NEARING THE TOP OF THE WAITING LIST

When a family appears to be nearing the top of the waiting list, the family will be invited to an interview and the verification process will begin. It is at this point in time that the family's waiting list preference will be verified. If the family no longer qualifies to be near the top of the list, the family's name will be returned to the appropriate spot on the

waiting list. The Hudson Housing Authority must notify the family in writing of this determination and give the family the opportunity for an informal hearing.

At this time, the family will present Social Security number information, citizenship/eligible immigrant information, and sign the Consent for Release of Information forms and any other applicable forms.

10.4 *PURGING THE WAITING LIST*

The Hudson Housing Authority will update and purge its waiting list on an as needed basis to ensure that the pool of applicants reasonably represents the interested families for whom the Hudson Housing Authority has current information, i.e. applicant's address, family composition, income category, and preferences.

10.5 *REMOVAL OF APPLICANTS FROM THE WAITING LIST*

The Hudson Housing Authority will not remove an applicant's name from the waiting list unless:

- A. The applicant requests in writing that the name be removed;
- B. The applicant fails to respond to a written request for information or a request to declare their continued interest in the program; or
- C. The applicant does not meet either the eligibility or suitability criteria for the program.

10.6 *MISSED APPOINTMENTS*

All applicants who fail to keep a scheduled appointment with the Hudson Housing Authority will be sent a notice informing them that their name will be removed from the waiting list.

The Hudson Housing Authority will allow the family to reschedule for good cause. Generally, no more than one opportunity will be given to reschedule without good cause, and no more than two opportunities will be given for good cause. When good cause exists for missing an appointment, the Hudson Housing Authority will work closely with the family to find a more suitable time. Applicants will be offered the right to an informal hearing before being removed from the waiting list.

11.0 TENANT SELECTION AND ASSIGNMENT PLAN

11.1 *WAIT LIST PREFERENCES*

The Hudson Housing Authority will apply the following preferences within each bedroom size category based on our local housing needs and priorities:

- A. Applicants with an adult family member who either lives or works (employment must be for at least twenty (20) hours per week.) in the county or municipality for Hudson Massachusetts and an adult family member who is a Veteran.
- B. Applicants with an adult family member who either lives or works or has been hired to work (employment must be for at least twenty (20) hours per week.) in the county or municipality for Hudson Massachusetts or an adult family member who is a Veteran.
- C. All other applicants.

Based on the above preference(s), all families in preference A will be offered housing before any families in preference B and all families in Preference B will be offered housing before all other applicants.

The date and time of application will be noted and utilized to determine the sequence within the above prescribed preferences.

The use of this residency preference will not have the purpose or effect of delaying or otherwise denying member of an applicant family.

Definition of Veteran is that set forth in Massachusetts General Laws Chapter 4 Section 7.

Notwithstanding the above, families who are elderly, disabled, or displaced will be offered housing before other single persons.

Buildings Designed for the Elderly and Disabled: Preference will be given to elderly and disabled families. If there are no elderly or disabled families on the list, preference will then be given to near-elderly families. If there are no near-elderly families on the waiting list, units will be offered to families who qualify for the appropriate bedroom size

using these priorities. All such families will be selected from the waiting list using the preferences as outlined above.

Accessible Units: Accessible units will be first offered to families who may benefit from the accessible features. Applicants for these units will be selected utilizing the same preference system as outlined above. If there are no applicants who would benefit from the accessible features, the units will be offered to other applicants in the order that their names come to the top of the waiting list. Such applicants, however, must sign a release form stating they will accept a transfer (at their own expense) if, at a future time, a family requiring an accessible feature applies. Any family required to transfer will be given a 30-day notice.

11.2 WAIT LIST REGULATORY EMERGENCY SUPER PREFERENCES

Notwithstanding the Waiting List order stated above the following families are provided super priority over all others on the wait list provided they are otherwise eligible:

1. Highest Priority is for families that live in public housing under Non-Public Housing Over Income Leases that become income eligible.
2. The next Highest Priority is established pursuant to HUD's final voucher rule for families assisted under HAP contracts renewed on or after June 6, 2024. Per this rule the HHA will apply and overall preference as required under HOTMA to families that were assisted under the HHA's HCV Program when the following applies:

The HAP contract terminated due to inspections violations; and

The family has been unable to locate an acceptable unit with its HCV; and

The family desires to relocate to an HHA Public Housing Unit; and

The family is otherwise eligible for the public housing unit.

This is not required by the HHA. If the family prefers they may continue a housing search with its HCV.

11.3 ASSIGNMENT OF BEDROOM SIZES

A. Generally

The following guidelines will determine each family's unit size without overcrowding or over-housing:

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

These standards are based on the assumption that each bedroom will accommodate no more than two (2) persons. Zero-bedroom units will only be assigned to one-person families. Two adults will share a bedroom unless related by blood.

In determining bedroom size, the Hudson Housing Authority will include the presence of children to be born to a pregnant woman, children who are in the process of being adopted, children who are temporarily away at school, or children who are temporarily in foster care.

In addition, the following considerations may be taken in determining bedroom size:

1. Children of the same sex will share a bedroom.
2. Children of the opposite sex will not share a bedroom.
3. Adults and children will not be required to share a bedroom.
4. Live-in aides will get a separate bedroom.

B. Temporarily Absent Family Members

Generally, an individual who is or is expected to be absent from the assisted unit for 180 consecutive days or less is considered temporarily absent and continues to be considered a family member. Generally, an individual who is or is expected to be absent from the assisted unit for more than 180 consecutive days is considered permanently absent and no longer a family member. Exceptions to this general policy are discussed below.

C. Individuals Confined for Medical Reasons

An individual confined to a nursing home or hospital on a permanent basis is not considered a family member.

If there is a question about the status of a family member, the HHA will request verification from a responsible medical professional and will use this determination. If the responsible medical professional cannot provide a determination, the person generally will be considered temporarily absent. The family may present evidence that the family member is confined on a permanent basis and request that the person not be considered a family member.

11.4 SELECTION FROM THE WAITING LIST

The Hudson Housing Authority shall follow the statutory requirement that at least 40% of newly admitted families in any fiscal year be extremely low-income families. To ensure this requirement is met the HHA will monitor the incomes of newly admitted families and the incomes of the families on the waiting list. If it appears that the requirement to house extremely low-income families will not be met, the HHA will skip higher income families on the waiting list to reach extremely low-income families.

If admissions of extremely low-income families to the Hudson Housing Authority's voucher program during a fiscal year exceed the 75% minimum targeting requirement for the Hudson Housing Authority's voucher program, such excess shall be credited (subject to the limitations in the paragraph below) against the Hudson Housing Authority's basic targeting requirement for the same fiscal year.

The fiscal year credit for voucher program admissions that exceeds the minimum voucher program targeting requirement shall not exceed the lower of:

- A. Ten percent of public housing waiting list admissions during the Hudson Housing Authority fiscal year;
- B. Ten percent of waiting list admissions to the Hudson Housing Authority's Section 8 tenant-based assistance program during the HHA fiscal year; or
- C. The number of qualifying low-income families who commence occupancy during the fiscal year of Hudson Housing Authority public housing units located in census tracts with a poverty rate of 30% or more. For this purpose, any low-income family other than an extremely low-income family qualifies.

If there are not enough extremely low-income families on the waiting list we will conduct outreach on a non-discriminatory basis to attract extremely low-income families to reach the statutory requirement.

11.5 DECONCENTRATION POLICY

It is the Hudson Housing Authority's policy to provide for de-concentration of poverty.

The Hudson Housing Authority will affirmatively market its housing to all eligible income groups. All of the HHA developments are located in area of low poverty concentration.

The HHA will analyze the income levels of families residing in each of its developments and the income levels of the families on the waiting list. Based on this analysis, the HHA determines the level of marketing strategies and/or de-concentration incentives to implement.

The HHA's developments have fewer than 100 public housing units and house only elderly persons or persons with disabilities and therefore they are not covered developments pursuant to 24 CFR 903.2 (b) (2).

11.6 OFFER OF A UNIT

When the Hudson Housing Authority discovers that a unit will become available, it will contact the first family on the waiting list who has the highest priority for this type of unit or development.

The Hudson Housing Authority will contact the family first by letter to make the unit offer. The family will be given seven (7) business days from the date of the letter to contact the Hudson Housing Authority regarding the offer.

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

11.7 REJECTION OF A UNIT

If in making the offer to the family the Hudson Housing Authority skipped over other families on the waiting list in order to meet their de-concentration goal or offered the family any other de-concentration incentive and the family rejects the unit, the family will not lose their place on the waiting list and will not be otherwise penalized.

If the Hudson Housing Authority did not skip over other families on the waiting list to reach this family, did not offer any other de-concentration incentive, and the family rejects the unit without good cause, the family will forfeit their application's date and time. The family will keep their preferences, but the date and time of application will be changed to the date and time the unit was rejected.

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

Good cause includes:

- (1) Reasons in accordance with the HHA's Reasonable Accommodation in Housing Policy;
- (2) Situations in which an applicant is willing to move but is unable to do so at the time of the unit offer;
- (3) Inaccessibility to source of employment, education, or job training; and
- (4) The family demonstrates to the HHA's satisfaction that accepting the offer will place a family member's life, health or safety in jeopardy. The family should offer specific and compelling documentation such as restraining orders; other court orders; or risk assessments related to witness protection from a law enforcement agency.
- (5) The documentation of domestic violence, dating violence, stalking or sexual assault in accordance the HHA VAWA Policy and/or ETP.

- (6) A health professional verifies temporary hospitalization or recovery from illness of the principal household member, other household members or live-in aide necessary to the care of the principal household member.
- (7) The unit is inappropriate for the applicant's disabilities,
- (8) The family does not need the accessible features in the unit offered and does not want to be subject to a 30-day notice to move.

11.8 ACCEPTANCE OF A UNIT

The family will be required to sign a lease that will become effective no later than three (3) business days after the date of acceptance or the business day after the day the unit becomes available, whichever is later. In the event that the tenant must give a thirty-day notice to the previous landlord, the Authority will mutually agree upon a move-in date which should not exceed fifteen days.

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

If it is needed as a reasonable accommodation or due to extenuating circumstances or because it is otherwise determined necessary by the HHA, this may be handled via remote meeting. All the procedures set forth in the Informal Hearing section governing remote informal hearings (see Informal Hearings of this ACOP) shall apply in these circumstances unless they are inapplicable (i.e., such as discovery and questioning of witnesses).

11.8.1 Pre-Leasing Activities and Orientation

The following will be reviewed with the family as part of the orientation process unless an exemption applies:

- Grievance procedures;
- Rules adopted and implemented by HHA for the benefit and well-being of the housing project and the residents;
- Schedules of utilities, if used to determine charges to tenants;
- Schedules of repairs, if used to determine charges to tenants;
- Schedules of maintenance service charges, if used to determine charges to tenants;

- Pet rules where applicable;
- The Lead Disclosure Rule;
- The Lead Safe Housing Rule;
- Specific protections afforded to victims of domestic violence, dating violence, sexual assault, or stalking.

11.8.2 Execution of Lease

The family will generally be required to sign a lease that will become effective no later than three (3) business days after the date of acceptance or the business day after the day the unit becomes available, whichever is later. In the event that the tenant must give a thirty-day notice to the previous landlord, or other compelling circumstances as determined by the HHA, the HHA will mutually agree upon a move-in date which should not exceed fifteen (15) days.

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

If it is needed as a reasonable accommodation or due to extenuating circumstances or because it is otherwise determined necessary by the HHA, this may be handled via remote meeting.

The public housing lease will identify the following:

- Name of the PHA and tenant;
- The unit rented;
- Term of the initial lease and renewal terms. This will be for 12 months and automatically renewed for additional 12 month terms; There will also be required language related to the Over Income in Public Housing Rule as it relates to lease term
- What utilities, services, and equipment are to be supplied by the HHA and what are to be paid for by the tenant;
- Composition of the household as approved by the HHA;
- Amount of rent due;

- HUD’s protections for victims of domestic violence, dating violence, sexual assault, or stalking; and
- The HHA’s smoke-free rules.
-

11.8.3 Security deposits

The HHA will not collect security deposits from public housing tenants.

11.8.4 Changes to lease

The HHA will provide tenants, any applicable tenant organizations, and Tenant Advisory Board (where applicable) with at least a 30-day public notice period to review and comment on proposed changes to the lease form used by the HHA.

The notice will describe the revision, explain the reason for it, and provide tenants an opportunity to make written comments for consideration by the HHA.

A copy of written notice will be delivered directly or mailed to each tenant or posted in at least three (3) highly visible places within each building in which the affected dwellings are located, as well as a visible place at the office.

Depending on the size and scope of change(es) tenants will be requested to sign a new lease with the changes or to execute a lease addendum. This may be done at lease renewal or at other such times as determined appropriate by the HHA.

12.0 INCOME, EXCLUSIONS FROM INCOME, AND DEDUCTIONS FROM INCOME

12.1 ANNUAL INCOME

Annual income includes all amounts received from all sources by each member of the family who is 18 years of age or older, the head of household, or spouse of the head of household, in addition to unearned income received by or on behalf of each dependent who is under 18 years of age.

This includes all amounts received by the head of household, co-head, or spouse, including the income of a day laborer, independent contractor, and seasonal worker.

12.2 EARNED INCOME

Income may be earned or unearned. Earned Income is defined as 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 assistance, Social Security, and other governmental subsidies/benefits), or any cash or in-kind benefits.

Common examples of earned income (not included for children under 18 years old):

- Money from a job like wages, salaries, tips, or other payments.
- Money earned from business.
- Money earned as a day laborer, doing seasonal work, or as an independent contractor.

12.3 INCOME EXCLUSIONS

Annual income does not include the following:

(1) Any imputed return on an asset when net family assets total \$50,000 or less (which amount HUD will adjust annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers) and no actual income from the net family assets can be determined².

(2) The following types of trust distributions:

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

Distributions of the principal or corpus of the trust; and

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

² HUD will not be enforcing HHA compliance as it pertains to this item (1) because the IMS/PIC system reflecting pre-HOTMA asset requirements in the Assets Section of the HUD-50058 module. Specifically, HUD has indicated that it will not enforce compliance with provisions related to calculation of net family assets and asset income by July 1, 2025 and HUD will provide further guidance on when it will enforce compliance with provisions related to the calculation of net family assets. (See PIH HOTMA Implementation FAQs for PHAs - Questions Related to Notice PIH 2024-38 February 25, 2025)

- (ii) For a revocable trust under the control of the family or household, any distributions from the trust; except that any actual income earned by the trust, regardless of whether it is distributed, shall be considered income to the family at the time it is received by the trust.
- (3) Earned income of children under the 18 years of age.
- (4) Payments received for the care of foster children or foster adults, or State or Tribal kinship or guardianship care payments.
- (5) Insurance payments and settlements for personal or property losses, including but not limited to payments through health insurance, motor vehicle insurance, and workers' compensation. (Periodic payments paid at regular intervals (such as weekly, monthly, or yearly) for a period of greater than one year that are received in lieu of wages for workers' compensation continue to be included in annual income.)
- (6) Amounts received by the family that are specifically for, or in reimbursement of, the cost of health and medical care expenses for any family member.
- (7) Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member arising out of law, that resulted in a member of the family becoming disabled. (Any amounts recovered are excluded irrespective of whether they are received periodically or in a lump sum payment.)
- (8) Income of a live-in aide, foster child, or foster adult as defined in §§ 5.403 and 5.603, respectively.
- (9) (i) Any assistance that section 479B of the Higher Education Act of 1965, as amended (20 U.S.C. 1087uu), requires be excluded from a family's income (i.e. currently Federal Pell Grants; Teach Grants; Federal Work Study Programs; Federal Perkins Loans; Student financial assistance received under the Bureau of Indian Education; Higher Education Tribal Grant; Tribally Controlled Colleges or Universities Grant Program; Employment training program under section 134 of the Workforce Innovation and Opportunity Act (WIOA); and
- (ii) Student financial assistance for tuition, books, and supplies (including supplies and equipment to support students with learning disabilities or other disabilities), room and board, and other fees required and charged to a student by an institution of higher education (as defined under Section 102 of the Higher Education Act of 1965 (20 U.S.C. 1002)) and, for a student who is not the head of household or spouse, the reasonable and

actual costs of housing while attending the institution of higher education and not residing in an assisted unit.

Any financial assistance (in excess of amounts received for tuition and any other required fees and charges) that an individual receives under the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.), from private sources, or from an institution of higher education (as defined under section 102 of the Higher Education Act of 1965 (20 U.S.C. 1002)), shall be considered income to that individual, except for a person over the age of 23 with dependent children.” HUD interprets that “a person over the age of 23” is 24 years old.

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

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

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

- (1) Any assistance that is excluded pursuant to paragraph (b)(9)(i) of this section;
- (2) Financial support provided to the student in the form of a fee for services performed (e.g., a work study or teaching fellowship that is not excluded pursuant to paragraph (b)(9)(i) of this section);
- (3) Gifts, including gifts from family or friends; or
- (4) Any amount of the scholarship or grant that, either by itself or in combination with assistance excluded under this paragraph or paragraph (b)(9)(i), exceeds the actual covered costs of the student. The actual covered costs of the student are the actual costs of tuition, books and supplies (including supplies and equipment to support students with learning disabilities or other disabilities), room and board, or other fees required and charged to a student by

the education institution, and, for a student who is not the head of household or spouse, the reasonable and actual costs of housing while attending the institution of higher education and not residing in an assisted unit. This calculation is described further in paragraph (b)(9)(ii)(E) of this section.

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

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

(D) Student financial assistance, for 24 CFR 24 CFR 5.609 (b)(9)(ii), may be paid directly to the student or to the educational institution on the student's behalf. Student financial assistance paid to the student must be verified by the responsible entity as student financial assistance consistent with this paragraph (b)(9)(ii).

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

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

(10) 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.

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

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

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

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

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

(13) 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.

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

(15) Adoption assistance payments for a child in excess of the amount of the deduction for a dependent in § 5.611.

(16) 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.

(17) Payments related to aid and attendance under 38 U.S.C. 1521 to veterans in need of regular aid and attendance. This income exclusion applies only to veterans in need of regular aid and attendance and not to other beneficiaries of the payments, such as a surviving spouse. Further, payments made to veterans under other VA programs, including the Veterans Pension program and the VA Survivors Pension, are included in annual income.

(18) 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.

(19) 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.

Amounts received may be intended for items such as services, equipment, and compensation provided to a family member. The payments are excluded from income as long as the amounts are provided to enable a family member with a disability to remain in the family's assisted unit. Both the person providing the care and the person who has the disability must be family members (not household members) and must live in the same assisted household. The exclusion does not apply to income earned by the family for other caregiving services provided to individuals outside of the assisted household.

(20) 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). Loan borrower or co-borrower must be a member of the family for this income exclusion to be applicable.

(21) 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.

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

(23) 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.

(24) 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.

A day laborer is defined as 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.

An independent contractor is 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 they have the right to control or direct only the conduct of the work. For example, while instructions and route information are generally provided, third-party delivery and transportation service providers are considered independent contractors unless state law dictates otherwise. In addition, individuals considered gig workers, such as babysitters, landscapers, rideshare drivers, and house cleaners, typically fall into the category of independent contractor.

A seasonal worker is defined as an individual who is: 1) hired into a short-term position (e.g., for which the customary employment period for the position is 6 months or fewer); and 2) the employment begins about the same time each year (such as summer or winter). Typically, the individual is hired to address seasonal demands that arise for the employer or industry.

Some examples of seasonal work include employment limited to holidays or agricultural seasons. Seasonal work may include but is not limited to employment as a lifeguard, ballpark vendor, or snowplow driver.

Nonrecurring income includes:

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

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

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

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

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

- (i) Lump-sum additions to net family assets, including but not limited to lottery or other

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

(26) 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.

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

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

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

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

12.4 SUNSET OF THE DISALLOWANCE (EXCLUSION) OF INCREASE IN ANNUAL INCOME; EARNED INCOME DISREGARD

The Earned Income Disregard (EID) allowed eligible families to have a portion of their earned income excluded from annual income for a maximum period of twenty-four (24) consecutive months.

The EID will not apply to any family who is not eligible for and already participating in the disallowance as of December 31, 2023.

Families eligible for and already participating in the disallowance as of December 31, 2023 may continue to receive the full benefit until the remaining timeframe for an individual family's EID expires. Because the EID lasts up to twenty-four (24) consecutive months, no family will still be receiving the EID benefit after December 31, 2025.

12.5 APPLYING THE CURRENT SSA COLA AT NEXT ANNUAL AND INTERIM REEXAMINATION

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

Effective the day after SSA has announced the COLA, PHAs 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.

13.0 ADJUSTED INCOME

The HHA will consider mandatory deductions when determining a family's annual adjusted income. Currently the HHA has no additional permissive deductions other than those established by HUD.

