Chapter 9

REEXAMINATIONS


INTRODUCTION

The DMMHA is required to reexamine each family’s income and composition periodically, and to adjust the family’s rent accordingly. DMMHA must adopt policies for conducting annual and interim reexaminations that are consistent with regulatory requirements, and must conduct reexaminations in accordance with such policies [24 CFR 960.257(c)].

The frequency with which the DMMHA must reexamine the income and composition of a family depends on whether the family pays income-based rent or flat rent. HUD requires the DMMHA to offer all families the choice of paying income-based rent or flat rent at least annually. The DMMHA’s policies for offering families a choice of rents are located in Chapter 6.

This chapter discusses both annual and interim reexaminations.

Part I: Annual Reexaminations for Families Paying Income Based Rents. This part discusses the requirements for annual reexamination of income and family composition. Full reexaminations are conducted at least once a year for families paying income-based rents.

Part II: Reexaminations for Families Paying Flat Rents. This part contains the DMMHA’s policies for conducting full reexaminations of family income and composition for families paying flat rents. These full reexaminations are conducted at least once every 3 years. This part also contains the DMMHA’s policies for conducting annual updates of family composition for flat rent families.

Part III: Interim Reexaminations. This part includes HUD requirements and DMMHA policies related to when a family may and must report changes that occur between annual reexaminations.

Part IV: Recalculating Tenant Rent. After gathering and verifying required information for an annual or interim reexamination, the DMMHA must recalculate the tenant rent. While the basic policies that govern these calculations are provided in Chapter 6, this part describes the policies that affect these calculations during a reexamination.

Policies governing reasonable accommodation, family privacy, required family cooperation and program abuse, as described elsewhere in this ACOP, apply to annual and interim reexaminations.
PART I: ANNUAL REEXAMINATIONS FOR FAMILIES PAYING INCOME BASED RENTS [24 CFR 960.257]

9-I.A. OVERVIEW
For those families who choose to pay income-based rent, the DMMHA must conduct a reexamination of income and family composition at least annually [24 CFR 960.257(a) (1)]. For families who choose flat rents, the DMMHA must conduct a reexamination of family composition at least annually, and must conduct a reexamination of family income at least once every 3 years [24 CFR 960.257(a)(2)]. Policies related to the reexamination process for families paying flat rent are located in Part II of this chapter.

For all residents of public housing, whether those residents are paying income-based or flat rents, the DMMHA must conduct an annual review of community service requirement compliance.

The DMMHA is required to obtain all of the information necessary to conduct reexaminations. How that information will be collected is left to the discretion of the DMMHA. Families are required to provide current and accurate information on income, assets, allowances and deductions, family composition and community service compliance as part of the reexamination process [24 CFR 960.259].

This part contains the DMMHA’s policies for conducting annual reexaminations.

9-I.B. SCHEDULING ANNUAL REEXAMINATIONS
The DMMHA must establish a policy to ensure that the annual reexamination for each family paying an income-based rent is completed within a 12-month period [24 CFR 960.257(a) (1)].

The DMMHA will schedule annual reexaminations to coincide with the family's anniversary date. The DMMHA will begin the annual reexamination process approximately 120 days in advance of the scheduled effective 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 transfers to a new unit, the DMMHA will perform a new annual reexamination, and the anniversary date will be changed.

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

Notification of and Participation in the Annual Reexamination Process
The DMMHA is required to obtain information needed to conduct annual reexaminations. How that information will be collected is left to the discretion of the DMMHA. However, the DMMHA should give tenants who were not provided the opportunity to provide contact information at the time of admission the option to complete Form HUD-92006, Supplement to Application for Federally Assisted Housing, at this time. DMMHA should provide the family the opportunity to update, change or remove information from the HUD-92006 at the time of the annual reexamination.
Families are required to participate in an annual reexamination interview, which must be attended by the head of household, spouse and any household member over the age of 18. If participation in an in-person interview poses a hardship because of a family member’s disability, the family should contact the DMMHA to request a reasonable accommodation.

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 DMMHA in advance of the interview to schedule a new appointment. In all circumstances, if a family does not attend the scheduled interview the DMMHA will send a second notification with a new interview appointment time.

If a family fails to attend two scheduled interviews without DMMHA approval, the family will be in violation of their lease and may be terminated in accordance with the policies in Chapter 13.

