

Chapter 9

PART I: ANNUAL RE-EXAMINATIONS FOR FAMILIES PAYING INCOME BASED RENTS [24 CFR 960.257]

9-I.A. OVERVIEW

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

For all residents of public housing, whether those residents are paying income-based or flat rents, LMHA must conduct an annual review of community service requirement compliance. This annual re-examination is also a good time to have residents sign consent forms for criminal background checks in case the criminal history of a resident is needed at some point for the purposes of lease enforcement or eviction.

LMHA is required to obtain all the information necessary to conduct re-examinations. How that information will be collected is left to the discretion of LMHA. 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 re-examination process [24 CFR 960.259].

LMHA has adopted a streamline practice for re-examinations for public housing residents with fixed sources of income.

For the purpose of this policy, “fixed-income” includes: Social Security, SSI, and SSDI; Federal, state, local, and private pension plans; and other periodic payments received from annuities, insurance policies, retirement funds, disability or death benefits, and other similar types of periodic payments.

LMHA will determine if the income is fixed by comparing the amount of income from the source to the amount generated during the prior year. If the amount is the same or if it has changed only as a result of a COLA or due to interest generated on a principal amount that remained otherwise constant, then the source is fixed. LMHA may also make such a determination by requiring a family to identify as to which source(s) of income are fixed and document in the file how it made the determination.

This part contains LMHA’s policies for conducting annual re-examinations.

9-I.B. SCHEDULING ANNUAL RE-EXAMINATIONS

LMHA must establish a policy to ensure that the annual re-examination for each family paying an income-based rent is completed within a 12-month period [24 CFR 960.257(a)(1)].

LMHA Policy

Normally, LMHA will schedule annual re-examinations to coincide with the family's anniversary date. It will begin the annual re-examination 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 re-examination or, during a family's first year in the program, from the effective date of the family's initial examination (admission).

LMHA may also schedule an annual re-examination for completion prior to the anniversary date for administrative purposes.

Notification of and Participation in the Annual Re-examination Process

LMHA is required to obtain information needed to conduct annual re-examinations. How that information will be collected is left to the discretion of LMHA. LMHA should provide a tenant or a family with an opportunity to update, change, or remove information from the HUD-92006 at the time of the annual re-examination [Notice PIH 2009-36 as supplemented and extended by PIH 2012-22].

LMHA Policy

Families generally are required to participate in an annual re-examination interview, which must be attended by the head of household, spouse, or co-head and all adults 18 and over. If participation in an in-person interview poses a hardship because of a family member's disability, the family should contact LMHA to request a reasonable accommodation. LMHA may also, at its option, conduct annual re-examination interviews via video conference.

Notification of annual re-examination interviews will be sent or electronically via email or text or 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 LMHA in advance of the interview to schedule a new appointment. In all circumstances, if a family does not attend the scheduled interview LMHA will send a second notification with a new interview appointment time.

If a family fails to attend two scheduled interviews without LMHA 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 RE-EXAMINATIONS

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 CFR 966.4(c)(2)]. For household members with fixed income sources, LMHA will only perform third party verification of those resources every 3-years. PHAs must still perform third-party verification of all deductions for household members.

All other non-fixed income sources must be verified annually obtaining 3rd party verifications. For any family member whose income is determined pursuant to a streamlined income determination, third-party verification of all income amounts for all household members must be performed at least every three years.

LMHA Policy

Families will be asked to bring all required information (as described in the re-examination notice) to the re-examination appointment. The required information will include an LMHA-designated re-examination form, a HUD 9886 *Authorization for the Release of Information/Privacy Act Notice*, as well as supporting documentation related to the family's income, expenses, and family composition. For purposes of verifying fixed income, LMHA will verify COLA or current interest rates from either a public source or tenant provided third party generated documentation and, apply the COLA or current rate of interest to the previously verified or adjusted income amount. If the public source or tenant provided documentation is unavailable, LMHA will verify by way of third-party verification.

While conducting streamlined annual re-examinations for fixed income, if a family member with a fixed income source is added to the family, LMHA must obtain third party verifications of all income amounts for that family member.

Any required documents or information that the family is unable to provide at the time of the interview must be provided within 10 business days of the interview. If the family is unable to obtain the information or materials within the required time frame, the family may request a one-time extension of 10 business days.

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

9-I.D. CALCULATING ANNUAL INCOME AT ANNUAL REEXAMINATION [24 CFR 5.609(c)(2) and PIH Notice 2023-27]

LMHA must determine the income of the family for the previous 12-month period and use this amount as the family income for annual reexaminations. In determining the income of the family for the previous 12-month period, any change of income since the family's last annual reexamination, including those that did not meet the threshold to process an interim reexamination in accordance with LMHA policies and 24 CFR 5.657(c) or 960.257(b) must be considered. Income from assets is always anticipated, irrespective of the income examination type.

A change in income may be a loss of income or the addition of a new source of income. Changing to a different employer in the prior year does not necessarily constitute a change if the income earned from either employer is substantially the same. LMHA will look at the entirety of the family's unearned income and earned income from the prior year in which earned income may have been one constant job or many different jobs that start and stop. Cost of Living Adjustments (COLA) to Social Security income and Social Security disability income are always considered changes to income because the COLA is an adjustment that automatically occurs annually by law. See Chapter 6 for LMHA policies on when the COLA is applied.

