
Chapter 11

REEXAMINATIONS and MONITORING

INTRODUCTION

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

Part I: Annual Reexaminations. This part discusses the process for conducting annual reexaminations.

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

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

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

Monitoring Deceased Tenants [PIH 2010-50] See notice for additional details

In accordance with PIH Notice 2010-19 issued on May 17, 2010, RCRHAs must generate the Deceased Tenants Report at least once a month. The purpose of generating the Deceased Tenants Report monthly is to eliminate and/or recover improper payments being made on behalf of deceased Section 8 tenants and ensure RCRHAs is aware of unoccupied public housing units which should be prepared for occupancy and made available for occupancy by the next eligible family. RCRHA is required to generate the report prior to disbursing the upcoming monthly housing assistance payment (HAP) to owners. RCRHA must review the report and follow up with the listed families immediately and take the necessary corrective actions outlined for HCV assistance.

For deceased single member households or a household where the remaining household member is a live-in aide, RCRHAs is required to discontinue HAP to the owner no later than the first of the following month after the month in which the death occurred. RCRHA is required to immediately terminate program assistance for deceased single member households which will result in termination of the HAP contract and HAP to the owner in accordance with the PIH 2010-50 provisions. The owner is **not** entitled to HAP for any month following the month in which the death occurred. There are no exceptions to this policy.

If the RCRHA overpaid HAP on behalf of a single member deceased household and fails to collect the overpayment from the owner, the RCRHA is required to reimburse 100 percent of the overpayment to the HCV HAP account from the Administrative Fee Equity account, Central Office Cost Center (COCC) account, or other non-Federal funds. In addition, if such errors impacted any funding baseline determinations, funding for the affected renewal periods may be adjusted.

RCRHA cannot reimburse prior year HAP costs with current year HAP funding because the funding carries forward but does not carry back.

HUD will monitor RCRHA's Deceased Tenants Report on a quarterly basis. If at any time the report identifies deceased single member households who have been deceased for a period exceeding six months, and HUD determines that the RCRHA has not taken the necessary corrective action, the RCRHA may be subject to a withholding of its monthly administrative fee each month that the number of single deceased household members is greater than zero.

A. ANNUAL REEXAMINATIONS [24 CFR 982.516]

Overview

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

Scheduling Annual Reexaminations

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

RCRHA Policy

The RCRHA will begin the annual reexamination process 120 days in advance of its scheduled effective date. Generally, the RCRHA will schedule annual reexamination effective dates to coincide with the family's anniversary date.

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

If the family moves to a new unit, the RCRHA will perform a new annual reexamination.

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

Notification of and Participation in the Annual Reexamination Process

The RCRHA is required to obtain the information needed to conduct annual reexaminations. How that information will be collected is left to the discretion of the RCRHA.

RCRHA Policy

Families generally are required to participate in an annual reexamination interview, which must be attended by all adult family members. If participation in an in-person interview poses a hardship because of a family member's disability, the family should contact the RCRHA to request a reasonable accommodation (see Chapter 2).

At RCRHA's discretion, the RCRHA may conduct the annual reexamination by mail.

Notification of annual reexamination interviews will be sent by first-class mail and will contain the date, time, and location of the interview. In addition, it will inform the family of the information and documentation that must be brought to the interview.

If the family is unable to attend a scheduled interview, the family should contact the RCRHA in advance of the interview to schedule a new appointment. If a family does not attend the scheduled interview, the RCRHA will send a second notification with a new interview appointment time.

If a family fails to attend two scheduled interviews without RCRHA approval, or if the notice is returned by the post office with no forwarding address, a notice of termination (see Chapter 12) will be sent to the family's address of record, and to any alternate address provided in the family's file.

An advocate, interpreter, or other assistant may assist the family in the interview process.

Conducting Annual Reexaminations

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

RCRHA Policy

Families will be asked to bring all required information (as described in the reexamination notice) to the reexamination appointment. The required information will include a RCRHA-designated reexamination form, an Authorization for the Release of Information/Privacy Act Notice, as well as supporting documentation related to the family's income, expenses, and family composition.

Any required documents or information that the family is unable to provide at the time of the interview must be provided within 10 business days of the interview. If the family is unable to obtain the information or materials within the required time frame, the family may request an extension.

If the family does not provide the required documents or information within the required time frame (plus any extensions), the family will be sent a notice of termination (See Chapter 12).

