



RECERTIFICATIONS

References

HUD Handbook 4350.3 REV-1 CHG-4 Chapter 7

HOTMA Final Rule

24 CFR Parts 5, 92, 93, 570, 574, 882, 891, 960, 964, 966, 982

Annual Recertifications

Owners **must** conduct a recertification of family income and composition at least annually.

Owners **must** then recompute the tenants' rents and assistance payments, if applicable, based on the information gathered.

Annual Recertifications

Owners **must**:

- ❖ Owners must use the EIV Income Report as third-party verification of employment and income unless the tenant disputes the information on the EIV report.
- ❖ Owners must obtain third-party verification directly from the third party source for the following items:
- ❖ Annual income from wages, unemployment and Social Security benefits when tenant is unable to provide acceptable income documentation or disputes the employment and income information in the EIV system.
- ❖ The value of family assets;
- ❖ Expenses related to deductions from annual income; and
- ❖ Other factors that affect the determination of adjusted income.

Annual Recertifications

Owners **must** provide the tenant with:

- ❖ HUD Fact Sheet describing how the tenant's rent is determined.
- ❖ *EIV & You* Brochure
- ❖ Resident Rights and Responsibilities Brochure

Annual Recertifications—Determining dates

The recertification anniversary date is the first day of the month in which the tenant moved into the property

The recertification anniversary date does not change if a tenant transfers from one unit to another unit at the same property.

Annual Recertifications – Mass Recertification

With the approval of the HUD Field Office or the Contract Administrator, owners may establish alternative recertification anniversary dates (Mass recertifications)

Smith Family

Move-in 6/1

Mass Recertification 8/1

Annual Recertifications –Determining dates

Examples – Recertification Anniversary Dates

New Tenants

If a family moves in on September 1, its anniversary date is September 1.

If a family moves in on September 15, its anniversary date is September 1.

If a family moves in on September 30, its anniversary date is September 1.

Existing Tenants Who Receive a New Form of Assistance

The Johnson family moves in on April 15 and pays the market rent. During the following January, the family qualifies to receive Section 8 assistance at the property and begins receiving rental assistance on February 1. The owner must set the Johnson's anniversary date at February 1.

Figure 7-3. Recertification Steps

Action	Responsible Party
1. Provide Initial Notice to tenant about next year's annual recertification. (See paragraph 7-7.)	Owner
2. Provide First Reminder Notice to tenant. If needed, provide up to two subsequent reminder notices. (See paragraph 7-7.)	Owner
3. If not already established by the owner, schedule a recertification interview with the property owner or manager, collect information, as necessary, to verify income and family composition, and obtain signatures on consent forms to allow verification of income and other relevant characteristics from outside sources.	Tenant
4. *Obtain and review EIV Income Reports and EIV Verification Reports.* Conduct recertification interview.	Owner
5. Verify family income, assets, and allowances following the procedures described in Chapter 5, Section 3, for more information about verification of income. Ensure that the tenant file includes citizenship documentation, if applicable, for all family members and documented *social security numbers for all household members except those household members who do not contend eligible immigration status or members who were age 62 or older on January 31, 2010, and whose initial determination of eligibility was begun before January 31, 2010.*	Owner
6. Enter all required data into the owner's or service bureau's TRACS software package for calculation of the new TTP/ tenant rent and assistance payment and conversion to an electronic file ready for submission.	Owner
7. Notify the tenant of any change in the TTP or tenant rent resulting from the recertification. For rent increases, a 30-day notice must be provided.	Owner
8. Obtain the original signature of the head, co-head, spouse and all other adult members of the household on the HUD-50059 with the required data electronically generated by owner's (or service bureau's) software package. Owner representative signs the HUD-50059 and provides the tenant with a copy. Only after the tenant and owner representative sign the HUD-50059, transmit electronic file to the Contract Administrator or HUD.	Owner
9. Provide the tenant with the Initial Notice for next year's annual recertification (see paragraph 7-7 B.1).	Owner

Annual Recertifications – Notices to Tenants

Owners **must** inform tenants, through written notices, about the tenants' responsibility to provide information about changes in family income or composition necessary to properly complete an annual recertification.