Notice PIH 2023-27 lists the following steps to calculate both earned and unearned income at annual reexamination.

Step 1: LMHA determines annual income for the previous 12-month period by reviewing the following information:

- The EIV Income Report pulled within 120 days of the effective date of the annual reexamination;
- The income reported on the most recent HUD-50058; and
- The amount of prior-year income reported by the family on the PHA's annual reexamination paperwork.

Step 2: LMHA takes into consideration any interim reexamination of family income completed since the last annual reexamination.

- If there was an interim reexamination performed, the LMHA will use the annual income from the interim to determine the family's total annual income, provided there are no additional changes.
- If LMHA did not perform an interim or there have been changes since the last reexamination, the LMHA moves to Step 3.

Step 3: If there were changes in annual income not processed by LMHA since the last reexamination, LMHA must use current income. The family will be required to report their income for the prior year and whether there have been permanent changes. If there are no reported changes to an income source, LMHA may use documentation of prior-year income to calculate the annual income. For example, LMHA may use the following documentation:

- EIV + self-certification (wages, Supplemental Security Income (SSI), Social Security, and unemployment)

- Current written third-party verification from the source verifying prior-year income that is dated within 120 days of receipt by the PHA, for example:
 - Year-end statements
 - Paycheck with year-to-date amounts
 - Tax forms (Form 1040, W2, 1099, etc.)

If there are reported changes by the family or LMHA notes discrepancies between EIV and what the family reports, LMHA will follow the verification hierarchy (described in Chapter

To document and verify income. Exhibit 9-1 provides detailed examples of how LMHA calculates income from different sources at annual reexamination using the above method.

9-I.E. OTHER CONSIDERATIONS

Change in Unit Size

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

Criminal Background Checks

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 in accordance with the policy in Section 13-IV.B.

LMHA Policy

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 re-examination process.

Additionally, HUD recommends that at annual reexaminations, PHAs ask whether the tenant, or any member of the tenant's household, is subject to a lifetime sex offender registration requirement in any state [Notice PIH 2012-28].

LMHA Policy

At the annual reexamination, LMHA 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. LMHA will use the Dru Sjodin National Sex Offender database to verify the information provided by the tenant.

If LMHA proposes to terminate assistance based on lifetime sex offender registration information, LMHA will 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. [24 CFR 5.903(f) and 5.905(d)]. (See Chapter 13.)

Compliance with Community Service

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

See Chapter 11 for LMHA's policies governing compliance with the community service requirement.

9-I.D.F. EFFECTIVE DATES [24 CFR 982.516(e) and PIH Notice 2023-27]

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

LMHA Policy

- In general, an *increase* in the tenant rent that results from an annual re-examination 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 LMHA chooses to schedule an annual re-examination for completion prior to the family's anniversary date for administrative purposes, the effective date will be determined by LMHA but will always allow for the 30-day notice period.
- If the family causes a delay in processing the annual re-examination, *increases* in the tenant rent will be applied retroactively to the scheduled effective date of the annual re-examination. The family will be responsible for any underpaid rent and may be offered a repayment agreement in accordance with the policies in Chapter 16.
- In general, a *decrease* in the tenant rent that results from an annual re-examination will take effect on the family's anniversary date.
- If LMHA chooses to schedule an annual re-examination for completion prior to the family's anniversary date for administrative purposes, the effective date will be determined by LMHA.
- If the family causes a delay in processing the annual re-examination, *decreases* in the tenant rent will be applied prospectively, from the first day of the month following completion of the re-examination processing.
- Delays in re-examination processing are caused by the family if the family fails to provide information requested by LMHA by the specified date, and this delay prevents LMHA from completing the re-examination as scheduled.

PART II: REEXAMINATIONS FOR FAMILIES PAYING FLAT RENTS [24 CFR 960.257(2)]

9-II.A. OVERVIEW

This part contains LMHA's policies for conducting reexaminations of families who choose to pay flat rents.

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

For families who choose flat rents, LMHA 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)]. LMHA is only required to provide the amount of income-based rent the family might pay in those years that LMHA 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, LMHA must also review compliance with the community service requirement for families with nonexempt individuals.

~~This part contains LMHA'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

LMHA Policy

For families paying flat rents, LMHA will conduct a full reexamination of family income once every 3 years. However, for flat rent families who become over-income, this policy will not apply. LMHA will instead conduct an interim reexamination at 12 and 24 months following the initial over-income determination as needed to verify the family remains over-income. The family will continue to be given a choice between income-based and flat rent at each annual reexamination during the over-income grace period.

If the family is subsequently determined to no longer be over-income:

- If the determination is the result of an annual reexamination, the family will be given a choice between income-based or flat rent at reexam. If the family selects flat rent, LMHA will resume reexamination of family income and composition once every three years.
- If determination is as a result of an interim reexamination, LMHA will conduct an annual reexamination for the family at their next scheduled annual date. If the family selects flat rent, LMHA will resume reexamination of family income and composition once every three years. Families will only be given the choice between income-based and flat rent at annual reexamination.

