

16.0 Annual and Interim Reexaminations [24 CFR 982.516]

In accordance with HUD requirements, Pensacola Housing will reexamine the income and household composition of all participant families regularly. Annual recertifications and interim reexaminations will be processed in a manner that ensures families are given reasonable notice of decreases in the HAP and corresponding increases in tenant rent.

This chapter defines Pensacola Housing's policy for conducting annual reexaminations. It also explains the interim reporting requirements for families, and the standards for timely reporting of changes in family income or composition.

16.1 Annual Reexaminations [24 CFR 982.516 (a)]

Pensacola Housing must conduct an annual reexamination of household income and household composition for all active HCV program participants at least annually. Voucher households will be notified by mail of the recertification requirements at least 90 days in advance of their anniversary date. If requested as an accommodation by a person with a disability, Pensacola Housing will provide the notice in an accessible format. Pensacola Housing will also mail the notice to a third-party, if requested as a reasonable accommodation.

Pensacola Housing will strive to complete annual recertifications for families before the anniversary date, including notifying the family of any increases in tenant rent at least 30 days before the anniversary date, unless action or inaction of the family delays notification. If the family's rent portion remains the same or decreases, Pensacola Housing may give less than 30 days written notice to the family.

Income limits are not used as a test for continued eligibility at recertification.

16.1.1 Collection of Information [24 CFR 982.516(f)]

Pensacola Housing will send a Notification of Annual Recertification letter approximately 90 days prior to the anniversary date of the lease and HAP contract to the family, informing them it is time for their annual reexamination, and notifying them of the scheduled date, time, and location of their annual interview. The letter includes forms for the family to complete in preparation for the interview, and instructions permitting the family to reschedule the interview if necessary. The letter specifies that families who may need to make alternate arrangements due to a disability should contact the Housing Department within a reasonable time period to request a reasonable accommodation of their needs, including a home visit if necessary, and/or to arrange a means of alternate communication.

During the recertification interview, the family may have a friend, family member, or other advocate present to assist in the recertification process.

During the interview, the family will provide current information regarding income, assets, expenses, and other information necessary to redetermine the family's Total Tenant Payment and family share. The family must sign the HUD consent form and other consent forms that are used to verify family circumstances.

16.1.2 Missed Appointments

If the family fails to attend the recertification interview and doesn't call to reschedule, a Notification of Pending Termination will be mailed. The notification will advise the family that in order to avoid termination of their assistance, they must contact Pensacola Housing to schedule a recertification appointment prior to their recertification date. Failure to do so will result in Pensacola Housing taking action to terminate the family's voucher program participation.

If the family reschedules their recertification appointment but then fails to attend the make-up appointment, Pensacola Housing will terminate the family's voucher program participation. The family will have the right to request an informal hearing.

If the family has failed to attend the interview or make-up appointment due to a disability, and requests consideration, Pensacola Housing will consider verifiable mitigating circumstances and may make other arrangements as a reasonable accommodation.

16.1.3 Failure to Respond to Notification to Recertify

If the family fails to submit some or all of their required documents at the recertification interview, the housing specialist will provide a checklist of the missing items, and a deadline for their return.

If the family doesn't return all required items by the deadline, Pensacola Housing will mail a Notification of Pending Termination, and set a final deadline for return of the missing items.

If the family fails to respond to the final notification, and has not contacted Pensacola Housing to make other arrangements, Pensacola Housing will terminate the family's voucher program participation. The family will have the right to request an informal hearing.

Pensacola Housing may offer exceptions to these policies if the family is able to document an emergency situation that prevented them from responding to the recertification notices, or, if requested, as a reasonable accommodation for a person with a disability.

16.1.4 Documents Required From the Family

In the notification letter to the family, Pensacola Housing will include instructions for the family to submit the following:

1. Documentation of all income declared by the family on their Tenant Information Form and/or as requested by Pensacola Housing;

2. Self-declaration of assets, and, if net family assets total \$5,000 or more, third-party verification of all assets;
3. Documentation for any deductions or allowances declared by the family;
4. Personal Declaration form completed by head of household, and signed and dated by all family members age 18 and older;
5. Authorization for the Release of Information Forms completed by head of household, and signed and dated by all family members age 18 and older; and
6. The Request for Tenancy Continuation, to be completed by the family and the unit owner.