13.1 MANDATORY DEDUCTIONS

This section will be effective after the P=HHA'S 102/104 HOTMA compliance date for these items which will be established by HUD. Until that time the HHA will apply the deduction in effect under 24 CFR Part 982 and 5 as applicable. See prior regulations and ACOP for specific policies.

The following are mandatory deductions:

Dependent

\$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;

Elderly or Disabled Family

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

Health and Medical and unreimbursed attendant Care and Auxiliary Apparatus

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;

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

Health and medical care expenses may be deducted from annual income only if they are eligible and not otherwise reimbursed and may only be deducted for elderly or disabled

families. In order to claim unreimbursed health and medical care expenses, the family must have a head, co-head, or spouse that is elderly or a person with a disability

The HHA will review each expense to determine whether it is eligible in accordance with HUD's definition of health and medical care expenses.

See below for a chart for more detailed information related to the same:

Chart 2 Health and Medical Care Expenses

Summary of Typical Allowable Health and Medical Care Expenses	
Services of medical professionals	Substance abuse treatment programs
Surgery and medical procedures that are necessary, legal, and non-cosmetic	Psychiatric treatment
Services of medical facilities	Ambulance services and some costs of transportation related to medical expenses. The HHA will use the most current medical mileage rate listed in IRS Publication 502
Hospitalization, long-term care, and in-home nursing services	The cost and care of necessary equipment related to a medical condition (e.g., eyeglasses/lenses, hearing aids, crutches, and artificial teeth)
Prescription medicines and insulin, but not nonprescription medicines, even if recommended by a doctor	The costs of buying, training, and maintaining a guide dog or other service animal to assist a visually impaired or hearing disabled person, or a person with other physical disabilities. In general, this includes any costs, such as food, grooming, and veterinary care, incurred in maintaining the health and vitality of the service animal so that it may perform its duties.
Improvements to housing directly related to medical needs (e.g., ramps for a wheelchair, handrails)	
Medical insurance premiums or the cost of a health maintenance organization (HMO)	
Medicare Part B and Part D premiums	
Note: This chart provides a summary of eligible health and medical care expenses only. In all cases, the HHA will consider whether health and medical expenses claimed by the family are eligible under HUD's definition.	

(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;

In order to claim unreimbursed reasonable attendant care and auxiliary apparatus expenses, the family must include a person with a disability, and the expenses must enable any member of the family (including the member who is a person with a disability) to be employed.

Family member(s) permitted to work:

- HHA will verify that the expenses claimed enable a family member, or members, including the person with disabilities, to work.
- HHA will request third-party verification from a rehabilitation agency or knowledgeable medical professional indicating that the person with disabilities requires attendant care or an auxiliary apparatus enables another family member, or members, to work.
- This documentation may be provided by the family. If third-party verification has been attempted and is either unavailable or proves unsuccessful, the family must certify that the disability assistance expense enables a family member, or members (possibly including the family member receiving the assistance), to work.

Unreimbursed Expenses

- To be eligible, the costs must not be reimbursed by another source.
- The family is required to certify that attendant care or auxiliary apparatus expenses are not paid by or reimbursed from any source.

Attendant Care

Examples of attendant care expenses 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.

Expenses for attendant care will be verified through:

- Written third-party documents provided by the family, such as receipts or canceled checks.
- Third-party verification form signed by the provider, if family-provided documents are not available.
- If third-party verification is not possible, written family certification as to costs anticipated to be incurred and the anticipated period.

Auxiliary Apparatus

Auxiliary apparatus items can include, for example, 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.

Auxiliary apparatus expenses will be verified through:

- Written third-party documents provided by the family, such as billing statements for purchase of auxiliary apparatus, or other evidence of monthly payments or total payments that will be due for the apparatus during the period for which the hardship is requested.
- Third-party verification form signed by the provider, if family-provided documents are not available.
- If third-party or document review is not possible, written family certification of estimated apparatus costs for the period for which the hardship is requested.

In addition, HHA will verify that:

- The family member for whom the expense is incurred is a person with disabilities.
- The expense permits a family member, or members, to work.
- The expense is not reimbursed from another source.

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

Any reasonable child-care expenses necessary to enable a member of the family to be employed or to further their education are deducted from income. Reasonable child-care expenses are defined in 24 CFR § 5.603(a) and are expenses for the care of children (including foster children if the unreimbursed child-care expenses are paid from the family's annual income and not from another source, such as a stipend from the child welfare agency), age 12 and younger, when all the following statements are true:

1. The care is necessary to enable a family member to be employed or to further his or her education (e.g., work, look for work, or further their education (academic or vocational))
2. The expense is not reimbursed by an agency or individual outside the household; and

3. The expenses incurred to enable a family to work do not exceed the amount of employment income that is included in annual income.

13.2 RELIEF FOR FAMILIES DUE TO CHANGE IN MANDATORY DEDUCTIONS

Previously, if families were eligible and spent more than 3% of their yearly income on certain medical expenses, they received an income deduction. New rules change this to 10% meaning that fewer medical expenses will be deducted and your portion of the rent for the family may increase. To help families, this change will be made over two years (Phased in Relief). Also, a new hardship deduction allows families who cannot pay rent due to a hardship to deduct more medical expenses for a time (General Relief).

The phased-in hardship relief will not be provided to families who were eligible for relief and who are treated as new admissions under a different program.

There are two types of qualifying expenses:

1. Health and medical care expenses of elderly or disabled families.
2. Reasonable attendant care and equipment expenses for families that include a person with disabilities.

a. Phased in Relief for families eligible for and taking the unreimbursed health and medical care expenses and reasonable attendant care and auxiliary apparatus expenses

All families who received a deduction for unreimbursed health and medical care and/or reasonable attendant care or auxiliary apparatus expenses based on their most recent income examination prior to the HHA's HOTMA implementation date, will begin receiving the 24-month phased-in relief at their next annual or interim reexamination, whichever occurs first after the applicable implementation date.

Families who received this phased-in relief will have eligible expenses deducted as follows:

- 1st twelve months: in excess of 5% of annual income.
- 2nd twelve months: in excess of 7.5% of annual income.
- After 24 months: in excess of 10% threshold will phase in and remain in effect unless the family qualifies for general hardship relief.

When an eligible family's phased-in relief begins at an interim reexamination, the HHA will process another transaction one year later for the next phase. The transaction can be either an interim reexamination, or a non-interim reexamination transaction.

The phased-in hardship relief will not be provided to families who were eligible for relief and who are treated as new admissions under a different program.

Once a family chooses to obtain General Relief, a family may no longer receive the phased-in relief

a. General Hardship relief for Health and Medical Care Expenses Deduction or reasonable attendant care and auxiliary apparatus expenses

Families that can demonstrate that the family's has new or increased health and medical care expenses or reasonable attendant care and auxiliary apparatus expenses, or the family's financial hardship is a result of a change in circumstances that would not otherwise trigger an interim reexamination may qualify for General Relief.

b. Requirements for General Hardship Relief:

The family is an elderly or disabled family or a family that includes a person with disabilities; and

- 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 has experienced unanticipated expenses, such as large medical bills, that have affected their ability to pay their rent or other financial hardship is a result of a change in circumstances that would not otherwise be cause for an interim reexamination; or
- The family is awaiting an eligibility determination for a federal, state, or local assistance program, such as a determination for unemployment compensation or disability benefits; or
- The family's income decreased because of a loss of employment; or
- The family's income decreased death of a family member; or
- The family's income decreased due to a natural or federal/state declared disaster; or
- Other compelling circumstances as determined by the HHA on a case by case basis.

A hardship in such circumstances will be reviewed under the standard of resulting expenses are more than 45 percent of the family's adjusted income and that the circumstances that would not otherwise be cause for an interim reexamination to downwardly adjust the rent.

General Hardship relief is available regardless of whether the family previously received deductions under 24 CFR 5.611 (a)(3), is currently receiving phased in relief, or previously received phased in relief.

A family may request hardship relief prior to the end of the twenty-four (24) month transition period (Phased in Relief). Once a family chooses to obtain general relief, a family may no longer receive the phased-in relief.

c. Verification:

The HHA will obtain third-party verification of the family's inability to pay rent or will document in the file the reason third-party verification was not available.

d. Form and Amount of General Relief:

If a family receiving phased in relief requests and is determined eligible for hardship relief, transitional relief ends and the family's hardship relief shall be administered in accordance with hardship relief requirements and the family will no longer receive phased in relief.

The family will receive a deduction for the sum of the eligible expenses that exceed 5 percent of annual income.

e. *Family notification.*

The HHA will notify families in writing of the decision.

Approvals. Written notification will be provided which provides a change in the determination of adjusted income and the family's rent resulting from the application of the hardship exemption. The notice will provide the dates that the hardship exemption will begin and expire and the requirement for the family to report to the HA if the circumstances that made the family eligible for relief are no longer applicable. The notice will also indicate that the family's adjusted income and tenant rent will be recalculated upon expiration of the hardship exemption. The PHAs will still provide families 30 days' notice of any increase in rent.

Denials. Families denied a hardship will be granted an informal hearing.

(iv) Duration of Relief

The family's general hardship relief ends when the circumstances that made the family eligible for the relief are no longer applicable or after ninety (90) days, whichever comes earlier.

For hardship conditions based on loss of income, the hardship condition will continue to be recognized until new sources of income are received that are at least equal to the amount lost or for (90) days whichever comes earlier.

For hardship conditions based upon hardship-related expenses, the minimum rent exemption will continue to be recognized until the cumulative amount exempted is equal to the expense incurred or for (90) days, whichever comes earlier.

During the General Hardship Relief period the family must report changes in circumstances as outlined in vii below.

(v) Extension

The HHA may provide two additional 90 day extensions when the circumstances that made the family eligible for the relief are still applicable

(vi) Non-interim Examination

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

The HHA will not conduct an interim reexamination to add or remove a hardship exemption, unless another change is experienced by the family calls for an interim reexamination under the applicable regulation or in accordance with the HHA's policies on conducting interim reexaminations for adjusted income decreases that are less than ten (10) percent.

(vii) Reporting of change in circumstances

Families must report if the circumstances that made the family eligible for the hardship exemption are no longer applicable. Reporting shall be made to the HHA in writing with seven (7) days. If the family reports the change in circumstances in a timely manner, HHA will provide the family with [30] days advance notice of any rent increase, and such rent increase will be effective the first day of the month beginning after the end of that [30] day period. If the family does not report the change in a timely manner, the adjustment will be made retroactive to the date it would have been effective had the information been provided on a timely basis. The family will be responsible for any underpaid rent and may be offered a repayment agreement where circumstances permit.

C. Hardship to Continue the Child Care Expense Deduction

A family whose eligibility for the child care expense deduction is ending may request a financial hardship exemption to continue the child care expense deduction. The HHA will recalculate the family's adjusted income and continue the child care deduction if the family

demonstrates to the HHA'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.

(i) Requirements for General Hardship Relief

- The family is eligible for the child care expense deduction under federal regulations; and
- Said childcare expenses deduction is ending; and
- The family is unable to pay their rent because of loss of the child care expense deduction; and
 - the family will lose childcare slot which is needed by the family due to extenuating circumstances; or
 - The family still requires the childcare because all family members able to care for the child are unavailable for other reasons; or
 - The childcare slot provides special services of benefit to the child, or
 - Other compelling circumstances that demonstrate to the HA the child care expense is still necessary even though the family member is no longer employed or furthering his or her education.

Determining the family's inability to pay the rent for purposes of determining eligibility for a hardship exemption is reviewed as follows:

Verification that the rent, utility payment, and applicable expenses (child-care expenses) is more than 45 percent of the family's adjusted income and these circumstances do not require an interim reexamination to downwardly adjust the rent.

(ii) Verification

The HHA will obtain third-party verification of the family's inability to pay rent or will document in the file the reason third-party verification was not available.

(iii) Form and Amount of General Relief:

The family will receive a deduction for 90 days.

(iv) *Family notification.*

The HHA will notify families in writing of the decision.

Approvals. Written notification will be provided which provides a change in the determination of adjusted income and the family's rent resulting from the application of the hardship exemption. The notice will provide the dates that the hardship exemption

will begin and expire and the requirement for the family to report to the HA if the circumstances that made the family eligible for relief are no longer applicable. The notice will also indicate that the family's adjusted income and tenant rent will be recalculated upon expiration of the hardship exemption. The PHAs will still provide families 30 days' notice of any increase in rent.

Denials. Families denied a hardship will be granted an informal hearing.

(v) Duration of Relief

The family's general hardship relief ends when the circumstances that made the family eligible for the relief are no longer applicable or after ninety (90) days, whichever comes earlier.

For hardship conditions based on loss of income, the hardship condition will continue to be recognized until new sources of income are received that are at least equal to the amount lost or for (90) days whichever comes earlier.

For hardship conditions based upon hardship-related expenses, the exemption will continue to be recognized until the cumulative amount exempted is equal to the expense incurred or for (90) days, whichever comes earlier.

During the General Hardship Relief period the family must report changes in circumstances as outlined in vii below.

(vi) Extension

The HHA may provide two additional 90 day extensions when the circumstances that made the family eligible for the relief are still applicable

(vii) Non-interim Examination

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

The HHA will not conduct an interim reexamination to add, remove, or to extend a hardship exemption, unless another change is experienced by the family calls for an interim reexamination under the applicable regulation or in accordance with the HHA's policies on conducting interim reexaminations for adjusted income decreases that are less than ten (10) percent.

(viii) Reporting of change in circumstances

Families must report if the circumstances that made the family eligible for the hardship exemption are no longer applicable. Reporting shall be made to the HHA in writing with

seven (7) days. If the family reports the change in circumstances in a timely manner, HHA will provide the family with [30] days advance notice of any rent increase, and such rent increase will be effective the first day of the month beginning after the end of that [30] day period. If the family does not report the change in a timely manner, the adjustment will be made retroactive to the date it would have been effective had the information been provided on a timely basis. The family will be responsible for any underpaid rent and may be offered a repayment agreement where circumstances permit.

14.0 NET FAMILY ASSETS

Net family assets are defined as 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 investment, except as excluded.

As part of the process to determine Net family assets, the HHA will take the following steps:

1. The family will be required to disclose all assets including real and personal property on the application or continuing application.
2. The HHA will assess the list and determine
 - a. if the family's non-necessary personal property has a net value over \$50,000 as adjusted and
 - b. if items are necessary personal property or non-necessary personal property or are otherwise excluded.

It is the policy of HHA to determine each family's net family assets at the time of admission and every three years thereafter at annual and interim reexaminations as described herein.

The HHA will only verify net assets under \$50,000 at admission and every three (3) years provided that the family self certifies as to income earned on the assets.

Total net assets above 50,000 will be verified annually.

14.1 EXCLUSIONS FROM NET FAMILY ASSETS

THIS SECTION WILL BE EFFECTIVE AFTER THE PHA 102/104 HOTMA COMPLIANCE DATE WHICH WILL BE ESTABLISHED BY HUD.

The following assets are excluded under HOTMA. If the family owns an excluded asset, its value does not count toward the asset restriction:

1. The value of necessary items of personal property.
2. The value of all non-necessary items of personal property with a total combined value of \$50,000 or less, annually adjusted for inflation.
3. The value of any account under a retirement plan recognized as such by the Internal Revenue Service, including Individual Retirement Accounts (IRAs), employer retirement plans (e.g., 401(k), 403(b)), 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. Examples of this include but are not limited to: co-ownership situations (including situations where one owner is a victim of domestic violence), where one party cannot unilaterally sell the real property; property that is tied up in litigation; inherited property in dispute.
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 that resulted in a member of the family being a person with disabilities.
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; and the amounts in, contributions to, and distributions from any Achieving a Better Life Experience (ABLE) account authorized under section 529A of such code.
7. The value of any “baby bond” account created, authorized, or funded by the federal, state, or local government (money held in trust by the government for children until they are adults).
8. Interests in Indian trust land.
9. Equity in a manufactured home where the family receives assistance under 24 CFR Part 982.
10. Equity in property under the Homeownership Option for which a family receives assistance under 24 CFR Part 982.
11. Family Self-Sufficiency accounts.
12. Federal tax refunds or refundable tax credits for a period of 12 months after receipt by the family.
13. The full amount of assets held in an irrevocable trust.
14. 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.

Excluded Asset

Category	Excluded	Asset Example(s)
Personal property	Necessary items of personal property	Medical devices, vehicle for commute
Personal property	Non-necessary items of personal property if the combined total value does not exceed \$50,000*	Vintage baseball cards, recreational boat, coin collection, art
Savings account	Retirement account recognized by IRS	IRA, 401(k), 401(b) and retirement plans for self-employed individuals
Cash	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, for an incident resulting in a disability	A driver injures a family member, causing a disability. The family sues, and the driver's insurance pays the family.
Savings account	The value of certain education or disability support savings accounts	Under Internal Revenue Code sections 529, 529A, 530, "baby bond" accounts Coverdell accounts, tuition programs, any "baby bond" account created, authorized, or funded by Federal, state, or local government
Real property	Interest in Indian trust land	Family has interest in land held in trust by Bureau of Indian Affairs
Real property	Equity in a manufactured home where the family receives assistance under 24 CFR 982	HCV Manufactured Home Space Rental participants
Real property	Equity in property where the family receives assistance under 24 CFR 982	HCV homeownership participant
Savings account	Family Self-Sufficiency (FSS) accounts	
Cash	Federal tax refunds or refundable tax credits for a period of 12 months after receipt by the family	Earned Income Tax Credits (EITC)
Trust Funds	Trust that is not revocable by, or under the control of, any member of	Irrevocable trust

	the family or household	
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14.2 TREATMENT OF NECESSARY AND NON-NECESSARY PERSONAL PROPERTY

Necessary personal property is excluded from net family assets.

Necessary personal property are items essential to the family for the maintenance, use, and occupancy of the premises as a home; or they are necessary for employment, education, or health and wellness. Necessary personal property includes more than merely items that are indispensable to the bare existence of the family. It may include personal effects (such as items that are ordinarily worn or utilized by the individual), items that are convenient or useful to a reasonable existence, and items that support and facilitate daily life within the family's home. Necessary personal property also includes items that assist a household member with a disability, including any items related to disability-related needs, or that may be required for a reasonable accommodation for a person with a disability.

The HHA will determine what is a necessary item of personal property as it is a fact-specific determination. The HHA will require enough facts to qualify whether an asset is necessary or non-necessary personal property. Items of personal property that do not qualify as necessary personal property will be classified as non-necessary personal property.

Necessary personal property does not include bank accounts, other financial investments, or luxury items.

Non-necessary personal property with a combined value greater than \$50,000, as adjusted by inflation, is considered part of net family assets. When the combined value of all non-necessary personal property does not exceed \$50,000, as adjusted by inflation, all non-necessary personal property is excluded from net family assets.

The following table lists examples of necessary and non-necessary personal property. This is not an exhaustive list.

Necessary Personal Property (excluded)	Non-Necessary Personal Property (included after 50,000)
<ul style="list-style-type: none"> Car(s)/vehicle(s) that a family relies on for transportation for personal or business use (e.g., bike, motorcycle, skateboard, 	<ul style="list-style-type: none"> Recreational car/ vehicle not needed for day to-day transportation (campers, motorhomes, travel trailers, all-terrain

scooter) <ul style="list-style-type: none"> • Furniture, carpets, linens, kitchenware • Common appliances • Common electronics (e.g., radio, television, DVD player, gaming system) • Clothing • Personal effects that are not luxury items (e.g., toys, books) • Wedding and engagement rings • Jewelry used in religious/cultural celebrations and ceremonies • Religious and cultural items • Medical equipment and supplies • Health care–related supplies • Musical instruments used by the family • Personal computers, phones, tablets, and related equipment • Professional tools of trade of the family, for example professional books • Educational materials and equipment used by the family, including equipment to accommodate persons with disabilities • Equipment used for exercising (e.g., treadmill, stationary bike, kayak, paddleboard, ski equipment) 	vehicles (ATVs)) <ul style="list-style-type: none"> • Bank accounts or other financial investments (e.g., checking account, savings account, stocks/bonds) • Recreational boat/watercraft • Expensive jewelry without religious or cultural value, or which does not hold family significance • Collectibles (e.g., coins/stamps) • Equipment/machinery that is not used to generate income for a business • Items such as gems/precious metals, antique cars, artwork, etc.
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14.3 TREATMENT OF REAL PROPERTY

All assets are categorized as either real property (e.g., land, a home) or personal property.

Personal property includes tangible items, like boats, as well as intangible items, like bank accounts.

Real property is included in net family assets regardless of its value unless the real property meets an exclusion under 24 CFR § 5.603. Specifically, real property that the family does not have the effective legal authority to sell in the jurisdiction in which the property is located. Examples of this include but are not limited to: co-ownership

situations (including situations where one owner is a victim of domestic violence), where one party cannot unilaterally sell the real property; property that is tied up in litigation; inherited property in dispute.

