

Exhibit 4-3

Interim Examination Process

HUD Regulation – 24 CFR 982.516(c)

Interim reexaminations.

- (1) At any time, the PHA may conduct an interim reexamination of family income and composition.
- (2) At any time, the family may request an interim determination of family income or composition because of any changes since the last determination. The PHA must make the interim determination within a reasonable time after the family request.
- (3) Interim examinations must be conducted in accordance with policies in the PHA administrative plan.

HUD Regulation – 24 CFR 982.516(d)

Family reporting of change. The PHA must adopt policies prescribing when and under what conditions the family must report a change in family income or composition.

AHFC Policy

1. All changes to family composition must be reported, in writing, to AHFC within ten (10) business days of the change.
2. Under AHFC's Moving to Work Activity 2014-1 Reasonable Rent and Family Self-Sufficiency Initiative approved by AHFC's Board of Directors on February 27, 2013 with Resolution No. 2013-11, AHFC will no longer conduct interim examinations due to changes in income in the Step, Set Aside, and Classic Programs. If a family experiences a change in circumstances resulting in a financial hardship, the family may apply for an exception under AHFC's Bridge Process. For more information, see Chapter 10.
3. Annual Plan Activity 2010N-1 Interim Reexamination Policy approved by the AHFC Board of Directors on April 23, 2009 and implemented December 7, 2009 revised AHFC's interim examination policy. AHFC will exclude any incremental increase in income due to new wages or an increase in wages when reported between regular examinations. All income will be included at the regular examination.



1. Moving To Work: Classic, Step, and Set-Aside Programs

1.A Family Income

Families are not required to report changes in income between regular examinations.

1.A.1. Step and Set Asides

AHFC will not complete interim changes in rent based solely on changes to household income between regular examinations.

1.A.2. Classic and Set Aside Disabled

Classic and Set Aside Disabled families who experience a decrease in gross annual income may request an interim rent change. Changes must:

- Be expected to last for more than 30 days **and**
- Result from the complete loss of an unearned income source or the loss or reduction of an earned income source

All requests require verification and must be made to AHFC in writing. The family will also be required to certify that family total gross income has decreased. The following types of income changes are not eligible for an interim decrease:

- fluctuations in permanent fund dividends or Native distributions;
- income sources that are annualized based on the prior year's receipts (seasonal slow-downs, layoffs, or employment such as fishery work, school bus drivers, or teachers) unless the loss is anticipated to be permanent;
- changes in HUD-excluded income sources.

Families receiving an interim rent decrease will be scheduled for a full examination on the first anniversary of the regular examination date following completion of the decrease. The family will then be eligible to be returned to the triennial examination schedule.

1.B Family Composition

See Qualify as a Family to properly document and verify changes to family household members.

1.B.1. Step Term

Changes in family composition (additions or deletions) have no effect on a family's term under Step. When adult household members are added, the Step schedule remains the same; the new adult household member's participation will end on the same schedule established at the family's initial participation even if all of the original adult household members leave the family.

1.B.2. Subsidy Standard

If a reported change results in a change to the family's subsidy standard (subsidy level or bedroom size), the change will be processed at the family's next regular examination or if the family moves, whichever is first.

1.B.3. Income Changes Resulting from Composition Changes

AHFC will always process a change in family composition.

1. Set Aside and Step (Year 1 Only) Programs

AHFC will not increase the family rent due to income from a person being added to the household.

AHFC will remove a departed family member's associated income under the following situations:

- a) When minors have permanently left the household.
- b) When the perpetrator of domestic violence against other family members is removed from the family.
- c) When a family member has died.

When there is an income loss, AHFC will process a change to the family's Moving to Work Voucher Rental Calculation to account for the change.

2. Step Program (Years 2 through 5)

Families on a fixed subsidy will not have a change to their income as these families are receiving a percentage of the payment standard as subsidy. Individual family member income contributions do not contribute to the subsidy.

3. Set Aside Disabled

AHFC will not increase the family rent due to income from a person being added to the household.

AHFC will process the change to family composition and income for deletions of household members.

When there is an income loss, AHFC will process a change to the family's Moving to Work Voucher Rental Calculation to account for the change.

4. Classic Program

Changes to family composition may result in changes to family income. Process these changes as follows.

a) Minors or Classic Adults

AHFC will process the change to family composition and income for additions or deletions of household members.

b) Addition of Work-Able Adult

Once the adult is approved, AHFC will conduct a complete income examination for the family and change the family's classification to the Step Program. AHFC will conduct a Step Program briefing with the family to ensure the family is aware of their responsibilities under the Step Program. AHFC will process these as an annual examination.

- 1) If the return to Step occurs more than 12 months from the change to Classic, then start the Classic family back at Step Year 1.

For example: the Alydar family began the Step Program in April 2019 in Step Year 1. They changed to the Classic Program in August 2020. In December 2021, a work-able adult was added. As of February 1, 2022 (30 days for family portion increase), the family starts on Step Year 1, month 1.

- 2) If the Classic family is returning to the Step Program within less than one calendar year, the family will not restart the Step program over at Year 1.

- i. Families who changed to Classic in Step Year 1 will begin at month 1 of Step Year 2.

