HOTMA ADMINISTRATIVE PLAN REVISIONS

- **EARNED INCOME DISALLOWANCE:** PIH NOTICE 2023-27 [24 CFR § 5.611]

Summary: The Earned Income Disregard (EID) will not apply to any family who is not eligible for and already participating in the disallowance as of December 31, 2023.

The EID allowed eligible families to have a portion of their earned income excluded from annual income for a maximum period of 24 consecutive months.

Although HOTMA eliminates the EID from HUD regulations, families who were receiving the EID benefit as of December 31, 2023, may continue to receive the full benefit until the remaining timeframe for an individual family's EID expires. Because the EID lasts up to 24 consecutive months, no family will still be receiving the EID benefit after December 31, 2025.

CHAPTERS REVISED

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Example G16: Exclusion of Gross Income from Self-Employment or Operation of a Business

Bill Conrad is the sole owner of BC Lawn Service. BC Lawn Service grossed $75,000 annually in 2024. BC Lawn Service also incurred a total of $35,000 in business expenses, including lawn equipment, rakes, insurance, depreciation of a tractor, and wage payments. After subtracting the $35,000 in business expenses from the $75,000 gross income, the net income is $40,000, which will be included in Bill's calculation of annual income.

PHA/MFH Owner Discretion: None.

G.20 Elimination of the Earned Income Disregard (EID)

Regulation: 24 CFR § 5.611

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Although HOTMA eliminates the EID from HUD regulations, families who were receiving the EID benefit as of December 31, 2023, may continue to receive the full benefit until the remaining timeframe for an individual family's EID expires. Because the EID lasts up to 24 consecutive months, no family will still be receiving the EID benefit after December 31, 2025.

Note: The EID policies described above are distinct from similar policies in the Jobs Plus program. Families eligible to receive the Jobs Plus program rent incentive (Jobs Plus Earned Income Disregard (JPEID)) pursuant to the FY2023 Notice of Funding Opportunity (NOFO) or earlier appropriation distributed through prior Jobs Plus NOFOs may continue to receive JPEID under the terms of the NOFO. The JPEID was established by HUD as an alternative requirement to EID for Jobs Plus grantees by waiving section 3(d) of the U.S. Housing Act of 1937 (42 U.S.C. 1437a(d)) and § 960.255(b) and (d). For more information about JPEID waivers and alternative requirements, please review the following *Federal Register* notices: 80 FR 13415 (March 13, 2015) and 83 FR 13506 (March 29, 2018).

PHA/MFH Owner Discretion: None.

G.21 Civil Rights Settlements or Judgments

Regulation: 24 CFR § 5.609(b)(25)

Summary: Civil rights settlements or judgments, including settlements or judgments for back pay, are excluded from the calculation of annual income.

Historically HUD has followed a practice of excluding from income civil rights settlements and judgments as lump-sum additions to assets, which would include amounts received as a result of litigation or other actions, such as conciliation agreements, voluntary compliance agreements, consent orders, other forms of settlement agreements, or administrative or judicial orders under nondiscrimination laws. However, this new exclusion clarifies that even where such payments are not lump-sum payments but instead may have a payment schedule, such payments are excluded. Additionally, this

INCOME AND SUBSIDY DETERMINATIONS

[24 CFR Part 5, Subparts E and F; 24 CFR 982]

PART I: ANNUAL INCOME

6-I.A. OVERVIEW

The general regulatory definition of A*nnual Income* shown below is from 24 CFR 5.609.

5.609 Annual income. (a) Annual income means all amounts, monetary or non-monetary, which: (1) Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member; or (2) Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and (3) Which are not specifically excluded in paragraph [5.609(c)]. (4) Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.