14.4 VERIFICATION RELATING TO REAL PROPERTY OWNERSHIP

The HHA will determine compliance based on a certification by a family that certifies that such family does not have any present ownership in any real property at the time of the income determination or review. The HHA will require the use of the HHA form for this purpose.

However, if the family owns real property, the HHA will seek third-party verification of the family's legal right to reside in the property, the effective legal authority to sell the property, and whether the property is suitable for occupancy by the family as a residence.

14.4 THIRD PARTY VERIFICATION V USE OF SELF-CERTIFICATION WHEN ASSETS BELOW \$50,000

Over \$50,000

Third-party verification of assets is required when net family assets exceed \$50,000, adjusted annually by HUD.

Under \$50,000

The HHA will determine the net assets of a family based on a certification by the family that the net family assets (as defined in 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.

The HHA will require the use of an HHA form for this purpose.

HHA will obtain third-party verification of assets below \$50,000 every 3 years.

15.0 TREATMENT OF CERTAIN ASSETS

15.1 ASSETS WITH NEGATIVE EQUITY

The cash value of real property or other assets with negative equity would be considered \$0 for the purposes of calculating net family assets. Negative equity in real property or other investments does not prohibit the family from selling the property or other investments, so negative equity alone would not justify excluding the property or other investments from family assets.

15.2 ASSETS DISPOSED OF FOR LESS THAN FAIR MARKET VALUE

In determining the value of net family assets, the HHA will include the value of any business or family assets disposed of by an applicant or tenant for less than fair market value (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.

15.3 ASSET OWNED BY BUSINESS ENTITY

If a business entity (e.g., limited liability company or limited partnership) owns the asset, then the family's asset is their ownership stake in the business, not some portion of the business's assets. However, if the family holds the assets in their own name (e.g., they own one-third of a restaurant) rather than in the name of a business entity, then the percentage value of the asset owned by the family is what is counted toward net family assets (e.g., one-third of the value of the restaurant).

15.4 JOINTLY OWNED ASSETS

For assets jointly owned by the family and one or more individuals outside of the assisted family, the HHA must include the total value of the asset in the calculation of net family assets, unless the asset is otherwise excluded (or unless the assisted family can demonstrate that the asset is inaccessible to them, or that they cannot dispose of any portion of the asset without the consent of another owner who refuses to comply. If the family demonstrates that they can only access a portion of an asset, then only that portion's value shall be included in the calculation of net family assets for the family. Likewise, any income from a jointly owned asset must be included in annual income, unless that income is specifically excluded, or unless the family demonstrates that they do not have access to the income from that asset, or that they only have access to a portion of the income from that asset.

If an individual is a beneficiary who is entitled to access the account's funds only upon the death of the account's owner, and may not otherwise withdraw funds from an account,

then the account is not an asset to the assisted family, and the family should provide proper documentation demonstrating that they are only a beneficiary on the account.

16.0 INCOME FROM ASSETS [24 CFR 5.609(A)(2)]

THIS SECTION WILL BE EFFECTIVE AFTER THE PHA 102/104 HOTMA COMPLIANCE DATE WHICH WILL BE ESTABLISHED BY HUD.

16.1 ACTUAL INCOME

Actual income from assets is always included in a family's annual income, regardless of the total value of net family assets or whether the asset itself is included or excluded from net family assets, unless that income is specifically excluded by 24 CFR § 5.609(b).

16.2 IMPUTED INCOME

Imputed income from assets is no longer determined based on the greater of actual or imputed income from the assets. Instead, imputed asset income must be calculated for specific assets when three conditions are met:

- The value of net family assets exceeds \$50,000 (as adjusted for inflation);
- The specific asset is included in net family assets; and
- Actual asset income cannot be calculated for the specific asset.

Imputed asset income is calculated by multiplying the net cash value of the asset, after deducting reasonable costs that would be incurred in disposing of the asset, by the HUD-published passbook rate.

If the actual income from assets can be computed for some assets but not all assets, then PHAs must add up the actual income from the assets, where actual income can be calculated, then calculate the imputed income for the assets where actual income could not be calculated. After the HHA has calculated both the actual income and imputed income, the HHA will combine both amounts to account for income on net family assets with a combined value of over \$50,000.

When the family's net family assets do not exceed \$50,000 (as adjusted for inflation), imputed income is not calculated. Imputed asset income is never calculated on assets that are excluded from net family assets. When actual income for an asset (which can equal \$0) can be calculated, imputed income is not calculated for that asset.

16.3. PASSBOOK RATE [24 CFR 5.609(A)(2)]

HUD annually publishes a passbook rate based on the Federal Deposit Insurance Corporation (FDIC) National Deposit Rate for savings accounts. The HHA will use the HUD-published passbook rate when calculating imputed asset income for net family assets that exceed \$50,000 (annually adjusted for inflation). The HUD-published passbook rate is posted to a dataset on the HUDUser Web site, alongside annual inflationary adjustments.

17.0 TREATMENT OF TRUSTS

Whether the value of a trust counts as a net family asset and whether distributions from the trust count as annual income to the family depends on the following three factors:

- (1) Whether the trust is under the control of the family;
- (2) Whether distributions are made from the trust's principal; and
- (3) The purpose of the distribution, if the distribution is made from income earned on the trust's principal.

17.1 AS AN ASSET

The value of *irrevocable trusts* and *revocable trusts* 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 are both excluded from net family assets.

A revocable trust that is under the control of the family or household is included in net family assets. (Therefore, income earned on this trust is included in the family's income from assets).

17.2 ACTUAL INCOME FROM A TRUST

As indicated above, if the HHA determines that the revocable trust is included in the calculation of net family assets, then the actual income earned by the revocable trust is also included in the family's income.

This paragraph regarding imputed income is not effective until the HA's 102/104 compliance date: The HHA will calculate imputed income on the revocable trust determined to be an asset if net family assets are more than \$50,000, as adjusted by

inflation, and actual income from the trust cannot be calculated (i.e., if the trust is comprised of farmland that is not in use).

Where an irrevocable trust and an excluded *revocable trust* (i.e. not under control of family or household) are excluded from net family assets, the HHA will not consider actual income earned by the trust (i.e., interest earned, rental income if property is held in the trust) *for so long as the income from the trust is not distributed* (see below).

17.3 TRUST DISTRIBUTIONS AND ANNUAL INCOME

Revocable trusts (unless they are not under the control of the family) are considered part of net family assets. If the value of the trust is considered part of the family's net assets, then distributions from the trust are not considered income to the family.

If the value of the trust is not considered part of the family's net assets (irrevocable trust or revocable trust under control of family), then distributions from the trust are treated as follows:

All distributions from the trust's principal are excluded from income.

Distributions of income earned by the trust (i.e., interest, dividends, realized gains, or other earnings on the trust's principal), are included as income unless the distribution is used to pay for the health and medical expenses for a minor.

Income means trust income and not any distribution from the trust to the beneficiary. (See also income exclusions section) The chart below addresses the Treatment of Trusts.

Trust Type	Asset	Is Interest Earned by Trust Family Income	Are distributions of trust principal considered family income?	Are distributions of interest earned on the trust principal considered family income?
Revocable And Grantor is not part of the	No	No	No	Yes, unless the distributions are used to pay for the health and

assisted family or household (and the family or household is not otherwise in control of the trust)				medical expenses for a minor
Revocable And Grantor is part of the assisted family or household (or the trust is otherwise under the control of the family or household)	Yes	Yes	No	No
Irrevocable ³	No	No	No	Yes, unless the distributions are used to pay for the health and medical expenses for a minor

17.4 VERIFICATION AND TRUSTS

The Housing Authority will request a certification of trust, the actual trust if certification is insufficient for verification of the type of trust.

The HHA will apply the asset verification process as described previously for Trusts that are determined to be assets (self-certification under \$50,000 as adjusted with full verification at admission and every 3rd year thereafter.) Full verification over \$50,000 as adjusted.

³ Typically, Special Needs Trusts are Irrevocable

18.0 TREATMENT OF FEDERAL TAX REFUNDS OR REFUNDABLE TAX CREDITS

18.1 ASSET EXCLUSION

All amounts received by a family in the form of federal tax refunds or refundable tax credits are excluded from a family's net family assets for a period of 12 months after receipt by the family.

18.2 FEDERAL TAX REFUND INCOME

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

18.3 VERIFICATION

This paragraph is not effective until after the HOTMA 102/104 compliance date to be established by HUD.

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

The HHA will verify the amount of the family's federal tax refund or refundable tax credits if the family's net assets are greater than \$50,000 (adjusted annually for inflation).

19.0 ASSET LIMITATIONS

This section is not Applicable until the HHA's HOTMA 102/104 compliance date as established by HUD.

19.1 NET ASSETS AT ADMISSION

A family is not eligible to receive assistance if the family has net assets in excess of \$100,000 (as defined in 24 CFR 5.603), as adjusted annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers.

19.2 REAL PROPERTY SUITABLE FOR OCCUPANCY AT ADMISSION

A family is not eligible to receive assistance if the family has a present ownership interest in, a legal right to reside in, and the effective legal authority to sell real property that is suitable for occupancy by the family as a residence.

A property is suitable for occupancy unless the following applies:

- 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.);
- Is not sufficient for the size of the family;
- 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 HHA or owner);
- Is not safe to reside in because of the physical condition of the property (e.g., property's physical conditions pose a risk to the family's health and safety and the condition of the property cannot be easily remedied); or
- Is not a property that a family may reside in under the State or local laws of the jurisdiction where the property is located.

Further, the restriction is not applicable to:

- Any property for which the family is receiving assistance under 24 CFR 892.620; or under the Homeownership Option in 24 CFR part 982;
- 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 owners property;
- Any person who is a victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking as defined in part 5 (subpart L); 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, stalking, or human trafficking, the HHA or owner must comply with the confidentiality requirements under 5.2007. The HHA or owner must accept a self-certification from the family member, and the restrictions on requesting documentation under 5.2007 apply; or
- Any family that is offering such property for sale.

19.3 REAL PROPERTY OWNERSHIP IN RELATION TO THE \$100,000 ASSET LIMITATION

There are several exemptions to the real property restriction which identify when a real property ownership interest does not by itself render the family out of compliance with the asset limitation. Those exemptions do not indicate that such real property is excluded from the calculation of net family assets. Unless the real property is specifically excluded from net family assets in the definition under § 5.603, it may be included in net family assets. Where applicable, if the value of that real property brings the net family assets above \$100,000 (as adjusted for inflation), the family will be out of compliance.

19.4. ACCEPTABLE DOCUMENTATION REAL PROPERTY

The HHA will determine compliance 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. The HHA will require the use of the HHA form for this purpose.

However, if the family owns real property, the HHA will seek third-party verification of the family's legal right to reside in the property, the effective legal authority to sell the property, and whether the property is suitable for occupancy by the family as a residence.

19.5 AT REEXAMINATION

At reexamination, when recertifying the income of a family that is subject to the \$100,000 the HHA will not enforce this restriction.

At reexamination, when recertifying the ownership of real property that is suitable for occupancy restriction set forth above, the HHA will not enforce this restriction.

20.0 VERIFICATION

20.1 THIRD PARTY VERIFICATION

The HHA is responsible for obtaining third-party verification of reported family annual income, the value of assets, expenses related to deductions from annual income, and other factors that affect the determination of adjusted income. Third-party verification is the process by which the PHAs gathers information (i.e., about the family's annual income, value of assets, etc.) independently for the source of the income, assets, expenses, or other factors that affect the determination of adjusted income. Third-party verification may be obtained directly from the third party or through the family. The PHAs must document in the tenant file the reason why third-party verification was not available

unless HUD’s regulations specifically permit families to self-certify a particular component of adjusted income.

HUD developed a hierarchy that describes verification documentation from most acceptable to least acceptable. The HHA will demonstrate efforts to obtain third party verification prior to accepting self-certification except instances when self-certification is explicitly allowed.

20.2 METHODS OF VERIFICATION AND RANKING ORDER

The HA will verify information through the six methods of verification, acceptable to HUD, in the following ranking order:

Verification Hierarchy		
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 EIV may be used as the sole verification of Social Security Income EIV income information may be used to calculate other types of annual income when family agrees. See Level 4 for more information.
5	Upfront Income Verification (UIV) using non-EIV system (e.g., The Work Number, web-based state benefits systems, etc.)	Highest
4	Written, third-party verification from the source, also known as “tenant-provided verification” OR EIV + Self-Certification PHAs can choose either option when both are available to verify income. PHAs must use written, third-party verification when the income type is not available in EIV (e.g., self-employment, Go Fund Me accounts,	High <ul style="list-style-type: none"> • Written, third-party verification is used when tenant disputes EIV-reported employment and income information. • The EIV Income Report may be used to verify and calculate income if the family self-certifies that the amount is accurate and representative of current income. The family must be provided with the information from EIV.

	general public assistance, Veterans Administration benefits, etc.)	
3	Written, Third-Party Verification Form	<p>Medium</p> <ul style="list-style-type: none"> • Use if Level 5 or Level 4 verification is not available or is rejected by the HHA and when the applicant or tenant is unable to provide acceptable documentation. • May substitute Level 2 for written, third-party verification form, only completing one of the two forms of verification before moving to self-certification.
2	Oral Third-Party Verification	Medium
1	Self-Certification (not third-party verification)	<p>Low</p> <p>Use as a last resort when unable to obtain any type of third-party verification or if specially permitted.</p>

20.3 UPFRONT INCOME VERIFICATION USING ENTERPRISE INCOME VERIFICATION LEVEL 6 HIGHEST

a. Introduction

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 HAs are required to use EIV in its entirety.

The HHA must use EIV to verify tenant employment and income information at annual and streamlined reexaminations of family composition and income. However, PHAs are no longer required to use EIV to verify tenant employment and income information during an interim reexamination of family composition and income.

PHAs are required to use the following reports from the EIV System:

- Debts Owed & Termination,

- Deceased Tenants,
- Existing Tenant Search,
- Failed EIV Pre-Screening,
- Failed SSI Identity Test,
- Identity Verification,
- Multiple Subsidy,
- New Hires,
- No Income Report by HHA or SSA,
- No Income Reported on 50058,
- Summary of Household Information.

The HAs that choose to use the EIV Income Discrepancy Report⁴ and other EIV reports at intervals other than reexaminations must include this information in their Administrative Plan, as applicable. The HHA will use the following schedule for EIV:

HHA's Use of EIV		
Report Title	Report Description	Frequency of Use
Debts Owed to PHAs & Terminations	Allows users to access information concerning former tenants who left owing a debt to a PHA or who had their voucher terminated for cause.	At the time of processing an applicant family for admission, and to enter debt information or terminations for families who have ended program participation.
Deceased Tenants Report	Identifies tenants reported by Social Security Administration (SSA) as being deceased.	At least quarterly
Existing Tenant Search	Identifies applicants who may be receiving assistance at another Multifamily project or	At the time of processing an applicant family for admission.

⁴ HUD intends to update the discrepancy logic for the Public Housing Income Discrepancy Reports and the Income Verification Tools (IVTs) to conform to the requirements of the HOTMA final rule. PHAs are not required to investigate discrepancies resulting from the Public Housing Income Discrepancy Reports and the IVT Tools until HUD updates the discrepancy logic.

	PIH location.	
Failed EIV Prescreening Report	Identifies tenants who have missing or invalid personal identifiers (last name, date of birth, SSN) in HIP/TRACS. These tenants will not be sent to SSA from EIV for the SSA identity test.	Monthly
Failed Verification Report (Failed SSA Identity Test)	Identifies tenants whose personal identifiers (last name, date of birth, SSN) do not match the SSA database. *PHAs that admit families using a self-certification of SSN must review the Failed SSN Verification Report monthly to identify and follow up on new issues.	Monthly
Identity Verification Report	Identifies tenants that failed SSA verification, and failed EIV pre-screening.	Monthly
Income Information for PIH Programs	Provides employment and income reported by HHS and SSA for each household member that passes the SSA identity test. Identifies tenants who: <ul style="list-style-type: none"> • May not have reported complete and accurate income information; and/or • May be receiving multiple subsidies. 	Must be used at annual reexamination; not required at interim reexaminations. PHAs may use, if desired. PHAs are not required to use at annual reexamination if they use Safe Harbor verification to determine the family's income.
Income Validation Tool Report for PIH Programs	Provides projections of discrepant income for wages, unemployment compensation, and SSA benefits pursuant to HUD's data sharing agreements	PHAs are required to obtain an EIV Income and Income Validation Tool Report for each family any time the PHA conducts an annual

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

	third-party verification of any income reported by the tenant.	
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b. EIV and Annual Reexamination v Interim Reexamination

PHAs must use EIV to verify tenant employment and income information at annual and streamlined reexaminations of family composition and income. However, PHAs are no longer required to use EIV to verify tenant employment and income information during an interim reexamination of family composition and income.

The HHA will not access the EIV system verify tenant employment and income information during an interim reexamination of family composition and income.

a) Security Personnel

The Executive Director has appointed a Security Officer to supervise and enforce the security procedures. Currently, the Assistant Director, serves in this capacity. The Security Officer's responsibilities include keeping records, logs and monitoring EIV security issues. The Security Officer reads and disseminates training materials and trains the appropriate departmental staff concerning the handling of files containing EIV data. These materials will be disseminated prior to working with the EIV data initially as well as yearly thereafter.

Access to EIV data is limited to persons whose duties or responsibilities require access. The level of access will also be limited to the functional areas of specific users as required. Any staff member who may need access or may need to have their status revoked will be reported to the Security Officer. If there is any unauthorized use of the system, the Security Officer will notify the Executive Director immediately and secure documentation of any security violation. The Executive Director or his/her designee shall notify the HUD Field Office PIH Director of any unauthorized use of the system.

b) Enterprise Income Verification Files

Information from Enterprise Income Verification websites will be downloaded only with a signed HUD Form 9886 Release Waiver, signed by each Household member 18 years of age or older, on file. The data pertaining to only one family will be maintained in a file. This data will be maintained in the same confidential manner as all tenant data.

Participating Family files are kept in file cabinets in an office with a door that locks. The external entrance doors to all sites are secured and alarmed. During normal operating hours, a staff member greets all visitors in the office. The general public does not have access to the room where confidential data are maintained unless accompanied by the Assistant Executive Director. Visitors are always escorted by HA staff in all areas that may contain confidential data. After hours, staff must access the building through an alarm code system.

c) Enterprise Income Verification Computer Files

Computerized data is handled in the following manner:

1. Data downloaded from the Enterprise Income Verification system will not be saved to a hard drive.
2. If the information is saved to a local drive (recordable disc), then it must be kept separately from all HA data.
3. Any disk must be marked "Confidential."
4. Specific computers in locked areas will be used to access EIV data.
5. When possible, one printer in each office will be designated to print EIV data.
6. Printouts of EIV data will be collected from the printer immediately.

d) Destruction of Enterprise Income Verification Data

The EIV data is kept in the Tenant file for at least seven (7) years. EIV data will be shredded upon completion of seven years unless it is within an initial lease packet, which requires it to be kept until the tenant moves to another unit.

Any miscellaneous or duplicate copies printed that must be destroyed prior to the three-year period will also be shredded.

20.4 UPFRONT INCOME VERIFICATION (UIV) USING NON-HUD SYSTEMS

In addition to the EIV System the PHA may use other up-front income verification sources to verify participant income. UIV meets the regulatory requirement for third-party verification.

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. Examples include the Work Number (an

automated verification system) and state government databases, to verify tenant-reported income.

The HHA does not use the work number and proceeds to the next level after EIV.

Written third-party verification from the source, also known as “tenant-provided verification” OR EIV + Self-Certification (level 4 High)

Written third-party verification is an original document generated by a third-party source, dated within 120 days prior to HHA receipt.

The Housing Authority requires that documents be original and authentic. They may be supplied by the family or received from a third-party source.

The HHA may choose either tenant-provided verification or EIV + Self-Certification when both are available to verify income.

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 HHA will 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.)

Written third-party verification is an original document generated by a third-party source, dated within 120 days prior to receipt by the HHA. 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). The HHA 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 reports
- ☐ Employer notice or letters of hire or termination

- ☐ SSA benefit verification letters
- ☐ Bank statements
- ☐ Child support payment stubs
- ☐ Welfare benefit letters or printouts
- ☐ Unemployment monetary benefit notice
- ☐ Veterans Administration letters
- ☐ Retirement Benefit Letters
- ☐ Investment Company Statement
- ☐ City or County Court orders
- ☐ Life Insurance Company Statement
- ☐ Investment Group Statement

The HHA will obtain a minimum of two current and consecutive pay stubs for determining annual income from wages when not using EIV + Self-Certification or the income type is not reported in EIV.

For new income sources or when two pay stubs are not available, the HHA will determine income based on the information from a traditional written, third-party verification 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.