These notices include information on the recertification process, requirements, and timelines.

Initial Notice

Upon initial signing of the lease and at each annual recertification, the owner **must** provide an Initial Notice to the tenant.

This notice serves to ensure that tenants understand that they will need to report to the property's management office by the specified date the following year to prepare for their next recertification.

Initial Notice

The Initial Notice **must** do the following:

- Refer to the requirements in the HUD model lease regarding the tenant's responsibility to recertify annually.

- Specify the cutoff date (the 10th day of the 11th month after the last annual recertification) by which the tenant must contact the owner and provide the required information and signatures necessary for the owner to process the recertification.

Initial Notice

- ❖ The tenant **must** sign and date the initial notice to acknowledge receipt; the owner or manager **must** sign and date the notice as a witness.
- ❖ The owner **must** maintain the notice with original signatures in the tenant's file and provide a copy of the signed notice to the tenant.

Exhibit 7-1: Annual Recertification Initial Notice

Initial Notice

Initial Notice [To be signed by resident and owner at initial certification and at subsequent recertifications].

(Tenant's Name)
(Address)

(Date)

Dear _____:

As stated in paragraph [15, 10, or 9—indicate the paragraph number that corresponds to the paragraph of the model lease being used for the tenant] of your lease, the U.S. Department of Housing and Urban Development (HUD) requires that we review your income and family composition every year to redetermine rent and assistance levels.

To complete our review of your income and family composition, you must meet with (Resident Manager, Occupancy Clerk, etc.) and supply the required information each year. (The Resident Manager, Occupancy Clerk, etc.) will conduct your recertification interviews in (month and year). We will send you a reminder notice when it is time for your next recertification interview. At that time you must contact (the Resident Manager, Occupancy Clerk, etc.) to schedule an appointment for an interview.

**Cooperation with the recertification requirement is a condition of continued program participation. You must report the required information and provide the required signatures to enable the owner to process the recertification by the (insert the 10th day of the 11th month after the last annual recertification). **

When you attend the interview, you must bring the following information: (List all required information.)

I have read and understand this letter describing the requirement for my participation in an annual recertification interview.

Signature of the Head of Family _____

Date _____

Signature of Witness _____

Date _____

Public reporting burden for this collection is estimated to average 10 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This information is required to obtain benefits and is voluntary. HUD may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number. This information is authorized by 24 CFR 5.657, 980.603, 984.218, 986.324, 991.410, 991.610 and 991.750 require that the owner must reexamine the income and composition of all families at least annually. By providing tenants notification in advance of the scheduled recertification meeting and the information they need to provide, the tenant is made aware of the documents they need to retain throughout the recertification period in order to reduce their burden at the time of recertification. This information is considered non-sensitive and does not require any special protection.

Dateandtime.com

The screenshot shows the 'Date Calculator: Add to or Subtract From a Date' interface. The 'Start Date' is set to October 1, 2025. The 'Add/Subtract' dropdown is set to '(-) Subtract', and the 'Days' field is set to 120. The 'Calculate New Date' button is highlighted in green. The result is displayed in a green box: 'Result: Tuesday, June 3, 2025'.

First Reminder Notice (120-day Notice)

Owners **must** provide tenants with a reminder notice at least **120 days prior** to the recertification anniversary date.

Owners **must** maintain a copy of this notice in the tenant file documenting the date the notice was issued.

First Reminder Notice (120-day Notice)

(Tenant's Name)
(Address)

(Date, at least 120 days prior to the
upcoming recertification anniversary date)

Dear _____:

It will soon be time for your annual recertification. You received a notice of your upcoming annual recertification at an interview just less than a year ago.

Paragraph [15, 10, or 9—indicate the paragraph number that corresponds to the paragraph of the model lease being used for the tenant] of your lease states that the Department of Housing and Urban Development (HUD) requires that we review your income and family composition every year to determine if you are still eligible to receive assistance paying your rent.