In addition to this general definition, HUD regulations establish policies for treating specific types of income and assets. The full texts of those portions of the regulations are provided in exhibits at the end of this chapter as follows:

- Annual Income Inclusions (Exhibit 6-1)
- Annual Income Exclusions (Exhibit 6-2)
- Treatment of Family Assets (Exhibit 6-3)
- Earned Income Disallowance for Persons with Disabilities (Exhibit 6-4): *Eliminated per HOTMA Final Rule (2023) PIH Notice 2023-27 [24 CFR 5.611]
- The Effect of Welfare Benefit Reduction (Exhibit 6-5)

Sections 6-I.B and 6-I.C discuss general requirements and methods for calculating annual income. The rest of this section describes how each source of income is treated for the purposes of determining annual income. HUD regulations present income inclusions and exclusions separately [24 CFR 5.609(b) and 24 CFR 5.609(c)]. In this Plan, however, the discussions of income inclusions and exclusions are integrated by topic (e.g., all policies affecting earned income are discussed together in section 6-I.D). Verification requirements for annual income are discussed in Chapter 7.

HUD-Funded Training Programs. Amounts received under training programs funded in whole or in part by HUD [24 CFR 5.609(c)(8)(i)] are excluded from annual income. Eligible sources of funding for the training include operating subsidy, Section 8 administrative fees, and modernization, Community Development Block Grant (CDBG), HOME program, and other grant funds received from HUD.

LMHA Policy

To qualify as a training program, the program must meet the definition of *training program* provided above for state and local employment training programs.

Earned Income Tax Credit. Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j)), are excluded from annual income [24 CFR 5.609(c)(17)]. Although many families receive the EITC annually when they file taxes, an EITC can also be received throughout the year. The prorated share of the annual EITC is included in the employee's payroll check.

Earned Income Disallowance. The earned income disallowance for persons with disabilities is discussed in section 6-I.E below. This disallowance has been eliminated per HOTMA and is not available to new families as of January 1, 2024. Only families who were eligible for the EID before that date can continue to receive benefits for up to two years.

6-I.E. EARNED INCOME DISALLOWANCE FOR PERSONS WITH DISABILITIES [24 CFR 5.617] ELIMINATED PER HOTMA FINAL RULE (2023) PIH Notice 2023-27 [24 CFR 5.611]

The earned income disallowance (EID) ~~encourages~~ encouraged people with disabilities to enter the work force by not including the full value of increases in earned income for a period of time. The full text of 24 CFR 5.617 is included as Exhibit 6-4 at the end of this chapter. Eligibility criteria and limitations on the disallowance are summarized below; however, HOTMA removed the statutory authority for the EID. The EID is available only to families that are eligible for and participating on the program as of December 31, 2023, or before; no new families may be added on or after January 1, 2024. If a family is receiving the EID prior to or on the effective date of December 31, 2023, they are entitled to the full amount of the benefit for a full 24-month period. The policies below are applicable only to such families. No family will still be receiving the EID after December 31, 2025. The EID will ~~sunset~~ end on January 1, 2026, and LMHA ~~the PHA~~ policies below will no longer be applicable as of that date or when the last qualifying family exhausts their exclusion period, whichever is sooner.

LMHA Policy

With regard to HUD policy on elimination of the EID, for families who remain eligible during the remaining HUD specified time-period: LMHA defines prior *income, or* pre-qualifying *income, as* the family member's last certified income prior to the qualifying event for the EID.

- During the initial 12-month exclusion period, ending at the latest HUD-HOTMA specified start date of December 31, 2024, the full amount (100 percent) of any increase in income attributable to new employment or increased earnings is excluded. The 12 months are cumulative and need not be consecutive.
- During the second 12-month exclusion period, applying only to families who have enrolled prior to January 1, 2024, the exclusion is reduced to half (50 percent) of any increase in income attributable to employment or increased earnings. The 12 months are cumulative and

need not be consecutive.

- LMHA will schedule and conduct an interim reexamination each time there is a change in the family member's annual income that affects or is affected by the EID (e.g., when the family member's income falls to a level at or below his/her prequalifying income, when one of the exclusion periods ends, and at the end of the lifetime maximum eligibility period).