Verifications received from the third party electronically via computer e-mail, by fax machine, via an on-line database system, or directly from the source, are considered by the HHA to be written third party verifications.

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

The HHA reserves the right to reject documentation provided by the family if the document is not an original, if the document appears to be forged, or if the document is altered, mutilated, or illegible.

Information verified on the internet is considered by the HHA to be written third-party verification if the HHA is able to view and print web-based information from a reputable source on the computer screen.

20.5 THIRD PARTY FORM (LEVEL 3 - MEDIUM)

When HUD has insituated the new verification hierarchy in full, thhe HHA will not send a Third-Party Form also known as “traditional third-party verification.” The HHA will skip this level of verification and attempt Level 2, which means they will have only completed Level 2 verification before moving to Self-Certification.

Prior to then the HHA will use third party form before proceeding to oral third party verification.

20.6 ORAL THIRD PARTY VERIFICATION (LEVEL 2 - MEDIUM)

If the HHA has requested a written third-party verification form and has not received a response within 10 working days, or if written third party verification is not possible, the HHA will attempt oral third-party verification prior to self-certification.

After HUD implements the new verification hierarchy, the HHA will attempt oral third-party verification prior to self-certification.

When a third-party oral verification is used, HA staff to note in the file:

- ☐ the name of the person contacted
- ☐ the date of the conversation, and the facts provided.

The HHA will not delay the processing of an application beyond ten days because a third-party information provider does not return the verification in a timely manner.

20.7 LEVEL 1 NON-THIRD-PARTY VERIFICATION: SELF-CERTIFICATION

If it is not possible to contact the third party by telephone due to either the agency’s documented policy of not releasing information over the telephone, or unavailability of the third party, the HA will note the file and proceed to the next ranking verification source, Self Certification. The HA will not delay the processing of an application beyond ten working days because a third-party information provider does not return the verification in a timely manner.

The family may be required to certify that they do not receive a particular benefit or type of income.

The HHA will require that the self-certification be notarized. A notarized self-certification means a family signed and dated affidavit/certification/statement under penalty of perjury in the presence of a notary public.

20.8. LENGTH OF TIME VERIFICATION IS ACCEPTABLE

Written third-party verification is an original document generated by a third-party source, dated within 120 days of receipt by the HHA. For fixed-income sources, a statement dated within the appropriate benefit year is acceptable documentation.

21.0 OTHER POLICIES REGARDING SPECIFIC ITEMS VERIFIED AND METHODS UTILIZED

Income will be verified annually with the exceptions noted below:

a. Streamlined annual reexamination for fixed sources of income (24 CFR §§960.257)

The HHA conducts a streamlined income determination for any family member with a fixed source of income. This provision pertains only to the verification of sources of income and the HHA will continue to conduct third-party verification of deductions.

In using the streamlined income determination, the HHA must adjust a family's income according to the percentage of a family's unadjusted income that is from fixed income.

When 90 percent or more of a family's unadjusted income consists of fixed income, the HHA will apply a Cost of Living Adjustment (COLA) or COLAs to the family's sources of fixed income, provided that the family certifies both that 90 percent or more of their unadjusted income is fixed income and that their sources of fixed income have not changed from the previous year. For non-fixed income, the HHA is not required to make adjustments pursuant to 24 CFR 960.257 (a).

When less than 90 percent of a family's unadjusted income consists of fixed income, the HHA will apply a COLA to each of the family's sources of fixed income individually. The HHA will determine all other income pursuant to 24 CFR 960.257 (a).

The term “fixed income” includes income from Social Security payments, Supplemental Security Income (SSI) and Supplemental Security Disability Insurance (SSDI); Federal, State, local, and private pension plans; and the periodic payments received from annuities, insurance policies, retirement funds, disability or death benefits, and other similar types of periodic payments, and any other source of income subject to a verifiable COLA or current rate of interest.

The HHA will adjust a family's fixed income using a COLA or current interest rate that applies to each specific source of fixed income and is available from a public source or through tenant-provided, third-party -generated documentation. If no public verification or tenant-provided documentation is available, then the HHA must obtain third-party verification of the income amounts in order to calculate the change in income for the source.

This provision is available for tenants only and not applicants. In the initial year in which a streamlined income determination is made, the COLA must be applied to a source of income that has been verified previously.

In the initial year of employing a streamlined income determination, the HHA will determine whether a source of income is fixed by comparing the amount of income from the source to the amount generated during the prior year. If the amount is the same or if it has changed only as a result of a COLA or due to interest generated on a principal amount that remained otherwise constant, then the source is fixed. The HHA may also make such a determination by requiring a family to identify as to which source(s) of income are fixed. The HHA will document in the tenant file how it made the determination that a source of income is fixed.

For the second income determination involving a family member whose income was adjusted previously using a streamlined income determination, the adjustment is made to the previously determined income amount.

Third-party verification of fixed income amounts for all family members will be performed at least every three years. If a family member with a fixed-income source is added to the family, the HHA may elect to obtain third-party verification of all income amounts for all family members at the next reexamination if the HHA elects to have all family members with fixed incomes on the same schedule with respect to streamlined annual reexaminations.

b. Family declaration of assets under \$5,000 (24 CFR §960.259)

This section is used until the HOTMA 102/104 compliance date is established for the HHA. At that time the amount is 50,000 as adjusted annually and is further described elsewhere in this document.

For families with net assets less than \$5,000, the HHA will obtain third-party verification of all family assets upon admitting a family to the public housing program and then again at least every three (3) years thereafter.

During the intervening annual reexaminations, the HHA will accept a family's declaration that it has total net assets equal to or less than \$5,000, without taking additional steps to verify the accuracy of the declaration. If a family submits such a declaration, then the HHA will not request supporting documentation to verify the assets or the amount of income expected to be received from those assets. The family's declaration of total assets will show each asset and the amount of income expected from that asset. For this provision to apply the total amount of income expected from all assets must be less than or equal to \$5,000.

The HHA will have all family members 18 years of age and older sign the family's declaration of total assets.

Whenever a family member is added, the HHA will obtain third-party verification of that family member's assets. At the next annual reexamination of income following the addition of that family member, the HHA will obtain third-party verification of all family assets if the addition of that family member's assets puts the family above the \$5,000 asset threshold. If the addition of that family member's assets does not put the family above the \$5,000 asset threshold, then the HHA will not obtain third-party verification of all family assets at the next annual reexamination of income following the addition of the family member.

21.1 PROOF OF IDENTITY

(i) Applicant Identification

The HHA requires each adult member of an applicant family to provide proof of identity in the form of a government issued photo identification card. The card must, at a

minimum, identify the adult by name and date of birth and must be a valid, unexpired, card.

A live-in aide must provide a photo identification card at the time the family requests HA approval of the aide. The card must be valid (not expired) and must, at a minimum, identify the aide by name and birth date, but need not be of government issue. If the photo identification is not government issued, the aide must also provide one additional form of identification. A copy of both forms of identification must be maintained in the client folder for as long as the aide resides with the family. No adult shall be admitted to an assisted housing program unless he or she has provided the HA with a valid photo identification card. A copy of each identification card shall be maintained in the client folder.

When minors in the assisted family reach the age of 18, they shall be required to provide a government issued photo identification card for the client folder at the first reexamination of income following their 18th birthday.

(ii) Participant Identification

At the time of any annual reexamination, including one performed at the time of recontracting, each adult member of the family, including any approved live-in aide, must provide proof of identity in the form of either:

1. A government issued photo identification card, or
2. A non-government photo identification card and one other form of identification.

All identification must be valid and current.

Failure to provide appropriate identification shall not be sufficient to delay the reexamination process, but failure to provide appropriate identification, or documentation that the family has undertaken actions to obtain proper identification within 30 days of the HA's request shall be considered a violation of the family's obligations and grounds for termination of assistance.

21.2 PROVISION OF SOCIAL SECURITY NUMBERS

This section does not apply to those who do not contend to have eligible immigration status.

a. Information required for Disclosure of Social Security Number

(i) Documentation

Disclosure of Social Security Numbers (SSN) requires submission of the following:

- The complete and accurate SSN assigned to the assistance applicant and to each member of the assistance applicant's household; and

- A valid SSN card issued by the Social Security Administration; or
- An original document issued by a federal or state government agency, which contains the name of the individual and the SSN of the individual, along with other identifying information of the individual; or
- Such other evidence of the SSN as HUD may prescribe in administrative instructions.

HUD has indicated that PHAs may accept a self-certification and a third-party document with the applicant's name printed on it. The HHA will generally not accept this as verification.

In rare and compelling circumstances when no other document is available to the family, the HA may accept self-certification of SSN and at least one third-party document, such as a bank statement, utility or cell phone bill, benefit letter, etc., that contains the name of the individual. Examples of rare and compelling circumstances are fire flood or natural disaster.

The HA will document why the other SSN documentation was not available. If the tenant's SSN becomes verified in EIV, then no further verification is required. If the tenant's SSN fails the SSA identity match, then the HHA will obtain a valid SSN card issued by the SSA or an original document issued by a federal or state government agency that contains the name of the individual and the SSN of the individual, along with other identifying information of the individual. The tenant's assistance will be terminated if they fail to provide the required documentation.

(ii) Rejection of documentation.

The HA may reject documentation of an SSN provided by an applicant or participant if the document is not an original document or if the original document has been altered, mutilated, is illegible, or appears to be forged. In such cases the HA will explain to the applicant or participant the reasons the document is not acceptable and request that the individual obtain and submit acceptable documentation of the SSN to the HA within 90 days.

b. Requirements for Applicants

Applicants must submit disclosure information set forth in A above.

If an applicant is otherwise eligible to participate in a program, the applicant may retain its place on the waiting list for the program but cannot become a participant until it can provide the documentation to verify the SSN of each member of the household as set forth in A above.

However, if a child under the age of 6 years was added to the assistance applicant household within the 6-month period prior to the household's date of voucher issuance, the assistance applicant may become a participant, so long as the documentation required is provided to the processing entity within 90 calendar days from the date of admission into the program (or, for the HCV program, the effective date of the Housing Assistance Payment contract). The HA must grant an extension of one additional 90-day period if the HA determines that, in its discretion, the assistance applicant's failure to comply was due to circumstances that could not reasonably have been foreseen and were outside the control of the assistance applicant. If the applicant family fails to produce the documentation required under the rule within the required time period, the Ha will follow the provisions of 24 CFR §5.218.

c. Participants

The HA has obtained and verified SSNs for all participants, except those age 62 or older as of January 31, 2010.

(i) Addition of new household member who is at least 6 years of age or under the age of 6 and has an assigned SSN

When the participant requests to add a new household member who is at least 6 years of age, or is under the age of 6 and has an assigned SSN, the participant must provide the information set forth in 2a above.

(ii) Addition of new household member who is under the age of 6 and has no assigned SSN

When a participant requests to add a new household member who is under the age of 6 and has not been assigned a SSN, the participant shall be required to provide the complete and accurate SSN assigned to each new child as described in A above to verify the SSN for each new child within 90 calendar days of the child being added to the household.

Further, the HA will grant an extension of one additional 90-day period if the HA, in its discretion, determines that the participant's failure to comply was due to circumstances that could not have reasonably been foreseen and were outside the control of the participant. During the period that the HA is awaiting documentation of a SSN, the HA shall include the child as part of the assisted household and the child shall be entitled to all the benefits of being a household member. If, upon expiration of the provided time period, the participant fails to produce a SSN, the HA will follow the provisions of 24 CFR §5.218.

(iii) Assignment of New SSN to Participant

If the participant or any member of the participant's household has been assigned a new SSN, the participant must submit the information set forth in A above to HA at either the time of receipt of the new SSN; at the next interim or regularly scheduled reexamination or recertification of family composition or income, or other reexamination or recertification; or at such earlier time specified by the HA.

21.3 PROOF OF AGE

The HHA requires proof of age for each member of the assisted family and any subsequent additions to the family. The following are acceptable forms of age verification:

- Birth Certificate or Certificate of Verification of Live Birth,
- Other Official Record of Birth,
- Baptismal Certificate,
- Census Record or Census Document showing age,
- Driver's License,
- State ID Card,
- Other identification cards issued by a federal, state or local agency,
- Adoption papers that specify age,
- Military discharge records,
- Naturalization certificate or other INS documents,
- Proof of receipt of old age benefits (SS or SSI for persons age 62 or older),
- Court records that specify a date of birth,
- Life insurance policies that specify a date of birth,
- Retirement Award or Benefit letters that specify a date of birth or age,
- Veterans Administration records,
- Valid passport.

21.4 EVIDENCE OF CITIZENSHIP

The HA requires applicants and participants of its Section 8 programs to submit evidence of citizenship or eligible immigration status in accordance with the HUD regulations governing *Restrictions on Housing Assistance to Noncitizens*.

The Housing Authority does allow for the self-certification of Citizenship using the Declaration form and will not require additional verification of the same unless fraud is

suspected. Documentation of eligible noncitizen status is governed by the regulations addressing the same. See also Eligibility Section of this document.

21.5 VERIFICATION OF DISABILITY

Disability for purposes of Deductions shall be verified by:

- Proof of disability provided through EIV verification;
- Proof of disability provided through a third-party verification from the Social Security Administration;
- A third-party verification of disability provided by a health care or service provider, a qualified professional having knowledge of the person's disability, who can verify that the person meets HUD's definition of disability (not a certification of disability for reasonable accommodation);
- Document review of a Social Security or SSI benefit statement that is current within 120 days of receipt.

Disability is not verified by receipt of VA disability pay or by a statement indicating that a person meets the disability standards for reasonable accommodation.

21.6 BONDS

To determine the current value of a bond in the absence of third party verification from a broker staff may use the website www.publicdebt.treas.gov/sav/savcalc.htm. This treasury department calculator provides the issue price of the bond, total interest earned to date, current value and current interest rate. The current value is used as the net value of the bond (asset). Annual income is the current value times the interest rate. If the interest rate column is blank, it means the bond is no longer paying interest. Printed calculator page results may be used as a third-party verification.

21.7 CASH

The HA considers \$1,000.00 cash per family to be a reasonable and nominal amount available for living expenses. Cash in excess of \$1,000.00 is counted as an asset. However, if the cash is held or maintained separately from other finances, e.g. in a safe deposit box, then the full amount of cash so held is considered an asset.

21.8 CHECKING AND SAVINGS ACCOUNTS

a. Cash Value and Income from Bank Accounts

For bank accounts with monthly statements, the HA uses the average closing balance of the most recent three consecutive months as the cash value of the asset.

For bank accounts with quarterly statements the HA uses the closing balance of the most recent quarterly statement.

For passbook savings accounts with no regular statements, the HA uses the closing balance of the passbook provided that the passbook has been updated by the savings institution within 120 days of the date the passbook is presented to staff for document review.

The HA uses the current interest rate being paid by the financial institution to determine actual income from savings, checking and other accounts.

b. Certificates of Deposit and Money Market Accounts

The HA uses the current interest rate being paid by the financial institution to determine actual income from certificates of deposit and similar accounts.

c. Joint Accounts

If a member of the family has unrestricted access to the account and can withdraw money from the account, the entire value of the account is counted as his or her asset. If the family member merely has survivorship rights and has no access to the funds until the other party dies, then the funds are not counted. The family must demonstrate that it either has no access to the asset or that it has access only to a portion of the asset.

If the person's social security number is on the account for tax purposes, income from the asset should be considered as going to that person. If the asset is owned by two or more family members in the same household, prorate the asset (and income from the asset) evenly among all owners unless the family can document otherwise.

21.9 IRA AND OTHER VOLUNTARY RETIREMENT ACCOUNTS

Distribution of periodic payments from such accounts shall be income at the time they are received by the family.

21.10 MUTUAL FUNDS AND STOCKS

Staff must initially attempt to obtain information on mutual funds and stocks from the family's broker or have the family certify that it does not use a broker. If information cannot be obtained from a broker, staff may accept information received from the family in the form of the most recent quarterly statements provided that the statements are not more than 120 days old on the date of receipt by the HHA.

Staff must verify family-provided information by use of screen prints of information may be used as third party verification of the current value of stocks, mutual funds and annual returns from dividends.

To determine the costs of converting stocks or mutual funds to cash staff uses information provided by the family's broker or financial institution.

21.11 REAL PROPERTY

(a) Market Value of a Single-Family Residence

In determining the market value of a single-family residence or a condominium in the area where no third-party broker or real estate agent's information is available on the unit, the HA shall determine the market value by:

- ☐ Determining the square footage of living space, and
- ☐ Multiplying the square footage times the median sales price per square foot for the appropriate area.

(b) Costs of Sale of a Property

If a family has sold a property but cannot provide verification of the costs of sale through a broker, financial institution or escrow company, the HA will impute costs of sale equal to 7% of the market value.

To determine the cash value of a property, the HA shall use 7% of the fair market value as the imputed costs of sale unless the family provides a third party written estimate.

This section is not intended to modify or supersede the Asset Limitation rules.

21.12 CREDIT CHECKS

The HA may conduct credit checks of participant families at annual reexaminations and at any time there is reasonable cause to believe that the family has not reported income or family composition in accordance with program requirements. Credit check results are reviewed for information that appears inconsistent with the family's report of income and family composition. Inconsistencies are investigated.

21.13 SEASONAL, SPORADIC, OR IRREGULAR EMPLOYMENT

When calculating anticipated annual income for family members whose employment is seasonal, sporadic or irregular, the actual earnings from the past 12 months are used if the family member intends to continue in the same type of employment. A special reexamination may be scheduled as needed.

22.0 DETERMINATION OF TOTAL TENANT PAYMENT AND TENANT RENT

22.1 FAMILY CHOICE

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

- A. Families who opt for the flat rent will be required to go through the income reexamination process every three years, rather than the annual review they would otherwise undergo.
- B. Families who opt for the flat rent may request to have a reexamination and return to the income-based method at any time for any of the following reasons:
 - 1. The family's income has decreased.
 - 2. The family's circumstances have changed increasing their expenses for child care, medical care, etc.
 - 3. Other circumstances creating a hardship on the family such that the income method would be more financially feasible for the family.
- C. Families have only one choice per year except for financial hardship cases. In order for families to make informed choices about their rent options, the HHA will provide them with the following information at annual lease renewal:

1. The Hudson Housing Authority's policies on switching types of rent in case of a financial hardship; and
2. The dollar amount of tenant rent for the family under each option.

22.2 THE INCOME METHOD

The total tenant payment is equal to the highest of:

- A. 10% of the family's monthly income;
- B. 30% of the family's adjusted monthly income; or
- 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. If the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this provision is the amount resulting from one application of the percentage; or
- D. The minimum rent of \$0.00

22.3 MINIMUM RENT

The Hudson Housing Authority has set the minimum rent at \$0.00. Therefore, the exception language below is inserted in the event a higher rent minimum rent is approved at later date.

If the family requests a hardship exemption, however, the Hudson Housing Authority will suspend the minimum rent beginning the month following the family's request until the Housing Authority can determine whether the hardship exists and whether the hardship is of a temporary or long-term nature.

- A. A hardship exists in the following circumstances:
 1. When the family has lost eligibility for or is waiting an eligibility determination for a Federal, State, or local assistance program, including a

family that includes a member who is a non-citizen lawfully admitted for permanent residence under the Immigration and Nationality Act who would be entitled to public benefits but for title IV of the Personal Responsibility and Work Opportunity Act of 1996;

2. When the family would be evicted because it is unable to pay the minimum rent;
 3. When the income of the family has decreased because of changed circumstances, including loss of employment; and
 4. When a death has occurred in the family.
- B. No hardship. If the Housing Authority determines there is no qualifying hardship, the minimum rent will be reinstated, including requiring back payment of minimum rent for the time of suspension.
- C. Temporary hardship. If the Housing Authority reasonably determines that there is a qualifying hardship but that it is of a temporary nature, the minimum rent will not be imposed for a period of 90 days from the beginning of the suspension of the minimum rent. At the end of the 90-day period, the minimum rent will be imposed retroactively to the time of suspension. The Housing Authority will offer a repayment agreement in accordance with Section 19 of this policy for any rent not paid during the period of suspension. During the suspension period the Housing Authority will not evict the family for nonpayment of the amount of tenant rent owed for the suspension period.
- D. Long-term hardship. If the Housing Authority determines there is a long-term hardship, the family will be exempt from the minimum rent requirement until the hardship no longer exists.
- E. Appeals. The family may use the grievance procedure to appeal the Housing Authority's determination regarding the hardship. No escrow deposit will be required in order to access the grievance procedure.

22.4 THE FLAT RENT

The Hudson Housing Authority has set a flat rent for each public housing unit. In doing so, it considered the size and type of the unit, as well as its age, condition, amenities,

services, and neighborhood. The Hudson Housing Authority determined the market value of the unit and set the rent at the market value. The amount of the flat rent will be reevaluated annually and adjustments applied.