Reexamination Policies

LMHA Policy

In conducting full reexaminations for families paying flat rents, LMHA 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 LMHA 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 LMHA does not collect information about the family’s income and expenses, unless the family requests LMHA to determine the amount of income-based rent the family would pay and submits updated income information. The family’s rent is not recalculated following an annual update. Although this process is referred to in HUD regulations as a “reexamination of family composition,” families are required to report any changes in family composition according to LMHA’s interim policies in Part III of this chapter. The purpose of the reexamination of family composition is to ensure that the size and type of unit in which the family is living is appropriate for the family’s size and needs [PH Occ GB, p. 155].

Scheduling

LMHA 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)].

LMHA Policy

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, LMHA 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)].

LMHA Policy

The family will be required to attend an interview for an annual update. If participation in an in-person interview poses a hardship because of a family member’s disability, the family should contact LMHA to request a reasonable accommodation. LMHA may also at its option conduct annual reexamination interviews via video conference.

Any required documents or information that the family is unable to provide at the time of the interview must be provided within 10 business days of the interview. If the family is unable to obtain the information or materials within the required time frame, the family may request a one-time extension of 10 business days.

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. LMHA 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.

Criminal Background Checks

Information obtained through criminal background checks may be used for lease enforcement and eviction [24 CFR 5.903(e)]. Criminal background checks of residents will be conducted in accordance with the policy in Section 13-IV.B.

LMHA Policy

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

Compliance with Community Service

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

See Chapter 11 for LMHA'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 LMHA policies define the types of information about changes in family circumstances that must be reported, and under what circumstances LMHA must process interim reexaminations to reflect those changes. HUD regulations also permit LMHA 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. LMHA must complete the interim reexamination within a reasonable time after the family's request.~~

PIH Notice 2023-27 changes the conditions under which interim reexaminations must be conducted, codifies when interim reexaminations should be processed and made effective, and requires related changes for annual reexaminations and streamlined income determinations. When LMHA determines that an interim reexamination of income is necessary, they must ask the family to report changes in all aspects of adjusted income.

This part explains that HUD requires the family to report changes in family circumstances and requires LMHA to conduct interim reexaminations in certain situations. ~~This part includes HUD and LMHA policies that describe the changes families are *required* to report, the changes families *may choose* to report, and how LMHA will process both LMHA- and family-initiated interim reexaminations.~~

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

Reporting

LMHA must adopt policies prescribing when and under what conditions the family must report changes in family composition.

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.

LMHA Policy

All families, those paying income-based rent as well as flat rent, must report all changes in family and household composition that occur between annual reexaminations (or annual updates).

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

LMHA Policy

The family must inform LMHA of the birth, adoption, or court-awarded custody of a child within 10 business days.

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 LMHA 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)].

LMHA may adopt reasonable policies concerning residence by a foster child or a live-in aide and defining the circumstances in which LMHA consent will be given or denied. Under such policies, the factors considered by LMHA may include [24 CFR 966.4(d)(3)(i)]:

- Whether the addition of a new occupant may necessitate a transfer of the family to another unit, and whether such units are available.
- LMHA's obligation to make reasonable accommodation for persons with disabilities.

LMHA Policy

Families must request LMHA 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 days or a total of 30 cumulative calendar days during any 12-month period and therefore no longer qualifies as a "guest." Requests must be made in writing and approved by LMHA prior to the individual moving into the unit.

If adding a person to a household (other than a child by birth, adoption, or court-awarded custody) will require a transfer to a larger size unit (under the transfer policy in Chapter

12), LMHA will approve the addition only if:

1. the person will be the spouse or co-head or
2. the family can demonstrate that there are medical needs or other extenuating circumstances, including reasonable accommodation, that should be considered by LMHA.

Exceptions will be made and documented on a case-by-case basis. LMHA will not approve the addition of a new family or household member unless the individual meets LMHA's eligibility criteria (see Chapter 3) and documentation requirements (See Chapter 7, Part II).

If LMHA determines that an individual does not meet LMHA's eligibility criteria or documentation requirements, LMHA 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.

LMHA will make its determination within 10 business days of receiving all information

required to verify the individual's eligibility.

Departure of a Family or Household Member

Families must promptly notify LMHA if any family member no longer lives in the unit [24 CFR 982.551(h)(3)]. Because household members are considered when determining the family unit size [24 CFR 982.402], LMHA also needs to know when any live-in aide, foster child, or foster adult ceases to reside in the unit.

LMHA Policy

If a family member ceases to reside in the unit, the family must inform LMHA within 10 business 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 LMHA within 10 business days.

9-III.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 Policy

This section only applies to families paying income-based rent. Families paying flat rent are not required to report changes in income or expenses unless they have been determined to be over-income as defined by HUD in PIH notice 2019-11 (HA) and tracking is required to determine rent.

Interim Decreases [24 CFR 982.516(c)(2) and PIH Notice 2023-27]

LMHA Policy

A family may request an interim determination of family income for any change since the last determination. However, LMHA may decline to conduct an interim reexamination if the LMHA estimates the family's adjusted income will decrease by an amount that is less than 10 percent of the family's adjusted income. LMHA may set a lower threshold in LMHA policy such as performing an interim for any decreases in adjusted income, although HUD prohibits LMHA from setting a dollar-figure threshold.

- LMHA will conduct an interim reexamination any time the family's adjusted income has decreased by an amount that is greater than 10 percent of the family's annual adjusted income.
- LMHA will not conduct an interim reexamination any time the family's adjusted income has decreased by an amount that is less than 10 percent of the

family's annual adjusted income.

