

HANDOUTS

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- **These are intended to highlight key points and provide hyperlinks to important websites only**
- **These are an abbreviated version of the information from the presentation**



CERTIFICATIONS: AR AND IR AT HUD MULTIFAMILY PROPERTIES

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For any questions related to this Training or any other Training needs, please email us at support@webinarmailings.com or call us at +1 562-340-6155

CERTIFICATION TYPES

- **AR – Annual Recertification** – an annual re-examination of tenant income, assets, household, etc
- **IR – Interim Recertification** – used when there are changes to income, assets, and household between Annual Recertifications
- IC – Initial Certification – used when assistance as previously been Terminated, or if started to receive subsidy for the first time but have already been living on the property
- TM – Termination - used when subsidy/rental assistance is being terminated
- MO – Move Out - used when household moves out of the property
- MI – Move In - used when household moves into the property (different from IC)
- UT – Unit Transfer - used when households transfer between units on the property
- GR – Gross Rent – used when rent changes

PURPOSE

- **Annual Recertification (AR)**
 - Annual update of household composition, income, assets, deductions
 - AKA “Anniversary Date”
 - Effective 1st day of month a household moved into property (i.e. MI was 3/12/23, so AR would be 3/1/24, 3/1/25, etc)
 - NOTE: Initial Certifications (IC’s) can reset an anniversary date



Basic Procedures for an AR

1. Provide Initial Notice to tenant about next year's annual recertification
2. Provide First Reminder Notice to tenant. If needed, provide up to two subsequent reminder notices
3. Schedule a recertification interview
4. 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
5. Obtain and review relevant EIV Reports
6. Conduct recertification interview
7. Verify family income, assets, and allowances (including citizenship, SSN, for all applicable family members)
8. Enter all data into software, double check calculations
9. 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)
10. Obtain the original signature of the adult members of the household on the HUD-50059, AND Owner representative signs the HUD-50059
11. Give tenant a copy
12. Submit to TRACS
13. Provide the tenant with the Initial Notice for next year's annual recertification

REQUIRED NOTICES

- **Annual Recertification (AR)**
- Initial Notice (provided at MI for first AR, AND provided at each subsequent AR for the next one) - *signed and dated by tenant and management*, and the original maintained in the file (Exhibit 7-1 in 4350.3)
- 1st reminder notice at least 120 days prior to the anniversary date? (Exhibit 7-2)
- 2nd reminder notice at least 90 days prior to the anniversary date (Exhibit 7-3)
- 3rd reminder notice at least 60 days prior to the anniversary date (Exhibit 7-4)



Recertification Notice

U.S. Department of Housing
and Urban Development
Office of Housing
Federal Housing Commissioner

OMB Approval No. 2502-0204
(exp.03/31/2014)

Exhibit 7-1: Annual Recertification 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, 880.603, 884.218, 886.324, 891.410, 891.610 and 891.750 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.

Exhibit 7-2: ****Sample**** Annual Recertification First Reminder 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.)

Exhibit 7-3: ****Sample**** Annual Recertification Second Reminder Notice



(Tenant's Name)
(Address)

(Date, 90 days prior to the upcoming
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.)

Exhibit 7-4: ****Sample** Annual Recertification 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 BMIR 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)

Notice of Termination of ASSISTANCE

Notice of Termination of Assistance (4350.3 Chapter 8, and 24 CFR 247.4) - *Not required if all 1st, 2nd, and 3rd Reminders have been sent on time BUT good practice to send this at the 30 day mark prior to anniversary date*

MUST contain:

- ✓ The specific date the assistance will terminate
- ✓ The reason(s) for terminating assistance
- ✓ The amount of rent the tenant will be required to pay
- ✓ Notification that if the tenant fails to pay the increased rent, the owner may terminate tenancy and seek to enforce the termination in court; and
- ✓ 10 days to discuss
- ✓ VAWA (5380 & 5382) Forms
- ✓ Reasonable Accommodation Language

Served by:

- Sending a letter by first class mail, stamped and addressed and including a return address, to the tenant at the unit address; AND
- Delivering to adult in unit or affixed/under/through the door

The date on which the notice is deemed received by the tenant is the later of:

- The date the first class letter is mailed; **OR** The date the notice is properly given.
- Service of the notice is deemed effective once the notice has been both mailed and hand delivered.



Notice of Termination of TENANCY

Notice of Termination of TENANCY (4350.3 Chapter 8, 24 CFR 247.4, 24 CFR 247.6) - In order to terminate tenancy, the tenant *must* provide the owner with a written 30-day notice to vacate the unit, as required by the HUD lease.

