

Chapter 12

RECERTIFICATION

12.1 CHANGES IN LEASE OR RENT

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

Owners must notify IHFA of an increase in the amount of the rent at least sixty (60) days before the changes go into effect. Any such changes are subject to IHFA determining them to be reasonable. Rent increases will be effective the first of the month following the 60 day notice.

Owners must notify IHFA of a decrease in the amount of the rent. The decrease will be effective either on the date specified on the owner's notice to IHFA, or the first of the following month. A determination by IHFA that the rent is reasonable may be performed, particularly when changes are happening throughout the community, and not related to an owner or complex.

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

- A. Requirements governing participant or owner responsibilities for utilities or appliances;
- B. Changes in the lease provisions governing the term of the lease;
- C. If the owner or family request a new lease (see Section 12.1); and
- D. If the participant moves to a new unit, even if the unit is in the same building or complex.

Execution of a new HAP contract is not required for changes other than those specified in A, B, C, or D above.

12.2 ANNUAL REEXAMINATION

At least annually IHFA will conduct a reexamination of family income and circumstances. The results of the reexamination determine (1) the rent the family will pay, and (2) whether the family subsidy is correct based on the family unit size. **The effective date of the lease will establish the annual reexamination date. The annual reexamination date will be the first day of the month in which the lease becomes effective for each subsequent year. This annual reexamination date will remain in place until the participant moves. For example:**

if the lease and contract are effective April 12, 2000, the annual reexamination date will be April 1, 2001. This is not to be confused with the dates of the lease, which should initially run for one complete year from the effective date, for example: April 12, 2000 to April 11, 2001.

IHFA will send a notification letter to the family 90 to 120 days prior to the annual date, letting them know that it is time for their annual reexamination and scheduling an appointment. The letter includes forms for the family to complete in preparation for the interview, and instructions for permitting the family to reschedule the interview, if necessary. Telephone appointments or home visits may be conducted at an elderly, disabled, or homebound participant's request. Telephone appointments or home visits may also apply to persons who are not elderly or disabled, but due to extenuating circumstances (e.g. surgery, illness, weather, etc.) may not be able to get into the office.

During the interview, the family will provide all information regarding income, assets, expenses, and other information necessary to determine the family's share of rent. HUD requires the use of its Enterprise Income Verification (EIV) system during the annual reexamination process. Information contained in EIV will be obtained and used for the purposes of Social Security and Unemployment income, and will be compared to verification of employment income. HUD also requires IHFA to verify any discrepancies in income found in EIV. The family will sign the HUD consent form and other consent forms that later may be mailed to the sources that will verify the family circumstances.

Each year in November or December, the Social Security Administration sends out award letters reflecting the Cost of Living Allowance (COLA). Annual recertifications which are started during this time will include the projected COLA amount.

12.3 EFFECTIVE DATE OF RENT CHANGES FOR ANNUAL REEXAMINATIONS

The new family share will generally be effective upon the anniversary date with 15 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 15-day notice of the amount. This action will be processed as a revised annual reexamination and will not be considered an interim increase. If the new rent is a reduction and the delay is beyond the control of the family, the reduction will be effective as scheduled on the anniversary date. **In no case will it be acceptable practice to process annual reexaminations late. All annual reexaminations should be completed in time to provide the participant and landlord with 15-days notice of any increase in rent amounts and to give sufficient notice when participant rents (usually 15 days) decrease to allow the participant to know the amount they are responsible to pay.**

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

12.4 MISSED APPOINTMENTS

If the family fails to respond to the letter and fails to attend the interview, a second letter will be mailed. The second letter will advise of a new time and date for the interview, allowing for the same considerations for rescheduling and accommodation as above. The letter will also advise that failure by the family to attend the second scheduled interview will result in IHFA taking action to terminate the family's assistance.

12.5 INTERIM REEXAMINATIONS

All changes in income or family composition will generate an interim reexamination with the exception of:

Income changes resulting from a Cost of Living Allowance (COLA) to amounts received due to age or disability such as, but not limited to SS, SSI, SSD, AABD, VA Pension, which will only be counted at the time of the annual reexamination.

Letters from the Social Security Administration are sent out in November and December, which reflect COLA amounts. Annual recertifications started during these months will include the projected COLA amount.

HUD requires the use of EIV during an interim recertification. IHFA will obtain an EIV report which will include income discrepancy information. During an interim reexamination only the information affected by the changes being reported or a discrepancy found in EIV will be reviewed and verified. Income discrepancies found in EIV at the time of an interim reexamination will be resolved within 60-days.

A temporary loss of income that is not expected to last longer than 30-days will not generate an interim recertification. The change in income must still be reported to IHFA in writing, and the participant's file will be documented. Should the participant subsequently report that the change lasted longer than 30-days, IHFA will obtain verification of the change and conduct an interim recertification. The effective date of the interim will be retro-active to the date the change would have originally been effective.

A temporary increase in income that is not expected to last longer than 45-days will not generate an interim recertification. The change must still be reported to IHFA in writing, and the participants file documented. Should the increase in income last longer than 45-days, the participant must report that in writing to IHFA. IHFA will obtain verification of the change and generate an interim recertification. The effective date of the interim will be the first of the following month with at least 15-days notice.