~~However, while LMHA has some discretion,~~

HUD requires that LMHA perform an interim reexamination for a decrease in adjusted income of any amount in two circumstances:

- When there is a decrease in family size attributed to the death of a family member; or
- When a family member permanently moves out of the assisted unit during the period since the family's last reexamination.

In the above two circumstances, LMHA will perform an interim reexamination for any decrease in adjusted income.

LMHA Policy

If the net effect of the changes in adjusted income due to a decrease in family size results in no change or an increase in annual adjusted income, then LMHA will process the removal of the household member(s) as a non-interim reexamination transaction without making changes to the family's annual adjusted income.

Interim Increases [24 CFR 982.516(c)(3) and PIH Notice 2023-27]

Increases Less than 10 Percent

LMHA Policy

LMHA will not process interim reexaminations for income increases that result in less than a 10 percent increase in annual adjusted income.

Increases 10 Percent or Greater

LMHA Policy

LMHA will conduct an interim reexamination of family income when LMHA becomes aware that the family's adjusted income has changed by an amount that LMHA estimates will result in an increase of 10 percent or more in adjusted income, only when the family has previously received an interim reduction during the same reexamination cycle; and

LMHA will not conduct an interim reexamination during the last three months of a certification period if a family reports an increase in income within three months of the next annual reexamination effective date.

Concurrent Increases in Earned and Unearned Income [Notice PIH 2023-27]

When the family reports an increase in both earned and unearned income at the same time, LMHA will look at the earned and unearned income ~~changes independently of each other~~ to determine if an interim reexamination is performed.

Earned Income	Unearned Income
<ul style="list-style-type: none"> Includes earnings and income received from: Wages Tips Salaries Other employee compensation, such as commission from sales Net income from self-employment 	<ul style="list-style-type: none"> Includes amounts received by or on behalf of any adult or minor in the family from: Child support and alimony payments Pension and annuity payments Transfer payments including: <ul style="list-style-type: none"> Welfare assistance Social Security Government subsidies for certain benefits Any cash or other monetary in-kind benefits that are not specifically excluded
To Determine if Interim Reexamination is Required	
Earned Income > 10% = Interim Reexam.	Unearned Income > 10% = Interim Reexam.
Earned Income < 10% = No-Interim Reexam.	Unearned Income < 10% = No Interim Reexam.
Note: The adjusted income increase must independently concurrently meet the 10% threshold. See LMHA Policy below	

LMHA Policy

LMHA will only conduct an interim reexamination when the adjusted income increase ~~independently~~ meets the 10 percent threshold and all other requirements for performing interim reexaminations.

For example, if a family reported increases in both earned and unearned income that overall resulted in a 12 percent increase in their adjusted income, ~~but the change in earned income represented a 7 percent increase and the change in unearned income represented a 5 percent increase,~~ LMHA will ~~not~~ perform an interim ~~for either change~~ since ~~neither~~ the change meets the 10 percent threshold amount ~~independently~~.

- If the change in *unearned income* met the 10 percent threshold in this case, LMHA will perform an interim.
- If the change in *earned income* met the 10 percent threshold in this case, LMHA would refer to LMHA policy to determine whether an interim was required.
- LMHA will not perform an interim reexamination when a family reports an increase in income (whether earned or unearned income) within three months of their annual reexamination effective date. However, families who delay reporting income increases until the last three months of their certification period may be subject to retroactive rent increases.

Cumulative Increases [PIH Notice 2023-27]

A series of smaller reported increases in adjusted income may cumulatively meet or exceed the 10-percent increase threshold, at which point LMHA will conduct an interim reexamination in

accordance with LMHA policy.

~~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.~~ Moved para. under next section (see green)

Public Housing Over-Income Families [24 CFR 960.507(c); Notice PIH 2020-3; and Notice PIH 2023-27]

Over-Income Families

On March 13, 2023, HUD issued PIH Notice 2023-03(HA): Supplemental Guidance for Implementation of Section 103; Limitation on Public Housing Tenancy for Over-Income Families under the Housing Opportunity Through Modernization Act of 2016 (HOTMA) which provides guidance to Public Housing Agencies (PHAs) regarding the new limitations on continued occupancy for over-income families. This guidance references the HOTMA final rule which takes effect on January 1, 2024, with provisions extended until January 1, 2025.[24 CFR 960.257]

Family income and composition: Annual and interim reexaminations. The final rule is clarified in 24 CFR 960.257(a)(5) that Non-Public Housing Over Income (NPHOI) families cannot be subject to income reexaminations. [24 CFR 960.257(b)(4)] states that, for over-income families in the period after the 24 consecutive month grace period, but before their tenancy termination, pursuant to 24 [CFR 960.507(d)(2)], the PHA must conduct an interim reexamination of family income as otherwise required under [24 CFR 960.257]. However, the resulting income determination will not make the family eligible to remain in the public housing program beyond the period before termination as defined by PHA policy.

For over-income families who are in their grace period, [24 CFR 960.257] and [24 CFR 960.507(c)] will dictate when income reexaminations occur.

LMH Policy

HUD's final rule on HOTMA [24 CFR 960.257] requires that after a family's income has exceeded the over-income limit for two consecutive years or 24 consecutive months (the "grace period") a PHA must either terminate the family's tenancy within six months or charge the family the alternative non-public housing rent (alternative rent).