Although HOTMA eliminated the EID from HUD regulations, families who were receiving the EID benefit as of December 31, 2023, may continue to receive the full benefit until the remaining timeframe for an individual or family's EID expires. Because the EID lasts up to 24 consecutive months, no family will still be receiving the EID benefit after December 31, 2025. (PIH Notice 2023-27)

Note: The EID policies described above are distinct from similar policies in the Jobs Plus program. Families eligible to receive the Jobs Plus program rent incentive (Jobs Plus Earned Income Disregard (JPEID) pursuant to the FY2023 Notice of Funding Opportunity (NOFO) or earlier appropriation distributed through prior Jobs Plus NOFOs may continue to receive JPEID under the terms of the NOFO. The JPEID was established by HUD as an alternative requirement to EID for Jobs Plus grantees by waiving section 3(d) of the U.S. Housing Act of 1937 (42 U.S.C. 1437a(d)) and § 960.255(b) and (d). **(**PIH 2023-27)

Eligibility: Ended January 1, 2024, per HOTMA (2023) PIH Notice 2023-27

This disallowance applies/applied only to individuals in families already participating in the HCV program who were confirmed as eligible prior to January 1, 2024. To qualify, the family must have experienced an increase in annual income that ~~is~~ was the result of one of the following events:

- Employment of a family member who is a person with disabilities and who was previously unemployed for one or more years prior to employment. *Previously unemployed* includes a person who annually has earned not more than the minimum wage applicable to the community multiplied by 500 hours. The applicable minimum wage is the federal minimum wage unless there is a higher state or local minimum wage.
- Increased earnings by a family member who is a person with disabilities and whose earnings increased during participation in an economic self-sufficiency or job-training program. A self-sufficiency program includes a program designed to encourage, assist, train, or facilitate the economic independence of HUD- assisted families or to provide work to such families [24 CFR 5.603(b)].
- New employment or increased earnings by a family member who is a person with disabilities and who ~~has~~ had received benefits or services under Temporary Assistance for Needy Families (TANF) or any other state program funded under Part A of Title IV of the Social Security Act within ~~the past~~ six months prior to January 1, 2024. If the benefits ~~are~~ were received in the form of monthly cash maintenance, there is no minimum amount. If the benefits or services ~~are~~ were received in a form other than monthly maintenance, such as one- time payments, wage subsidies, or transportation assistance, the total amount received over the six- month period must have been at least $500.

Calculation of the Disallowance: For Families who Qualified Prior to January 1, 2024.

Calculation of the earned income disallowance for an eligible member of a qualified family begins with a comparison of the member's current income with his or her "prior income."

LMHA Policy

LMHA defines prior *income, or prequalifying income*, as the family member's last certified income prior to the qualifying ~~event for the~~ EID event which must have taken place prior to January 1, 2024 according to the HOTMA Final Rule (2023).

The family member's prior, or prequalifying, income must remain~~s~~ constant throughout the period that he or she is receiving the EID until the disallowance ends on December 31, 2025.

Initial 12-Month Exclusion: For Families who Qualified Prior to January 1, 2024

During the initial 12-month exclusion period, the full amount (100 percent) of any increase in income attributable to new employment or increased earnings ~~is~~ was excluded. The 12 months ~~are~~ were cumulative and ~~need not be~~ did not need to be consecutive.

LMHA Policy

The initial EID exclusion period ~~will begin~~ began on the first of the month following the date an eligible member of a qualified family ~~is~~ was first employed or first experienced an increase in earnings, whether the family reported the earnings or not.

Second 12-Month Exclusion and Phase-In*: *For Families who Qualified Prior to January 1, 2024

During the second 12-month exclusion period, the exclusion is reduced to half (50 percent) of any increase in income attributable to employment or increased earnings. The 12 months are cumulative and need not be consecutive, lasting only until December 31, 2025.