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

9-I.C. CONDUCTING ANNUAL REEXAMINATIONS

The terms of the public housing lease require the family to furnish information regarding income and family composition as may be necessary for the redetermination of rent, eligibility, and the appropriateness of the housing unit \[24 \text{ CFR } 966.4(c)(2)\].

Families will be asked to bring all required information (as described in the reexamination notice) to the reexamination appointment. The required information will include 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 14 calendar 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 in violation of their lease and may be terminated in accordance with the policies in Chapter 13.

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

Change in Unit Size

Changes in family or household composition may make it appropriate to consider transferring the family to comply with occupancy standards. The DMMHA may use the results of the annual reexamination to require the family to move to an appropriate size unit [24 CFR 960.257(a) (4)]. Policies related to such transfers are located in Chapter 12.

Compliance with Community Service

For families who include nonexempt individuals, the DMMHA must determine compliance with community service requirements once each 12 months [24 CFR 960.257(a) (3)].

See Chapter 11 for the DMMHA’s policies governing compliance with the community service requirement.

Criminal Background Checks - PIH Notice 2012-28; 24 CFR 5.90(f) and 5.905(d)

Information obtained through criminal background checks may be used for lease enforcement and eviction [24 CFR 5.903(e) (1) (ii)]. Criminal background checks of residents will be conducted

Each household member age 18 and over will be required to execute a consent form for a criminal background check as part of the annual reexamination process.

At the annual reexamination, the DMMHA will ask whether the tenant, or any member of the tenant’s household, is subject to a lifetime sex offender registration requirement in any state. The PHA will use the Dru Sjodin National Sex Offender database to verify the information provided by the tenant.

If the DMMHA proposes to terminate assistance based on lifetime sex offender registration information or criminal background checks, the DMMHA must notify the household of the proposed action and must provide the subject of the record and the tenant a copy of the record and an opportunity to dispute the accuracy and relevance of the information prior to termination.

9-I.D. EFFECTIVE DATES

As part of the annual reexamination process, the DMMHA must make appropriate adjustments in the rent after consultation with the family and upon verification of the information [24 CFR 960.257(a) (1)].

An increase in the tenant 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.

If the family causes a delay in processing the annual reexamination, increases in the tenant rent will be applied retroactively, to the scheduled effective date of the annual reexamination. The family will be responsible for any underpaid rent and may be offered a repayment agreement in accordance with the policies in Chapter 16.
A decrease in the tenant rent that results from an annual reexamination will take effect on the family’s anniversary date.

If the family causes a delay in processing the annual reexamination, decreases in the tenant 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 DMMHA by the date specified, and this delay prevents the DMMHA from completing the reexamination as scheduled.
PART II: REEXAMINATIONS FOR FAMILIES PAYING FLAT RENTS
[24 CFR 960.257(2)]

9-II.A. OVERVIEW

HUD requires that the DMMHA offer all families the choice of paying income-based rent or flat rent at least annually. The DMMHA’s policies for offering families a choice of rents are located in Chapter 6.

For families who choose flat rents, the DMMHA must conduct a reexamination of family composition at least annually, and must conduct a reexamination of family income at least once every 3 years [24 CFR 960.257(a)(2)]. The DMMHA is only required to provide the amount of income-based rent the family might pay in those years that the DMMHA conducts a full reexamination of income and family composition, or upon request of the family after the family submits updated income information [24 CFR 960.253(e)(2)].

As it does for families that pay income-based rent, the DMMHA must also review compliance with the community service Requirements for families with nonexempt individuals.

This part contains the PHA’s policies for conducting reexaminations of families who choose to pay flat rents.

9-II.B. FULL REEXAMINATION OF FAMILY INCOME AND COMPOSITION

Frequency of Reexamination

For families paying flat rents, the DMMHA will conduct a full reexamination of family income and composition once every 3 years.

Reexamination Policies

In conducting full reexaminations for families paying flat rents, the DMMHA will follow the policies used for the annual reexamination of families paying income-based rent as set forth in Sections 9-I. B through 9-I. D above.

9-II.C. REEXAMINATION OF FAMILY COMPOSITION (“ANNUAL UPDATE”)

As noted above, full reexaminations are conducted every 3 years for families paying flat rents. In the years between full reexaminations, regulations require the DMMHA to conduct a reexamination of family composition (“annual update”) [24 CFR 960.257(a) (2)].

The annual update process is similar to the annual reexamination process, except that the DMMHA does not collect information about the family’s income and expenses, and the family’s rent is not recalculated following an annual update.