LMH will require Public Housing families whose incomes exceed the "Over-Income" limits for 24 consecutive months to vacate Public Housing within 60 days of the end of the 24-month over- income period.

LMH will give every Over-Income family a 24-month "grace period" during which, if

their income should fall below the Over-Income limit, these provisions do not apply; and

1. If the tenant family's income later exceeds the Over-Income limit, the 24-month grace period starts over; and
2. LMH has determined that the most reasonable course of action in this situation is to notify the affected over-income families when they first become over-income; again 12 months after they first become over-income; and finally, 24 months after they become over-income.

LMH will require these over-income families to vacate public housing within 60 days after the 24-month grace period.

LMHA-Initiated Interim Reexaminations

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 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 who Qualified for the EID Prior to January 1, 2024:**
For families receiving the Earned Income Disallowance (EID), LMHA will conduct an interim reexamination at the start, to adjust the exclusion with any changes in income, and during various intervals of the EID reporting requirement period up to 48 months. During such intervals there may be an increase or decrease in rent.
Note: 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).
- Families whose TTP is the minimum rent, who are on a minimum rent hardship exemption, or who are credit renters are required to report any increases in income.
- LMHA must conduct a new reexamination or interim redetermination for any participant signing a Contract of Participation (COP) for the Family Self-Sufficiency Program, if it has been more than 120 days since the last

reexamination. All income (earned and unearned), allowable deductions and family composition must be re-verified, and the rent will increase or decrease accordingly.

- 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.

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 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 LMHA the discretion to determine the circumstances under which families will be required to report changes affecting income.

LMHA Policy

Families are required to report all increases in income, including new employment, within 10 business days of the date the change takes effect.

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)]. LMHA must process the request if the family reports a change that will result in a reduced family income except for decreases lasting less than 30 days [PH Occ GB, p. 159].

If, at any time, an over-income family experiences a decrease in income, the family may request an interim redetermination of rent consistent with LMHA's policy. If, as a result, the previously over-income family is now below the over-income limit, the family is no longer subject to over-income provisions as of the effective date of the recertification. In such instances, LMHA will notify the family in writing that its over-income policies no longer apply to them. If the family's income later exceeds the over-income limit again, the family will be entitled to a new two-year grace period. LMHA will begin tracking over-income families immediately upon approval of this addition to the ACOP.

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.

LMHA Policy

If a family reports a change that it was not required to report and that would result in an increase in the tenant rent, LMHA will note the information in the tenant file, send the tenant a notification indicating the information was received, but will not conduct an interim reexamination.

If a family reports a change that it was not required to report and that would result in a

decrease in the tenant rent, LMHA will conduct an interim reexamination. See Section 9- III.D. for effective dates.

Families may report changes in income or expenses at any time.

Summary

INCOME CHANGE	LMHA ACTION
Decrease in income for any reason that exceeds the 10% threshold , except for decreases lasting less than 30 days or welfare fraud or sanction for failure to comply with economic self-sufficiency program rules	LMHA will process an interim reduction in rent for any reason except decreases lasting less than 30 days, welfare fraud or sanction for failure to comply with economic self-sufficiency program rules. LMHA will not process a rent reduction for the above exceptions.
If it has been more than 120 days since the last reexamination of any participant signing a Contract of Participation (COP) for the Family Self-Sufficiency Program.	LMHA will conduct an interim reexamination to increase or decrease the rent accordingly in conjunction with LMHA's 10% threshold policy .
Increase in earned income that exceeds the 10% threshold from the employment of a current family member eligible for earned income disallowance (EID) *Eliminated per HOTMA Final Rule (2023) PIH Notice 2023-27	LMHA will conduct an interim reexamination to increase or decrease the rent accordingly upon the various intervals of EID reporting requirements.
Increase in income that exceeds the 10% threshold ; because, after passing screening, a person with income (from any source) joins the family.	LMHA will process an interim increase in rent and sign a new lease adding the new person and reflecting the increased rent.
Increase or decrease in income that exceeds the 10% threshold because someone joins or leaves the household.	LMHA will conduct an interim reexamination to increase or decrease the rent accordingly.
Increase in allowable deductions that exceed the 10% threshold .	LMHA will process an interim reduction in rent affective the following month of the date the deduction was reported.
Increase in income that exceeds the 10% threshold of a family whose TTP is currently the minimum rent, the family is currently under a minimum rent hardship exemption, or the family is a credit renter.	LMHA will process an interim increase in rent after 30 days' notice.

9-III.D. PROCESSING THE INTERIM REEXAMINATION

Method of Reporting

LMHA Policy

The family may notify LMHA of changes **either orally, in writing, by mail, or electronically**. If the family provides oral notice, LMHA may also require the family to submit the changes in writing. The family is required to report all changes in income and family composition or status to their Housing Manager within 10 business days of the change.

Generally, the family will be required to attend an interview for an interim reexamination.

Based on the type of change reported, LMHA will determine the documentation the family will be required to submit. The family must submit any required information or documents within 10 business days of receiving a request from LMHA. This time frame may be extended for good cause with LMHA approval. LMHA will accept required documentation by mail, by fax, e-mail or in person.

Effective Dates **[24 CFR 982.516(e) and PIH Notice 2023-27]**

Changes Reported Timely [PIH Notice 2023-27]

PIH Notice 2023-27 updated regulation and codified long-standing guidance on when interim reexaminations are made effective. LMHA must make the interim reexamination within a reasonable time after the family request [24 CFR 960.257(b)].