LMHA Policy

During the second 12-month exclusion period not to exceed the date of December 31, 2025, LMHA will exclude 50 percent of any increase in income attributable to new employment or increased earnings.

Lifetime Limitation: For Families who Qualified Prior to January 1, 2024

From December 31, 2023, the last qualifying date for the EID, the EID will have a two-year (24 month) ~~has a four-year (48-month)~~ lifetime maximum for eligible families. The two-year ~~four-year~~ eligibility period begins at the same time that the initial exclusion period begins and will end~~s~~ ~~48~~ 24 months later. The one- time eligibility for the EID applies even if the eligible individual begins to receive assistance from another housing agency, if the individual moves between public housing and Section 8 assistance, or if there are breaks in assistance.

LMHA Policy: ***For Families who Qualified Prior to January 1, 2024***

During the 24 ~~48~~-month eligibility period until the EID ending date of December 31, 2025, LMHA will schedule and conduct an interim reexamination each time there is a change in the family member's annual income that affects or is affected by the EID (e.g., when the family member's income falls to a level at or below his/her prequalifying income, when one of the exclusion periods ends, and at the end of the lifetime maximum eligibility period).

Note: This chart provides a summary of eligible medical expenses only. Detailed information is provided in IRS Publication 502. Medical expenses are considered only to the extent they are not reimbursed by insurance or some other source.

Families That Qualify for Both Medical and Disability Assistance Expenses

LMHA Policy

This policy applies only to families in which the head, spouse, or co head is 62 or older, a disabled family, or when a family also includes a person with disabilities that qualifies for a disability expense.

When expenses anticipated by a family could be defined as either medical or disability assistance expenses, LMHA will consider them medical expenses unless it is clear that the expenses are incurred exclusively to enable a person with disabilities to work.

6-II.E. DISABILITY ASSISTANCE EXPENSES DEDUCTION [24 CFR 5.603(b) and 24 CFR 5.611(a)(3)(ii)]

Reasonable expenses for attendant care and auxiliary apparatus for a disabled family member may be deducted if they: (1) are necessary to enable a family member 18 years or older to work, (2) are not paid to a family member or reimbursed by an outside source, (3) in combination with any medical expenses, exceed three percent of annual income, and (4) do not exceed the earned income received by the family member who is enabled to work.

Earned Income Limit on the Disability Assistance Expense Deduction

A family can qualify for the disability assistance expense deduction only if at least one family member (who may be the person with disabilities) is enabled to work [24 CFR 5.603(b)].

The disability expense deduction is capped by the amount of "earned income received by family members who are 18 years of age or older and who are able to work" because of the expense [24 CFR 5.611(a)(3)(ii)]. The earned income used for this purpose is the amount verified after any earned income disallowances or income exclusions are applied. *Note: The Earned Income Disallowance (EID) has been eliminated per the HOTMA Final Rule (2023). Any Qualifying families eligibility will end as of January 1, 2026 (see 6-I.E). PIH Notice 2023-27

LMHA Policy

The family must identify the family members enabled to work as a result of the disability assistance expenses. In evaluating the family's request, LMHA will consider factors such as how the work schedule of the relevant family members relates to the hours of care provided, the time required for transportation, the relationship of the family members to the person with disabilities, and any special needs of the person with disabilities that might determine which family members are enabled to work.

When LMHA determines the disability assistance expenses enable more than one family member to work, the expenses will be capped by the sum of the family members' income.

Eligible Disability Expenses

Examples of auxiliary apparatus are provided in the *HCV Guidebook* as follows: "Auxiliary apparatus are items such as wheelchairs, ramps, adaptations to vehicles, or special equipment to enable a blind person to read or type, but only if these items are directly related to permitting the disabled person or other family member to work" [HCV GB, p. 5-30].