Notice *must*:

- ✓ Be in writing
- ✓ For tenants with a disability, the notice must be provided in a form accessible to the tenant (e.g., in Braille or audio form for a tenant with a vision impairment)
- ✓ State the specific date the tenancy will be terminated
- ✓ State the reasons for the action with enough detail to enable the tenant to prepare a defense
- ✓ State that remaining in the unit on the termination date specified in the notice may result in the owner seeking to enforce the termination in court
- ✓ 10 days to discuss
- ✓ VAWA (5380 & 5382) Forms
- ✓ Reasonable Accommodation Language

Served by:

* Sending a letter by first class mail, stamped and addressed and including a return address, to the tenant at the unit address; **AND**
* Delivering to adult in unit or affixed/ under/ through the door

* The date on which the notice is deemed received by the tenant is **the later of:**

- The date the first class letter is mailed; **OR** The date the notice is properly given.

* Service of the notice is deemed effective once the notice has been both mailed and hand delivered.



INTERIM RECERTIFI CATIONS (IR)

- **Purpose: To update information that changes between MI to AR, and AR to AR**
- **Identifying the Need for an Interim Certification (IR) (\$200 threshold, change in family composition)**
 - **EIV**
 - **Tenant self reporting**
 - **Monitoring tenant communications and reports**
 - **Regular reviews of tenant files for income changes or household changes**
 - **Other – credible information (you see them working, or see other people in household regularly)**
- **Important to proactively engage with tenants to identify changes early**

INTERIM RECERTIFI CATIONS (IR) – POST HOTMA

- **Identifying the Need for an Interim Certification (IR)**
 - **No more \$200 threshold**
 - **10% threshold for increases**
 - **0-10% threshold for decreases**
 - **Earned income vs Unearned income between Annual Reexaminations (ARs)**
 - **If income earner leaves**
 - **If within 3 months of next scheduled AR**

Basic Procedures for an IR

1. Discovery of change (either tenant reported, or EIV, or other means)
2. Send tenant an Interim Adjustment Initial Notice (AKA – “Meet Me” notice)
 - If tenant does not respond in 10 days, send a Notice to Terminate Assistance
3. Obtain and review EIV Summary, Income Reports and Discrepancy Reports, *per your EIV Policies and Procedures*
4. Meet with tenant
5. Collect information about changes
6. Verify information that has changed
7. Enter all data into software, double check calculations
8. 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 IF *tenant responded/reported timely*)
9. Obtain the original signature of the adult members of the household on the HUD-50059, AND Owner representative signs the HUD-50059
10. Give tenant a copy
11. Implement Repayment Agreements, if needed
12. Submit to TRACS

INTERIM RECERT – TENANT SELF REPORTS

- If the tenant reports it:
 - Did they report it timely according to your internal P&P?
 - Gather verifications
 - Do calculations, if applicable
 - Process IR 50059 (double check your effective date)
 - Transmit to TRACS
 - Notice of Rent Increase (if applicable) – 30 days
 - Document file

IR – TENANT DOES NOT REPORT THE CHANGE

- If found as a result of tenant not reporting (i.e. EIV, other sources)
- Contact the tenant with written notice and give them 10 days to report to the office discuss
 - **Your notice must:**
 - Refer the tenant to the lease clause that requires the interim recertification
 - Give the tenant 10 calendar days to respond to the notice
 - Inform the tenant that his or her rent may be raised to the market rent if the 10-day deadline is not met
- See HUD Handbook 4350.3 Chapter 7, Exhibit 7-7 for a sample letter

Exhibit 7-7: ****Sample**** Interim Adjustment Initial Notice

(Tenant's Name)
(Address)

(Date)

Dear _____:

(Management Agent, Resident Manager, etc.) believes that you have failed to report a change in your (income or family composition). If this is true, your failure to report this change is a violation of paragraph (16 or 24) of your lease (if applicable).

If you have failed to report a change, your lease gives us the right to terminate your rental assistance and give it to another family. However, if you meet with (Resident Manager, Occupancy Clerk, etc.) by (10 calendar days from the date of this notice) and report the change in your (income, family composition), if any, we will not terminate your assistance unless your income shows you are no longer eligible for assistance. Please do not make us take such a drastic step. Call (Resident Manager, Occupancy Clerk, etc.) immediately to set up a meeting.

