

Model Administrative Plan

TEMPORARY ADDENDUM DOCUMENT

INTRODUCTION

On January 22, 2013, HUD issued Notice PIH 2013-03 to acknowledge and address the budget and staff constraints that many PHAs have faced in recent years. The notice provides four optional methods to reduce administrative burden, which are addressed below.

HUD posted Frequently Asked Questions (FAQs) about the notice on March 1, 2013.

On November 5, 2013, HUD issued Notice PIH 2013-26 to extend for an additional year the temporary compliance provisions described in Notice PIH 2013-03. Originally set to expire on March 31, 2014, the notice will now remain effective until March 31, 2015.

Before implementing any of the temporary policy options, the PHA must notify HUD by e-mail. The e-mail must state which of the four options will be implemented.

The PHA must revise its administrative plan before any of the temporary policies are implemented. This document, with board approval, contains the PHA's policies for implementation. The PHA must also evaluate whether adoption of any of the temporary policies would constitute a significant amendment to its annual plan, and must revise the annual plan if necessary.

The temporary provisions that an agency may adopt include:

Option 1: Allow option to use participants' past income in verifying income. This option may simplify the verification process by eliminating the need for family-provided documents, such as pay stubs, in some situations.

Option 2: Allow households to self-certify assets of \$5,000 or less. Due to the imputed asset calculation, assets with a value of \$5,000 or less have little to no impact on TTP. The notice allows agencies to accept a self certification to save administrative time.

Option 3: Allow optional streamlined annual reexaminations for elderly families and disabled families on fixed incomes. For elderly and disabled families whose income is limited to such fixed sources as Social Security or a pension, the agency can reduce administrative time by simply updating income on an annual basis for any cost of living adjustments. If the family has other sources of income that are not fixed a streamlined reexamination would not be an option.

Option 4: Allow PHAs to establish a payment standard of not more than 120 percent of the fair market rent (FMR) without HUD approval as a reasonable accommodation. The agency can approve a payment standard between 111% and 120% of fair market rent (FMR) without field office approval as a reasonable accommodation on a case-by-case basis. This has the effect of affirmatively furthering fair housing by expanding affordable housing choices for a person with disabilities.

HUD has clarified that Option 1 and Option 3 are mutually exclusive. Therefore, the PHA may not implement both options.

Policies contained in this temporary addendum will override existing administrative plan policies until March 31, 2015.

OPTION 1: USE OF ACTUAL PAST INCOME

HUD requires that the use of actual past income must be based on income received during the most recent 12-month period shown in the EIV system. This same 12-month period must be used to determine annual income from non-EIV income sources, such as TANF.

The option must be applied to all participant families. However, anticipated future income must be used to determine annual income:

- For all applicant families
- At the family's request, and
- When the family's declared income differs substantially from EIV data.

For past income shown in the family's EIV report, no additional verification is required unless the family requests use of anticipated income, or there is a substantial difference between the EIV data and family-declared income.

PHA Policy:

The PHA will implement Option 1, and will comply with all HUD requirements listed above.

Actual past income will be used to determine annual income for participant families. Anticipated future income will be used to determine annual income for applicant families.

The PHA will use anticipated future income to determine annual income at the family's request.

For income sources shown in the EIV system, the PHA will compare the income declared by the family to the most recent 12 months of EIV data. If there is a substantial difference of \$200 per month or more, the PHA will revert to using projected future income and will follow current verification procedures to establish annual income.

If the EIV data does not differ substantially from family-declared income, no additional verification is required and annual income is based on the EIV data.

For income sources that are not available in EIV, the PHA will request tenant-provided documents generated by a third party as verification of income for the 12-month period. If such documents are not available, the PHA will request the information directly from a third party, using a standardized third-party form.

OPTION 2: SELF-CERTIFICATION OF ASSETS OF \$5,000 OR LESS

This option permits the PHA to temporarily accept family self-certification of assets when the total net value of the family's assets does not exceed \$5,000. The option reduces administrative burden by eliminating the time-consuming verification process for assets which have minimal impact on the family's subsidy level.

The family's self-certification on application and reexamination forms may be accepted when all adult family members sign the applicable form.

The PHA must continue to report all assets on Form HUD-50058, including assets of families with net assets which do not exceed \$5,000.

If the family's assets exceed \$5,000 in net value, the PHA must verify the assets according to existing PHA policy.

PHA Policy

The PHA will implement Option 2, and will comply with all HUD requirements.

For families whose assets do not exceed \$5,000 in net value, the PHA will accept family self-certification of asset value and anticipated income.

The PHA may require additional verification if necessary to document that assets do not exceed \$5,000 in net value.

OPTION 3: STREAMLINING OF ANNUAL REEXAMINATIONS FOR ELDERLY AND DISABLED FAMILIES ON FIXED INCOMES

Option 3 is intended to reduce administrative burden by permitting the PHA to streamline some of its annual reexaminations

Under this option, the PHA will temporarily bypass its existing policies on verification of income. The option is only applicable to families:

- Whose head, spouse or cohead is either at least 62 years old or disabled, AND
- Who receive income only from fixed income sources.

Fixed income sources include Social Security and SSI, governmental or private pensions, and other periodic payments that are of substantially the same amounts from year to year.

In a streamlined annual reexamination, the PHA calculates annual income by applying any published cost of living adjustment (COLA) to the previously-verified income amount.

PHA Policy

The PHA will implement Option 3, and will comply with all HUD requirements.

For elderly and disabled families with fixed incomes, the PHA will recalculate annual income by applying any published COLA to previously-verified amounts. Current documentation of fixed income is not required.

If the family receives any income from a non-fixed income source, the PHA will not streamline the annual reexamination.

OPTION 4: APPROVAL OF EXCEPTION PAYMENT STANDARDS AS REASONABLE ACCOMMODATION

References: Notice PIH 2010-11; Notice PIH 2010-26

The PHA is required to approve an exception payment standard as a reasonable accommodation for a family that includes a person with disabilities, if the exception is necessary to make the program accessible to and usable by persons with disabilities. The exception may be necessary to permit the family to rent a unit with accessible features.

Current rules permit the PHA to approve an exception payment standard up to 110% of the applicable fair market rent (FMR). Field office approval is required for exceptions from 111% to 120% of FMR, and HUD headquarters approval is required for exceptions above 120%. HUD has noted that the requirement for field office approval has resulted in delays which may prevent the family from renting the unit.

Option 4 temporarily eliminates the requirement for field office approval, and permits the PHA to approve exception payment standards of up to 120% of FMR in this situation. Exceptions above 120% of FMR still require approval from HUD headquarters.

Under this option, the PHA must maintain file documentation of rent reasonableness and documentation that the unit has features required to meet the needs of the person with disabilities.

PHA Policy

The PHA will implement Option 4, and will comply with all HUD requirements.

When a family that includes a person with disabilities requires an exception payment standard as a reasonable accommodation, the PHA will approve or deny requests for exceptions up to 120% of the applicable FMR.

Requests for exception payment standards over 120% of FMR will be forwarded to HUD headquarters, with supporting documentation as described in Notice PIH 2010-11.

The PHA will maintain file documentation as required by HUD, including documentation of rent reasonableness and documentation of unit features required by the disabled family member.