To complete our review of your income and family composition, you must meet with (Resident Manager, Occupancy Clerk, etc.) at (place of interview) and supply the required information. (Resident Manager, Occupancy Clerk, etc.) will be available for recertification interviews (dates and times available). Please contact (Resident Manager, Occupancy Clerk, etc.) (by phone, at the office) as soon as possible to schedule an appointment for an interview.

Cooperation with the recertification requirement is a condition of continued program participation. **You must report the required information and provide the required signatures to enable the owner to process your recertification.** If you respond to this notice after (insert the 10th day of the 11th month after the last annual recertification), paragraph 15 of your lease (if applicable) gives us the right to implement any rent increase resulting from the recertification without providing you a 30-day written notice.

(NOTE: For tenants of all projects, except PRAC projects, add the following sentence.) If you do not respond before (insert recertification anniversary date), paragraph [15 * * or * * 14] of your lease gives us the right to terminate your assistance and charge you the (**insert type of rent, either** market rent, contract rent or 110% of BMIR rent) effective (insert the recertification anniversary date).

(NOTE: For tenants in PRAC projects add the following sentence.) If you do not respond before (insert the recertification anniversary date), your tenancy may be terminated.

When you attend the interview, you must bring the following information:
(List all required information.)

Sincerely,

(Managing Agent, Resident Manager, etc.)

Second Reminder Notice (90-day notice)

- ❖ If the tenant fails to respond within 30 days of the First Reminder Notice, the owner must provide a Second Reminder Notice approximately 90 days prior to the tenant's recertification anniversary date informing the tenant that his/her recertification information is due.
- ❖ The Second Reminder Notice must provide the tenant with all of the information given in the First Reminder Notice.
- ❖ Owners must maintain a copy of this notice in the tenant file documenting the date the notice was issued.

Second Reminder Notice (90-day Notice)

(Tenant's Name)
upcoming (Address)

(Date, "at least" 90 days prior to the
recertification anniversary date)

Dear _____:

On (date of First Reminder Notice) you received a notice requesting that you contact (Resident Manager, Occupancy Clerk, etc.) to schedule your periodic recertification interview. So far you have not scheduled your interview.

Cooperation in the recertification process is a condition for receiving assistance. Paragraph [15, 10, or 9—indicate the paragraph number that corresponds to the paragraph of the model lease being used for the tenant] of your lease states that the Department of Housing and Urban Development (HUD) requires that we review your income and family composition every year to re-determine rent and assistance levels.

To complete our review of your income and family composition, you must meet with (Resident Manager, Occupancy Clerk, etc.) at (place of interview) and supply the required information. (Resident Manager, Occupancy Clerk, etc.) will be available for recertification interviews (dates and times available). Please contact (Resident Manager, Occupancy Clerk, etc.) (by phone, at the office) as soon as possible to schedule an appointment for an interview.

Cooperation with the recertification requirement is a condition of continued program participation. You must report the required information and provide the required signatures to enable the owner to process your recertification. If you contact (Resident Manager, Occupancy Clerk, etc.) after (insert the 10th day of the 11th month after the last annual recertification), we will process your recertification but you will not receive 30 days notice of any resulting rent increase.

(NOTE: For tenants of all projects, except PRAC projects, add the following sentence.) If you do not respond before (insert recertification anniversary date), paragraph [15 or 14] of your lease gives us the right to terminate your assistance and charge you the (insert type of rent, either market rent, contract rent or 110% of BMIR rent) effective (insert the recertification anniversary date).

(NOTE: For tenants in PRAC projects add the following sentence.) If you do not respond before (insert the recertification anniversary date), your tenancy may be terminated.

To help us process your recertification, you must bring the following information to your interview:
(List all required information.)

Please do not make us increase your rent. Go to the Rental Office today to set up your interview and to discuss your recertification and any possible change in rent. Thank you for your cooperation.

Sincerely,

(Managing Agent, Resident
Manager, etc.)