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

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

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

HUD recommends and RCRHA has adopted the policy that annual recertification/reexamination documents include a question asking whether the tenant or any member of the tenant's household is subject to a lifetime state sex offender registration program in any state. RCRHA will verify this information using the Dru Sjodin National Sex Offender Database and document this information in the same method used at admission. [PIH Notice 2009-35]

For any admissions, if the recertification/reexamination screening reveals that the tenant or a member of the tenant's household is subject to a lifetime sex offender registration requirement, or that the tenant has falsified information or otherwise failed to disclose his or her criminal history on their application and/or recertification/reexamination forms, RCRHA will pursue eviction or termination of tenancy to the extent allowed by their lease and state or local law.

Notwithstanding the above, if the tenant or a member of the tenant's household, regardless of when they were admitted, commits criminal activity while living in federally assisted housing, the RCRHA will pursue eviction or termination of tenancy to the extent allowed by their lease and state or local law.

For each historical adjustment including annual recertification (form HUD-50058 action type 14), the RCRHA is required to do the following:

- Review the EIV Income Report to confirm/validate family-reported income within 120 days of the PIC submission date; and
- Print and maintain a copy of the EIV Income Report in the tenant file; and
- Resolve any income discrepancy with the family within 60 days of the EIV Income Report date. [PIH 2010-19]

Adopted by Commission:

Effective:

For each annual reexamination of family income and composition, the RCRHA is required to have the following documentation in the tenant file:

- **No Dispute of EIV Information:** EIV Income Report, current acceptable tenant-provided documentation, and *if necessary* (as determined by the RCRHA), traditional third party verification form(s).
- **Disputed EIV Information:** EIV Income report, current acceptable tenant-provided documentation, and/or traditional third party verification form(s) for disputed information.
- **Tenant-reported income not verifiable through EIV system:** Current tenant-provided documents, and *if necessary* (as determined by the RCRHA), traditional third party verification form(s). [PIH 2010-19]

If the tenant does not provide the requested information, the RCRHA may mail or fax a third party verification request form to the third party source. The RCRHA is *required* to request third party verification when the tenant disputes EIV information and the tenant is unable to provide acceptable documentation to support disputed information. However, the RCRHA should *also* remind the tenant that s/he is required to supply any information requested by the RCRHA for use in a regularly scheduled annual or interim reexamination of family income and composition.

The RCRHA may *determine* that the tenant is not in compliance with program requirements and terminate tenancy or assistance, or both, if the tenant fails to provide the requested information in a timely manner (as prescribed by the RCRHA).

Effective Dates

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

RCRHA Policy

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

If less than 30 days remain before the scheduled effective date, the increase will take effect on the first of the month following the end of the 30-day notice period. A reexamination will be conducted on the scheduled effective date to update the utility allowance and payment standard only if tenant rent will not increase as a result of the update.

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

If the RCRHA chooses to schedule an annual reexamination for completion prior to the family's anniversary date for administrative purposes, the effective date

will be determined by the RCRHA, but will always allow for the 30-day notice period.

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

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

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

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

If the family causes a delay in processing the annual reexamination, *decreases* in the family share of the rent will be applied prospectively, from the first day of the month following completion of the reexamination processing.

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

B. INTERIM REEXAMINATIONS [24 CFR 982.516]

Overview

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

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

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

C. CHANGES IN FAMILY AND HOUSEHOLD COMPOSITION

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

RCRHA Policy

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

New Family Members Not Requiring Approval

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

RCRHA Policy

The family must inform the RCRHA of the birth, adoption or court-awarded custody of a child within 10 business days.

New Family and Household Members Requiring Approval

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

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

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

RCRHA Policy

Families must request RCRHA approval to add a new family member, live-in aide, foster child, or foster adult. This includes any person not on the lease who is expected to stay in the unit for more than 30 consecutive days, or 90 cumulative days, within a twelve-month period, and therefore no longer qualifies as a “guest.” Requests must be made in writing and approved by the RCRHA prior to the individual moving in the unit.

The RCRHA will not approve the addition of a new family or household member unless the individual meets the RCRHA’s eligibility criteria (see Chapter 3).

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

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

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

The RCRHA will make its determination within 10 business days of receiving all information required to verify the individual's eligibility.

Only the following will be considered as an addition to the household:

- Minors – birth, adoption, custody;
- Persons eighteen (18) years of age or older or other adults as deemed appropriate and qualified by the RCRHA;
- Live-in aide; or
- Foster child/Foster adult

Departure of a Family or Household Member

Families must promptly notify the RCRHA if any family member no longer lives in the unit [24 CFR 982.551(h)(3)]. Because household members are considered when determining the family unit (voucher) size [24 CFR 982.402], the RCRHA also needs to know when any live-in aide, foster child, or foster adult ceases to reside in the unit.