Failure to report changes in income, allowances or household composition, may result in termination of assistance or the household being required to repay the amount of HAP that would not have been paid on their behalf had they reported the changes as required. Any amount of \$50 or more will require the participant to enter into a repayment agreement to reimburse the amount to IHFA. Repayment agreements should reflect a reasonable

expectation that amounts owed will be collected, and monthly payments will be set at 10% of the families' adjusted monthly income or a minimum of \$25. Any amount under \$50 will be due, in full, within one (1) month. If the participant is unable to pay the amount in full at the time of calculation, a repayment agreement may be requested and entered into. A participant will not be allowed to move or port to another housing authority until repayment agreements are paid in full, unless extreme extenuating circumstances exist. Exceptions due to extreme extenuating circumstances will require review and approval from the Branch Office Supervisor.

A. A change in family composition may result in an adjustment in the participant's portion of rent. The following will be considered a change in family composition:

1. A member has been added to the family through birth or adoption or court-awarded custody.
2. Adding a household member other than through birth or adoption. In order to add a household member other than through birth or adoption (including a live-in aide) the family must request permission, in writing, from the landlord that the new member be added to the lease and a copy must be provided to IHFA. A live-in aide must be identified, but is not to be added to the lease. The family must also request, in writing, and receive approval from IHFA to add the new member to the household.
3. Before adding the new member to the lease, the individual must complete all eligibility documents stating their income, assets, and all other information required of an applicant. The individual must provide their Social Security Number, and must verify their citizenship/eligible immigrant status (their housing will not be delayed due to delays in verifying eligible immigrant status other than delays caused by the family). The new family member will go through the screening process similar to the process for applicants (e.g. criminal history check, etc.). **IHFA will determine the eligibility of the individual before allowing them to be added to the household.** If the individual is found to be ineligible or does not pass the screening criteria, the Head of Household of the participant family will be advised in writing and given the opportunity for an informal hearing. If they are found to be eligible and do pass the screening criteria, IHFA will grant approval to add their name to the household. **At the same time, the family's annual income will be recalculated taking into account the income and circumstances of the new family member. Only the income and circumstances of the new household member will be verified, unless other income, allowance, or household composition changes have occurred.** The effective date of the new rent will be in accordance with the paragraph below in section 12.9.
4. A household member turns 18.
5. A household member dies.

6. A household member is leaving or has left the family unit.
(See absence of a Household Member below.)

- B. **Zero Income Families.** Those families at zero income are to complete a Statement of Survival for each month and submit them along with a Zero Income Statement every six (6) months. These statements will be carefully reviewed by the housing specialist. Questionable ratios of expenses to income should be discussed with the participant and investigated.
- C. **The expiration of Earned Income Disregard (EID).** The expiration of EID will generate a reexamination. When a family, who has qualified for the EID, begins their phase-in period and the portion of their countable earnings increases from zero to fifty percent (50%), a reexamination will be completed. Another interim will be completed at the expiration of the EID exclusion. Upon verification of the income, rent increases will be effective on the first day of the month following the date the verified action began. (Also see 9.3Q) EID timeframes are tracked manually in the participant file, as well as electronically in our client database.
- D. **Errors discovered through the audit process** will be corrected with an interim regardless of whether or not it is an increase in the participant's portion of rent. In an effort to clarify the error found, and to expedite the process, telephone calls may be made to obtain the required information. Error corrections resulting in a decrease will be processed by the first of the month following the month in which the error was found and brought to the attention of the caseworker. The effective dates may be calculated retro-actively and the family reimbursed as applicable. If the error results in an increase to the participant's portion, the change will be effective the first of the month if there is time to give the participant 15 days notice of the change. Otherwise, the change will be effective the first of the second month.

For policy regarding visitors see Section 2.3 G 8.

12.6 ABSENCE OF A HOUSEHOLD MEMBER

Temporarily Absent Household Member

Households must report, in writing, to IHFA the absence of any household member for a period of time longer than thirty (30) consecutive days.

If a household member leaves the household for more than 120 consecutive days in a calendar year, except for medical or military circumstances described below, the unit will not be considered to be their principal place of residence and they will be removed from the program.

IHFA must count all income of every household member who is named on the lease including those who are temporarily absent from the household.

If the Head or Co-head is serving in the military IHFA will count all regular pay, special pay and allowances (whether the person is living in the dwelling or not). The exclusion to this is special hazardous duty pay for exposure to hostile fire.

See Section 6.1 on policies regarding the impact on assistance when children are removed from the assisted unit.

If a single parent leaves the household and another adult is brought in to take care of the children while the parent is away, as long as the household continues to meet the definition of household, the household is not terminated. A change in household composition will be documented and the eligibility of the new household member determined. (If the stay is longer than the visitor provision defined in this plan (typically 30 days)).