LMHA Policy

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.

Changes Not Reported Timely [Notice PIH 2023-27]

LMHA Policy

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 overpaid subsidy and may be offered a repayment agreement in accordance with the policies in Chapter 16.

For tenant portion *increases*:

If the family share of the rent is to *increase*: LMHA will implement any resulting increases retroactively to the first of the month following the date of the change leading to the interim reexamination of family income.

For rent *decreases*:

If the family share of the rent is to *decrease*: LMHA will implement the change no later than the first rent period following completion of the interim reexamination.

The decrease will be effective on the first day of the month following the month in which the change was reported and all required documentation was submitted. In cases where the change cannot be verified until after the date the change would have become effective, the change will be made retroactively.

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.

PART IV: RECALCULATING TENANT RENT

9-IV.A. OVERVIEW

For those families paying income-based rent, LMHA 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.

9-IV.B. CHANGES IN UTILITY ALLOWANCES [24 CFR 965.507, 24 CFR 966.4]

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

LMHA Policy

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

9-IV.C. NOTIFICATION OF NEW TENANT RENT

The public housing lease requires LMHA 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 LMHA redetermines the amount of rent (Total Tenant Payment or Tenant Rent) payable by the tenant, or determines that the tenant must transfer to another unit based on family composition, LMHA must notify the tenant that the tenant may ask for an explanation stating the specific grounds of LMHA determination, and that if the tenant does not agree with the determination, the tenant shall have the right to request a hearing under LMHA's grievance procedure [24 CFR 966.4(c)(4)].

LMHA Policy

The notice to the family will include the tenant rent amount.

9-IV.D. DISCREPANCIES

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

PART IV: NON-INTERIM REEXAMINATION TRANSACTIONS [PIH Notice 2023-27]

Families may experience changes within the household that do not trigger an interim reexamination under LMHA policy and HUD regulations but which HUD still requires LMHA to report to HUD via Form HUD-50058. These are known as *non-interim reexamination transactions*. In these cases, LMHA will submit a separate, new action code on Form HUD-50058.

The following is a list of non-interim reexamination transactions:

- Adding or removing a hardship exemption for the childcare expense deduction;
- Updating or removing the phased-in hardship relief for the health and medical care expense deduction and/or reasonable attendant care and auxiliary apparatus expense deduction (the phased-in relief will begin at an eligible family's first annual or interim reexamination, whichever is sooner, after January 1, 2024);
- Adding or removing general hardship relief for the health and medical care expense deduction and/or reasonable attendant care and auxiliary apparatus expense deduction;
- Adding or removing a minimum rent hardship;
- Adding or removing a non-family member (i.e., live-in aide, foster child, foster adult);
- Ending a family's EID or excluding 50 percent (decreased from 100 percent) of a family member's increase in employment income at the start of the second 12- month EID period.
- Adding a family member and the increase in adjusted income does not trigger an interim reexamination under the final rule;
- Removing a family member and the increase in adjusted income does not trigger an interim reexamination under the final rule;
- Adding/updating a family or household member's Social Security number; and
- Updating a family member's citizenship status from eligible to ineligible or vice versa, resulting in a change to the family's rent and/or utility reimbursement, if applicable (i.e., family begins receiving prorated assistance or previously prorated assistance becomes full assistance) or updating the prorated rent calculation due to the addition or removal of family members in household with an ineligible noncitizen(s).

LMHA Policy

LMHA will make all other changes to assets, income, and deductions at the next annual or interim reexamination of income, whichever is sooner.

EXHIBIT 11-1: CALCULATING INCOME AT ANNUAL REEXAMINATION

Example 1: Calculating Annual Income at Annual Reexamination Using EIV

Staff are processing the 3/1/2024 annual reexamination for Ruby Myers and her minor daughter, Georgia. No interim reexaminations have been processed, and Ruby has not reported any changes to annual income to LMHA since the 3/1/2023 annual reexamination. The SSA published 2024 COLA is 7 percent.	
Last reexamination – 3/1/2023 Annual Reexamination	
Ruby: Wages: \$30,000	Georgia: SSI: \$10,980 (\$915 monthly)

The EIV report pulled on 12/15/2023

Ruby:	Georgia:
Wages Total: \$33,651	SSI Total: \$10,980
Quarter 3 of 2023: \$8,859 (City Public School)	2023 benefit \$915 monthly
Quarter 2 of 2023: \$8,616 (City Public School)	
Quarter 1 of 2023: \$8,823 (City Public School)	
Quarter 4 of 2022: \$7,353 (City Public School)	

