Exhibit 4-2
Regular Examination Process

Regulations at:

- 24 CFR 960.253 require a PHA to offer a family an annual choice of an income-based or flat rent.
- 24 CFR 5.617 and 24 CFR 960.255 require a PHA to provide a self-sufficiency initiative to adult family members by disregarding increased income from employment.
- 24 CFR 960.257 require a PHA to conduct an examination at least annually for those families on an income-based rent.
- 24 CFR 960.600 require a PHA to determine compliance for all nonexempt family members with community service requirements.

Under Moving to Work:

- AHFC discontinued Earned Income Disallowance for both the public housing and voucher programs with Activity 2010-3 (renumbered to 2014-1k) approved by the AHFC Board of Directors on April 23, 2009 with Resolution No. 09-10. This activity was amended by the AHFC Board of Directors on April 24, 2024 with resolution 2024-13.
- AHFC has implemented alternative rent calculation and continuing certification methods and waived the requirement to provide a family with annual choice of an income-based or flat rent with Activity 2014-1 approved by the AHFC Board of Directors on February 27, 2013 with Resolution No. 2013-11. This activity was amended by the AHFC Board of Directors on April 24, 2024 with Resolution No. 2024-13.
- AHFC has implemented alternative examination schedules for families on the classic program and waived the requirement to conduct an annual examination with Activity 2014-1g approved by the AHFC Board of Directors on February 27, 2013 with Resolution No. 2013-11. AHFC amended this activity with AHFC Board of Directors approval on August 27, 2024 with Resolution No. 2024-13.

1. Examination Requirement

The family's cooperation with this process is necessary for AHFC to provide appropriate information to HUD as well as to track results of programmatic changes under MTW. Families who fail to comply with regular examination requirements will be subject to termination of assistance.

Families may request to meet with AHFC in person at any time. During all regular examinations, AHFC will provide information regarding the Jumpstart program,

community resource lists, Minimum Rent Exemption, and information about the Bridge Process.

1.A Family Information

A family must certify their continuing eligibility for public housing program benefits. This includes providing accurate and current information on the following:

1. Family composition to determine the correct occupancy standard is applied; this includes verification of occupancy or reasonable accommodation exceptions. See Exhibit 1-1 for reasonable accommodation requests and reverification requirements.
2. Proof of Social Security Numbers for all family members – see Exhibit 3-5
3. Citizenship status for all family members – see Exhibit 2-3
4. Compliance with Community Service requirements – see Exhibit 6-3
5. Sources of income for all family members – see Exhibit 3-1 for determination of annual income. See Chapter 3 and Exhibit 3-4 to resolve any discrepancies between the family's statements and UIV, EIV, or other type of verification.
6. Program classification: If a person's eligibility for the Classic program relies solely on a third-party Disability Verification (i.e., there is no disability income received by the household member (APA, IA, SSI, SSDI, SSA)) that verifies the person meets the HUD definition of a person with a disability, or if the income source previously utilized by AHFC as verification of the individual's disability ends, AHFC will require re-verification at each regular examination.

1.B Review of Sex Offender Registry

AHFC will check all household members against the Dru Sjodin National Sex Offender public website at www.nsopw.gov. This is a national database administered by the U.S. Department of Justice, and it includes the contents of state sex offender registries (24 CFR 960.204 and PIH Notice 2012-28).

1.C Over- or Under-Housed Families

Under new rent calculation rules, AHFC will apply the following guidelines to families that are over- or under-housed.

1.C.1. New Admission Families

Families that are admitted after May 1, 2014 will pay rent based on the Contract Rent of their current unit when (or if) they transition to the fixed subsidy schedule. It does not matter if the family is over- or under-housed at the time of their switch to the fixed subsidy schedule.

1.C.2. Existing Families

Families admitted prior to May 1, 2014 and transitioning to the fixed subsidy schedule will pay rent based on the Contract Rent of their current unit.

If the family was under-housed as of May 1, 2014 and AHFC has not had an appropriate unit size to offer the family, the family will pay a rent based on the current unit size. For example, if the family is housed in a three-bedroom unit, but qualifies for a four-bedroom unit, AHFC will base the family's rent on the three-bedroom Contract Rent rate.

The family may choose to stay in the smaller bedroom size as long as they do not exceed the Occupancy Standard (see Exhibit).

2. Schedules

The frequency and method for the completion of regular examinations is dependent upon the program in which the family is a participant. Regardless of the program, a family may request to meet with AHFC in person at any time. Each program type and schedule is described in detail below.

2.A Classic Program

For examinations, staff will adhere to the following schedules:

2.A.1. Regular Examination Schedule

Families will meet with AHFC once every three years. Examinations will be completed in person electronically or through an independent electronic process.