Furthering Education

LMHA Policy

If the childcare expense being claimed is to enable a family member to further his or her education, the member must be enrolled in school (academic or vocational) or participating in a formal training program. The family member is not required to be a full-time student, but the time spent in educational activities, must be commensurate with the childcare claimed.

Being Gainfully Employed

LMHA Policy

If the childcare expense being claimed is to enable a family member to be gainfully employed, the family must provide evidence of the family member's employment during the time that childcare is being provided. Gainful employment is any legal work activity (full- or part-time) for which a family member is compensated. The time spent in employment activities must be commensurate with the childcare claimed.

Earned Income Limit on Child Care Expense Deduction

When a family member looks for work or furthers his or her education, the cap on the amount that may be deducted for childcare is established a reasonable amount as determined by LMHA. However, when childcare enables a family member to work, the deduction is capped by "the amount of employment income that is included in annual income" [24 CFR 5.603(b)].

The earned income used for this purpose is the amount of earned income verified after any earned income disallowances or income exclusions are applied. *Note: The Earned Income Disallowance (EID) has been eliminated per the HOTMA Final Rule (2023). PIH Notice 2023-27

When the person who is enabled to work is a person with disabilities who receives the earned income disallowance (EID) or a full-time student whose earned income above $480 is excluded, childcare costs related to enabling a family member to work may not exceed the portion of the person's earned income that actually is included in annual income. For example, if a family member who qualifies for the EID makes $15,000 but because of the EID only $5,000 is included in annual income, childcare expenses are limited to $5,000. *Note: The Earned Income Disallowance (EID) has been eliminated per the HOTMA Final Rule (2023). PIH Notice 2023-27

LMHA must not limit the deduction to the least expensive type of childcare. If the care allows the family to pursue more than one eligible activity, including work, the cap is calculated in proportion to the amount of time spent working [HCV GB, p. 5-30].

LMHA Policy

When the childcare expense being claimed is to enable a family member to work, only one family member's income will be considered for a given period of time. When more than one family member works during a given period, LMHA generally will limit allowable childcare expenses to the earned income of the lowest-paid member. The family may provide information that supports a request to designate another family member as the person enabled to work.

EXHIBIT 6-4: EARNED INCOME DISALLOWANCE FOR PERSONS WITH DISABILITIES: ELIMINATED PER HUD REGULATIONS (PIH NOTICE 2023-27, G.20)

24 CFR 5.617 Self-sufficiency incentives for persons with disabilities–Disallowance of increase in annual income.

(a) *Applicable programs.* The disallowance of increase in annual income provided by this section ~~is~~ was applicable only to the following programs: HOME Investment Partnerships Program (24 CFR part 92); Housing Opportunities for Persons with AIDS (24 CFR part 574); Supportive Housing Program (24 CFR part 583); and the Housing Choice Voucher Program (24 CFR part 982).

(b) *Definitions.* The following definitions apply for purposes of this section.

Disallowance. Exclusion from annual income.

Previously unemployed includes a person with disabilities who ~~has~~ had earned, in the twelve months previous to employment, no more than would be received for 10 hours of work per week for 50 weeks at the established minimum wage.

Qualified family. A family who resided ~~residing~~ in housing assisted under one of the programs listed in paragraph (a) of this section or who received ~~receiving~~ tenant-based rental assistance under one of the programs listed in paragraph (a) of this section.

(1) Whose annual income ~~increases~~ increased as a result of employment of a family member who ~~is~~ was a person with disabilities and who was previously unemployed for one or more years prior to employment;

(2) Whose annual income ~~increases~~ increased as a result of increased earnings by a family member who is a person with disabilities during participation in any economic self-sufficiency or other job training program; or

(3) Whose annual income increased ~~increases~~, as a result of new employment or increased earnings of a family member who was ~~is~~ a person with disabilities, during or within six months after receiving assistance, benefits or services under any state program for temporary assistance for needy families funded under Part A of Title IV of the Social Security Act, as determined by the responsible entity in consultation with the local agencies administering temporary assistance for needy families (TANF) and Welfare-to-Work (WTW) programs. The TANF program was ~~is~~ not limited to monthly income maintenance, but also ~~includes~~ included such benefits and services as one- time payments, wage subsidies and transportation assistance--provided that the total amount over a six-month period is at least $500.