Scheduling

The PHA must establish a policy to ensure that the reexamination of family composition for families choosing to pay the flat rent is completed at least annually [24 CFR 960.257(a) (2)].

For families paying flat rents, annual updates will be conducted in each of the 2 years following the full reexamination.
In scheduling the annual update, the DMMHA will follow the policy used for scheduling the annual reexamination of families paying income-based rent as set forth in Section 9-I.B. above.

Conducting Annual Updates

The terms of the public housing lease require the family to furnish information necessary for the redetermination of rent and family composition [24 CFR 966.4(c)(2)].

The family will be required to attend an interview for an annual update.

Notification of the annual update will be sent by first-class mail and will inform the family of the information and documentation that must be provided to the DMMHA. The family will have 14 calendar days to submit the required information to the DMMHA. If the family is unable to obtain the information or documents within the required time frame, the family may request an extension. The DMMHA will accept required documentation by mail, by fax, or in person.

If the family’s submission is incomplete, or the family does not submit the information in the required time frame, the DMMHA will send a second written notice to the family. The family will have 14 calendar days from the date of the second notice to provide the missing information or documentation to the DMMHA.

If the family does not provide the required documents or information within the required time frame (plus any extensions), the family will be in violation of their lease and may be terminated in accordance with the policies in Chapter 13.

Change in Unit Size

Changes in family or household composition may make it appropriate to consider transferring the family to comply with occupancy standards. The DMMHA may use the results of the annual update to require the family to move to an appropriate size unit [24 CFR 960.257(a) (4)]. Policies related to such transfers are located in Chapter 12.

Compliance with Community Service

For families who include nonexempt individuals, the DMMHA must determine compliance with community service requirements once each 12 months [24 CFR 960.257(a) (3)].

See Chapter 11 for the DMMHA’s policies governing compliance with the community service requirement.
PART III: INTERIM REEXAMINATIONS [24 CFR 960.257; 24 CFR 966.4]

9-III.A. OVERVIEW

Family circumstances may change during the period between annual reexaminations. HUD and DMMHA policies define the types of information about changes in family circumstances that must be reported, and under what circumstances the DMMHA must process interim reexaminations to reflect those changes. HUD regulations also permit the DMMHA to conduct interim reexaminations of income or family composition at any time.

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 change. The DMMHA must complete the interim reexamination within a reasonable time after the family’s request.

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

9-III.B. CHANGES IN FAMILY AND HOUSEHOLD COMPOSITION

The DMMHA must adopt policies prescribing when and under what conditions the family must report changes in family composition. However, due to provisions of the public housing lease, the DMMHA has limited discretion in this area.

Changes in family or household composition may make it appropriate to consider transferring the family to comply with occupancy standards. Policies related to such transfers are located in Chapter 12.

All families, those paying income-based rent as well as flat rent, must report all changes in family and household composition in writing that occur between annual reexaminations within 14 calendar days of the change.

The DMMHA 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 DMMHA approval. However, the family is required to notify the DMMHA of the addition [24 CFR 966.4(a) (1) (v)].

The family must inform the DMMHA of the birth, adoption or court-awarded custody of a child in writing within 14 calendar days. The 14 calendar days may be extended at the sole discretion of the DMMHA due to extenuating circumstances.

The family will be required to sign a lease addendum that will include the new family members.

If the additional family member puts the family over the occupancy standards listed in Chapter 5 for the size of unit, DMMHA will place the family on a transfer list to transfer to a unit of appropriate size when one becomes available. See Chapter 12 for the transfer policy.
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 DMMHA approval to add a new family member [24 CFR 966.4(a)(1)(v)] or other household member (live-in aide or foster child) [24 CFR 966.4(d)(3)].

Families must request DMMHA 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 14 consecutive or cumulative days during any 12-month period and therefore no longer qualifies as a “guest.” Requests must be made in writing and approved by the DMMHA prior to the individual moving into the unit.

The DMMHA will not approve the addition of a new family or household member unless the individual meets the DMMHA’s eligibility criteria (see Chapter 3) and documentation requirements (See Chapter 7, Part II).

If the DMMHA determines that an individual does not meet the DMMHA’s eligibility criteria or documentation requirements, the DMMHA 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.

Departure of a Family or Household Member

If a family member ceases to reside in the unit, the family must inform the DMMHA in writing within 14 calendar days. This requirement also applies to family members who had been considered temporarily absent, who are now permanently absent.

If a live-in aide, foster child, or foster adult ceases to reside in the unit, the family must inform the DMMHA in writing within 14 calendar days.

