# **Chapter 4** Examinations

Under HUD regulations, AHFC is responsible for determining a family's eligibility for the Public Housing Program and the amount of rent each family will pay while participating in the program. AHFC makes those determinations based on family information provided during an initial, regular, or interim examination process.

### 1. Reasonable Accommodation

A Reasonable Accommodation process is available to those families requiring additional assistance due to a disability. Assistance is also available for limited English proficiency applicants and participants. Families may complete the Reasonable Accommodation Request, submit their request in another form, or make a verbal request.

Families with disabilities may request that an examination is conducted in their homes or at some other convenient location if the nature of their disability is such that they cannot reasonably be expected to come to the AHFC office. See the Reasonable Accommodations exhibit.

# 2. Family's Minimum Required Contribution

A family is required to contribute a portion of their income toward their rent payment each month. The minimum family contribution is dependent upon the program in which the family participates. Families whose income-based rent calculation exceeds the contract rent will be capped at the applicable contract rent for the unit they occupy.

## 2.A Moving to Work

# **AHFC Policy**

AHFC received approval from its Board of Directors on February 27, 2013 with Resolution No. 2013-11 to set alternative minimum rents and an alternate noncitizen member proration for its Housing Choice Voucher and Public Housing Programs.

| Program | Income Calculation  | Minimum Rent | Time Limit |
|---------|---|--------------|------------|
| Classic | <ul> <li>28.5 percent of monthly gross income;</li> <li>\$50 per month reduction for ineligible noncitizen members</li> </ul>   | \$25         | No limit   |
| Step    | <ul> <li>28.5 percent of monthly gross income during year 1;</li> <li>Fixed rent amounts during years 2-5;</li> <li>Year Two: Tenant pays 40 percent of the applicable contract rent.</li> <li>Year Three: Tenant pays 50 percent of the applicable contract rent.</li> <li>Year Four: Tenant pays 60 percent of the applicable contract rent.</li> <li>Year Five: Tenant pays 70 percent of the applicable contract rent.</li> <li>\$50 per month reduction for ineligible noncitizen members</li> </ul> | \$100        | 5 years    |

**Exception to Year Two through Year Five Rent Schedule:** If the rent the family pays in the first year of participation in the Step program is **greater than** the fixed rent that would be applicable during subsequent years of their participation, the family will remain at the rent level paid during the first year until such point they reach a year in which their rent is scheduled to increase.

#### 2.B Step Program Re-Entry Within One Year of Participation

Step participants who exit and re-enter the same or a different Step program prior to the completion of Year 5 (or any extension period granted to the family) may not be eligible to begin at Step Year 1. See Re-Entry into the Step Program in the Eligibility and Admission chapter.

#### 2.C Step Program Time-Limit

A family's rental assistance clock begins with the date of their initial leasing. For families participating in the Public Housing program prior to May 1, 2014 and transitioning to a time-limited program, the rental assistance clock begins with the effective date of their transition.

#### 3. Examinations

#### 3.A Initial Examination

The initial examination provides the final screening before determining whether the family is eligible to receive assistance. All family members 18 years of age and older must participate in the examination..

- ➤ The family must meet the screening requirements in Eligibility and Admission.
- ➤ Refer to Income Determination and Verification for an in-depth discussion on the verification process and calculation of family income.
- > See the Initial Examination Process exhibit.

Families are required to report any changes in income or family composition that occur after the initial examination. Families must report these changes within ten (10) business days of the occurrence. AHFC will process all changes up to the effective date of the Residential Lease Agreement.

### 3.B Regular Examination

Families must report and provide documentation of household composition and financial information on a regularly scheduled basis as defined by AHFC. Families must <u>always</u> report a change in household composition within ten (10) business days.

Families must also fully comply with regular examination procedures to continue to receive assistance.

- See the Regular Examination exhibit.
- See the Regular Examination exhibit for changes reported after the examination process.
- ➤ AHFC will process a family's reporting of an imminent change in accordance with the Annual Income Determination policy.

Full compliance by the family with the examination process will ensure a 30-day notice of any rent change and an opportunity for a Grievance Hearing prior to the effective date of the change. To be in full compliance, the family must complete the examination at least 30 days before the scheduled effective date of the examination. Families who do not fully comply with the examination process are no longer eligible to receive a full 30-day notice. Those families may not receive a Grievance Hearing prior to the increase. Additionally, failure to complete the regular examination process may result in termination of assistance (see Termination of Tenancy).

#### 3.C Changes Between Regular Examinations

See Interim Examination Process for processing changes that occur between regular examinations.

#### 3.D Special Examinations

AHFC may require a family to attend a special examination under the following situations:

- ➤ There is reason to believe the family has not fully disclosed all income or accurate family composition;
- A family has income from a source that is very difficult to anticipate (i.e., just started a business, has just begun working on-call, etc.).
- ➤ A family reports an imminent change during the regular examination process.

See Annual Income Determination for the definition of imminent change. See the Interim Examination Process to process a special examination.

# 4. Financial Hardships

If the application of AHFC's MTW rent policy or minimum rent results in a financial hardship to the family, they may apply for a hardship (see Hardship Policy and Process).

# 5. Unreported or Underreported Income

If the original information reported by the family is found to be incorrect, or a family subject to interim income reporting requirements fails to report changes in income, the family must repay AHFC any amount owed because of the error, delay, or omission. If the family underpaid their rent, the file will be audited, and the family must repay AHFC.

If a rent increase must be completed to correct the family's portion, the rent increase will be retroactive to the first of the month following the month in which the income increased; or back to the effective date of the lease if the original information reported by the family was incorrect. See Program Violations and Fraud Control for more information on researching and documenting unreported or underreported income.

If AHFC discovers a family failed to report changes that did not result in an underpayment of family rent, the file will not be audited. AHFC will counsel the family about their reporting requirements. If the family intentionally misreports income to avoid paying the proper amount, refer to the policy chapters Termination of Tenancy and Debt.

# 6. Community Service

Each adult resident of public housing is subject to Community Service requirements (see the Community Service exhibit).

# 7. EIV Reports

See Enterprise Income Verification (EIV) System exhibit for deadlines to pull reports and resolve discrepancies.

# **Numbered Memo**

24-16 Chapter 4, Exhibits 4-1, 4-2 & 4-3