16.1.5 Verification of Information

Pensacola Housing will follow the verification guidelines and procedures described in Chapter 10. Verification documents supplied by the family for reexaminations must be current within 90 days of the date of the family's recertification interview.

16.1.6 Annual Reviews Resulting in Tenant Rent Increases

If the tenant rent increases as a result of recertification, a notice is mailed to the family and to the owner at least 30 days prior to the effective date of the increase.

If notice of the increase in tenant rent is mailed out less than 30 days before the effective date, and the delay was caused by Pensacola Housing, then the tenant rent increase will be effective on the first of the month following the 30-day notification period.

If notice of the increase in tenant rent is mailed out less than 30 days before the effective date, and the delay was caused by the participant family, then the tenant rent increase will still take effect on the effective date of the annual recertification, even if that means a retroactive increase in tenant rent. Delays caused by the family include: missed appointments, failure to return documents by specified deadlines, and misrepresentation of household income or other circumstances that require additional investigation by Pensacola Housing.

16.1.7 Annual Reviews Resulting in Tenant Rent Decreases

If the tenant rent decreases, the decrease will be effective on the anniversary date.

16.2 Reporting Interim Changes [24 CFR 982.516 (c, d)]

Participants in Pensacola Housing's voucher programs are required to report all changes in their household income, expenses, household composition, student status, immigration status, assets (when net family assets total \$5,000 or more), and name changes, in writing, within 10 business days of the change.

Most interim reviews will be conducted through the mail and by phone, unless the family requests that the review take place in person.

An interim reexamination does not affect the date of the annual recertification.

16.2.1 Adding Household Members

All additions to the household must be reported to Pensacola Housing within 10 business days. Prospective adult additions to the household must meet all standards for participant acceptance, including an acceptable background check, previous program compliance history, criminal screening, and no outstanding debts to any PHA.

Before a new adult household member takes occupancy of the assisted unit, the household must:

1. First receive the landlord's approval for the household member to be added to the lease; and
2. After receiving the landlord's approval, receive Pensacola Housing's approval for the person(s) to be added to the household.

Minors may be added to the household if the subsidized residence will be their primary residence; that is, they will reside at the residence at least 51% of the time. Documents that are acceptable evidence of primary residency include, but are not limited to: signed income tax returns, school records, child support payment records, parenting agreements, statements from custodial parents or guardians regarding the residency of the minor, Medicaid or Social Security documentation, other relevant documentation from a state or federal agency, adoption decrees, and court orders.

When a new family member is added, income of the new family member must be added to the family income as well, and a new TTP, family share, and tenant rent calculated. Pensacola Housing will conduct an interim reexamination to review such additional income and make the appropriate adjustments to the HAP and tenant rent.

The income of additions to the household who are not considered family members under HUD's definition, including live-in aides, foster children, and foster adults, will be excluded.

The U.S. citizenship/eligible immigrant status of additional family members must be declared and verified before the new household members move into the unit.

If a new household member approved by Pensacola Housing subsequently appears on the Multiple Subsidy Report in the EIV system, Pensacola Housing will notify the family. The family will be given 14 business days to furnish proof that the household member has been removed from the household where the duplicate subsidy was reported. If the family fails to provide such proof, the new household member may be removed from the household subsidized by Pensacola Housing, pending the results of Pensacola Housing's investigation.

16.2.2 Removing Household Members

Participant families must inform Pensacola Housing of any permanent departures from the household within 10 business days of the change in household composition. Pensacola Housing will require a statement from the landlord confirming the departure from the assisted household. Whenever possible, additional third-party documentation, such as

proof of new residence, will be required as well. Pensacola Housing will consider any of the following as verification:

1. Order of protection/restraining order is obtained by one family member against another;
2. Proof of another home address is provided, such as utility bills, canceled checks for rent, driver's license, or lease or rental agreement, if available;
3. Family provides statements from other agencies such as the Department of Children and Families;
4. If an adult family member is incarcerated, a document from the court or correctional facility; or
5. As a last resort, if no other proof can be provided, Pensacola Housing will accept a self-certification from the head of household, or the spouse or co-head if the head is the absent member.

Once third-party verification documents have been received, Pensacola Housing will report an interim reexamination to HUD, to be effective on the first of the calendar month after the departure occurred. Any household income associated with the departed household member will also be removed.

Reductions in household size may result in a reduction in the subsidy for which the household is eligible. Such reductions will be applied at the next annual reexamination or mover's recertification after the departure from the household occurs.