(c) *Disallowance of increase in annual income—*

(1) Initial twelve-month exclusion. During the cumulative twelve month period which began ~~beginning~~ on the date a member who is a person with disabilities of a qualified family ~~is~~ was first employed or the family first experienced ~~experiences~~ an increase in annual income attributable to employment, the responsible entity must exclude from annual income (as defined in the regulations governing the applicable program listed in paragraph (a) of this section) of a qualified family any increase in income of the family member who is a person with disabilities as a result of employment over prior income of that family member.

(2) Second twelve-month exclusion and phase- in. During the second cumulative twelve month period after the date a member who is a person with disabilities of a qualified family is first employed or the family first ~~experiences~~ experienced an increase in annual income attributable to employment, the responsible entity must exclude from annual income of a qualified family fifty percent of any increase in income of such family member as a result of employment over income of that family member prior to the beginning of such employment.

(3) Maximum four year disallowance. The disallowance of increased income of an individual family member who is a person with disabilities as provided in paragraph (c)(1) or (c)(2) ~~is~~ was limited to a lifetime 24 ~~48~~ month period. The disallowance only applies for a maximum of twelve months for disallowance under paragraph (c)(1) and a maximum of twelve months for disallowance under paragraph (c)(2), during the period starting from the initial exclusion under paragraph (c)(1) of this section.

(d) *Inapplicability to admission.* The disallowance of increases in income as a result of employment of persons with disabilities under this section does not apply for purposes of admission to the program (including the determination of income eligibility or any income targeting that may be applicable).

7-III.G. RETIREMENT ACCOUNTS

LMHA Policy

LMHA will accept written third-party documents supplied by the family as evidence of the status of retirement accounts.

The type of original document that will be accepted depends upon the family member's retirement status:

Before retirement, LMHA will accept an original document from the entity holding the account with a date that shows it is the most recently scheduled statement for the account but in no case earlier than 6 months from the effective date of the examination.

Upon retirement, LMHA will accept an original document from the entity holding the account that reflects any distributions of the account balance, any lump sums taken and any regular payments.

After retirement, LMHA will accept an original document from the entity holding the account dated no earlier than 12 months before that reflects any distributions of the account balance, any lump sums taken and any regular payments.

7-III.H. INCOME FROM EXCLUDED SOURCES

A detailed discussion of excluded income is provided in Chapter 6, Part I.

LMHA must obtain verification for income exclusions only if, without verification, LMHA would not be able to determine whether the income is to be excluded. For example: If a family's 16-year-old has a job at a fast food restaurant, LMHA will confirm that LMHA records verify the child's age but will not send a verification request to the restaurant. However, if a family claims the earned income disallowance for a source of income, both the source and the income must be verified. *Note: The Earned Income Disallowance (EID) has been eliminated per the HOTMA Final Rule (2023). PIH Notice 2023-27

Under PIH Notice 2013-04, LMHA does not have to obtain verifications for fully excluded income sources.

LMHA Policy

LMHA will reconcile differences in amounts reported by the third party and the family only when the excluded amount is used to calculate the family share. ~~(as is the case with the earned income disallowance).~~ In all other cases, LMHA will report the amount to be excluded as indicated on documents provided by the family.

7-III.I. ZERO ANNUAL INCOME STATUS

LMHA Policy

LMHA will check UIV sources and/or request information from third-party sources to verify that certain forms of income such as unemployment benefits, TANF, SSI, etc., are not being received by families claiming to have zero annual income.