This figure is adjusted annually. No later than 90 days after HUD publishes new annual FMRs, the HHA will revise flat rents as necessary based on the rent reasonableness analysis and changes to the FMR.

The HHA will establish a flat rent for each public housing unit that is no less than 80 percent of the applicable Fair Market Rent (FMR) as determined under 24 CFR part 888, subpart A; or

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 than the FMR area referenced above.

If HUD has not determined an applicable SAFMR or unadjusted rent, the HHA must rely on the applicable FMR area referenced above or may apply for an exception flat rent under the regulations applicable thereto.

Affected families will be given a 30-day notice of any rent change. Adjustments are applied on the anniversary date for each affected family. If the change in flat rent will require an increase in the tenant's rental payment which is greater than 35 percent, the HHA will phase in the rent increase pursuant to applicable HUD guidance.

The Hudson Housing Authority will post the flat rents at each of the developments and at the central office. Flat rents are incorporated in this policy upon approval by the Board of Commissioners.

There is no utility allowance for families paying a flat rent.

22.5 RENT FOR FAMILIES UNDER THE NONCITIZEN RULE

A. Continued Assistance

A mixed family will receive full continuation of assistance if all of the following conditions are met:

- A. The family was receiving assistance on June 19, 1995;
- B. The family was granted continuation of assistance before November 29, 1996;
- C. The family's head or spouse has eligible immigration status; and
 - The family does not include any person who does not have eligible status other than the head of household, the spouse of the head of household, any parent of the head or spouse, or any child (under the age of 18) of the head or spouse.

B. Temporary Deferral of Termination of Assistance

For families receiving assistance on June 19, 2005, if a mixed family qualifies for prorated assistance but decides not to accept it, or if the family has no eligible members, the family may be eligible for temporary deferral of termination of assistance to permit the family additional time for the orderly transition of some or all of its members to locate other affordable housing. Under this provision, the family receives full assistance. If assistance is granted under this provision prior to November 29, 1996, it may last no longer than three (3) years. If granted after that date, the maximum period of time for assistance under the provision is eighteen (18) months. The Hudson Housing Authority will grant each family a period of six (6) months to find suitable affordable housing. If the family cannot find suitable affordable housing, the Hudson Housing Authority will provide additional search periods up to the maximum time allowable.

Suitable housing means housing that is not substandard and is of appropriate size for the family. Affordable housing means that it can be rented for an amount not exceeding the amount the family pays for rent, plus utilities, plus 25%.

C. Prorated Assistance

For all other families containing one or more members ineligible for assistance under the Noncitizen Rule, the family's assistance is prorated in the following manner:

Step 1. The HHA will determine the total tenant payment in accordance with 24 CFR §5.628. (Annual income includes income of all family members, including any family member who has not established eligible immigration status.)

Step 2. The family maximum rent is equal to the applicable flat rent for the unit size to be occupied by the family.

Step 3. The HHA will subtract the total tenant payment from the family maximum rent. The result is the maximum subsidy for which the family could qualify if all members were eligible (“family maximum subsidy”).

Step 4. The HHA will divide the family maximum subsidy by the number of persons in the family (all persons) to determine the maximum subsidy per each family member who has citizenship or eligible immigration status (“eligible family member”). The subsidy per eligible family member is the “member maximum subsidy.”

Step 5. The HHA will multiply the member maximum subsidy by the number of family members who have citizenship or eligible immigration status (“eligible family members”). The product of this calculation is the “eligible subsidy.”

Step 6. The mixed family TTP is the maximum rent minus the amount of the eligible subsidy.

Step 7. The HHA will subtract any applicable utility allowance from the mixed family TTP. The result of this calculation is the mixed family tenant rent.

When the mixed family’s TTP is greater than the maximum rent, the HHA will use the TTP as the mixed family TTP.

22.6 THE ALTERNATIVE NON-PUBLIC HOUSING RENT

The alternative non-public housing rent is applicable only to families that are over-income for the public housing program for twenty-four (24) consecutive months. Procedures are described in this ACOP. These families are considered non-public housing families.

22.7 UTILITY ALLOWANCE

The Hudson Housing Authority shall establish a utility allowance for all check-metered utilities and for all tenant-paid utilities. The allowance will be based on a reasonable consumption of utilities by an energy-conservative household of modest circumstances consistent with the requirements of a safe, sanitary, and healthful environment. In setting the allowance, the Hudson Housing Authority will review the actual consumption of tenant families as well as changes made or anticipated due to modernization (weatherization efforts, installation of energy-efficient appliances, etc.). Allowances will be evaluated at least annually as well as any time utility rate changes by 10% or more since the last revision to the allowances.

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

Families with high utility costs are encouraged to contact the Hudson Housing Authority for an energy analysis. The analysis may identify problems with the dwelling unit that once corrected will reduce energy costs. The analysis can also assist the family in identifying ways they can reduce their costs.

22.8 *EFFECTIVE DATE OF RENT CHANGES FOR ANNUAL REEXAMINATIONS*

The new rent will generally be effective September 1st unless extenuating circumstances apply, with thirty (30) days' notice of any rent increase to the family.

For increases, if the rent determination is delayed due to a reason beyond the control of the family, then any rent increase will be effective the first of the month after the month in which the family receives a 30-day notice of the amount.

If the new rent is a reduction and the delay is beyond the control of the family, the reduction will be effective as scheduled on September 1st.

If the family caused the delay, then any increase will be effective on September 1st and any reduction will be effective the first of the month after the rent amount is determined.

22.9 *PAYING RENT*

Rent and other charges are due and payable on the first day of the month. All rents should be paid at the office, placed in the community center rent box, or by mail. Reasonable accommodations for this requirement will be made for persons with disabilities. Terms of the lease with regard to rent payments will be enforced.

23.0 CONTINUED OCCUPANCY AND COMMUNITY SERVICE

23.1 GENERAL

In order to be eligible for continued occupancy, each adult family member must either (1) contribute eight hours per month of community service (not including political activities), or (2) participate in an economic self-sufficiency program, or (3) perform eight hours per month of combined activities as previously described unless they are exempt from this requirement.

23.2 EXEMPTIONS

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

- A. Family members who are 62 or older.
- B. Family members who are blind or disabled as defined under 216(I)(1) or 1614 of the Social Security Act (42 U.S.C. 416(I)(1) and who certifies that because of this disability she or he is unable to comply with the community service requirements.
- C. Family members who are the primary care giver for someone who is blind or disabled as set forth in Paragraph B above.
- D. Family members engaged in work activity 20 hours or more a week.
- E. Family members who are exempt from work activity under part A title IV of the Social Security Act or under any other State welfare program, including the welfare-to-work program.
- F. Family members receiving assistance, benefits or services under a State program funded under part A title IV of the Social Security Act or under any other State welfare program, including welfare-to-work and who are in compliance with that program.

23.3 NOTIFICATION OF THE REQUIREMENT

The Hudson Housing Authority shall identify all adult family members who are apparently not exempt from the community service requirement.

The Hudson Housing Authority shall notify all such family members of the community service requirement and of the categories of individuals who are exempt from the requirement. The notification will provide the opportunity for family members to claim and explain an exempt status. The Hudson Housing Authority shall verify such claims.

The notification will advise families that their community service obligation. It will also advise them that failure to comply with the community service requirement will result in ineligibility for continued occupancy at the time of any subsequent annual reexamination.

All families must sign a certification, Attachment A of Notice PIH 2009-48, to indicate that they have received and read the policy and understand that if they are not exempt, failure to comply with the requirement will result in nonrenewal of their lease.

23.4 VOLUNTEER OPPORTUNITIES

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

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

The Hudson Housing Authority will coordinate with social service agencies, local schools, and the Human Resources Office in identifying a list of volunteer community service positions.

23.5 THE PROCESS

On an annual basis, at the time of lease renewal, the HHA will notify the family in writing of the family members who are subject to the community service requirement and the family members who are exempt. If the family includes nonexempt individuals the notice will include a list of agencies in the community that provide volunteer and/or training opportunities, as well as a documentation form on which they may record the activities they perform, and the number of hours contributed. The form will also have a place for a signature by an appropriate official, who will certify to the activities and hours completed.

23.6 *NON-COMPLIANCE WITH COMMUNITY SERVICE REQUIREMENT*

A. Initial Noncompliance

Violation of the service requirement is grounds for nonrenewal of the lease at the end of the twelve-month lease term.

If the tenant or another family member has violated the community service requirement, the HHA may not renew the lease upon expiration of the twelve-month term of the lease, unless the tenant and any other noncompliant family member enter into a written agreement with the HHA.

Under this agreement the tenant or noncompliant family member must agree to cure the noncompliance by completing the additional hours of community service or economic self-sufficiency needed to make up the total number of hours required, over the twelve-month term of the new lease. In addition, all other members of the family who are subject to the service requirement must be currently complying with the service requirement or must no longer be residing in the unit.

If the HHA determines that there is a family member who is required to fulfill a service requirement, but who has failed to comply with this obligation (noncompliant resident), the HHA will notify the tenant of this determination.

The notice to the tenant must briefly describe the noncompliance. The notice must state that the HHA will not renew the lease at the end of the twelve-month lease term unless the tenant, and any other noncompliant resident, enter into a written agreement with the HHA to cure the noncompliance, or the family provides written assurance satisfactory to the HHA that the tenant or other noncompliant resident no longer resides in the unit.

The notice will also state that the tenant may request a grievance hearing on the HHA's determination, in accordance with the HHA's grievance procedures, and that the tenant may exercise any available judicial remedy to seek timely redress for the HHA's nonrenewal of the lease because of the HHA's determination.

The family will have 10 business days from the date of the notice of noncompliance to enter into a written agreement to cure the noncompliance over the 12-month term of the new lease, provide documentation that the noncompliant resident no longer resides in the unit, or to request a grievance hearing.

If the family reports that a noncompliant family member is no longer residing in the unit, the family must provide documentation that the family member has actually vacated the unit before the HHA will agree to continued occupancy of the family. Documentation must consist of a certification signed by the head of household as well as evidence of the current address of the family member that previously resided with them.

If the family does not request a grievance hearing or does not take either corrective action required by the notice of noncompliance within the required 10 business day timeframe, the HHA will terminate tenancy.

B. Continued Noncompliance

If, after the 12-month cure period, the family member is still not compliant, the HHA will terminate tenancy of the entire family, according to the HHA's lease.

Notices of continued noncompliance will be sent at least 30 days prior to the end of the lease term and will also serve as the family's termination notice.

The family will have 10 business days from the date of the notice of noncompliance to provide documentation that the noncompliant resident no longer resides in the unit, or to request a grievance hearing.

If the family reports that a noncompliant family member is no longer residing in the unit, the family must provide documentation that the family member has actually vacated the unit before the HHA will agree to continued occupancy of the family. Documentation must consist of a certification signed by the head of

household as well as evidence of the current address of the noncompliant family member that previously resided with them.

If the family does not request a grievance hearing, or provide such documentation within the required 10 business day timeframe, the family's lease and tenancy will automatically terminate at the end of the current lease term without further notice.

23.7 *CHANGE IN STATUS*

If an exempt individual becomes nonexempt during the twelve-month lease term, it is the family's responsibility to report this change to the HHA within 10 business days.

Within 10 business days of a family reporting such a change, or the HHA determining such a change is necessary, the HHA will provide written notice of the effective date of the requirement, a list of agencies in the community that provide volunteer and/or training opportunities, as well as a documentation form on which the family member may record the activities performed and number of hours contributed.

The effective date of the community service requirement will be the first of the month following 30-day notice.

If a nonexempt person becomes exempt during the twelve-month lease term, it is the family's responsibility to report this change to the HHA within 10 business days. Any claim of exemption will be verified by the HHA.

23.8 *PROHIBITION AGAINST REPLACEMENT OF AGENCY EMPLOYEES*

In implementing the service requirement, the Hudson Housing Authority may not substitute community service or self-sufficiency activities performed by residents for work ordinarily performed by its employees, or replace a job at any location where residents perform activities to satisfy the service requirement.

23.9 *FRAUD*

Submission of a fraudulent Community Service Self-Sufficiency Requirement (CSSR) certifications will be addressed by the housing authority on case-by-case basis in accordance with HUD regulations and applicable law.

24.0 EFFECTIVE DATE OF RENT CHANGES FOR ANNUAL REEXAMINATIONS

The new rent will generally be effective September 1st unless extenuating circumstances apply, with thirty (30) days' notice of any rent increase to the family.

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

If the new rent is a reduction and the delay is beyond the control of the family, the reduction will be effective as scheduled on September 1st.

If the family caused a delay in reporting then any increase will be effective retroactively from the date upon which it should have been effective had it been reported timely.

24.1 INTERIM REPORTING AND PROCESSING POLICIES

The following interim policies will be used BEFORE the HHA'S 102/104 compliance date as established by HUD unless noted otherwise.

Families must report household composition changes and changes to income and deductions consistent with HUD and HHA requirements.

This section describes how soon families must report changes and the consequences of untimely reporting as it relates to effective dates. Other consequences are described in the section addressing program termination.

An interim examination will be conducted within a reasonable period after the family's request or after the HHA becomes aware of an increase in the family's adjusted income. The HHA generally will conduct the interim reexamination not longer than 30 days after the HHA becomes aware of changes in income necessitating an interim examination.

Families are required to report the following changes to the Hudson Housing Authority between regular reexaminations. If the family's rent is being determined under the income method, these changes will result in an interim reexamination. The family shall report these changes within ten (10) days of their occurrence.

- A. Any increase in income or decrease in allowable expenses between annual reexaminations.

- B. A member has been added to the family through birth or adoption or court-awarded custody.
- C. A household member is leaving or has left the family unit.

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

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

An interim examination will be conducted within a reasonable period after the family's request or after the HHA becomes aware of an increase in the family's adjusted income. The HHA generally will conduct the interim reexamination not longer than 30 days after the HHA becomes aware of changes in income necessitating an interim examination.

After the HHAs HOTMA 102/104 compliance date Interim Examinations will be required as follows:

1. When the family reports a change in income that will result in an increase of 10% or more in annual adjusted income.

The HHA will look at the earned and unearned income changes independently to determine if an interim reexamination should be performed by the HHA.

The HHA will not include increases in earned income when estimating or calculating whether the family's adjusted income has increased, unless the family has previously received an interim reduction during the same reexamination cycle. This reduction may have been due to earned income, unearned income, or a combination thereof.

A series of smaller reported increases in adjusted income over the examination cycle may cumulatively meet or exceed the 10-percent increase threshold, at which point the HHA must conduct an interim reexamination.

While families are still required to report any increase in annual adjusted income, no interim reexaminations will be conducted due to increases in annual adjusted income timely reported in the 3 months before the next regular annual examination effective date.

(Families who delay reporting income increases until the last three months of their certification period may be subject to retroactive rent increases in accordance with the HHA policies.

2. When there is a decrease in annual adjusted income of 10 percent or more.
3. When there is a decrease in family size attributed to the death or permanent move-out from the assisted unit of a family member during the period since the family's last reexamination that results in a **decrease in adjusted income of any amount**. (This need not meet the 10% threshold for decreases set forth in the above paragraph.)

Note: If the net effect of the changes in annual adjusted income due to a decrease in family size results in an increase in annual adjusted income, then the HHA will process the removal of the household member(s) as a non-interim reexamination transaction without making changes to the family's annual adjusted income.

4. When there is an increase in family size, that will result in an increase of 10% or more in annual adjusted income.

Note: If the increase in annual adjusted income is less than 10%, the HHA will perform a non-interim to add the new family member.

When the family is requesting that a new family member be added to the household composition, advance approval is required unless is due to birth adoption or court awarded custody. Reporting is always required.

24.2 INTERIM REEXAMINATION IN RELATION TO REQUESTED ADDITION TO THE LEASE

In order to add a household member other than through birth or adoption (including a live-in aide), the family must request that the new member be added to the lease. The HHA will approve such addition only if the individual meets all screening and eligibility criteria within this ACOP, including meeting the definition of family and the addition of such member will not result in overcrowding within the dwelling unit. Before adding the new member to the lease, the individual must complete an application form stating their income, assets, and all other information required of an applicant. The individual must provide their Social Security number and must verify their citizenship/eligible immigrant status. Housing will not be delayed due to delays in verifying eligible immigrant status

other than delays caused by the family. The new family member will go through the screening process similar to the process for applicants.

The Hudson Housing Authority will determine the eligibility of the individual before adding them to the lease. If the individual is found to be ineligible or does not meet the screening criteria, they will be advised in writing and given the opportunity for an informal review. If they are found to be eligible and do pass the screening criteria, their name will be added to the lease. At the same time, if the family's rent is being determined under the income method, the family's annual income will be recalculated taking into account the circumstances of the new family member.

24.3 SPECIAL REEXAMINATIONS

If a family's income is too unstable to determine, including families that temporarily have no income (0 renters) or have a temporary decrease in income, the Hudson Housing Authority may schedule special reexaminations every sixty (60) days until the income stabilizes and an annual income can be determined.

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

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

If the new rent is a reduction and the family caused the delay or did not report the change in a timely manner, the change will be effective the first of the month after the change requiring the adjustment occurred (i.e. when the family should have reported). However, this may be waived by the HHA if the HHA determines that exceptional circumstances apply such as the sickness or hospitalization of a family member, pandemic or state of emergency causing the delay in the provision of information. In such cases, the change may be made effective retroactive to the first of the month after the interim reexamination would have been completed the family provided the information in a timely manner.

In applying a retroactive change in rent or family share as the result of an interim reexamination, the HHA will clearly communicate the effect of the retroactive adjustment to the family.

24.5. OTHER INTERIM POLICIES APPLICABLE PRE AND POST HOTMA COMPLIANCE DATE

The following applies to interim reexaminations:

Calculated percentage increases and decreases less than 10% be rounded up (.50 and above) or down (.49 and below) to the nearest whole number.

The HHA will conduct any required interim reexamination within a “reasonable time.” This will be 30 days after changes are reported provided that verification is received within 21 days from reporting change.

An appointment will be scheduled by the HHA to conduct the interim examination.

Nothing in this section should be construed to limit the ability to require an interim examination by the HHA in other circumstances when not prohibited under federal regulations, HUD guidance or other applicable law. The HHA retains the discretion to conduct an interim review if the circumstances require.

24.6 OVER INCOME IN PUBLIC HOUSING DETERMINATION

If at an interim examination a determination is made that the family is over-income in Public Housing, the family will undergo a reexamination every twelve (12) months thereafter, pursuant to the notification and examination requirements in this document and the regulations addressing Over-Income in Public Housing Families.

Generally during an interim reexamination, only the information affected by the changes being reported will be reviewed and verified. If the interim reexamination is related to the over-income in public housing requirements, the HHA reserves the right to review any information relevant to the income determination.

24.7 MANNER OF REPORTING AND EFFECTIVE DATE OF RECERTIFICATION

It is obligation of the family to report changes to the HHA. It is the policy of the HHA to require that the family report these changes within the time frames set forth above and in writing and provide verification of the same. Failure to do so may result in eviction.

The HHA will perform an interim recertification when such information is reported and

verified by the HHA and required under regulation and/or this ACOP.

The effective date of the interim recertification will depend on the timeliness of the family's reporting of the change to the HHA, the HHA's receipt of requested documentation and appropriate verification.

25.0 NON-INTERIM REEXAMINATION TRANSACTIONS

This section applies after the HHA'S HOTMA 102/104 Compliance Date.

There may be changes within the household that still need to be reported to HUD that do not require an interim reexamination. These are called non-interim reexaminations. Examples are as follows:

- Adding or removing a hardship exemption for the child-care expense deduction;
- Updating or removing the phased-in hardship relief for the health and medical care expense deduction and/or reasonable attendant care and auxiliary apparatus expense deduction;
- Adding or removing general hardship relief for the health and medical care expense deduction and/or reasonable attendant care and auxiliary apparatus expense deduction;
- Adding or removing a minimum rent hardship;
- Adding or removing a non-family member (i.e., live-in aide, foster child, foster adult);
- Ending a family's EID or excluding 50 percent (decreased from 100%) of a family member's increase in employment income at the start of the second 12-month EID period.
- Adding a family member and the increase in adjusted income does not trigger an interim reexamination under the final rule;
- Removing a family member and the increase in adjusted income does not trigger an interim reexamination under the final rule;
- Adding/updating a family or household member's Social Security number;
- Updating a family member's citizenship status from eligible to ineligible or vice versa, resulting in a change to the family's rent and/or utility reimbursement, if applicable (i.e., family begins receiving prorated assistance or previously prorated assistance becomes full assistance), or updating the prorated rent calculation due to the addition or removal of family members in household with an ineligible noncitizen(s).