If the removed family member is an adult signatory of the lease, generally, DMMHA will require the head of household and the removed family member to report in writing that the family member no longer lives in the unit.

9-III.C. CHANGES AFFECTING INCOME OR EXPENSES

Interim reexaminations can be scheduled either because the DMMHA 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 DMMHA may take different actions depending on whether the family reported the change voluntarily, or because it was required to do so.

This section only applies to families paying income-based rent. Families paying flat rent are not required to report changes in income or expenses.

DMMHA-initiated Interim Reexaminations

DMMHA-initiated interim reexaminations are those that are scheduled based on circumstances or criteria defined by the DMMHA. They are not scheduled because of changes reported by the family.
The DMMHA will conduct interim reexaminations in each of the following instances:

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

If the family has reported zero income, the DMMHA will conduct an interim reexamination every 6 (six) months as long as the family continues to report that they have no income. Every 3 (three) months DMMHA will mail out a certification of income form to the tenant.

If the family is currently paying the minimum rent amount, the DMMHA may conduct an interim reexamination every 6 months.

The DMMHA 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.

If the family requires an interim reexamination to begin participation in the Family Self Sufficiency program, the DMMHA may conduct an interim reexamination upon request of the FSS coordinator.

**Family-Initiated Interim Reexaminations**

The DMMHA must adopt policies prescribing when and under what conditions the family must report changes in family income or expenses [24 CFR 960.257(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 960.257(b)].

**Required Reporting**

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

Between annual reexaminations, households under the income-based rent option will be required to report to DMMHA in writing, within 14 calendar days of the occurrence, any following changes:

a. Any change in household composition, including live-in attendant

b. Changes in source of family income

c. Any increase in family income. DMMHA will only conduct an interim reexamination when there is an increase of $500 or more per month.

d. Adult household members are no longer attending an institution of higher education.

**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 960.257(b)]. The DMMHA must process the request if the family reports a change that will result in a reduced family income. 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.

9-III.D. PROCESSING THE INTERIM REEXAMINATION

Method of Reporting

The family must notify the DMMHA of changes in writing.

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

Based on the type of change reported, the DMMHA will determine the documentation the family will be required to submit. The family must submit any required information or documents within 14 calendar days of receiving a request from the DMMHA. This time frame may be extended for good cause with DMMHA approval. The DMMHA will accept required documentation by mail, by fax, or in person.

Effective Dates

The DMMHA must make the interim reexamination within a reasonable time after the family request [24 CFR 960.257(b)].

If the tenant 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 underpaid rent and may be offered a repayment agreement in accordance with the policies in Chapter 16.

If the tenant 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 cases where the change cannot be verified until after the date the change would have become effective, the change will be made retroactively.
PART IV: RECALCULATING TENANT RENT

9-IV.A. OVERVIEW
For those families paying income-based rent, the DMMHA must recalculate the rent amount based on the income information received during the reexamination process and notify the family of the changes [24 CFR 966.4, 960.257]. 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.

The tenant rent calculations must reflect any changes in the DMMHA’s utility allowance schedule [24 CFR 960.253(c) (3)]. Chapter 16 discusses how utility allowance schedules are established.

Unless the DMMHA is required to revise utility allowances retroactively, revised utility allowances will be applied to a family’s rent calculations at the first annual reexamination after the allowance is adopted.

9-IV.C. NOTIFICATION OF NEW TENANT RENT
The public housing lease requires the DMMHA to give the tenant written notice stating any change in the amount of tenant rent, and when the change is effective [24 CFR 966.4(b)(1)(ii)].

When the DMMHA redetermines the amount of rent (Total Tenant Payment or Tenant Rent) payable by the tenant, not including determination of the DMMHA’s schedule of Utility Allowances for families in the DMMHA’s Public Housing Program, or determines that the tenant must transfer to another unit based on family composition, the DMMHA must notify the tenant that the tenant may ask for an explanation stating the specific grounds of the DMMHA determination, and that if the tenant does not agree with the determination, the tenant shall have the right to request a hearing under the DMMHA’s grievance procedure [24 CFR 966.4(c)(4)].

9-IV.D. DISCREPANCIES
During an annual or interim reexamination, the DMMHA may discover that information previously reported by the family was in error, or that the family intentionally misrepresented information. In addition, the DMMHA may discover errors made by the DMMHA. When errors resulting in the overpayment or underpayment of rent are discovered, corrections will be made in accordance with the policies in Chapter 15.