Income Reported on Reexamination Application	
Ruby: Wages at City Public School: \$32,000 (switched jobs but no permanent change to amount)	Georgia: SSI benefits: \$10,980 (no changes)
Calculating Ruby's wages: Step 1: Determine prior annual income from EIV (i.e., Q4 2022 through Q3 of 2023: \$33,651). Step 2: Take into consideration any interim reexamination of family income completed since the last annual reexamination (in this case, there have been no interim reexaminations processed since the last annual reexamination). Step 3: Ruby certifies that the \$33,651 of wages in EIV is accurate and reflects her current annual income, so the PHA will use \$33,651 for annual wages for the 3/1/2024 annual reexamination given there have been	Calculating Georgia's SSI benefit: Step 1: Determine the prior annual income from EIV (i.e., \$915 x 12 months: \$10,980). Step 2: Take into consideration any interim reexamination of family income completed since the last annual reexamination (in this case, there have been no interim reexaminations processed since the last annual reexamination). Step 3: Ruby certifies the SSI income in EIV is accurate and reflects Georgia's current annual income. The PHA must adjust the prior-year income (2023 SSI benefit) by the 7- percent COLA and will use this amount to

no additional changes to annual income.	calculate annual SSI income for the 3/1/2024 annual reexamination: COLA: \$64.05 (\$915 x 0.07) New gross SSI benefit: \$11,748.60 (\$979.05 x 12 months)
If Ruby did not agree with the annual wages reported in EIV, the PHA/MFH Owner would be required to verify her current income in accordance with HUD's verification hierarchy.	
Summary of Annual Income (as reported on the HUD-50058)	
Ruby (Head of Household): Other Wage: \$33,651 Myers Family Total Annual Income: \$45,399	Georgia (Other Youth Under 18): SSI: \$11,748

Example 2: Calculating Annual Income at Annual Reexamination Using EIV:

Family Disagrees with EIV

Staff are processing Paul Hewson's 5/1/2024 annual reexamination. Since the last annual reexamination, Paul reported a decrease in annual income that exceeded 10 percent. Last year, Paul reported a decrease in earned income because he transferred from a full-time job at Sasha's Sweets to a part-time job at Viking Bakery. Following HUD's EIV verification hierarchy, staff confirmed Paul was no longer employed at Sasha's Sweets and decreased his anticipated annual income from \$28,000 to \$7,500 resulting from his new part-time employment at Viking Bakery; an interim reexamination was processed effective 7/1/2023. After the 7/1/2023 interim, Paul worked briefly at two different jobs, but he says he is no longer working and is not planning to work.
5/1/2023 Annual Reexamination
Wages: \$28,000

The EIV report pulled on 1/15/2024

Wages Total: \$18,271

Quarter 3 of 2023: \$2,500 (Viking Bakery)

Quarter 3 of 2023: \$796 (Sweet Tooth Candy Bar)

Quarter 2 of 2023: \$1,300 (Sasha's Sweets)

Quarter 2 of 2023: \$584 (Larry's Concessions)

Quarter 2 of 2023: \$2,401 (Viking Bakery)

Quarter 1 of 2023: \$6,500 (Sasha's Sweets)

Quarter 4 of 2022: \$600 (Sasha's Sweets)

SS/SSI: No history of benefits

Income Reported on Reexamination Application	
Wages: \$0 (permanent change; no longer receiving)	
Social Security: \$14,400 (\$1,200 monthly)	
Paul certified on LMHA's annual reexamination paperwork that he does not agree with the annual wages of \$18,271 reported in EIV and it is not reflective of his current anticipated annual income. He reported he is currently unemployed, and provided a copy of an award letter from the Social Security Administration to document that he will begin receiving a monthly disability benefit of \$1,200 effective 3/1/2024.	
Calculating Wages and SS Benefit	
Step 1: Determine prior annual income taking into consideration the 8/1/2023 interim reexamination (i.e., EIV wages reflected Q4 2022 through Q3 2023: \$18,271)	
Step 2: Take into consideration any interim reexamination of family income completed since the last annual reexamination. In this case, there was a 7/1/2023 interim that reduced wages to \$7,500.	
Step 3: Obtain documentation to verify current income and confirm Paul is no longer employed at Viking Bakery or The Sweet Tooth Candy Bar (the employers reported in the most recent quarter of EIV). This step is necessary, because Paul did not agree with the EIV income report or income reported on the last interim reexamination. Paul reported that he is no longer working at all.	
Process the annual reexamination effective 5/1/2024 using annual SS income of \$14,400 and \$0 wages.	
Summary of Annual Income (as reported on the HUD-50058)	
Paul (Head of Household): \$14,400 (SS)	
Hewson Family Total Annual Income: \$14,400	

Example 3: Calculating Annual Income at Annual Reexamination

Staff are processing the 11/1/2024 annual reexamination for Samantha and Fergus Pool, head of household and spouse. On 2/14/2024 Samantha reported her monthly child support payment was reduced from \$200 to \$100 per month, but an interim reexamination was not processed because the reduction in child support income for Samantha's daughter, Hailey, did not result in a decrease of 10 percent or more in annual adjusted income, and LMHA did not establish a lower threshold. Samantha did not report any additional changes to LMHA.	
Last reexamination – 11/1/2023 Annual Reexamination	
Samantha: Business income: \$28,000 VA disability pension: \$12,000	Fergus: Wages: \$8,250 Other non-wage income: \$3,000 (Go Fund

Child support: \$2,400	Me online fundraiser)
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The EIV report pulled on 9/16/2024

Samantha:	Fergus:
Wages Total: \$0 (no wage data reported since Q1 2023)	Wages Total: \$8,600
	Quarter 1 of 2024: \$2,100 (Ian's Fish 'n' Chips)
	Quarter 1 of 2024: \$500 (Claire's Healthcare Supplies)
	Quarter 4 of 2023: \$1,000 (Claire's Healthcare Supplies)
	Quarter 3 of 2023: \$1,800 (The Onion Garden Shop)
	Quarter 2 of 2023: \$3,200 (Ivar's Fish Haus)

Current Family Circumstances: Income Reported on Reexamination Application

Samantha and Fergus reported how much income was earned/received in the previous 12-month period and noted permanent changes, where applicable, for each source of their income on LMHA's annual reexamination form. However, no information was reported by the family concerning other non-wage income. Fergus reported only wages and his current employment at Ian's Fish 'n' Chips for the annual reexamination. The family supplied the supporting documentation noted below to LMHA for the 11/1/2024 annual reexamination.