Third Reminder Notice (60-day notice)

- ❖ If the tenant does not respond to the Second Reminder Notice before 60 days prior to the recertification anniversary date, the owner **must** provide the tenant a Third Reminder Notice no later than 60 days prior to the anniversary date.
- ❖ **This notice also serves as a 60-day notice to terminate assistance, and as a 60-day rent increase notice.**
- ❖ Owners must maintain a copy of this notice in the tenant file documenting the date the notice was issued.

Third Reminder Notice (60-day notice)

Third Reminder Notice/Notice of Termination

(Tenant's Name)
(Address)

(Date at least 60 days prior to the
upcoming recertification anniversary date)

Dear _____:

On (date of First Reminder Notice) and (date of Second Reminder Notice) we sent you notices requesting you to set up your recertification interview. You still have not scheduled your interview. Paragraph [15, 10, or 9—indicate the paragraph number that corresponds to the paragraph of the model lease being used for the tenant] of your lease states that the Department of Housing and Urban Development (HUD) requires that we review your income and family composition every year to redetermine rent and assistance levels.

To complete our review of your income and family composition, you must meet with (Resident Manager, Occupancy Clerk, etc.) at (place of interview) and provide the required information **and signatures to enable the owner to process your recertification. Your cooperation with the recertification requirement is a condition of continued program participation.** (Resident Manager, Occupancy Clerk, etc.) will be available for recertification interviews (dates and times available). Please contact (Resident Manager, Occupancy Clerk, etc.) (by phone, at the office) as soon as possible to schedule an appointment for an interview.

If you meet with (Resident Manager, Occupancy Clerk, etc.) and provide all of the required information **and signatures**, we will not terminate your assistance unless your income shows you are no longer eligible for assistance. If you report to the Rental Office after (insert the cutoff date, the 10th day of the 11th month after the last annual recertification), we will process your recertification but will not provide you 30 days notice of any resulting rent increase.

**To help us process your recertification, you must bring the following information to your interview.
(List all required information.)**

(NOTE: For tenants of all projects, except PRAC projects, add the following.) If you do not respond before (insert recertification anniversary date), paragraph [15 ** or ** 14] of your lease gives us the right to terminate your assistance and charge you the (**insert type of rent, either** market rent, contract rent or **110% of BMR rent) of \$_____. (insert the rent the tenant will be required to pay)** effective (insert the recertification anniversary date). **This increase in rent will be made without providing you additional notice. If you fail to pay the increased rent, we may terminate your tenancy and seek to enforce the termination in court.**

(NOTE: For tenants in PRAC projects add the following sentence.) If you do not respond before (insert the recertification anniversary date), your tenancy may be terminated.

Please do not make us increase your rent. Go to the Rental Office today to set up your interview and to discuss your recertification and any possible change in rent.

Thank you for your cooperation.

Sincerely,

(Managing Agent, Resident,
Manager etc.)

**Figure 7-4: Recertification Notice Due Dates
(Step 2 from Figure 7-3)**

Notice	Date the Notice Is Due to the Tenant	Sample Timeline Assumes a December 1 Recertification Anniversary Date
Initial Notice for Upcoming Recertification	At initial lease signing and at every annual recertification thereafter. (Obtain tenant signature acknowledging receipt.)	The initial notice should have been signed by the tenant at the previous year's certification/recertification date, <i>December 1</i> .
First Reminder Notice	120 days prior to the tenant's recertification anniversary date.	The first reminder notice should be sent out by <i>August 1</i> .
Second Reminder Notice (If no response to First Notice.)	At least 90 days prior to the tenant's recertification anniversary date.	The second reminder notice should be sent out by <i>September 1</i> .
Third Reminder Notice (If no response to Second Notice.)	At least 60 days prior to the tenant's recertification anniversary date.	The third reminder notice should be sent out no later than <i>October 1</i> .

Timely Completion of Recertification Process

Example – Timely Recertification of a Tenant

- Recertification anniversary date is 9/1.
- Owner sends tenant First Reminder Notice on 5/1.
- Owner sends tenant Second Reminder Notice on 6/1.
- Tenant reports for recertification interview on 6/25.
- Owner completes processing of recertification and provides 30-day notice of rent increase to the tenant on 7/25.
- Assistance payment, TTP, and tenant rent change on 9/1.

