

OCCUPANCY POLICY

STATEMENT OF POLICIES GOVERNING ADMISSION TO AND CONTINUED OCCUPANCY OF
THE HUD ASSISTED LOW-RENT SECTION 8 NEW CONSTRUCTION, OWNED AND OPERATED
BY THE MCCOOK HOUSING AGENCY

Revised 03/24/2020

I. NON DISCRIMINATION

The McCook Housing Agency will follow the Fair Housing Act and shall not discriminate because of race, color, national origin, sex, religion, disability or familial status in the leasing, rental, or other disposition of housing or related facilities included in any project or projects under its jurisdiction covered by contract for annual contributions under the United States Housing Act of 1937, as amended, or in the use of occupancy thereof.

The McCook Housing Agency shall not, on account of race, color, national origin, sex, religion, disability or familial status deny to any family the opportunity to apply for housing actively receiving federal financial assistance, nor deny to any eligible applicant the opportunity to lease or rent any dwelling in any such housing suitable to its needs.

The McCook Housing Agency will provide Equal Access to their housing programs to all eligible individuals and families regardless of actual or perceived sexual orientation, gender identity, or marital status.

Tenants and applicants are protected by Section 504 and Title VI of the Civil Rights Act. No otherwise qualified individual with a disability in the United States shall, solely by reason of his or her disability, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

The McCook Housing Agency records with respect to applications for admission to any low-rent public housing assisted under the United States Housing Act of 1937, as amended, shall indicate to each application the date and time of receipt; the determination of the Housing Agency as to eligibility or non-eligibility of the applicant; where eligible, the unit size for which eligible; the preference rating, if any; the date, location, identification, and circumstances of each vacancy offered and accepted or rejected. Housing Agency records with respect to inquiries from families prior to commencement of formal application taking or during a period of temporary suspension of formal application taking shall indicate, as to each family, the date of inquiry, the name and address and whatever further information is obtained, determination made, or action taken by the Housing Agency with respect to such family.

II. ADMISSION

To be eligible for admission an applicant must meet the following eligibility factors:

1. The applicant must qualify as a family or a single person who is eligible. The following are definitions of a family or single person.

Family: A family is made of various household compositions, including single individuals, groups of related or unrelated individuals, and those with or without children. A family may also include individuals in foster care or those who are elderly, disabled, or displaced.

Single Person: A single person is one who intends to live alone; is elderly, handicapped or disabled; live-in aide/attendant; or the remaining family member.

DEFINITIONS:

ELDERLY HOUSEHOLD: Head or spouse is at least 62 years of age, head or spouse is handicapped or disabled, including two or more elderly, handicapped or disabled

persons living with another person who is determined to be essential to their care or well-being.

LIVE-IN AIDE/ATTENDANT: A person who lives with an elderly, disabled or handicapped individual(s) and is essential to that individual's care and well-being, not obligated for the individual's support and would not be living in the unit except to provide the support services. While a relative may be considered to be a live-in aide/attendant, they must meet the above requirements, especially the last. The live-in qualifies for occupancy only as long as the individual needing supportive services does not and may not qualify for continued occupancy as a remaining family member.

DISABLED PERSON: A person with a disability as defined by Section 223 of the Social Security Act or as defined in 42 USC 6001 (7) or in Section 102 of the Development Disabilities Services Facilities Construction Amendments of 1970 (42) USC 2691 (1).

HANDICAPPED PERSON: A person having a physical or mental impairment that (a) is expected to be of a long-continued and indefinite duration, (b) substantially impedes his or her ability to live independently, and (c) is of such a nature that such ability could be improved by more suitable conditions.

REMAINING FAMILY MEMBER: The remaining member of an assisted family who is of legal age as designated by state law/or legally competent to execute a lease.