Samantha:	Fergus:
Business income: \$28,750 (last year); has decreased to \$18,000 (permanent change)	Wages: \$6,000
VA disability benefit: \$12,000 (last year); has increased to \$12,300 (permanent change)	
Child support: \$2,400 (last year); has decreased to \$1,200 (permanent change)	

Calculating Samantha's Net Business Income

Step 1: Determine prior annual net business income (i.e., \$28,000 on last HUD-50058.
Step 2: Take into consideration any interim reexamination of family income completed since the last annual reexamination. In this case, there have been no interim reexaminations processed since the last annual reexamination.
Step 3: Adjust to reflect current net business income. Samantha reported on the annual reexamination application that business income permanently decreased to \$18,000. LMHA will obtain supporting documentation from Samantha that demonstrates current net business

income. Samantha provided documentation that supported the current annual net business income is \$18,000. Process the annual reexamination effective 11/1/2024 using annual net business income determined in Step 3.

Calculating Samantha's VA Pension Income

Step 1: Determine prior annual VA pension income (i.e., \$12,000 supported by a VA award letter Samantha supplied that documents the prior year monthly VA pension was \$1,000).

Step 2: Take into consideration any interim reexamination of family income completed since the last annual reexamination. In this case, there have been no interim reexaminations processed since the last annual reexamination.

Step 3: LMHA will adjust to reflect current VA pension income. Samantha supplies a VA award letter showing a monthly pension of \$1,025, or \$12,300 annually. Process the annual reexamination effective 11/1/2024 using annual VA pension income determined in Step 3 (\$12,300 in this example).

Calculating Samantha's Child Support Income

Step 1: Determine prior annual child support income (i.e., \$2,400 on the last HUD-50058).

Step 2: Take into consideration any interim reexamination of family income completed since the last annual reexamination. In this case, there have been no interim reexaminations processed since the last annual reexamination. The family reported a decrease from \$200 to \$100 monthly, but the change was not processed because it did not meet the threshold.

Step 3: The family reported changes, so LMHA will adjust to reflect current child support income. In this example, the family submitted a child support history report from the local child support office that documents regular \$100 monthly child supports payments beginning 3/1/2024 through the current month. Process the annual reexamination effective 11/1/2024 using current annual child support income determined in Step 3 (\$1,200 in this example).

Calculating Fergus' Wages

Step 1: Determine prior annual income from wages in EIV (i.e., Q2 2023 through Q1 of 2024: \$8,600).

Step 2: Take into consideration any interim reexamination of family income completed since the last annual reexamination. In this case, there have been no interim reexaminations processed since the last annual reexamination.

Step 3: There is a discrepancy between what the family reported and EIV, so LMHA will verify and adjust to reflect current annual income from wages. Fergus reported \$6,000 in annual income from wages on the annual reexamination from a single employer, Ian's Fish 'n' Chips. LMHA projected annual income of \$7,800 based on the two paystubs for this employer, and EIV shows \$8,600 earned in the most recent four quarters in EIV. To complete Step 3, LMHA will do the following:

- Resolve the discrepancy between EIV wages, the \$6,000 annual income Fergus reported,

and the \$7,800 projected based on the paystubs he provided, and

- Verify he is no longer employed at Claire’s Healthcare Supplies in accordance with HUD’s verification hierarchy and local policies.

LMHA determined that Fergus reported his net vs. gross annual income from wages, which he corrected on the annual reexamination form to reflect his current gross annual income of \$9,000. LMHA verified Fergus was no longer employed at Claire’s Healthcare Supplies and obtained two additional paystubs. Based on four current and consecutive paystubs, Fergus is now projected to earn \$9,360 annually. Process the annual reexamination effective 11/1/2024 using income from wages determined in Step 3 (\$9,360 in this example).

Calculating Fergus’ Other Non-Wage Income	
Step 1: Determine prior annual income from other non-wage income (i.e., \$3,000 on the last HUD– 50058).	
Step 2: Take into consideration any interim reexamination of family income completed since the last annual reexamination. In this case, there have been no interim reexaminations processed since the last annual reexamination.	
Step 3: The family did not report any non-wage income on the annual reexamination form, but it was included on the last HUD–50058. LMHA will verify and adjust to reflect current non-wage income. LMHA will verify no income was received through a “Go Fund Me” online fundraiser so that it may be excluded. Fergus provided a self-certification that he hasn’t solicited funds online and doesn’t plan to in the following year; he also provided records from the account that documented no fundraising activity in the prior 12-month period. Process the annual reexamination effective 11/1/2024 using annual non-wage income of \$0 determined in Step 3.	
Summary of Annual Income (as reported on the HUD-50058)	
Samantha (Head of Household): Own business: \$18,000 Pension: \$12,300 Child support: \$1,200	Fergus (Co-head): Wages: \$9,360
Poole Family Total Annual Income: \$40,860	