LMHA Policy

LMHA will use e-mail, when possible, to contact the receiving PHA regarding whether the receiving PHA will administer or absorb the family's voucher.

Initial Contact with the Receiving PHA

After approving a family's request to move under portability, the initial PHA must promptly notify the receiving PHA to expect the family [24 CFR 982.355(c)(2)]. This means that the initial PHA must contact the receiving PHA directly on the family's behalf [Notice PIH 2004-12]. The initial PHA must also advise the family how to contact and request assistance from the receiving PHA [24 CFR 982.355(c)(2)].

LMHA Policy

Because the portability process is time-sensitive, LMHA will notify the receiving PHA by phone, fax, or e-mail to expect the family. LMHA will also ask the receiving PHA to provide any information the family may need upon arrival, including the name, fax, e-mail and telephone number of the staff person responsible for business with incoming portable families and procedures related to appointments for voucher issuance. LMHA will pass this information along to the family and the family chooses the receiving PHA. LMHA will also ask for the name, address, telephone number, fax and email of the person responsible for processing the billing information. The family may request LMHA to choose the receiving PHA.

Sending Documentation to the Receiving PHA

LMHA is required to send the receiving PHA the following documents:

- Form HUD-52665, Family Portability Information, with Part I filled out [Notice PIH 2004-12]
- A copy of the family's voucher [Notice PIH 2004-12]
- A copy of the family's most recent form HUD-50058, Family Report, or, if necessary in the case of an applicant family, family and income information in a format similar to that of form HUD-50058 [24CFR 982.355(c)(4), Notice PIH 2004-12]
- Copies of the income verifications backing up the form HUD-50058 [24 CFR 982.355(c)(4), Notice PIH 2004-12]

LMHA Policy

In addition to these documents, LMHA will provide the following information, if available, to the receiving PHA:

- Social security Numbers (SSNs)
- Documentation of SSNs in the file
- Documentation of legal identity
- Documentation of citizenship or eligible immigration status
- Documentation of participation in the earned income disallowance (EID) benefit * EID Eliminated per the HOTMA Final Rule (2023). PIH Notice 2023-27
- Documentation of participation in a family self-sufficiency (FSS) program

LMHA will notify the family in writing regarding any information provided to the receiving PHA [HCV GB, p. 13-3].

If a live-in aide, foster child or foster adult ceases to reside in the unit, the family must inform LMHA within 10 business days.

11-II.C. CHANGES AFFECTING INCOME OR EXPENSES

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

LMHA-Initiated Interim Reexaminations

LMHA-initiated interim reexaminations are those that are scheduled based on circumstances or criteria defined by LMHA. They are not scheduled because of changes reported by the family.

LMHA Policy

LMHA will conduct interim reexaminations in each of the following instances:

For families receiving the Earned Income Disallowance (EID), LMHA will conduct an interim reexamination at the start and conclusion of the second 12-month exclusion period (50 percent phase-in period). LMHA 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. * EID Eliminated per the HOTMA Final Rule (2023). PIH Notice 2023-27

Family-Initiated Interim Reexaminations

LMHA must adopt policies prescribing when and under what conditions the family must report changes in family income or expenses [24 CFR 982.516(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 982.516(b)(2)].

Required Reporting

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

LMHA Policy

LMHA will only conduct interim reexaminations for families that qualify for the earned income disallowance (EID), and only when the EID family's share of rent will change as a result of the increase. In all other cases, LMHA will note the information in the tenant file, but will not conduct an interim reexamination. *EID Eliminated per the HOTMA Final Rule (2023). PIH Notice 2023-27

Families are not required to report any other changes in income or expenses.

Families receiving a temporary minimum rent hardship exemption and/or paying minimum rent will be required to report any changes in income and the change will be processed. Changes should be reported within 10 business days.

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 982.516(b)(2)]. LMHA must process the request if the family reports a change that will result in a reduced family income [HCV GB, p. 12-9].