Timely Completion of Recertification Process

Example – Timely Tenant Response, But Delayed Verification Processing

- Recertification anniversary date is 9/1.
- Owner sends out all notices in compliance with the requirements on 5/1, 6/1 and 7/1.
- Tenant responds on 7/8.
- Owner completes processing on 8/3.
- Assistance payment changes on 9/1.
- Rent increase is effective on 10/1.

Delays in processing due to owner

Example – Owner or Third-Party Causes Delays in Recertification Procedures

- Recertification anniversary date is 9/1.
- Owner sends First Reminder Notice on 8/1.
- Tenant reports for recertification interview on 8/15.
- Owner finishes processing recertification and provides the tenant with rent increase notice on 9/15.
- Assistance payment changes take effect on 9/1.
- TTP and tenant rent changes take effect on 11/1.

Delays in processing due to late tenant response

Example – Tenant Delays Recertification Process

- Recertification anniversary date is 9/1.
- Owner provides all three recertification reminder notices per HUD requirements.
- Tenant reports for recertification interview on 8/28.
- Owner finishes processing recertification and notifies the tenant on 9/20.
- New assistance payment, TTP, and tenant rent are retroactive to 9/1.
- The owner does not provide the tenant with a 30-day rent increase notice.

**Example – Tenant Out of Compliance and
Recertification Completed in Second Month Following
Tenant Response**

- Recertification anniversary date is 9/1.
- Owner provides all three recertification notices per HUD requirements.
- Tenant does not respond to notices. Rent raised to market rate effective 9/1.
- Tenant responds on 9/30.
- Recertification not complete 10/1.
- Owner completes recertification on 10/20.
- New TTP/tenant rent retroactive to 10/1.

The tenant's recertification date changes to the first day of the month the property begins receiving assistance again for the tenant.

The tenant's recertification is processed as an **initial certification (IC)**.

Extenuating Circumstances when tenant is out of compliance

These are circumstances beyond the tenant's control.

Examples of extenuating circumstances include, but are not limited to:

- ❖ Hospitalization of the tenant
- ❖ Tenant out of town for a family emergency (such as the death or severe illness of a close family member)
- ❖ Tenant on military duty overseas

Extenuating circumstances Yes or No

Tenant is in a nursing home / rehab facility

Tenant has COVID and can not come in to sign

Tenant is out of the country on vacation

Extenuating circumstances - 50059

Calculations	
	108. Total Tenant Payment
	109. TTP Before Override
	110. Tenant Rent
	111. Utility Reimbursement
	112. Assistance Payment
	113. Welfare Rent
	114. Rent Override
	115. Hardship Exemption
	116. Waiver Type Code
	117. Eligibility Check Not Required
	118. Extenuating Circumstances Code

form HUD-50059 (06/2014)
ref. HB 4350.3 Rev .1

Extenuating circumstances - 50059

Item 118 Extenuating Circumstances Code

Leave blank if the tenant has signed this (re)certification. If the tenant has not signed this (re)certification, this Item must be filled in with one of these codes.

- 1 = Medical
- 2 = Late annual (re)certification due to accommodation or extenuating circumstances.
- 3 = Late annual (re)certification due to owner/agent delay
- 4 = Late annual (re)certification due to third party delay (For example a Guardian)
- 5 = Military Deployment
- 6 = Eviction In Progress. Must be for a valid HUD Handbook reason.
- 7 = Court order
- 8 = No Signature Required (Retroactive GR done after a MO or a GR correction to a previously transmitted 50059 where the only change is the GR modification of the contract rent and where none of the TTP, Tenant Rent, or Utility Allowance changes). See 202D MAT Guide: Chapter 7, Paragraph 9-8
- 9 = No signature required for 60 days (based on anticipated voucher reported on date). An example would be a retroactive GR causing a correction to a previously transmitted 50059 and where any of the TTP, Tenant Rent or Utility Allowance changes. A signature is required but the cert may be transmitted immediately and the signature collected within 60 days.
- 10 = Other

When the tenant is able to sign, submit a corrected (re)certification with the tenant's signature and leave this Item blank.