2.A.2. Minimum Income Schedule

Those families reporting income less than the AHFC's minimum income threshold will be required to meet with AHFC annually until their income exceeds the minimum income threshold. For the definition of AHFC's minimum income threshold, see Chapter 3.

2.B Step Program

Even though Step Program rent may not be based on income after the first year, families are still required to certify household composition and income and remain compliant with Community Service requirements. Families will self-certify at the regular examination in years 2 through 5.

2.B.1. Approximately 120 Days Prior to the End of Assistance

Families will receive a letter from AHFC advising them of the end of their assistance, the market-based rent for the rental unit (should they choose to stay after the end of

their assistance), the Bridge Process, and a list of resources. See Chapter 8 for the letter and process.

2.B.2. Market-Based Rent Schedule

Those participants who have chosen to remain in Public Housing after the end of their rental assistance are still subject to certification requirements. Adults must certify compliance with Community Service requirements, and AHFC must verify the family's composition.

3. Examination Due Date

The regular examination is effective the first of the month following the month in which the participant family originally entered the Public Housing Program. If the family initially began receiving assistance on the first day of a month, the reexamination date will be the first day of the month in which the assistance began. This date never changes, even if the family moves to another unit.

The new family share becomes effective upon the examination effective date, with 30 calendar days' notice of any rent increase to the family. Failure on behalf of the family to attend or complete the examination process in a timely manner waives their right to a 30-day notice of an increase in family share.

3.A Delayed, No Fault of the Family

If the examination is delayed by AHFC or due to a reason beyond the control of the family, then any rent increase becomes effective the first of the month after the month in which the family receives its 30-day notice of the new family share. If the new rent is lower, the reduction becomes effective on the scheduled examination effective date.

3.B Delayed, Family Failure

If the regular examination process is not completed timely by the family, the Lease will end and the family's assistance will terminate. See Chapter 8 for termination procedures.

4. Examination Notices

AHFC will provide at least three written notices describing the requirements and deadlines for a regular examination before terminating the lease.

5. Changes Between Examination and Effective Date

Families that have completed a regular examination may experience changes prior to the effective date of the examination. Upon a family's report of change, AHFC will take timely action to process the change.

- If the family reports a change that will affect the family's rent portion, the change will be applied on the effective date of the examination.
- If the family makes the report of change timely and the change will result in an increase to the family's rent portion, the effective date of the change may be delayed to allow AHFC to provide the family with a written 30-day notice of the change.

5.A Income Changes

Families on an income-based rent may choose to report income changes.

- Income changes must have an adverse effect on the family (an inability to pay the family portion) if not processed.
- Requested changes must be reported prior to the effective date of the family's examination.

AHFC will not process changes in rent due to income changes for families on a fixed subsidy schedule (Step Program Years 2 through 5). AHFC will process a family's report of an imminent change in accordance with the policy in Exhibit 3-1. See Exhibit 4-3 for instructions on processing a special examination.

5.B Composition Changes

Families must report composition changes to AHFC within ten (10) business days of the change.

5.B.1. Occupancy Standard

If a reported change results in a change to the family's unit size, the family may be placed on a transfer list for the appropriate sized unit. Families on the Step Program will continue to pay rent based on the Contract Rent for the size of unit they occupy. For AHFC's Transfer Policy, see Exhibit 6-9.

5.B.2. Income Changes Resulting from Composition Changes

AHFC will always process the change in family composition.

1. Step Program
   AHFC will not change the family's rent schedule unless the family is transferred to a different size unit as a result of the change (follow policy in Occupancy Standard above).

If the household composition qualifies as a Classic Program family after removal of an individual, AHFC will process the change in classification using the Residential Lease Agreement Addendum. The Addendum will use the examination effective date.

2. 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 both the change in family composition and the associated member's income for both additions and deletions.

   b) Addition of Work-Able Adult
   Once the adult is approved, AHFC will conduct a complete income examination and process the family classification change to the Step Program using the Residential Lease Agreement Addendum. The Addendum will use the examination effective date. AHFC will conduct a Step Program briefing with the family to ensure the family is aware of their responsibilities under the Step Program.

   If the change was reported timely and there is insufficient time to give a written 30-day notice of rent increase, AHFC will post the change in rent portion as an interim following the examination effective date.

6. EIV Reports

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

7. Grievance Hearing

The hearing procedure for changes to rent is part of the Grievance Procedure. See Chapter 9 for grievance procedure requirements.

Numbered Memo
26-22 Sex Offender Meet Screening Criteria Exhibit 2-4 and Regular Examination Process Exhibit 4-2