(NOTE: For tenants of all projects, except PRAC projects, add the following sentence.) If you do not respond before (10 calendar days from the date of this notice), paragraph [17 or 24] of your lease gives us the right to terminate your assistance and charge you the (market rent/contract rent/110% of the BMIR rent) effective (insert the date that is the first day of the month following 10 calendar days from the date of this notice).

(NOTE: For tenants in PRAC projects add the following sentence.) If you do not respond before (insert 10 calendar days from the date of this notice), your tenancy may be terminated.

Sincerely,

(Managing Agent,
Resident Manager, etc.)

IR – TENANT DOES NOT REPORT THE CHANGE

- If tenant does not respond within 10 calendar days:
 - Assistance must be terminated effective the first rent period following the 10-day notice period
 - If the tenant subsequently submits the required information, you must reduce the tenant's rent on the first of the following month based on verifications of income obtained

IR – TENANT RESPONDS TO 10 DAY NOTICE

- **If tenant responds and confirms the information is correct:**
 - Recertification/Correction effective dates will be retroactive to 1st of the month following the hire date for unreported income

IR - TENANT RESPONDS BUT DISPUTES

- Document the information obtained from the tenant
- Obtain 3rd party verification from employer and other sources based on Tenant must payback any overpayment in assistance resulting from unreported or under reported income
 - Allow tenant to enter into a repayment agreement if tenant cannot pay in full



Notice of Rent Increase as a Result of AR or IR

- Tenant compliance with timeframes
- Reminder Notices at AR
- Date the notices
- Sign/Date notices

- INCREASES
 - Required 30 day notice UNLESS tenant failed to report/respond timely
 - Required information / refer to section of lease
 - Give the tenant a copy

- DECREASES
 - Effective the first day of the month following the change
 - Unless tenant failed to report/respond timely, then effective 1st day of month following discovery of change (NOTATE file)

Exhibit 7-6: ****Sample**** Model Form of Notification of Rent Increase Resulting from Recertification Processing

(Tenant's Name)
(Address)

(Date)

Dear Tenant:

This is to notify you that on the basis of our recent review of your income and family composition your rent has been adjusted to \$ _____. This new rent is effective beginning (month/day/year). This notification amends Paragraph [3, 4, or 5—indicate the paragraph number that corresponds to the paragraph of the model lease being used for the tenant.] of your lease agreement, which sets forth the amount of rent you pay each month.

Please visit the site office within 7 days of receipt of this notice to sign and receive a copy of the ****HUD-50059****. The ****HUD-50059**** must be signed by the head, co-head, spouse and all other adult members of the household. The copy of the ****HUD-50059**** provides the information on your income that we used to calculate your new rent and the amount of rental assistance, if any, HUD pays monthly on your behalf.

You may call _____ if you wish to arrange a meeting to discuss this change. Thank you for your cooperation.

Sincerely,

(Managing Agent,
Resident Manager, etc.)

Consent Forms

Two kinds:

1. HUD Generated (9887/9887A)
2. Owner Generated

All Adult family members must sign two HUD required consent forms plus the owner's specialized verification forms. Owners must create their own verification forms to request information from employers, child care providers, and others.



9887/9887A Forms

- HOTMA will change signature requirements:
 - At time of application/move in
 - When member turns 18
 - When adult added to household

9887/9887A Forms

Separate one signed/dated for each household member over 18, AND management

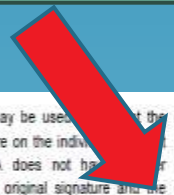
Signed/dated by all household members over 18



Consent: I consent to allow HUD, the OIA, or the PHA to request and obtain income information from the federal and state agencies listed on the back of this form for the purpose of verifying my eligibility and level of benefits under HUD's assisted housing programs.

Signatures:		Additional Signatures, if needed:	
_____ Head of Household	_____ Date	_____ Other Family Members 18 and Over	_____ Date
_____ Spouse	_____ Date	_____ Other Family Members 18 and Over	_____ Date
_____ Other Family Members 18 and Over	_____ Date	_____ Other Family Members 18 and Over	_____ Date
_____ Other Family Members 18 and Over	_____ Date	_____ Other Family Members 18 and Over	_____ Date

Original is retained on file at the project site ref. Handbooks 4350.3 Rev-1, 4571.1, 4571.2 & 4571.3 and HOPE II Notice of Program Guidelines form HUD-9887 (02/2007)



A photocopy of the signed consent may be used in lieu of the information authorized by your signature on the individual consent forms. This would occur if the OIA does not have an individual verification consent with an original signature and the OIA is required to send out another request for verification (for example, the third party fails to respond). If this happens, the OIA may attach a photocopy of this consent to a photocopy of the individual verification form that you sign. To avoid the use of photocopies, the OIA and the individual may agree to sign more than one consent for each type of verification that is needed. The OIA shall inform you, or a third party which you designate, of the findings made on the basis of information verified under this consent and shall give you an opportunity to contest such findings in accordance with Handbook 4350.3 Rev. 1.