16.2.3 Increases in Income

Participants are required to report all increases in income, or in assets (when net family assets total \$5,000 or more), in writing, within 10 business days of the change.

16.2.4 Decreases in Income/Increases in Deductions

Participants are not required to, but may at any time, report a decrease in income, or other change that might reduce the amount of tenant rent, such as an increase in qualified allowances or deductions. Upon receipt of appropriate third-party verification of such changes, Pensacola Housing will take timely action to process the interim reexamination and recalculate the family share.

Pensacola Housing will not conduct interim reexaminations based on an increase or decrease in the household's medical expenses between annual eligibility reviews.

16.2.5 Interim Reexamination Policy

Pensacola Housing will conduct a complete interim re-examination and submit an updated 50058 to HUD in the following cases:

1. Interim additions to the household;
2. Interim departures from the household;
3. Any increase in income when a family previously reported no income source;

4. An increase in income that is greater than \$2,400 per year or that results in a material effect on the family's TTP (a change of 10 percent or more);
5. Upon the family's request, a decrease in household income that produces a decrease in the tenant rent; and
6. Upon the family's request, an increase in qualified household deductions that produces a decrease in the tenant rent.

Changes reported by participants that do not fall into one of the categories listed above will be noted in the participant file, but will not be submitted to HUD as a new 50058 between regularly-scheduled annual recertifications.

16.3 Special Reexaminations

If a family's income is too unstable to project for 12 months, including families that temporarily report zero income, Pensacola Housing may schedule special reexaminations every 30 days, or on whatever schedule is determined necessary, until the income stabilizes and an annual income can be determined.

16.4 Timely Reporting of Changes in Income and Household Circumstances

Pensacola Housing requires that families report interim changes to Pensacola Housing in writing within 10 business days of when the change occurs. Any follow up information, document or signature from the family that is needed to verify the change must be provided by the deadline specified by Pensacola Housing.

If a change is not reported within the required 10 business days, or if the family fails to provide documentation or signatures by a set deadline, it will be considered untimely reporting.

16.4.1 Procedures When the Change is Reported by the Family in a Timely Manner

Pensacola Housing will notify the family and the owner of any change in the HAP and the tenant rent, which will take effect according to the following guidelines:

1. Increases in the tenant rent are effective on the first of the month following at least a 30-day notice; and
2. Decreases in the tenant rent are effective the first of the month following the month in which the change is reported. In general, rent reductions will not be processed until all the facts have been verified. However, a change may be implemented based on documentation provided by the family, pending third-party written verification.

16.4.2 Procedures When the Change is Not Reported by the Family in a Timely Manner

If the family does not report the change within the timeframes described above, the family will have caused an unreasonable delay in the interim reexamination processing and the following guidelines will apply:

1. Increases in tenant rent will be effective retroactive to the date they would have been effective had changes been reported in a timely manner. The family will be liable for any overpaid HAP or UAP and may be required to sign a repayment agreement; and
2. Decreases in the tenant rent will be effective on the first of the month following the month that the change was reported, assuming the family complies with all Pensacola Housing-required document submission deadlines.

16.4.3 Procedures When the Change is Not Processed by Pensacola Housing in a Timely Manner

“Processed in a timely manner” means that the change goes into effect on the date it should, by policy, when the family reports the change in a timely manner. If the change cannot be made effective on that date, the change was not processed by Pensacola Housing in a timely manner.

In the event that a change is not processed by Pensacola Housing in a timely manner, any change resulting in an increase in tenant rent will be effective on the first of the month after the required 30-day notification period.

If the change resulted in a decrease to the tenant rent, the overpayment made by the family will be calculated retroactively to the date when the change should have been effective, and the owner will be credited for the amount the HAP was underpaid. The owner will then be responsible for crediting or reimbursing the family for any rent they overpaid during this period.

16.5 Pensacola Housing Errors

If Pensacola Housing discovers that it made an error that had a substantial effect upon a participant family’s rent subsidy, it will take necessary steps to correct the error and make adjustments to the tenant’s subsidy calculation.

If correction of the error would have an adverse effect on the participant family (for example, a reduction in HAP to the owner) then Pensacola Housing will provide the family with a 30-day notice of the increase in tenant rent. The tenant rent increase will be effective on the first of the month after the 30-day notification period has passed. Neither the participant family nor the owner will be asked to repay funds for an error they did not cause.