25.1 INTERIM REEXAMINATIONS TO DETERMINE PUBLIC HOUSING OVER-INCOME STATUS (PUBLIC HOUSING ONLY)

Where applicable, the HHA will conduct and interim reexaminations of Public Housing families to determine whether they continue to exceed the income limit. When the HHA makes an initial determination that a Public Housing family is over-income during an interim reexamination, the HHA will conduct a second interim reexamination 12 months after the over-income determination, and then again 12 months after the second over-income determination, unless the family's income falls below the over-income limit during the 24-month period. (See also over income in public housing section of this ACOP)

25.2 HOUSING AUTHORITY MISTAKES IN CALCULATING RENT

De minimis errors occur when the HHA's determination of a family's income deviates from the correct income determination by no more than \$30 per month in monthly adjusted income (or \$360 in annual adjusted income). HUD may revise the threshold amount that constitutes a "de minimis error" through rulemaking. The HHA will not be issued a finding by HUD for de minimis errors in income calculation.

All errors, whether or not they are de minimis, will be addressed by the HHA in relation to the family as follows:

A. HHA Error

(i) Underpayment by the Family

Families will not be required to repay HHA in instances where HHA miscalculated income resulting in a family being undercharged for rent. Once the HHA becomes aware of the error the family will be provided with a 30-day notice of the increase to their rent portion.

(i) Overpayment by the Family

The HHA will take corrective action to credit or repay a family if the family was overcharged tenant rent, including de minimis errors, in the income determination. A credit will be mailed to the family within 1 month of the HHA becoming aware of the

error and will be retroactive to the date the determination should have taken place without the HHA error.

B. Family Caused Error

(ii) Underpayment by the Family

Families will be required to repay HHA in instances where family caused error resulted in family being undercharged for rent. The reduction will be effective the first of the month after the reexamination should have been completed and this will be made retroactive. The HHA will perform a retroactive adjustment calculation and offer a repayment agreement for the same. In certain cases such as fraud or misrepresentation the HHA may elect to evict the family in accordance with the lease.

(i) Overpayment by the Family

If the new rent is a reduction and the family caused the delay or did not report the change in a timely manner, the change will be effective the first of the month after the adjustment is made by the HHA. However, this may be waived by the HHA if the HHA determines that exceptional circumstances apply, such as the sickness or hospitalization of a family member, pandemic or state of emergency causing the delay in the provision of information. In such cases, the change may be made effective retroactive to the first of the month after the interim reexamination would have been completed had the family provided the information in a timely manner.

In applying a retroactive change in rent or family share, the HHA will clearly communicate the effect of the retroactive adjustment to the family.

26.0 OVER-INCOME IN PUBLIC HOUSING RULE

26.1 INTRODUCTION

Families participating in the public housing program must not have incomes that exceed *the over-income limit, as defined in the public housing over-income rule for more than twenty-four (24) consecutive months. The definition and relevant procedures are generally set forth below.

For continued occupancy, after a family's income has exceeded the HUD established

very low-income (VLI) level⁵ for the area multiplied by 2.4 for two consecutive years, the HHA will charge the family a monthly rent equal to the greater of (1) the applicable Fair Market Rent (FMR); or (2) the amount of monthly subsidy for the unit including amounts from the operating and capital fund, as determined in the manner established by HUD. This figure is published by HUD annually and will be posted at the HHA's main office. It is hereby incorporated into the ACOP.

26.2 INITIAL NOTICE OF OVER-INCOME DETERMINATION (FIRST NOTICE) [24 CFR 960.507 (C)(1)]

If the HHA determines the family has exceeded the over-income limit pursuant to an income examination, the HHA will provide written notice to the family of the over-income determination no later than thirty (30) days after the income examination. The notice will state that the family has exceeded the over-income limit and continuing to exceed the over-income limit for a total of twenty-four (24) consecutive months will result in the HHA following its continued occupancy policy for over-income families as set forth herein. Specifically, at the expiration of twenty-four (24) months, the family will be required execute the Nonpublic Housing Lease and pay the alternative non-public housing rent and that failure to do so will result in termination of tenancy.

The HHA will afford the family an opportunity for an informal hearing if the HHA makes the determination that the family has exceeded the over-income limit, if the family disputes within a reasonable time

26.3 EXAMINATION AND NOTIFICATION OF 12-MONTH OVER-INCOME DETERMINATION (SECOND NOTICE) [24 CFR 960.507 (C)(2)]

The HHA will conduct an income examination twelve (12) months after the initial over-income determination described in the prior section, unless the HHA determined the family's income fell below the over-income limit since the initial over-income determination. If the HHA determines the family has exceeded the over-income limit for twelve (12) consecutive months, the HHA will provide written notification of this 12-month over-income determination no later than thirty (30) days after the income examination that led to the 12-month over-income determination.

The notice will state that:

⁵ . HUD's income limits are developed by HUD's Office of Policy Development and Research and are updated annually by HUD.

The family has exceeded the over-income limit for twelve (12) consecutive months and continuing to exceed the over-income limit for a total of twenty-four (24) consecutive months will result in the HHA following its continued occupancy policy for over-income families. Specifically, at the expiration of twenty-four (24) months, the family will be required execute the Nonpublic Housing Lease and pay the alternative non-public housing rent and that failure to do so will result in termination of tenancy.

The notice will include an estimate (based on current data) of the alternative non-public housing rent for the family's unit. The HHA will afford the family an opportunity for a hearing if the family disputes within a reasonable time the HHA's determination that the family has exceeded the over-income limit.

The HHA will afford the family an opportunity for a hearing if the HHA makes the determination that the family has exceeded the over-income limit, if the family disputes within a reasonable time.

26.4 EXAMINATION AND NOTIFICATION OF 24-MONTH OVER-INCOME DETERMINATION (THIRD NOTICE)

The HHA must conduct an income examination twenty-four (24) months after the initial over-income determination unless the HHA determined the family's income fell below the over-income limit since the second over-income determination.

If the HHA determines the family has exceeded the over-income limit for twenty-four (24) consecutive months, then the HHA shall provide written notification of this 24-month over-income determination no later than thirty (30) days after the income examination that led to the 24-month over-income determination. The notice will state:

- (i) That the family has exceeded the over-income limit for twenty-four (24) consecutive months;
- (ii) That the HHA will charge the family the alternative non-public housing rent in accordance with its continued occupancy policy for over-income families; and
- (iii) That the HHA is presenting the family with a new lease, in accordance with the requirements at § 960.509, and inform the family that the lease must be executed no later than sixty (60) days of the date of the notice or at the next lease renewal, whichever is sooner.

The HHA will afford the family an opportunity for a hearing if the family disputes within a reasonable time the HHA's determination that the family has exceeded the over-income limit.

26.5 *NON-PUBLIC HOUSING OVER INCOME LEASE*

The Non-Public Housing Over Income Lease (NPHOI) lease will comply with the provision set forth in 24 CFR 960.509

The lease will be for an initial term of one year and will extend month to month automatically thereafter until either party provides a thirty (30) day notice of nonrenewal.

26.6 *NPHOI LEASE EXECUTION TIMEFRAMES*

The family will be required to execute the NPHOI lease no later than sixty (60) days of the date of the notice or at the next lease renewal, whichever is sooner.

If the tenant does not execute the lease within the timeframe set forth in the notice, the HHA will commence the process to terminate the tenancy.

Upon a showing of good cause by the family, the HHA may permit an over-income family to execute the lease beyond the time period stated within the notice, but before termination of the tenancy, if the over-income family pays the HHA the total difference between the alternative non-public housing rent and their public housing rent, dating back to the point in time that the over-income family was required to execute the lease.

26.7 *ALTERNATIVE NON- PUBLIC HOUSING RENT*

The alternative non-public housing rent is a rent that is equal to the greater of

1. The applicable fair market rent, as defined in 24 CFR part 888, subpart A, for the unit; or
2. The amount of the monthly subsidy provided for the unit, which will be determined by adding the per unit assistance provided to a public housing property as calculated through the applicable formulas for the Public Housing Capital Fund and Public Housing Operating Fund.

- a) For the Public Housing Capital Fund, the amount of Capital Funds provided to the unit will be calculated as the per unit Capital Fund assistance provided to a HHA for the development in which the family resides for the most recent funding year for which Capital Funds have been allocated;
- b) For the Public Housing Operating Fund, the amount of Operating Funds provided to the unit will be calculated as the per unit amount provided to the public housing project where the unit is located for the most recent funding year for which a final funding obligation determination has been made;
- c) HUD will publish such funding amounts no later than December 31st of each year.

This figure will be posted at the HHA's main office. It is hereby incorporated into the ACOP.

26.8 GRACE PERIOD

The two-year time limit will begin at the first annual or interim rectification effective date (for purposes of this rule the effective date shall be the date the recertification becomes effective) where the family's income exceeds the over income limit as described above.

If the effective date is retroactive because the family did not report an income increase to HHA in a timely manner under HHA policy the effective date shall be the retroactive effective date. The HHA will fully document in the file when the family is over income under this provision and commence tracking as required under this rule.

The HHA will notify a family of the potential changes to monthly rent after one year of the family's income exceeding the over-income limit. This notification will inform the family that their income has exceeded the over income limit for one year and that if their income continues to exceed the over income limit for the next 12 consecutive months the family will be subject to a higher rent based on HHA policy. If the family's income decreases to a level where they are below the over -income limit, they are entitled to a new 24-month grace period and new over-income notices as applicable if the income once again exceeds the applicable over -income limit.

If two years after the applicable annual or interim reexamination the family's income

continues to exceed the applicable over-income limit, the HHA will charge the family a rent that is equal to the greater of (1) the applicable Fair Market Rent (FMR); or (2) the amount of monthly subsidy for the unit. The HHA will notify the family in writing of their new rent amount. The new rent amount will be effective the first of the month after the month in which the family receives a 30-day notice of the amount.

26.9 PARTICIPATION IN PUBLIC HOUSING PROGRAMS AND ACTIVITIES BY NON-PUBLIC HOUSING OVER-INCOME FAMILIES

All non-public housing over-income families are precluded from participating in a public housing tenant council.

Non-public housing over-income families cannot participate in programs that are only for public housing or low-income families.

Non-public housing over-income families are exempt from the Community Service Self-Sufficiency Requirements.

26.10 GRIEVANCES AND NPHOI FAMILIES

The HHA may offer hearing or grievance procedures where applicable at the discretion of the HHA.

26.11 ANNUAL REEXAMINATIONS AND NPHOI FAMILIES

HHA may not conduct an annual reexamination of family income for an NPHOI family. The NPHOI family may voluntarily subject itself to an examination to qualify for a NPHOI preference if they become income eligible after program termination.

26.12 INCOME ELIGIBILITY AFTER 24 MONTHS OF OVER-INCOME WHILE STILL RESIDING IN THE HHA PUBLIC HOUSING UNIT UNDER THE NPHOI LEASE

The HHA has adopted a preference for admission of non-public housing over-income families paying the alternative nonpublic housing rent and are on a HHA non-public housing over-income (NPHOI) lease, who become an income-eligible low-income family as defined in 24 CFR § 5.603(b) and are eligible for admission to the public housing program.

They will be treated as applicants and all legally required screening and/or eligibility determination criteria for the public housing shall apply.

27.0 UNIT TRANSFERS

27.1 OBJECTIVES OF THE TRANSFER POLICY

The objectives of the Transfer Policy include the following:

- A. To address emergency situations.
- B. To facilitate a relocation when required for modernization or other management purposes.
- C. To facilitate relocation of families with inadequate housing accommodations.
- D. To eliminate vacancy loss and other expenses due to unnecessary transfers.

27.2 CATEGORIES OF TRANSFERS

Administrative Transfers. These transfers are determined necessary at the discretion of the executive director for a sound administrative reason when conditions pose an immediate threat to the life, health, or safety of a family or one of its members and necessary repairs cannot be made within a reasonable time. Such situations may involve defects of the unit or the building in which it is located, the health condition of a family member, a hate crime, the safety of witnesses to a crime, or a law enforcement matter particular to the neighborhood. This includes VAWA Transfers in Accordance with the HHA's VAWA Emergency Transfer Policy.

These transfers are also necessary in order to permit a family needing accessible features to move to a unit with such a feature or to enable modernization work to proceed.

Good Cause Transfers. These transfers are necessary to allow for non-emergency but medically advisable transfers, reasonable accommodation transfers and other transfers approved by the Hudson Housing Authority when a transfer is the only or best way of solving a serious problem.

27.3 DOCUMENTATION

When the transfer is at the request of the family, the family may be required to provide third party verification of the need for the transfer.

27.4 PROCESSING TRANSFERS

Transfers on the waiting list will be sorted by the above categories and within each category by date and time.

Administrative Transfers will be housed ahead of Cause Transfers, and Cause Transfers will be housed ahead of any other families, including those on the applicant waiting list.

Upon offer and acceptance of a unit, the family will execute all lease up documents and pay any rent and/or security deposit within two (2) days of being informed the unit is ready to rent. The family will be allowed seven (7) days to complete a transfer. The family will be responsible for paying rent at the old unit as well as the new unit for any period of time they have possession of both. The prorated rent and other charges (key deposit and any additional security deposit owing) must be paid at the time of lease execution.

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

- A. If the family rejects with good cause any unit offered, they will not lose their place on the transfer waiting list.
- B. If the transfer is being made at the request of the Hudson Housing Authority and the family rejects two offers without good cause, the Hudson Housing Authority will take action to terminate their tenancy.

27.5 COST OF THE FAMILY'S MOVE

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

- A. When the transfer is made at the request of the family or by others on behalf of the family (i.e. by the police);

B. When the transfer is necessitated because a family with disabilities needs the accessible unit into which the transferring family moved (The family without disabilities signed a statement to this effect prior to accepting the accessible unit); or

C. When the transfer is needed because action or inaction by the family caused the unit to be unsafe or uninhabitable.

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

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

B. When action or inaction by the Hudson Housing Authority has caused the unit to be unsafe or inhabitable; or

C. Reasonable Accommodation Transfers.

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

27.6 TENANTS IN GOOD STANDING

In the absence of mitigating circumstances deemed sufficient by the HHA a transfer at the request of the family will not be approved unless the family is in good standing with the Hudson Housing Authority. This means the family must be in compliance with their lease, current in all payments to the Housing Authority, and must pass a housekeeping inspection.

27.7 TRANSFER REQUESTS

A tenant may request a transfer at any time by completing a transfer request form. In considering the request, the Hudson Housing Authority may request a meeting with the tenant to better understand the need for transfer and to explore possible alternatives. The Hudson Housing Authority will review the request in a timely manner and if a meeting is desired, it shall contact the tenant within ten (10) business days of receipt of the request to schedule a meeting.

The Hudson Housing Authority will grant or deny the transfer request in writing within

ten (10) business days of receiving the request or holding the meeting, whichever is later.

If the transfer is approved, the family's name will be added to the transfer waiting list.

If the transfer is denied, the denial letter will advise the family of their right to utilize the grievance procedure.

27.8 *RIGHT OF THE HUDSON HOUSING AUTHORITY IN TRANSFER POLICY*

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

27.9 *TRANSFERS UNDER THE VIOLENCE AGAINST WOMEN ACT*

As required by HUD the HHA has adopted an Emergency Transfer Plan to allow tenants who are victims of domestic violence, dating violence, sexual assault, or stalking to request an emergency transfer from the tenant's current unit to another unit. The Emergency Transfer Plan under VAWA was adopted by the HHA and is incorporated herein by reference. VAWA transfers will be considered Emergency Administrative Transfers and will be housed before Cause Transfers, where applicable, and before families on the applicant waiting list. Any transfer provisions not covered within the ETP will be governed by this ACOP language unless inconsistent with VAWA regulations or otherwise prohibited by law.

28.0 *INSPECTIONS*

An authorized representative of the Hudson Housing Authority and an adult family member will inspect the premises prior to commencement of occupancy. A written statement of the condition of the premises will be made, all equipment will be provided, and the statement will be signed by both parties with a copy retained in the Hudson Housing Authority file and a copy given to the family member. An authorized Hudson Housing Authority representative will inspect the premises at the time the resident vacates and will furnish a statement of any charges to be made provided the resident turns in the proper notice under State law. The resident's security deposit, if applicable, can be used to offset against any Hudson Housing Authority damages to the unit.

The HHA shall use the National Standards for the Physical Inspection of Real Estate (NSPIRE) and the Massachusetts State Sanitary Code, to conduct annual project

inspections. These standards address the inspection of the site area, building systems and components, and dwelling units.

The HHA's Maintenance plan governs maintenance and prevention or eradication of pest infestation. Individual contracts may supplement this Plan.

28.1 *MOVE-IN INSPECTIONS*

The Hudson Housing Authority and an adult member of the family will inspect the unit prior to signing the lease. Both parties will sign a written statement of the condition of the unit. A copy of the signed inspection will be given to the family and the original will be placed in the tenant file.

28.2 *ANNUAL INSPECTIONS*

The Hudson Housing Authority will inspect each public housing unit annually to ensure that each unit meets the National Standards for the Physical Inspection of Real Estate and the Massachusetts State Sanitary Code. Work orders will be submitted and completed to correct any deficiencies.

28.3 *PREVENTATIVE MAINTENANCE INSPECTIONS*

This is generally conducted along with the annual inspection. This inspection is intended to keep items in good repair. It checks weatherization; checks the condition of the smoke detectors, water heaters, furnaces, automatic thermostats and water temperatures; checks for leaks; and provides an opportunity to change furnace filters and provide other minor servicing that extends the life of the development units and associated equipment. This is done as part of the Preventative Maintenance Program.

28.4 *SPECIAL INSPECTIONS*

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

28.5 *HOUSEKEEPING INSPECTIONS*

Generally, at the time of annual reexamination, or at other times as necessary, the Hudson Housing Authority will conduct a housekeeping inspection to ensure the family is maintaining the unit in a safe and sanitary condition.

28.6 NOTICE OF INSPECTION

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

28.7 EMERGENCY INSPECTIONS

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

29.0 PET POLICY

29.1 EXCLUSIONS

This policy does not apply to animals that are used to assist persons with disabilities. Assistive animals are allowed in all public housing facilities with no restrictions other than those imposed on all tenants to maintain their units and associated facilities in a decent, safe, and sanitary manner and to refrain from disturbing their neighbors. This is governed under the HHA's Reasonable Accommodation and Modifications in Housing Policy.

29.2 PETS IN PUBLIC HOUSING

The Hudson Housing Authority allows for pet ownership in its developments with the written pre-approval of the Housing Authority. Residents are responsible for any damage caused by their pets, including the cost of fumigating or cleaning their units. In exchange for this right, resident assumes full responsibility and liability for the pet and agrees to hold the Hudson Housing Authority harmless from any claims caused by an action or inaction of the pet.

29.3 *APPROVAL*

Residents must have the prior written approval of the Housing Authority before moving a pet into their unit. Residents must request approval on the Authorization for Pet Ownership Form that must be fully completed before the Housing Authority will approve the request. Residents must give the Housing Authority a picture of the pet so it can be identified if it is running loose.

29.4 *TYPES AND NUMBER OF PETS*

The Hudson Housing Authority will allow only common household pets. This means only domesticated animals such as a dog, cat, bird, and rodent (including a rabbit) will be allowed in units. Caged animals such as fish in aquariums or a turtle are excepted from the policy. Common household pets do not include reptiles (except turtles). If this definition conflicts with a state or local law or regulation, the state or local law or regulation shall govern.

All dogs and cats must be spayed or neutered before they become six months old. A licensed veterinarian must verify this fact.

Only one (1) pet per unit will be allowed. Existing situations may be grandfathered at the discretion of the Authority, however, pets may not exceed two.

Any animal deemed to be potentially harmful to the health or safety of others, including attack or fight trained dogs, will not be allowed.

No animal may exceed twenty (20) pounds in weight projected to full adult size.

29.5 *INOCULATIONS*

In order to be registered, pets must be appropriately inoculated against rabies, distemper and other conditions prescribed by state and/or local ordinances. They must comply with all other state and local public health, animal control, and anti-cruelty laws including any licensing requirements. A certification signed by a licensed veterinarian or state or local official shall be annually filed with the Hudson Housing Authority to attest to the inoculations.

29.6 PET DEPOSIT

Currently there is no pet deposit required.

29.7 FINANCIAL OBLIGATION OF RESIDENTS

Any resident who owns or keeps a pet in their dwelling unit will be required to pay for any damages caused by the pet. Also, any pet-related insect infestation in the pet owner's unit will be the financial responsibility of the pet owner and the Hudson Housing Authority reserves the right to exterminate and charge the resident.

29.8 NUISANCE OR THREAT TO HEALTH OR SAFETY

The pet and its living quarters must be maintained in a manner to prevent odors and any other unsanitary conditions in the owner's unit and surrounding areas.

Repeated substantiated complaints by neighbors or Hudson Housing Authority personnel regarding pets disturbing the peace of neighbors through noise, odor, animal waste, or other nuisance may result in the owner having to remove the pet or move him/herself.

Pets who make noise continuously and/or incessantly for a period of 10 minutes or intermittently for one half hour or more to the disturbance of any person at any time of day or night shall be considered a nuisance.