Extenuating circumstances

If the owner determines that extenuating circumstances were present:

- ❖ There is no change in the recertification anniversary date; and
- ❖ The TTP/tenant rent and the assistance payments determined based on the recertification information provided by the tenant are effective retroactively to the recertification anniversary date

Initial Certification – 100% S8

Brings an existing Resident onto Assistance

Example 1:

Annual Recertification 5/1

4/30 - Smith Family's S8 Assistance is terminated on for TTP Equals/Exceeds Gross Rent

7/1 – Family report loss of job and wants to get assistance again

Process an Initial Certification (IC)

Effective date = 8/1

New AR date = 8/1

Initial Certification – Not 100% S8

Example 2:

Annual Recertification 5/1

4/30 - Smith Family's S8 Assistance is terminated for Failure to recertify

7/1 – Family in Market Unit qualifies for S8 and you do an IC to give them the S8 slot

9/1 - Smith Family comes in to Recertify

Smith Family now must wait until a S8 slot opens up.

Interim Recertifications

Change in family composition

- Family member leaves the unit
 - Could require a change to Head of Household
 - Change to Dependent / Elderly / Medical Deductions
- Family wants to add a family member
- Family member turns 18 years old

Best Practice:

You are not required to do an IR when a family member turns 18, but.....

Interim Recertifications

Change in Family Income

- Lose of Job
- Gaining a new Job*
- Loss of hours / income at current job
- Increase of hours / income at current job*
- Addition of other sources of Income (Unemployment, Social Security, etc.)*

* - if results in a cumulative increase of \$200 per month

HOTMA - 10% of adjusted income increase/decrease threshold

Interim Recertifications – Resident Responsibilities

Review your existing policy on the “reasonable timeframe” resident has to report changes

KNOW YOUR POLICY AND APPLY IT TO EVERYONE!

Best Practice: Re-inform residents of the timeframe to report changes.

REQUEST FOR INTERIM RECERTIFICATION

Name of Head of Household/Co-Head (print) _____

I/We are requesting an interim review due to changes to household income and/or family composition. I/ we understand that I/we must provide verification of the change. In addition, additional verification of the change(s) stated below may be required. I/We understand that we are responsible to provide the relevant information/documentation requested within the time allotted in order for the recalculation of rent to be conducted and applied. I/we understand that a failure to provide relevant information/documentation may result in interim review being denied, cancelled, or delayed.

Reason for interim review. Please check all that apply and provide explanation:

☐ Loss of employment ☐ Reduction of employment hours ☐ Reduction of employment wage rate

Name of Family Member	
Name of place of employment	
Effective date of change	
Details of change being reported	

☐ Enrollment of an adult in school (besides head or co-head)

Name of Family Member	
School attending	
Effective date of enrollment	

☐ Removal of a household member ☐ Addition to the household

Name of Family Member Adding/Removing	
Effective date of change	

Interim Recertifications – Owner/Agent Responsibilities

O/A **MUST** process an IR if a tenant reports:

- A family member moves out of the unit;
- A new family member wants to move into the unit;
- An adult family members has a change in income (gains a job, loses a job, obtains new source of income)
- Change in allowances/deductions;
- Change in citizenship status for any family member and/or
- The family's income cumulatively increases by \$200 or more per month.

Delaying Processing

HUD Handbook 4350.3 REV-1 CHG-4 Chapter 7-11E

Owners may delay, but not refuse, to process an interim recertification if they have confirmation that a tenant's income will be partially or fully restored within two months. Processing may be delayed only until the new income is known.

Delaying Processing

Example – Delaying an Interim Recertification

A tenant, Bob Jenkins, reports to the owner that he was laid off from his job last week. The owner verifies that Bob lost his job and has filed for unemployment benefits. The processing of his application for unemployment benefits has not yet been completed. The owner may wait until the processing of the unemployment claim has been completed.