If correction of the error would be favorable to the tenant (for example, a retroactive increase in HAP to the owner) then Pensacola Housing will calculate the adjustment amount from the point at which the error was made to the month during which the error was corrected. The adjustment amount will be credited to the owner's account or be paid to the tenant in one of the following ways:

1. If the tenant is still in the unit and the period of incorrect HAP is within the current contract year, then an additional payment will be issued to the owner with a copy of the notification being sent to the tenant. The owner will be responsible for adjusting the rent accordingly or for issuing a refund to the tenant;
2. If the tenant is still in the unit and the period of incorrect HAP spans a previous calendar year, then a check will be issued to the tenant at the tenant's current address;
3. If the tenant is still in the program but not in the same unit then a check will be sent to the tenant at the tenant's current address; or
4. If the tenant is no longer a program participant, then notification will be sent to the tenant at the tenant's last known address advising them to contact Pensacola Housing to resolve an error in their previous program participation. Details of the reconciliation will be reserved until the tenant contacts Pensacola Housing and confirms their identity.

16.6 Income Changes Resulting from Welfare Program Requirements [24 CFR 5.615]

Pensacola Housing will not reduce the family share or tenant rent for families whose welfare assistance is reduced due to a "specified welfare benefit reduction," which is a reduction in benefits by the welfare agency specifically because of:

1. Fraud in connection with the welfare program; or
2. Non-compliance with a welfare agency requirement to participate in an economic self-sufficiency program.

However, Pensacola Housing will reduce the tenant rent if the welfare assistance reduction is a result of:

1. The expiration of a lifetime limit on receiving benefits;
2. A reduction in welfare assistance resulting from the family's failure to obtain employment, after having complied with welfare program requirements; or
3. A reduction in welfare assistance resulting from a family member's failure to comply with other welfare agency requirements.

16.6.1 Families Affected by Welfare Rules

Families are affected by the welfare rules discussed above if they are currently receiving benefits for welfare or public assistance from a state or public agency program that

requires, as a condition of eligibility to receive assistance, the participation of a family member in an economic self-sufficiency program.

16.6.2 Definition of “Imputed Welfare Income”

“Imputed welfare income” is an amount of annual income, not actually received by a family, as a result of a specified welfare benefit reduction, that is included in the family’s income for purposes of determining tenant rent.

The amount of imputed welfare income is determined by Pensacola Housing, based on written information supplied to Pensacola Housing by the welfare agency, including:

1. The amount of the benefit reduction;
2. The term of the benefit reduction;
3. The reason for the reduction; and
4. Subsequent changes in the term or amount of the benefit reduction.

The family's annual income will include the imputed welfare income, as determined at the family's annual or interim re-examination, during the term of the welfare benefits reduction specified by the welfare agency.

The amount of imputed welfare income will be offset by the amount of additional income the family receives that commences after the sanction is imposed. When additional income from other sources is at least equal to the imputed welfare income, the imputed welfare income will be reduced to zero.

If the family was not an assisted resident when the welfare sanction began, imputed welfare income will not be included in annual income.

16.6.3 Verification Before Denying a Request to Reduce Rent

Before denying the family’s request for rent reduction, Pensacola Housing will obtain written verification from the welfare agency stating that the family’s benefits have been reduced due to fraud or non-compliance with welfare agency economic self-sufficiency or work activity requirements.

16.6.4 Family Dispute of Amount of Imputed Welfare Income

If the family disputes the amount of imputed income, the housing specialist or a supervisor will review the calculation for accuracy. If Pensacola Housing denies the family’s request to modify the amount, Pensacola Housing will provide the tenant with a notice of denial, which will include:

1. An explanation for Pensacola Housing’s determination of the amount of imputed welfare income;
2. A statement that the tenant may request an informal hearing; and
3. A statement that the grievance information received from the welfare agency cannot be disputed at the informal hearing, and the issue to be examined at the informal

hearing will be Pensacola Housing's determination of the amount of imputed welfare income, not the welfare agency's determination to sanction the welfare benefits.

16.7 Notification of Results of Annual and Interim Recertifications

The HUD Form 50058 will be completed and transmitted as required by HUD.

A contract and lease amendment noting the changes in HAP and tenant rent is sent to the owner and the tenant. If the family disagrees with the rent adjustment, they may request an informal hearing.