The OIA must provide you with information obtained under this consent in accordance with State privacy laws.

If a member of the household who is required to sign the consent forms is unable to sign the required forms on time, due to extenuating circumstances:

Name of Applicant or Tenant (Print)

Signature of Applicant or Tenant & Date

I have read and understand the purpose of this consent and its uses and I understand that misuse of this consent can lead to personal penalties to me.

Name of Project Owner or his/her representative

Title

Signature & Date
cc:Applicant/Tenant
Owner file

Penalties for Misusing this Consent:
HUD, the OIA, and any PHA (or any employee of HUD, the OIA, or the PHA) may be subject to penalties for unauthorized disclosures or improper uses of information collected based on the consent form.

Use of the information collected based on the form HUD 9887-A is restricted to the purposes cited on the form HUD 9887-A. Any person who knowingly or willfully requests, obtains or discloses any information under false pretenses concerning an applicant or tenant may be subject to a misdemeanor and fined not more than \$5,000.

Any applicant or tenant affected by negligent disclosure of information may bring civil action for damages, and seek other relief, as may be appropriate, against the officer or employee of HUD, the OIA or the PHA responsible for the unauthorized disclosure or improper use.

Original is retained on file at the project site ref. Handbooks 4350.3 Rev. 1, 4571.1, 4571.2 & 4571.3 and HOPE II Notice of Program Guidelines form HUD-9887-A (02/2007)



Owner Generated Consent Forms

- 4350.3 Appendix 6-A: Guidance for Development of Individual Consent Forms

4350.3 REV-1

Appendix 6-A

Appendix 6-A: Guidance for Development of Individual Consent Forms

1. REQUIREMENTS FOR INDIVIDUAL CONSENT. See sample consent below.
Individual verification consent forms must contain the following consumer protections:
 - a. State in bold (or other emphasis) in a prominent place that the applicant/tenant does not have to sign the consent if it is not clear who will provide the information or who will receive the information.

NOTE: This can be re-worded to suit the owner's individual style. This customer protection assures individuals that their consents will be used by authorized individuals only.

Owner Generated Consent Forms

Figure 5-5: Language Required on all Consent Forms

The following statement must appear on all consent forms developed by owners:

“Title 18, Section 1001 of the U.S. Code states that a person is guilty of a felony for knowingly and willingly making false or fraudulent statements to any department of the United States Government. HUD and any owner (or any employee of HUD or the owner) may be subject to penalties for unauthorized disclosures or improper use of information collected based on the consent form. Use of the information collected based on this verification form is restricted to the purposes cited above. Any person who knowingly or willingly requests, obtains or discloses any information under false pretenses concerning an applicant or participant may be subject to a misdemeanor and fined not more than \$5,000. Any applicant or participant affected by negligent disclosure of information may bring civil action for damages, and seek other relief, as may be appropriate, against the officer or employee of HUD or the owner responsible for the unauthorized disclosure or improper use. Penalty provisions for misusing the social security number are contained in the Social Security Act at 208 (a) (6), (7) and (8). Violation of these provisions are cited as violations of 42 U.S.C. 408 (a) (6), (7) and (8)



Requirements & Consequences

- Applicants and adult family members must sign consent forms to authorize the owner to collect information to verify eligibility, income, assets, expenses, and deductions.
- ***Applicants and tenants who do not sign required consent forms will not receive assistance.***

Tenant Interview

Tenant has filled out their paperwork and checklist

- Review the checklist and obtain any missing or incomplete
- Clarify inconsistent information. Ask the applicant/tenant for additional information as needed.
- Ask through questions about income sources and assets
(HOTMA will change some eligibility for assets at S8 properties)
- Give copies of required brochures and information (EIV and You, Resident Rights and Responsibilities, etc)
- Discuss consequences for non-compliance and penalties for providing false information.
- Discuss the use of EIV
- Explain verifications
- Compare to reported information during the last certification and clarify/verify significant changes, or EIV reports, etc.
- Obtain consent forms.
-this is not an exhaustive list.....