29.9 DESIGNATION OF PET AREAS

Pets must be kept in the owner's apartment or on a leash at all times when outside the unit (no outdoor cages may be constructed). Pets will be allowed only in designated areas on the grounds of the property if the Hudson Housing Authority designates a pet area for the particular site. Pet owners must clean up after their pets and are responsible for disposing of pet waste.

With the exception of assistive animals, no pets shall be allowed in the community room, community room kitchen, laundry rooms, public bathrooms, lobby, beauty shop, hallways or office in any of our sites.

To accommodate residents who have medically certified allergic or phobic reactions to dogs, cats, or other pets, those pets may be barred from certain wings (or floors) in our

development(s)/(building(s)). This shall be implemented based on demand for this service.

29.10 MISCELLANEOUS RULES

Pets may not be left unattended in a dwelling unit for over ten (10) hours. If the pet is left unattended and no arrangements have been made for its care, the HA will have the right to enter the premises and take the uncared-for pet to be boarded at a local animal care facility at the total expense of the resident.

Pet bedding shall not be washed in any common laundry facilities.

Residents must take appropriate actions to protect their pets from fleas and ticks.

All dogs must wear a tag bearing the resident's name and phone number and the date of the latest rabies inoculation.

Pets cannot be kept, bred or used for any commercial purpose.

Residents owning cats shall maintain waterproof litter boxes for cat waste. Refuse from litter boxes shall not accumulate or become unsightly or unsanitary. Litter shall be disposed of in an appropriate manner.

A pet owner shall physically control or confine his/her pet during the times when Housing Authority employees, agents of the Housing Authority or others must enter the pet owner's apartment to conduct business, provide services, enforce lease terms, etc.

If a pet causes harm to any person, the pet's owner shall be required to permanently remove the pet from the Housing Authority's property within 24 hours of written notice from the Housing Authority. The pet owner may also be subject to termination of his/her dwelling lease.

A pet owner who violated any other conditions of this policy may be required to remove his/her pet from the development within 10 days of written notice from the Housing Authority. The pet owner may also be subject to termination of his/her dwelling lease.

The Housing Authority's grievance procedures shall be applicable to all individual grievances or disputes arising out of violations or alleged violations of this policy.

29.11 VISITING PETS

Pets that meet the size and type criteria outlined above may visit the projects/buildings where pets are allowed for up to two weeks without Hudson Housing Authority approval. Tenants who have visiting pets must abide by the conditions of this policy regarding health, sanitation, nuisances, and peaceful enjoyment of others. If visiting pets violate this policy or cause the tenant to violate the lease, the tenant will be required to remove the visiting pet.

29.12 REMOVAL OF PETS

The Hudson Housing Authority, or an appropriate community authority, shall require the removal of any pet from a project if the pet's conduct or condition is determined to be a nuisance or threat to the health or safety of other occupants of the project or of other persons in the community where the project is located.

In the event of illness or death of pet owner, or in the case of an emergency which would prevent the pet owner from properly caring for the pet, the Hudson Housing Authority has permission to call the emergency caregiver designated by the resident or the local Pet Law Enforcement Agency to take the pet and care for it until family or friends would claim the pet and assume responsibility for it. Any expenses incurred will be the responsibility of the pet owner.

30.0 SMOKE FREE POLICY

The HHA has adopted a Smoke Free Housing Policy to promote and enforce a smoke-free living environment for the protection of all tenants of the Hudson Housing Authority.

The current HHA Smoke Free Housing Policy was adopted on June 7, 2018 and is incorporated herein by reference.

31.0 REPAYMENT AGREEMENTS

When a resident owes the Hudson Housing Authority back charges and is unable to pay the balance by the due date, the resident may request that the Hudson Housing Authority allow them to enter into a Repayment Agreement. The Hudson Housing Authority has the sole discretion of whether to accept such an agreement. All Repayment Agreements must

be in writing and signed by both parties. Failure to comply with the Repayment Agreement terms may subject the Resident to eviction procedures.

32.0 TERMINATION

32.1 *TERMINATION BY TENANT*

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

32.2 *TERMINATION BY THE HOUSING AUTHORITY*

The Hudson Housing Authority will not renew the lease of any family that is not in compliance with the community service requirement or an approved Agreement to Cure. If they do not voluntarily leave the property, eviction proceedings will begin.

The Hudson Housing Authority will terminate the lease for serious or repeated violations of material lease terms. Such violations include but are not limited to the following:

- A. Nonpayment of rent or other charges;
- B. A history of late rental payments;
- C. Failure to provide timely and accurate information regarding family composition, income circumstances, or other information related to eligibility or rent;
- D. Failure to allow inspection of the unit;
- E. Failure to maintain the unit in a safe and sanitary manner;
- F. Assignment or subletting of the premises;
- G. Use of the premises for purposes other than as a dwelling unit (other than for housing authority approved resident businesses);
- H. Destruction of property;

- I. Acts of destruction, defacement, or removal of any part of the premises or failure to cause guests to refrain from such acts;
- J. Any criminal activity on the property or drug-related criminal activity on or off the premises. This includes but is not limited to the manufacture of methamphetamine on the premises of the Hudson Housing Authority;
- K. Non-compliance with Non-Citizen Rule requirements;
- L. Permitting persons not on the lease to reside in the unit more than fourteen (14) days each year without the prior written approval of the Housing Authority; and
- M. Breach of the smoke free housing policy;
- N. Other good cause.

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

32.3 *PROPERTY LEFT UPON VACATING; ABANDONMENT*

If Resident has been evicted by court order, any personal property of Resident and members of Resident's household which has been left in the Apartment shall be removed from the Apartment, stored, and thereafter disposed of in accordance with State law. Resident will be liable for the actual costs of storage, packing, moving, and constable costs in accordance with State law;

If Resident and all members of his/her household have vacated the Apartment after giving a termination notice or after HHA has given a termination notice and personal property of Resident and members of Resident's household has been left in the Apartment, HHA may treat this property as abandoned and dispose of it;

If it appears to the HHA that Resident and all members of his/her household have abandoned the Apartment without notice, HHA shall send notice to Resident in accordance with this lease and the grievance procedure, terminating the lease based on apparent abandonment of the Apartment. Should Resident not respond to such notice prior to the termination date, HHA may treat personal property left in the apartment as abandoned and dispose of it; Before HHA disposes of Resident's personal property, HHA

shall notify Resident and the emergency contact person designated by Resident, if any, to receive such notice, by first class mail, properly addressed and stamped, to the last known address for such person(s), that:

- (1) The tenancy has been terminated, and Resident has left personal property in the Apartment;
- (2) Resident or Resident's designee has fifteen (15) days from the date the notice is sent in which to remove the personal property before it is disposed of as abandoned property; and
- (3) Resident is liable for use and occupancy of the Apartment for the period of time that the property remains in the premises.

The HHA may make reasonable arrangements with Resident or Resident's designee to extend the period to remove the property for good cause shown.

33.0 SIGNATURES AND SCANNED DOCUMENTS

33.1. USE OF ELECTRONIC SIGNATURES

Generally, the HHA requires original signatures on program documents and verification forms. At the discretion of the HHA the HHA may accept electronic signatures on a document unless it is precluded by HUD.

The electronic signature can take the form of either a scan of the individual's handwritten signature or an electronically inserted image intended to substitute for a signature. This electronic signature shall have the same force and effect as if the individual had affixed their original signature to a paper copy of the document so signed.

If at any time, the HHA has reason to believe that the signature referenced above was not made by the individual whose signature is on the document, the HHA may request additional documentation to verify the information and or require original signatures.

The HHA may also temporarily accept an electronic signature and require an original signature to be provided by a certain date, when circumstances warrant. In the event that the party does not provide the original signature by the date required by the HHA, the Housing Authority may take appropriate action including termination of lease, where applicable.

33.2. ORIGINAL DOCUMENTS

Generally, the HHA requires original program documents and verification forms⁶.

At the discretion of the HHA the HHA may accept a scanned document, an electronic copy, facsimile copy, photostatic copy or picture of a document sent through a cellular phone or similar device unless it is precluded by HUD.

If at any time, the HHA has reason to believe that documents have been altered or contain fraudulent information, the HHA may request additional documentation to verify the information and or require original documents.

The HHA may also temporarily accept a scanned document, an electronic copy, facsimile copy, photostatic copy or picture of a document sent through a cellular phone or similar device and require an original document be provided by a certain date and when circumstances warrant. In the event that the party does not provide the original signature by the date required by the HHA, the Housing Authority may take appropriate action including termination of the lease where applicable.

⁶ See 13.0 Verification, for the for HUD requirements with regard to verification.

Glossary

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

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

ADA means the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.).

Affiliated individual, for purposes of VAWA, with respect to an individual means:

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

ALJ means an administrative law judge appointed to HUD pursuant to 5 U.S.C. 3105 or detailed to HUD pursuant to 5 U.S.C. 3344.

Alternative non-public housing rent. A monthly rent equal to the greater of—

- (i) The applicable fair market rent, as defined in 24 CFR part 888, subpart A, for the unit; or
- (ii) The amount of the monthly subsidy provided for the unit, which will be determined by adding the per unit assistance provided to a public housing property as calculated through the applicable formulas for the Public Housing Capital Fund and Public Housing Operating Fund.

(A) For the Public Housing Capital Fund, the amount of Capital Funds provided to the unit will be calculated as the per unit Capital Fund assistance provided to a PHA for the development in which the family resides for the most recent funding year for which Capital Funds have been allocated;

(B) For the Public Housing Operating Fund, the amount of Operating Funds provided to the unit will be calculated as the per unit amount provided to the public housing project where the unit is located for the most recent funding year for which a final funding obligation determination has been made;

(C) HUD will publish such funding amounts no later than December 31 each year.

Annual contributions contract (ACC) means the written contract between HUD and a PHA under which HUD agrees to provide funding for a program under the 1937 Act, and the PHA agrees to comply with HUD requirements for the program.

Applicant means a person or a family that has applied for housing assistance.

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

Broadband infrastructure means cables, fiber optics, wiring, or other permanent (integral to the structure) infrastructure, including wireless infrastructure, that is capable of providing access to Internet connections in individual housing units, and that meets the definition of “advanced telecommunications capability” determined by the Federal Communications Commission under section 706 of the Telecommunications Act of 1996 (47 U.S.C. 1302).

Child means a member of the family other than the family head or spouse who is under 18 years of age.

Childcare expenses. Amounts anticipated to be paid by the family for the care of children under 13 years of age 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 charges for childcare. In the case of childcare necessary to permit employment, the amount deducted shall not exceed the amount of employment income that is included in annual income.

Citizen means a citizen or national of the United States.

Covered housing program for purposes of VAWA consists of the following HUD programs:

- (1) Section 202 Supportive Housing for the Elderly (12 U.S.C. 1701q), with implementing regulations at 24 CFR part 891.
- (2) Section 811 Supportive Housing for Persons with Disabilities (42 U.S.C. 8013), with implementing regulations at 24 CFR part 891.
- (3) Housing Opportunities for Persons With AIDS (HOPWA) program (42 U.S.C. 12901 et seq.), with implementing regulations at 24 CFR part 574.
- (4) HOME Investment Partnerships (HOME) program (42 U.S.C. 12741 et seq.), with implementing regulations at 24 CFR part 92.
- (5) Homeless programs under title IV of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11360 et seq.), including the Emergency Solutions Grants program (with implementing regulations at 24 CFR part 576), the Continuum of Care program (with implementing regulations at 24 CFR part 578), and the Rural Housing Stability Assistance program (with regulations forthcoming).
- (6) Multifamily rental housing under section 221(d)(3) of the National Housing Act (12 U.S.C. 17151(d)) with a below-market interest rate (BMIR) pursuant to section 221(d)(5), with implementing regulations at 24 CFR part 221.

(7) Multifamily rental housing under section 236 of the National Housing Act (12 U.S.C. 1715z-1), with implementing regulations at 24 CFR part 236.

(8) HUD programs assisted under the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.); specifically, public housing under section 6 of the 1937 Act (42 U.S.C. 1437d) (with regulations at 24 CFR Chapter IX), tenant-based and project-based rental assistance under section 8 of the 1937 Act (42 U.S.C. 1437f) (with regulations at 24 CFR chapters VIII and IX), and the Section 8 Moderate Rehabilitation Single Room Occupancy (with implementing regulations at 24 CFR part 882, subpart H).

(9) The Housing Trust Fund (12 U.S.C. 4568) (with implementing regulations at 24 CFR part 93).

Covered housing provider refers to the individual or entity under a covered housing program that has responsibility for the administration and/or oversight of VAWA protections and includes PHAs, sponsors, owners, mortgagors, managers, State and local governments or agencies thereof, nonprofit or for-profit organizations or entities. The program-specific regulations for the covered housing programs identify the individual or entity that carries out the duties and responsibilities of the covered housing provider as set forth in part 5, subpart L. For any of the covered housing programs, it is possible that there may be more than one covered housing provider; that is, depending upon the VAWA duty or responsibility to be performed by a covered housing provider, the covered housing provider may not always be the same individual or entity.

Covered person, for purposes of 24 CFR 5, subpart I, and parts 966 and 982, means a tenant, any member of the tenant's household, a guest or another person under the tenant's control.

Covered families, for purposes of 24 CFR part 5.615 Families who receive welfare assistance or other public assistance benefits (“welfare benefits”) from a State or other public agency (“welfare 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 such assistance.

Dating violence means violence committed by a person:

(1) Who is or has been in a social relationship of a romantic or intimate nature with the victim; and

(2) Where the existence of such a relationship shall be determined based on a consideration of the following factors:

(i) The length of the relationship;

(ii) The type of relationship; and

(iii) The frequency of interaction between the persons involved in the relationship.

Day laborer. An individual hired and paid one day at a time without an agreement that the individual will be hired or work again in the future. Income earned as a day laborer is not considered nonrecurring income under 24 CFR § 5.609(b)(24) and must be included, unless specifically excluded in 24 CFR § 5.609(b) (i.e. such as earnings of full-time students in excess of the dependent deduction).

Department means the Department of Housing and Urban Development.

Dependent is 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.

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

Disabled family means 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.

Displaced family means a family in which each member, or whose sole member, is a person displaced by governmental action, or a person whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized pursuant to Federal disaster relief

Domestic violence includes felony or misdemeanor crimes of violence committed by a current or former spouse or intimate partner of the victim, by a person with whom the victim shares a child in common, by a person who is cohabitating with or has cohabitated with the victim as a spouse or intimate partner, 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. The term “spouse or intimate partner of the victim” includes a person who is or has been in a social relationship of a romantic or intimate nature with the victim, as determined by the length of the relationship, the type of the relationship, and the frequency of interaction between the persons involved in the relationship.

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

Drug-related criminal activity means 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.

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

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

Elderly family means 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.

Elderly Person means an individual who is at least 62 years of age.

Eligible families. Low-income families who are eligible for admission to the public housing program.

Evidence of citizenship or eligible status means the documents which must be submitted to evidence citizenship or eligible immigration status. (See § 5.508(b).)

Extremely low-income family. A very low-income family whose annual income does not exceed the higher of:

(1) The poverty guidelines established by the Department of Health and Human Services applicable to the family of the size involved (except in the case of families living in Puerto Rico or any other territory or possession of the United States); or

(2) Thirty (30) percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than 30 percent of the area median income for the area if HUD finds that such variations are necessary because of unusually high or low family incomes.

Fair Housing Act means title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988 (42 U.S.C. 3601 et seq.).

Fair Market Rent (FMR) means the rent that would be required to be paid in the particular housing market area in order to obtain privately owned, decent, safe and sanitary rental housing of modest (non-luxury) nature with suitable amenities. This Fair Market Rent includes utilities (except telephone). Separate Fair Market Rents will be established by HUD for dwelling units of varying sizes (number of bedrooms) and will be published in the Federal Register in accordance with part 888 of this title.

Family. Includes, but is not limited to, the following, regardless of actual or perceived sexual orientation, gender identity, or marital status:

A single person, who may be:

An elderly person, displaced person, disabled person, near-elderly person, or any other single person;

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

A group of persons residing together, and such group includes, but is not limited to:

- 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);
- An elderly family;
- A near-elderly family;
- A disabled family;
- A displaced family; and
- The remaining member of a tenant family.

To the extent that the HHA has any additional legal nondiscriminatory criteria in the existing administrative plan (i.e. stable relationship test) that is not impacted by this amendment that additional criteria shall also still apply when relevant and is not superseded by this definition.

Federally assisted housing (for purposes of subparts I and J of this part) means housing assisted under any of the following programs:

(1) Public housing;

(2) Housing receiving project-based or tenant-based assistance under Section 8 of the U.S. Housing Act of 1937 (42 U.S.C. 1437f);

(3) Housing that is assisted under section 202 of the Housing Act of 1959, as amended by section 801 of the National Affordable Housing Act (12 U.S.C. 1701q);

(4) Housing that is assisted under section 202 of the Housing Act of 1959, as such section existed before the enactment of the National Affordable Housing Act;

(5) Housing that is assisted under section 811 of the National Affordable Housing Act (42 U.S.C. 8013);

(6) Housing financed by a loan or mortgage insured under section 221(d)(3) of the National Housing Act (12 U.S.C. 1715l(d)(3)) that bears interest at a rate determined under the proviso of section 221(d)(5) of such Act (12 U.S.C. 1715l(d)(5));

(7) Housing insured, assisted, or held by HUD or by a State or local agency under section 236 of the National Housing Act (12 U.S.C. 1715z-1); or

(8) Housing assisted by the Rural Development Administration under section 514 or section 515 of the Housing Act of 1949 (42 U.S.C. 1483, 1484).

Foster adult is a member of the household who is 18 years of age or older and meets the definition of a foster adult under State law. In general, a foster adult is a person who is 18 years of age or older, is unable to live independently due to a debilitating physical or mental condition and is placed with the family by an authorized placement agency or by judgment, decree, or other order of any court of competent jurisdiction. The HHA will generally request a court order from a court of component jurisdiction in the Commonwealth setting forth Guardianship of the person. This definition includes young adults age 19-22 pursuant to M.G.L. ch. 119, § 21 who are under the custody, care, or responsibility of the department of Children and Families including, but not limited to, those who meet the eligibility criteria set forth in M.G.L. ch. 119, § 23(f).

Foster child is a member of the household who meets the definition of a foster child under state law. In general, a foster child is placed with the family by an authorized placement agency (e.g., public child welfare agency) or by judgment, decree, or other order of any court of competent jurisdiction. In Massachusetts this is generally children under the care of the Department of Children and Families pursuant to M.G.L. ch. 119. The HHA will generally request a court order from a court of component jurisdiction in the Commonwealth or placement letter issued by the Massachusetts Department of Children and Families for verification.

Full-time student. A person who is attending school or vocational training on a full-time basis.

General Counsel means the General Counsel of HUD.

Grantee means the person or legal entity to which a grant is awarded and that is accountable for the use of the funds provided.

Guest, only for purposes of 24 CFR part 5, subparts A and I, and parts 882, 960, 966, and 982, means a person temporarily staying in the unit with the consent of a tenant or other member of the household who has express or implied authority to so consent on behalf of the tenant. The requirements of parts 966 and 982 apply to a guest as so defined.

Head of household means the adult member of the family who is the head of the household for purposes of determining income eligibility and rent.

Housing covered programs means the following programs administered by the Assistant Secretary for Housing:

(1) Section 235 of the National Housing Act (12 U.S.C. 1715z) (the Section 235 Program);

(2) Section 236 of the National Housing Act (12 U.S.C. 1715z-1) (tenants paying below market rent only) (the Section 236 Program); and

(3) Section 101 of the Housing and Urban Development Act of 1965 (12 U.S.C. 1701s) (the Rent Supplement Program).

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. Health and medical care expenses may be deducted from annual income only if they are eligible under this definition and not otherwise reimbursed and may only be deducted for elderly or disabled families.

The HHA will review each expense to determine whether it is eligible in accordance with this definition. The HHA does not specifically align with IRS Publication 502 but will use it as a standard for determining allowable expenses provided that they conform with the above definition of allowable expenses. (Examples of allowable expenses are set forth in Chart 2).

Homeownership counseling means housing counseling related to homeownership and residential mortgage loans when provided in connection with HUD's Housing Counseling Program, or required by or provided in connection with HUD Programs as defined in § 5.111. Homeownership counseling is housing counseling that covers the decision to purchase a home, the selection and purchase of a home, issues arising during or affecting the period of ownership of a home (including financing, refinancing, default, and foreclosure, and other financial decisions) and the sale or other disposition of a home.

Household, for purposes of 24 CFR part 5, subpart I, and parts 960, 966, 882, and 982 of this title, means the family, foster children and adults, and PHA-approved live-in aide.