Delaying Processing – Best Practice

If your State is backlogged on Unemployment verifications

- ❖ Perform IR to remove income and lower rent
- ❖ Perform 2nd IR when Unemployment verification is obtained to add income

Delaying Processing

When an IR processing is delayed:

- May require resident to pay current rent until IR is completed
- Must not evict for non-payment of rent
- Must not charge late fee for rent
- Retroactively apply any reduction in rent to the 1st day of the month after the date of the action that caused the decrease in income

Effective Dates – Loss of Income

Bob lost his job on **May 25**.

Reported change and requested an IR on **May 26**.

Bob must pay current amount of rent for **June 1**.

IR is completed on June 10 with an effective date of **June 1**

Bob is given a rent credit/refund for the difference between previous rent and new current rent

Effective Dates– Loss of Income

Bob lost his job on **May 25**.

Reported and requested an IR on **June 10**. (Property has a policy of reporting change within 10 days)

Bob must pay current amount of rent for June 1.

IR is completed on June 10.

New rent is effective July 1.

Effective Dates – Increase of Income

Bob obtains a job on **May 25**.
Reported and requested an IR on **May 26**.

Bob must pay current amount of rent for **June 1**.

IR is completed on June 10 with an effective date of **August 1** – new rent amount
(**must** give a 30-day notice of increase)

Effective Dates – Increase of Income

Bob obtains a job on **May 15**.
Reported and requested an IR on **June 15**.

Bob pays current amount of rent for **June 1**.

IR is completed on June 10 with an effective date of **July 1**

**Did not follow policy of reporting change in reasonable amount of time
(losses 30-day notice of rent increase)**

Processing the IR

Do I have to reverify all information?

Processing the IR

Do I have to reverify all information?

NO!

You only need to verify information that is changing.

Resident does not report change

Employment shows up on EIV New Hires Report

Resident does not report change

- Tenant notification. When owners learn that a tenant has experienced a change in family income or composition listed, they must immediately notify the tenant in writing of his or her responsibility to provide information about such changes.
- Refer the tenant to the lease clause that requires the interim recertification;
- Give the tenant 10 calendar days to respond to the notice; and
- Inform the tenant that his or her rent may be raised to the market rent if the 10-day deadline is not met.

Resident does not report change

New Rent is retroactive to the 1st of the month after the action.

Bob is on the New Hire Report you ran on 4/15/25 showing a new job as of 2/10/25

4/16/25 - You notify Bob to come in for an IR

4/21/25 – IR is completed

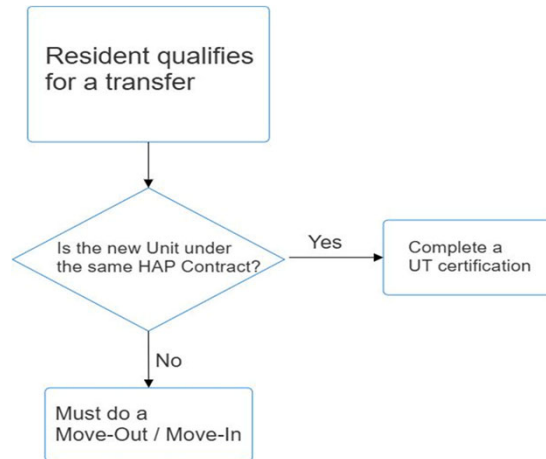
New rent is retroactive to **3/1/25** – Bob did not report new income

Unit Transfers

If a tenant reports a change (or the owner becomes aware of a change) in family composition, the owner must do the following:

- ❖ Determine appropriate unit size.
- ❖ Determine whether a transfer is required.

Unit Transfers - More than 1 HAP contract



Unit Transfers – Security Deposits

O/A policy to refund and start over or move deposit to new Unit

Unit Transfers – Required by O/A

When an owner determines that a transfer is required, the Model Lease for Subsidized Programs states that the tenant:

- ❖ May remain in the unit and pay the HUD-approved market rent; or
- ❖ Must move within 30 days after the owner notifies the family that a unit of the required size is available within the property.