** Management should be using their own checklists at this point

Verifications

Minimum verification/calculation requirements

- Verify with proper and acceptable verification all factors relating to eligibility (at MI) and TTP calculation (at MI, IR, AR)
- Use the correct order of verification methods and document file accordingly
- Correctly calculate all factors
- Correctly list all verified information on the 50059
- *HOTMA will change how assets are listed (essential vs. non-essential personal property)*



Exhibit 7-5: Sample Recertification Interview and Verification Record

Name of Tenant: _____

Address/Unit No.: _____

1. Date Initial Letter Mailed to Tenant to Arrange Recertification Interview: ___/___/___

2. Date and Type of Action Required to Follow Up Initial Letter to Arrange Recertification Interview:

Date	Type of Action
___/___/___ (M D y)	_____
___/___/___	_____
___/___/___	_____

3. Date Recertification Interview Completed ___/___/___ . If interview not completed, give reason. _____

4. Member #1*

	Verifications Sent To:		Processing Dates:	
	Written		Oral	
	Sent	Rec'd	Sent	Rec'd
a. _____	_____	_____	_____	_____
b. _____	_____	_____	_____	_____
c. _____	_____	_____	_____	_____
d. _____	_____	_____	_____	_____
e. _____	_____	_____	_____	_____

* This information should be completed for all household members. Include additional sheets as needed.

SAMPLE (EXHIBIT 7-5)

Verifications

Verifications being collected as needed at each of the three intervals:

1. Prior to move-in - Verify income, assets, expenses, and deductions and all eligibility requirements
2. As part of the annual recertification process - Verify each family's income, assets, expenses, and deductions
3. between annual recertifications (Interim Recerts – IR)- Verify changes in income, allowances, or family characteristics reported

Verifications

- For each verification, are they no more than 120 days old from the date of receipt (not the effective date of the 50059)
- Note: Time limits do not apply to information that does not need to be re-verified such as:
 - a. Age
 - b. Disability status
 - c. Family membership
 - d. Citizenship status – unless there is a change in immigration status



Verifications

- Contain all required information to determine all relevant data
- In accordance with HUD regulations (i.e. # of check stubs, current balance for savings but 6 months average for checking, etc) – ***this will change under HOTMA***
- Align with EIV information
- Calculated correctly
- TTP affected?
- Corrections or new certs done, if needed, and submitted to TRACS

Verification Forms by O/A

- HUD Handbook 4350.3
 - Appendix 6-B:
Verification of Disability –
Instructions to Owners
and Sample Formats
 - Appendix 6-C: Guidance
About Types of
Information to Request
When Verifying
Eligibility and Income

Verifications

- 4350.3 Appendix 3 – Acceptable Forms of Verification
 - In chart form
 - Alphabetical

Appendix 3: Acceptable Forms of Verification

Factor to be Verified	ACCEPTABLE SOURCES					Verification Tips
	Third Party ^a			*Provided by Applicant	Self-Declaration	
	Written ^{b and d}	*Provided by Applicant*	Oral ^e			
<ul style="list-style-type: none"> • Age. <p>*(See Chapter 3, Paragraph 3-28.C)*</p>	<ul style="list-style-type: none"> • None required. 	<ul style="list-style-type: none"> • None required. 	<ul style="list-style-type: none"> • None required. 	<ul style="list-style-type: none"> • Birth Certificate • Baptismal Certificate • Military Discharge papers • Valid passport • Census document showing age • Naturalization certificate • Social Security Administration Benefits printout 		

EXCERPT ONLY



Verifications

- HOTMA changes acceptable forms of verification for Social Security Numbers

Calculations



**HUD Handbook
4350.3 Chapter 5**



**Once all sources of
income are known
and verified, owners
must convert
reported income to
an annual figure.**



**Calculate projected
annual income by
annualizing current
income.**

*Income that may not
last for a full 12 months
(e.g., unemployment
compensation) should
be calculated
assuming current
circumstances will last
a full 12 months.*



**Calculate income
from assets**

****HOTMA will change how we look at earned and unearned income sources between Annual Reexaminations (ARs)**



Calculations

- Unique circumstances – You are expected to make a reasonable judgment as to the most reliable approach to estimating what the tenant will receive during the year. In many of these challenging situations, midyear or interim recertifications may be required to reflect changing circumstances.
- ***HOTMA has clarified numerous definitions for types of income which will help***