For example: the Shuvee family began the Step Program in June 2021 in Step Year 1. They changed to the Classic Program in October 2021. In February 2022, a work-able adult was added. As of April 1, 2022 (30 days for family portion increase), the family starts on Step Year 2, month 1.

- ii. Families who changed to Classic in Step Years 2 through 5 (and any extension period) will begin at month 1 of the Step Year at time of change.

For example: the Johnstown family began the Step Program in March 2019 in Step Year 1. They completed their regular examinations in March 2020 and March 2021. In July 2021, they changed to the Classic Program; in January 2022 as part of the

regular examination process, they added a work-able adult. In March 2022, the family starts on Step Year 3, month 1.

1.C Family Circumstances

Families may experience changes in their composition or circumstances (i.e., reaching age 62, a minor reaching age 18, etc.) that may result in a change in program classification. If a family's circumstance or composition change results in a change in program designation (Classic to Step or Step to Classic):

- If there is no income hardship as a result of the change, AHFC will apply the change in designation at the family's next regular examination.
- If an income hardship occurs as a result of the change, AHFC will process these as an interim examination. See the Reasonable Accommodations exhibit, Change to Classic Designation for persons unable to verify they meet Classic qualifications.

2. Traditional Programs

The purpose of this policy is to encourage Traditional Program work-able families to seek and retain employment.

2.A Family Income

New employment refers to income from a new source, not seasonal income that resumes after a predictable slowdown or lay-off. These seasonal activities include: layoffs in the summer for a school bus driver and layoffs in the fall or winter for a hotel housekeeper or fishing industry worker. Seasonal income will be averaged at the regular examination. See Chapter 3, Income Averaging, for more information on how to calculate annual income.

Interim examinations are required for Traditional Program families for the following:

1. The income change is expected to last longer than 30 days.
2. Families report an increase in unearned income.
3. Families classified as minimum income households report an income increase. See Chapter 3 for the definition of a minimum income household.
4. Families report an increase in family income because a person with income joins the family.
5. Any time the family requests one for:
 - a) Decreases in actual family income. Actual family income means the total income of all family members including income that AHFC may be disregarding.

- b) Increases in medical or child care expenses.
- 6. Except in cases of welfare fraud, AHFC will cease to include welfare income when the benefits are terminated and the welfare case is closed. If a reduction in income results from the expiration of a lifetime limit on welfare benefits or a loss of benefits due to reasons other than non-compliance, AHFC will calculate the family's share of rent on the basis of actual family income.

2.B Family Composition

All changes to family composition must be reported in writing to AHFC within **ten (10) business days of the change**. See Qualify as a Family to properly document and verify changes to family household members.

2.B.1. Removal or Loss of Family Members

AHFC will remove only the income associated with the departed family member.

2.B.2. Addition of Family Members

AHFC will add only the income associated with the new family member.

3. Changes Due to Welfare Decreases

By law, the family share may not decrease as a result of a reduction in welfare benefits due to welfare fraud by a family member or the family's failure to comply with work activities or participation in an economic self-sufficiency program, if verified by the welfare agency.

4. Changes in Family Citizenship Status

By law, the family cannot be assisted unless at least one member can satisfy the eligibility requirements under the Citizenship Rule (Section 214 of the Housing and Community Development Act of 1980 (42 USC 1436a).

- If family members' status has changed from Ineligible Noncitizen or Pending to an eligible status, AHFC will process an interim examination for the change in circumstance and recalculate rent removing the subsidy proration.
- If family members' status has changed from an eligible status to Ineligible Noncitizen or Pending status, AHFC will calculate the prorated subsidy or terminate the subsidy if there are no remaining qualifying family members.

5. Effective Date of Rent Changes

It may be necessary to activate a rent change prior to receiving verification if the change happens late in the month.

5.A Increases

When a family reports changes in income in a timely manner, any rent increase becomes effective the first of the month following the next rental due date (for example, reported in June, rent increase effective on August 1).

If the family failed to report the change in a timely manner, any rent increase will be made retroactive to first of the month following the month in which the income was received (for example, reported in June, income started in February, rent increase effective March 1). The household must repay AHFC any overpaid housing payment made to a landlord.

5.B Decreases

If any delay in reporting was beyond the control of the family, the reduction becomes effective the first of the month after the month the interim examination should have been completed. For example, adult was hospitalized in April, had no wages, and reported in June. AHFC may begin the decrease effective May 1.

If the new rent is a reduction and the household caused the delay or did not report the change in a timely manner, the change will be effective the first of the month after the rent amount is determined. For example, adult lost her job in March and did not report it until July. The reason for not reporting was that she forgot. AHFC may begin the decrease effective August 1.

6. Special Income Examinations

AHFC will schedule special examinations at a frequency and duration determined necessary by AHFC when a family's income is too unstable to project for 12 months. The initial special examination will be scheduled no later than 90 days from the interview date.

If the rent will increase due to a special income examination, the rent increase will take place the first of the month following the next rental due date (i.e. examination completed in June, rent will change August 1).

If the rent will decrease due to a special income examination, the rent decrease will take place at the beginning of the next rental period (i.e. examination completed in June, rent will change July 1).

7. EIV Reports

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

Numbered Memo

25-18 SAVE Verifications at Regular Exam Exhibit 4-2 and Interim Exhibit 4-3