RCRHA Policy

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

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

II.C: CHANGES AFFECTING INCOME OR EXPENSES

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

RCRHA –Initiated Interim Reexaminations

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

RCRHA Policy

The RCRHA will conduct interim reexaminations in each of the following instances:

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

If the family has reported zero/extremely low income, the RCRHA will conduct an EIV review of the income every 30 days and an interim reexamination every 90 days as long as the family continues to report that they have no income or extremely-low income. Families that report zero/extremely low income will be required to provide information regarding their means of basic subsistence, such as food, utilities, transportation, and other subsistence expenses in writing. RCRHA will require paid utility bills for 90 days to be submitted at interim evaluations for participants claiming zero/extremely low income. Any amount of utility bill payments over the amount of the family's utility reimbursement payment will be averaged, annualized, and included as income. If the family's expenses exceed their known income, RCRHA will make inquiry as to the nature of the family's resources. If the family fails to provide true and complete information they will receive a notice of termination of assistance.

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

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

RCRHA will conduct an interim for FSS enrollment if required.

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

Family-Initiated Reexaminations

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

Required Reporting

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

RCRHA Policy

Families are required to report all increases in income and assets, including new employment, within 10 business days of the date the change takes effect. An interim reexamination will be conducted.

If the families TTP is the minimum rent and/or the family has requested a hardship exemption, the family must report any increase in income. The RCRHA will adjust the rent at the end of the hardship period.

Families are required to report the following increases in income:

- Increased in income because a person with income joins the household;
- Increases in household income which as a result of a new income source.
- Increase in household income that was not anticipated at the annual recertification period.

The RCRHA will conduct interim reexaminations for families that qualify for the earned income disallowance (EID), when the EID family's share of rent will change as a result of the increase.

Optional Reporting

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

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

RCRHA Policy

If a family reports a change that it was not required to report and that would result in a decrease in the family share of rent, the RCRHA will conduct an interim reexamination. See Section 11-II.D. for the effective dates.

Families may report changes in income or expenses at any time.

II.D PROCESSING THE INTERIM REEXAMINATION

Method of Reporting

RCRHA Policy

The family must notify the RCRHA of changes in writing.

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

Based on the type of change reported, the RCRHA will determine the documentation the family will be required to submit. The family must submit any required information or documents within 10 business days of receiving a request from the RCRHA. This time frame may be extended for good cause with RCRHA approval. The RCRHA will accept required documentation by mail, by fax, or in person.

For each interim reexamination (form HUD-50058 action type 3) of family income and composition, the PHA is required to have the following documentation in the tenant file:

ICN Page when there is **no** household income discrepancy noted on the household's Income Discrepancy Report tab or Income Discrepancy Report. (PHAs have the discretion to print the EIV Income report, however, only the ICN page is required.)

Effective Dates

The RCRHA must establish the time frames in which any changes that result from an interim reexamination will take effect [24 CFR 982.516(d)]. The changes may be applied either retroactively or prospectively, depending on whether there is to be an increase or a decrease in the family share of the rent, and whether the family reported any required information within the required time frames [HCV GB, p. 12-10].

RCRHA Policy

If the family share of the rent is to *increase*:

The increase generally will be effective on the first of the month following 30 days' notice to the family.

If a family fails to report a change within the required time frames, or fails to provide all required information within the required time frames, the increase will be applied retroactively, to the date it would have been effective had the information been provided on a timely basis. The family will be responsible for any overpaid subsidy and may be offered a repayment agreement in accordance with the policies in Chapter 16.

If the family share of the rent is to *decrease*:

The decrease will be effective on the first day of the month following the month in which the change was reported in writing and all required documentation was submitted. In cases where the change cannot be verified until after the date the change would have become effective, the change will not be made retroactively.

III.A RECALCULATING FAMILY SHARE AND SUBSIDY AMOUNT

Overview

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

III.B CHANGES IN PAYMENT STANDARDS AND UTILITY ALLOWANCES

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

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

Payment Standards [24 CFR 982.505]

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

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

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

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

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

Utility Allowances [24 CFR 982.517(d)]

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

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

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

RCRHA Policy

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

III.C NOTIFICATION OF NEW FAMILY SHARE AND HAP AMOUNT

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

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

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

RCRHA Policy

The notice to the family will include the effective date of the new HAP payment, tenant rent, utility reimbursement (if applicable), and the housing assistance payment. The notice also will state the procedures for requesting an informal hearing.

III.D DISCREPANCIES

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