EIV at AR vs IR

4350.3 Exhibit 9-5 – Use of EIV Reports

Exhibit 9-5

4350.3 REV-1

USE OF EIV REPORTS					
REPORT	*UPDATE		REPORT USE	FILE DOCUMENTATION	RETENTION
	TSP	P&P			
<p>Summary Report</p> <p>Summary of household information from the current, active certification in the TRACS file at the time of the income match.</p> <p>Provides Identity Verification Status by identifying tenants whose personal identifiers:</p>	<p>EXCERPT ONLY</p>	X	<p>Must be used at recertification (annual and interim)</p> <ul style="list-style-type: none"> To validate a tenant's SSN To review and resolve discrepant or invalid personal identifiers of tenants with a "failed" or "deceased" status <p>Note: Nothing has to</p>	<p>Summary Report(s) as verification of the SSN for all household members whose Identity Verification Status is "Verified".</p> <p>Correspondence or documentation received to resolve a tenant's "Failed" or "Deceased" status.</p> <p>Documentation for household members identified as exempt from disclosing and providing verification of a SSN:</p>	<p>Tenant file</p> <p>Summary Report and supporting documentation must be retained in the tenant's file for term of tenancy plus 3 years.</p> <p>Note: O/As may remove and destroy copies of verification documentation received from the tenant to verify their SSN once the Identity Verification Status shows "Verified". O/As are encouraged to minimize the number of tenant records that contain documents</p>



EIV P&P – HOTMA CHANGES

Things that **ARE** changing in EIV
due to HOTMA

New Hires Report Frequency and
Use

Summary Report (AKA Income
Summary Report) Frequency

Income (Detail) Report Frequency
and Use

Income Discrepancy Report
Frequency and Use

Consequences

When can you terminate ASSISTANCE?

- Failure to sign consent forms
- Failure to sign 50059 (barring any extenuating circumstances)
- Failure to respond on time
- Etc.....



Consequences

When can you terminate TENANCY?

- Material noncompliance
 - Substantial lease violations
 - Fraud
 - Repeated minor violations
 - Nonpayment of rent
 - Failure to disclose and provide verification of SSN(s)
 - Failure to sign and submit consent forms
- Drug abuse and other criminal activity
- Material failure to carry out obligations under a State Landlord and Tenant Act
- Other good cause
- **You CANNOT refuse to renew a lease solely because a lease term has expired**





Billing & Vouchering

- **Submitting the Certification to TRACS**
 - Understand timelines and deadlines for submissions. (**always by the 10th of the month for the following month**)
 - Make sure any **Repayment Agreements are submitted on the voucher, AND monthly payments collected** from the tenant are submitted on the voucher as well
 - Submit the completed Form 50059 to the appropriate entity (some states have PBCAs).
 - Ensure all supporting documentation is included.



Billing & Vouchering

- **Post-Submission Follow-Up**

- Monitor for any feedback or requests for additional information.
 - **Check your TRACS Error Log** and immediately correct anything listed.
 - Address any discrepancies or issues raised.
- Maintain communication with tenants regarding their status
 - Every month **compare your Final Voucher Report to your Rent Roll** out of your software

Extenuating Circumstances

- Use appropriate code on 50059

These are not Eligibility Waivers, as indicated for Item 116.
(MAT10 Section 2 Field 100)

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.

Note: With respect to Code 8—this is to be used whenever a full cert for a moved-out tenant is corrected by a GR—even in cases where a code 9 would normally be used. This is because a tenant signature will never be obtained.

Note: A code of "Y" is allowed when correcting a (re)certification originally created under TRACS 202C or earlier with a "Y" in this Item.

(MAT10 Section 2 Field 99)

Regarding required signatures on Section A of this completed form, refer to the TRACS 202D MAT Guide: Chapter 7, Paragraphs 9-5.A.7.f and 9-8.B.

Listing Address or Mailing Address (Last, First, Middle, or PO Box)

Certification Summary from Page 2			
Name of Project	Effective Date	Certification Type	Anticipated Voucher Date
Head of Household	Total Tenant Payment	Assistance Payment	Tenant Rent
Unit Number	Extenuating Circumstances Code		
Tenant Signatures			
Head of Household	Date	Other Adult	Date



HUD MULTIFAMILY AR AND IR CERTIFICATIONS: Q&A AND THANK YOU

Thank you for attending!

Presented by: Rhanda Mckown

For any questions related to this Training or any other Training needs, please email us at support@webinarmailings.com or call us at +1 562-340-6155