Housing covered programs means the following programs administered by the Assistant Secretary for Housing:

(1) Section 235 of the National Housing Act (12 U.S.C. 1715z) (the Section 235 Program);

(2) Section 236 of the National Housing Act (12 U.S.C. 1715z-1) (tenants paying below market rent only) (the Section 236 Program); and

(3) Section 101 of the Housing and Urban Development Act of 1965 (12 U.S.C. 1701s) (the Rent Supplement Program).

HUD means the same as Department.

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 for purposes of determining rent.

Independent contractor is 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.

“Gig workers,” such as babysitters, landscapers, rideshare drivers, and house cleaners, typically fall into the category of independent contractor.

INS means the U.S. Immigration and Naturalization Service.

Live-in aide means a person who resides with one or more elderly persons, or near-elderly persons, or persons with disabilities, and who:

- (1) Is determined to be essential to the care and well-being of the persons;
- (2) Is not obligated for the support of the persons; and
- (3) Would not be living in the unit except to provide the necessary supportive services.

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, except that HUD may establish income ceilings higher or lower than 80 percent of the median income for the area on the basis of HUD's findings that such variations are necessary because of unusually high or low family incomes.

Medical expenses. Medical expenses, including medical insurance premiums, that are anticipated during the period for which annual income is computed, and that are not covered by insurance.

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

Mixed family means a family whose members include those with citizenship or eligible immigration status, and those without citizenship or eligible immigration status.

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

Monthly adjusted income. One twelfth of adjusted income.

Monthly income. One twelfth of annual income.

MSA means a metropolitan statistical area.

NAHA means the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12701 et seq.).

National means a person who owes permanent allegiance to the United States, for example, as a result of birth in a United States territory or possession.

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

NEPA means the National Environmental Policy Act of 1969 (42 U.S.C. 4321).

Net family assets

(1) Net family assets is the net cash value of all assets owned by the family, after deducting reasonable costs that would be incurred in disposing real property, savings, stocks, bonds, and other forms of capital investment.

(2) In determining net family assets, PHAs or owners, as applicable, must include the value of any business or family assets disposed of by an applicant or tenant for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application for the program or reexamination, as applicable, in excess of the consideration received therefor. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or tenant receives consideration not measurable in dollar terms. Negative equity in real property or other investments does not prohibit the owner from selling the property or other investments, so negative equity alone would not justify excluding the property or other investments from family assets.

(3) Excluded from the calculation of net family assets are:

(i) The value of necessary items of personal property;

(ii) The combined value of all non-necessary items of personal property if the combined total value does not exceed \$50,000 (which amount will be adjusted by HUD in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers);

(iii) The value of any account under a retirement plan recognized as such by the Internal Revenue Service, including individual retirement arrangements (IRAs), employer retirement plans, and retirement plans for self-employed individuals;

(iv) The value of real property that the family does not have the effective legal authority to sell in the jurisdiction in which the property is located;

(v) Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member arising out of law, that resulted in a family member being a person with a disability;

(vi) 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.

(vii) Interests in Indian trust land;

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

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

(x) Family Self-Sufficiency Accounts; and

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

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

NOFA means Notice of Funding Availability.

Noncitizen means a person who is neither a citizen nor national of the United States.

Non-public housing over-income family. A family whose income exceeds the over-income limit for 24 consecutive months and is paying the alternative non-public housing rent. See subpart E of this part.

OMB means the Office of Management and Budget.

Organizational Unit means the jurisdictional area of each Assistant Secretary, and each office head or field administrator reporting directly to the Secretary.

Other person under the tenant's control, for the purposes of the definition of covered person and for parts 5, 882, 966, and 982 means that the person, although not staying as a guest (as defined in this section) in the unit, is, or was at the time of the activity in question, on the premises (as premises is defined in this section) because of an invitation from the tenant or other member of the household who has express or implied authority to so consent on behalf of the tenant. Absent evidence to the contrary, a person temporarily and infrequently on the premises solely for legitimate commercial purposes is not under the tenant's control.

Over-income family. A family whose income exceeds the over-income limit. See subpart E of 24 CFR part 960.

Over-income limit. The over-income limit is determined by multiplying the applicable income limit for a very low-income family, as defined in § 5.603(b) of this title, by a factor of 2.4. See § 960.507(b).

Owner has the meaning provided in the relevant program regulations. As used in this subpart, where appropriate, the term “owner” shall also include a “borrower” as defined in 24 CFR part 891. e

Person with disabilities, for purposes of deductions and program eligibility where applicable

(1) Means a person who:

(i) Has a disability, as defined in 42 U.S.C. 423;

(ii) Is determined, pursuant to HUD regulations, to have a physical, mental, or emotional impairment that:

(A) Is expected to be of long-continued and indefinite duration;

(B) Substantially impedes his or her ability to live independently, and

(C) Is of such a nature that the ability to live independently could be improved by more suitable housing conditions; or

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

(2) Does not exclude persons who have the disease of acquired immunodeficiency syndrome or any conditions arising from the etiologic agent for acquired immunodeficiency syndrome;

(3) 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

(4) Means “individual with handicaps”, as defined in § 8.3 of this title, for purposes of reasonable accommodation and program accessibility for persons with disabilities.

Premises, for purposes of 24 CFR part 5, subpart I, and parts 960 and 966, means the building or complex or development in which the public or assisted housing dwelling unit is located, including common areas and grounds.

Project owner means the person or entity that owns the housing project containing the assisted dwelling unit.

Public housing means housing assisted under the 1937 Act, other than under Section 8. “Public housing” includes dwelling units in a mixed finance project that are assisted by a PHA with capital or operating assistance.

Public Housing Agency (PHA) means any State, county, municipality, or other governmental entity or public body, or agency or instrumentality of these entities, that is authorized to engage or assist in the development or operation of low-income housing under the 1937 Act.

Public Housing covered programs means the public housing programs administered by the Assistant Secretary for Public and Indian Housing under title I of the 1937 Act. This definition does not encompass HUD's Indian Housing programs administered under title II of the 1937 Act. Further, this term does not include those programs providing assistance under section 8 of the 1937 Act. (See definition of “Section 8 Covered Programs” in this section.)

Real property as used in this part has the same meaning as that provided under the law of the State in which the property is located. In Massachusetts, Real property for the purpose of taxation includes all land and all buildings and other things thereon or affixed thereto. See MGL Chapter 59 Section 2A.

Rental housing counseling means counseling related to the rental of residential property, which may include counseling regarding future homeownership opportunities when provided in connection with HUD's Housing Counseling Program, or required under or provided in connection with HUD Programs as defined in § 5.111. Rental housing counseling may also include the decision to rent, responsibilities of tenancy, affordability of renting and eviction prevention.

Residency preference. A preference for admission of persons who reside or work in a specified geographic area.

Responsible entity. For purposes of HUD's restriction on assistance to noncitizens regulations, means the person or entity responsible for administering the restrictions on providing assistance to noncitizens with ineligible immigration status. The entity responsible for administering the restrictions on providing assistance to noncitizens with ineligible immigration status under the various covered programs is as follows:

(1) For the Section 235 Program, the mortgagee.

(2) For Public Housing, the Section 8 Rental Voucher, and the Section 8 Moderate Rehabilitation programs, the PHA administering the program under an ACC with HUD.

Seasonal worker is an individual who is (1) hired into a short-term position (i.e., for which the customary employment period for the position is 6 months or fewer) and (2) the employment begins about the same time each year (such as summer or winter). Typically, the individual is hired to address seasonal demands that arise for the particular employer or industry.

Some examples of seasonal work include employment limited to holidays or agricultural seasons. Seasonal work may include but is not limited to employment as a lifeguard, ballpark vendor, or snowplow driver. Income earned as a seasonal worker is not considered nonrecurring income and must be included unless specifically excluded in 24 CFR § 5.609(b).

Secretary means the Secretary of Housing and Urban Development.

Section 214 means section 214 of the Housing and Community Development Act of 1980, as amended (42 U.S.C. 1436a).

Section 214 covered programs is the collective term for the HUD programs to which the restrictions imposed by Section 214 apply. These programs are set forth in § 5.500.

Section 8 means section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f).

Section 8 covered programs for purposes of 24 CFR 4.504 means all HUD programs which assist housing under Section 8 of the 1937 Act, including Section 8-assisted housing for which loans are made under section 202 of the Housing Act of 1959.

Sexual assault means any nonconsensual sexual act proscribed by Federal, tribal, or State law, including when the victim lacks capacity to consent.

Sexual orientation means one's emotional or physical attraction to the same and/or opposite sex (e.g., homosexuality, heterosexuality, or bisexuality).

Specified welfare benefit reduction.

(1) A reduction of welfare benefits by the welfare agency, in whole or in part, for a family member, as determined by the welfare agency, because of fraud by a family member in connection with the welfare program; or because of welfare agency sanction against a family member for noncompliance with a welfare agency requirement to participate in an economic self-sufficiency program.

(2) “Specified welfare benefit reduction” does not include a reduction or termination of welfare benefits by the welfare agency:

(i) at expiration of a lifetime or other time limit on the payment of welfare benefits;

(ii) 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

(iii) because a family member has not complied with other welfare agency requirements.

Stalking means engaging in a course of conduct directed at a specific person that would cause a reasonable person to:

(1) Fear for the person's individual safety or the safety of others; or

(2) Suffer substantial emotional distress.

Substantial rehabilitation, for the purposes of determining when installation of broadband infrastructure is required as part of substantial rehabilitation of multifamily rental housing, unless otherwise defined by a program means work that involves:

(1) Significant work on the electrical system of the multifamily rental housing. “Significant work” means complete replacement of the electrical system or other work for which the pre-construction cost estimate is equal to or greater than 75 percent of the cost of replacing the entire electrical system. In the case of multifamily rental housing with multiple buildings with more than 4 units, “entire system” refers to the electrical system of the building undergoing rehabilitation; or

(2) Rehabilitation of the multifamily rental housing in which the pre-construction estimated cost of the rehabilitation is equal to or greater than 75 percent of the total estimated cost of replacing the multifamily rental housing after the rehabilitation is complete. In the case of multifamily rental housing with multiple buildings with more than 4 units, the replacement cost must be the replacement cost of the building undergoing rehabilitation.

Tenant means an individual or a family renting or occupying an assisted dwelling unit. For purposes of 24 § 5.504 subpart E, the term tenant will also be used to include a homebuyer, where appropriate.

Tenant Rent. The amount payable monthly by the family as rent to the unit owner (Section 8 owner or PHA in public housing). (This term is not used in the Section 8 voucher program.)

Unearned income. Any annual income, as calculated under 24 CFR § 5.609, that is not earned income.

URA means the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4201-4655).

Utility allowance. If the cost of utilities (except telephone) and other housing services for an assisted unit is not included in the tenant rent but is the responsibility of the family occupying the unit, an amount equal to the estimate made or approved by a PHA or HUD of the monthly cost of a reasonable consumption of such utilities and other services for the unit by an energy-

conservative household of modest circumstances consistent with the requirements of a safe, sanitary, and healthful living environment.

Utility reimbursement. The amount, if any, by which the utility allowance for a unit, if applicable, exceeds the total tenant payment for the family occupying the unit. (This definition is not used in the Section 8 voucher program, or for a public housing family that is paying a flat rent.)

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

Very low-income family. A family whose annual income does not exceed 50 percent of the median family income for the area, as determined by HUD with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than 50 percent of the median income for the area if HUD finds that such variations are necessary because of unusually high or low family incomes.

Violent criminal activity means 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, serious bodily injury or property damage.

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

Work activities. See definition at section 407(d) of the Social Security Act (42 U.S.C. 607(d)).

Note: This glossary has been prepared to assist the reader. For full definitions they may be required to review the program regulations associated with the specific rule in question. Certain definitions are specific to a section of rules or regulations and applicable in that context. Updated definitions can be located in the code of federal regulations.

Exhibit A

Updated List of Federally Mandated Exclusions From Income

Issued by HUD January 31, 2024

The exclusions listed below apply to income only, except where HUD states that the exclusion also applies to assets. Actual income earned from an excluded asset may be included in income if it is not deposited into an account that is disregarded and excluded under one of the below authorities. If an amount is in an excluded account, like an Independent Development Account or an ABLE account, then the statute or the regulations associated with that income/asset exclusion will dictate what portion of the income earned off the amount, if any, is to be included in the family's income. Please note that exclusions (13) and (23) have provisions that apply only to specific HUD programs):

- (1) The value of the allotment provided to an eligible household under the Food Stamp Act of 1977 ([7 U.S.C. 2017\(b\)](#)). This exclusion also applies to assets;
- (2) Payments, including for supportive services and reimbursement of out-of-pocket expenses, for volunteers under the Domestic Volunteer Service Act of 1973 ([42 U.S.C. 5044\(f\)\(1\)](#), [42 U.S.C. 5058](#)), are excluded from income except that the exclusion shall not apply in the case of such payments when the Chief Executive Officer of the Corporation for National and Community Service appointed under [42 U.S.C. 12651c](#) determines that the value of all such payments, adjusted to reflect the number of hours such volunteers are serving, is equivalent to or greater than the minimum wage then in effect under the Fair Labor Standards Act of 1938 ([29 U.S.C. 201](#) *et seq.*) or the minimum wage, under the laws of the State where such volunteers are serving, whichever is the greater ([42 U.S.C. 5044\(f\)\(1\)](#)). This exclusion also applies to assets;
- (3) Certain payments received under the Alaska Native Claims Settlement Act ([43 U.S.C. 1626\(c\)](#)). This exclusion also applies to assets;
- (4) Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes ([25 U.S.C. 5506](#)). This exclusion also applies to assets;
- (5) Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program ([42 U.S.C. 8624\(f\)\(1\)](#)). This exclusion also applies to assets;
- (6) Income derived from the disposition of funds to the Grand River Band of Ottawa Indians (Pub. L. 94-540, section 6). This exclusion also applies to assets;
- (7) The first \$2000 of per capita shares received from judgment funds awarded by the National Indian Gaming Commission or the U.S. Claims Court, the interests of individual Indians in trust or restricted lands, and the first \$2000 per year of income received by individual Indians from

funds derived from interests held in such trust or restricted lands. This exclusion does not include proceeds of gaming operations regulated by the Commission ([25 U.S.C. 1407-1408](#)). This exclusion also applies to assets;

(8) Amounts of student financial assistance funded under title IV of the Higher Education Act of 1965 ([20 U.S.C. 1070](#)), including awards under Federal work-study programs or under the Bureau of Indian Affairs student assistance programs ([20 U.S.C. 1087uu](#)). For section 8 programs only ([42 U.S.C. 1437f](#)), any financial assistance in excess of amounts received by an individual for tuition and any other required fees and charges under the Higher Education Act of 1965 ([20 U.S.C. 1001 et seq.](#)), from private sources, or an institution of higher education (as defined under the Higher Education Act of 1965 ([20 U.S.C. 1002](#))), shall not be considered income to that individual if the individual is over the age of 23 with dependent children ([Pub. L. 109-115](#), section 327) (as amended)

(9) Payments received from programs funded under Title V of the Older Americans Act of 1965 ([42 U.S.C. 3056g](#));

(10) Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund (Pub. L. 101-201) or any other fund established pursuant to the settlement in *In Re Agent Orange Product Liability Litigation*, M.D.L. No. 381 (E.D.N.Y.). This exclusion also applies to assets;

(11) Payments received under the Maine Indian Claims Settlement Act of 1980 (Pub. L. 96-420 section 9(c)). This exclusion also applies to assets;

(12) The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990 ([42 U.S.C. 9858g](#));

(13) Earned income tax credit (EITC) refund payments ^[1] received on or after January 1, 1991, for programs administered under the United States Housing Act of 1937, title V of the Housing Act of 1949, section 101 of the Housing and Urban Development Act of 1965, and sections 221(d)(3), 235, and 236 of the National Housing Act ([26 U.S.C. 32\(l\)](#)). This exclusion also applies to assets;

(14) The amount of any refund (or advance payment with respect to a refundable credit) issued under the Internal Revenue Code is excluded from income and assets for a period of 12 months from receipt ([26 U.S.C. 6409](#));

(15) Payments by the Indian Claims Commission to the Confederated Tribes and Bands of the Yakima Indian Nation or the Apache Tribe of the Mescalero Reservation (Pub. L. 95-433 section 2). This exclusion also applies to assets;

(16) Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990 ([42 U.S.C. 12637\(d\)](#));

(17) Any allowance paid to children of Vietnam veterans born with spina bifida ([38 U.S.C. 1802-05](#)), children of women Vietnam veterans born with certain birth defects ([38 U.S.C. 1811-16](#)), and children of certain Korean and Thailand service veterans born with spina bifida ([38 U.S.C. 1821-22](#)) is excluded from income and assets ([38 U.S.C. 1833\(c\)](#)).

(18) Any amount of crime victim compensation that provides medical or other assistance (or payment or reimbursement of the cost of such assistance) under the Victims of Crime Act of 1984 received through a crime victim assistance program, unless the total amount of assistance that the applicant receives from all such programs is sufficient to fully compensate the applicant for losses suffered as a result of the crime ([34 U.S.C. 20102\(c\)](#)). This exclusion also applies to assets;

(19) Allowances, earnings, and payments to individuals participating in programs under the Workforce Investment Act of 1998 reauthorized as the Workforce Innovation and Opportunity Act of 2014 ([29 U.S.C. 3241\(a\)\(2\)](#));

(20) Any amount received under the Richard B. Russell School Lunch Act ([42 U.S.C. 1760\(e\)](#)) and the Child Nutrition Act of 1966 ([42 U.S.C. 1780\(b\)](#)), including reduced-price lunches and food under the Special Supplemental Food Program for Women, Infants, and Children (WIC). This exclusion also applies to assets;

(21) Payments, funds, or distributions authorized, established, or directed by the Seneca Nation Settlement Act of 1990 (Pub. L. 101-503 section 8(b)). This exclusion also applies to assets;

(22) Payments from any deferred U.S. Department of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts ([42 U.S.C. 1437a\(b\)\(4\)](#));

(23) Any amounts (i) not actually received by the family, (ii) that would be eligible for exclusion under [42 U.S.C. 1382b\(a\)\(7\)](#), and (iii) received for service-connected disability under [38 U.S.C. chapter 11](#) or dependency and indemnity compensation under [38 U.S.C. chapter 13](#) ([25 U.S.C. 4103\(9\)\(C\)](#)) as provided by an amendment by the Indian Veterans Housing Opportunity Act of 2010 ([Pub. L. 111-269](#) section 2) to the definition of income applicable to programs under the Native American Housing Assistance and Self-Determination Act (NAHASDA) ([25 U.S.C. 4101 et seq.](#));

(24) A lump sum or a periodic payment received by an individual Indian pursuant to the Class Action Settlement Agreement in the case entitled *Elouise Cobell et al. v. Ken Salazar et al.*, 816 F.Supp.2d 10 (Oct. 5, 2011 D.D.C.), for a period of one year from the time of receipt of that payment as provided in the Claims Resolution Act of 2010 ([Pub. L. 111-291](#) section 101(f)(2)). This exclusion also applies to assets;

(25) Any amounts in an “individual development account” are excluded from assets and any assistance, benefit, or amounts earned by or provided to the individual development account are excluded from income, as provided by the Assets for Independence Act, as amended ([42 U.S.C. 604\(h\)\(4\)](#));

(26) Per capita payments made from the proceeds of Indian Tribal Trust Settlements listed in IRS Notice 2013-1 and 2013-55 must be excluded from annual income unless the per capita payments exceed the amount of the original Tribal Trust Settlement proceeds and are made from a Tribe's private bank account in which the Tribe has deposited the settlement proceeds. Such amounts received in excess of the Tribal Trust Settlement are included in the gross income of the members of the Tribe receiving the per capita payments as described in IRS Notice 2013-1. The first \$2,000 of per capita payments are also excluded from assets unless the per capita payments exceed the amount of the original Tribal Trust Settlement proceeds and are made from a Tribe's private bank account in which the Tribe has deposited the settlement proceeds ([25 U.S.C. 117b\(a\)](#), [25 U.S.C. 1407](#));

(27) Federal assistance for a major disaster or emergency received by individuals and families under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Pub. L. 93-288, as amended) and comparable disaster assistance provided by States, local governments, and disaster assistance organizations ([42 U.S.C. 5155\(d\)](#)). This exclusion also applies to assets;

(28) Any amount in an Achieving Better Life Experience (ABLE) account, distributions from and certain contributions to an ABLE account established under the ABLE Act of 2014 ([Pub. L. 113-295](#)), as described in Notice PIH 2019-09/H 2019-06 or subsequent or superseding notice is excluded from income and assets; and

(29) Assistance received by a household under the Emergency Rental Assistance Program pursuant to the Consolidated Appropriations Act, 2021 ([Pub. L. 116-260](#), section 501(j)), and the American Rescue Plan Act of 2021 ([Pub. L. 117-2](#), section 3201). This exclusion also applies to assets.