Unit Transfers – Required by O/A

Jones Family lives in Unit 101

Unit 101 is an Accessible Unit

Family was informed at move-in that if this unit is needed they will need to transfer or lose their assistance

8/1 – Jones Family is notified that the Accessible unit is needed for another tenant/applicant and they must move to Unit 305 by 8/31

Option #1 – Family moves – all is well

Option #2 – Family refuses to move out of Unit 101. They can stay in the unit, but their assistance is Terminated

Unit Transfers – Reasonable Accommodation

Depending upon the circumstances of the transfer, a tenant may be obligated to pay all costs associated with the move. However, **if a tenant is transferred as a reasonable accommodation to a household member's disability, then the owner must pay the costs associated with the transfer**, unless doing so would be an undue financial and administrative burden.

Unit Transfer Policy

Owners are required to describe in the unit transfer policies in their Tenant Selection Plan (TSP). The TSP **must** address the following topics :

- Transfer waiting lists;
- Acceptable reasons for transfers;
- Procedures for filling vacancies; and
- Owner's policy for establishing priority for filling vacant units with either tenants awaiting transfers or applicants from the property waiting list.

HOTMA Changes

Interim Recertification

16. Reporting Changes Between Regularly Scheduled Recertifications:

- a. If any of the following changes occur, the Tenant agrees to advise the Landlord immediately.

(1) Any household member moves out of the unit.

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- (2) An adult member of the household who was reported as unemployed on the most recent certification or recertification obtains employment.

(3) The household's income cumulatively increases by \$200 or more a month.

Key changes – Interim Recertifications

10% of adjusted income increase/decrease threshold for conducting IR's

Below the threshold – family does not need to report

Only changes of **more than** 10% earned income triggers IR

Owners may select a lower threshold for decreases

Owner may decline to perform IR due to increases in income during the 3 months prior to family's AR

Key changes – Interim Recertifications

Must conduct an IR within a reasonable period, generally not to exceed 30 days from the date the family reports income changes.

O/A must define “reasonable amount of time”

Any IRs conducted based on HOTMA final rule may not be applied retroactively to any time period before 1/1/24.

Date: _____

Housing Opportunity Through Modernization Act of 2016:
24 CFR Parts 5, 92, 93, 570, 574, 882, 891, 960, 964, 966, 982

HUD has stated that the threshold for when an Owner must conduct a reexamination due to decreases in a family's income is a change of 10% or a lower threshold set by the owner.

Further, in most circumstances, Owners must conduct interim reexaminations if a family's income has increased by 10% or more, or such other amount established by HUD through notice.

Name of Property: _____

Resident Name: _____

Unit Number: _____

Recertification Effective Date: _____

Adjusted Annual income: _____

10% of Adjusted Annual Income: _____

Property Manager

Key changes – Interim Recertifications

Interims

Unless the family has undergone an interim reexamination for a decrease in income after the completion of the last annual reexamination (or the family's initial income examination in the case where the family has not yet had its first annual reexamination), an interim reexamination is not triggered by an increase in the family's **earned** income, even if the increase is above the 10% threshold.

Key changes – Interim Recertifications

Income decrease

Decrease less than 10%	Not required to perform Interim
Decrease over 10%	Must perform Interim

Key changes – Interim Recertifications

Example

Smith Family – Annual Recertification - May

7/1 - Family reports a decrease of income and has an IR performed to lower rent

9/1 – Family reports increased income if 10% from new job; O/A performs IR

Key changes – Interim Recertifications

Example

Smith Family – Annual Recertification - May

9/1 – Family reports increased income of 12% from new job; an IR is not triggered

Key changes – Interim Recertifications

Example

Smith Family – Annual Recertification - May

9/1 – Family reports increased income of 8% from new job; Family does not have to report increase

Key changes – Interim Recertifications

Example

Smith Family – Annual Recertification - May

5/1 – Family has Annual Recertification

6/1 - Family reports a decrease of income and has an IR performed to lower rent

8/1 – Family reports 8% increased earned income from new job; IR is performed

Key changes – Interim Recertifications

Use of EIV Income Reports is not required for IRs; it is at the Owners Discretion.

www.e3housing.com

robin.fox@e3housing.com