Permanent Absence of a Household Member

Head or Co-Head: If the Head or Co-head leaves the household, the household must report, in writing, the change in household composition to IHFA, stating the Head or Co-Head is permanently absent. If, at the time the absence is reported, it has been less than 120 days (the limit for being temporarily absent), but the absence is expected to be permanent, suitable documentation must be submitted for the absent member to be removed from the household and any income changes made. Suitable documents include one of the following:

1. Documents reflecting the filing of a divorce action or legal separation.
2. Documents reflecting the filing of a restraining order.
3. Documents reflecting long term incarceration.
4. Certification by the remaining Head or Co-head that the absence is permanent.

If the household provides documentation that the reason for leaving was due to domestic violence, consideration will be given to the circumstances of the case, and the wishes regarding retention of the voucher. (See Family Break Up – Section 12.7)

If the Head of Household is deceased, a remaining adult household member may retain the voucher. If the deceased Head of Household is a single parent, another adult may be added to the household, as long as they meet IHFA's screening criteria, and the household continues to meet the definition of a household.

Other adult members, including adult children will be determined permanently absent if the household declares that they have been absent for 120 days or more and declares in writing that they are permanently absent. Persons who report that an adult member has left the household in this situation must provide adequate proof of absence if they are to be considered permanently absent during the first four months.

If an adult member leaves the household and the period of time is less than 120 days, the household member will be determined temporarily absent unless one of these verifications is

provided: Proof of absence which would be acceptable would include proof of residence in another location such as utility bills, cancelled checks for rent, driver's licenses showing name and the changed address, leases or rental agreements in their name at another location, or documents from a court or prison.

If any of the above proof cannot be provided, IHFA will consider statements from other agencies such as the Welfare Department or Legal Aid. If no other proof can be provided, IHFA may accept a statement from the household.

The 120 days specified in this section starts from the time the household reported the change in household composition. If the absence was reported timely by the household and documentation clearly indicates the absence began prior to the date reported, but within proper reporting timelines, an exception may be made and the 120 days may be counted from the beginning of the absence.

Joint Custody See Section 6.0 for information on children who live in the unit part time.

Sole Member of the Household: If the sole member of the household has to leave the household for more than 120 days, the unit will not be considered to be their principal place of residence and they will be terminated from the program.

If the sole member of the household has to be admitted to a hospital or nursing home on a permanent basis, verification should be obtained from the facility or other appropriate medical source or family member that indicates they will be permanently absent.

Household Absence from the Unit: When the entire family is to be absent from the unit for a period of time up to thirty (30) days, written notification must be provided to IHFA, and must include the reason for the absence (e.g. vacation, education, incarceration). When the entire family is to be absent from the unit for a period of time greater than thirty (30) days, written notification must be provided to IHFA. Notification must include the reason for the absence (e.g., hospitalization, medical or similar reasons, but does NOT include school abroad) and the expected date of return. The family must also take the necessary steps to ensure proper notice has been given to their landlord. Under extreme extenuating circumstances, an extension may be approved as a reasonable accommodation, up to but no longer than six (6) months (or 180 days).

The family may not be absent for more than 180 consecutive calendar days in any circumstance or for any reason. If absence exceeds 180 days the family will be terminated from the program. However, they will be allowed to reapply for admission without the two-year sanction period associated with terminations due to violation of family obligations as long as their termination was not related to a violation of family obligation.

12.7 FAMILY BREAK UP

If either the Head or Co-head institutes and/or obtains a divorce or legal separation, the person who leaves the household will be considered permanently absent, unless the circumstances

warrant the vacating spouse retain the voucher. If the member who left can document that the reason for leaving was to flee domestic violence, consideration will be given to the circumstances of the case, and the wishes regarding retention of the Voucher.

In circumstances of a family break-up and where a head and co-head dispute who should retain the voucher, IHFA will make a determination as to who will retain the voucher, taking into consideration the following factors:

- A. To whom the voucher was issued.
- B. The interest of minor children or of ill, elderly, or disabled family members.
- C. Whether the household break up is a result of actual or threatened physical violence by a spouse or other member(s) of the household.
- D. Whether the assistance should remain with the family members remaining in the unit.

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

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

An Informal Hearing is not required in the case of a household break-up because the family assistance is not being terminated.

12.8 SPECIAL REEXAMINATIONS

If the family's income is too unstable to project for 12 months, including families that temporarily have no income or have a temporary decrease in income, IHFA may schedule special reexaminations every 90 days until the income stabilizes and an annual income can be determined.

Those families claiming zero income will be scheduled for a reexamination every 90 days. During that reexamination the adult family members of the household must sign Zero Income Statements and the Head of Household must complete a Survival Statement. (See section 12.5B for Zero Income Recertification)

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

Any increase in tenant rent will be effective only after fifteen (15) days notice has been provided to the family. The rent increase will be effective the first of the month following proper notice. If the family has caused 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 or repayment agreement).

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

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

Changes reported prior to the 25th of the month will be effective the first of the month following report of the change. Any change reported after the 25th day of the month will be effective the first of the month following the month after the change was reported (for example if a change is reported on March 16, the change will be effective April 1. If the change is reported March 26th, the change will be effective May 1).

NOTES