III. STANDARDS OF ADMISSION AND SCREENING

1. The applicant's total annual income must not exceed the low-income limits set by HUD at the time of admission.
2. The family may not be receiving assistance in more than one unit.
3. Families may be denied assistance to the project if such admission would prove detrimental to the project, its tenants, or its employees. However, before such determination is made, consideration shall be given to favorable changes in the family's pattern of behavior, a lapse of years since an offense and to other extenuating circumstances which offer reasonable assurance that the family meets the Housing Agency's admission standards.
4. Admission is prohibited for any household containing a member(s) who:
 1. Was evicted in the last three years from federally assisted housing for drug-related criminal activity. The McCook Housing Agency may, but is not required to, consider two exceptions to this provision:
 - a. The evicted household member has successfully completed an approved, supervised drug rehabilitation program; or
 - b. The circumstances leading to the eviction no longer exist (e.g., the household member no longer resides with the applicant household).
 2. Is currently engaged in illegal use of drugs or for which the McCook Housing Agency has reasonable cause to believe that a member's illegal use or pattern of illegal use of a drug may interfere with the health, safety, and right to peaceful enjoyment of the property by other residents;

3. Is subject to a state sex offender lifetime registration requirement;
4. If there is reasonable cause to believe that member's behavior, from abuse or pattern of abuse of alcohol, may interfere with the health, safety, and right to peaceful enjoyment by other residents. The screening standards must be based on behavior, not the condition of alcoholism or alcohol abuse;
5. Was or is engaged in the sale or manufacture of narcotics or engaged in other violent criminal activity may be disqualified if such involvement was within the last year for misdemeanor convictions or within the last three years for felony convictions. Additionally, if a family member is determined to be a habitual criminal by the preponderance of evidence a disqualification may be imposed. Any family member who is a registered sex offender shall be disqualified for life;
6. Owes money to a public housing authority for back rent or damages the family will not be housed until the money is repaid or an agreement for repayment has been established with the offended housing authority;
7. Intentionally falsifies information on the application or lease to gain admission to the program the family may be disqualified;
8. Has a record of serious disturbances of neighbors, destruction of property or other disruptive or dangerous behavior which endanger the life, safety, morals or welfare of other persons by physical violence, gross negligence or irresponsibility, which damage the equipment or premises in which the applicant resides, or which are seriously disturbing to neighbors or disrupt sound family and community life, indicating the applicant's inability to adapt to living in a multi-family setting the family may be disqualified. This includes neglect of children which endangers their health, safety or welfare; judicial termination of tenancy in previous housing on the grounds of nuisance or objectionable conduct, or alcoholism or frequent loud parties, which have resulted in serious disturbance of neighbors;
9. Creates a hazard through acts of grossly unsanitary housekeeping such as hoarding of rags and papers; causing severe damage to premises and equipment, and if it is established that the family is responsible for the condition and it seriously affects neighbors by causing infestation or foul odors the family may not be eligible for occupancy;
10. Destroys agency property;
11. Or disregards rules or the rights of others which diminishes their enjoyment of the premises;

IV. PROCESSING APPLICATIONS FOR ADMISSION

A. APPLICATIONS

A written application, on an approved application form, must be completed by the head of household for each family seeking admission to a low-rent housing unit owned or leased by the Housing Agency. The head of household and spouse/co-head and all family members age 18 or older must sign the approved application form and return the application to the Agency office in person. Exceptions may be granted for family members who are severely disabled or for other extreme circumstances.

The waiting list will remain open for new applications until such time as there are a minimum of 100 families waiting to be housed. Opening of the waiting list will be announced with a public notice stating that applications will again be accepted. The public notice will state where, when, and how to apply. The notice will be published in a local newspaper of general circulation. The public notice will state any limitations to who may apply. The notice will state that applicants already on waiting lists for other housing programs must apply separately for this program, and that such applicants will not lose their place on other waiting lists. The notice will include the Fair Housing logo and slogan and will be in compliance with Fair Housing requirements. Closing of the waiting list will also be announced with a public notice. The public notice will state the date the waiting list will be closed and for what bedroom sizes. The public notice will be published in a local newspaper of general circulation.

B. VERIFICATIONS

1. To assure that the date upon which determination of eligibility, rent to be paid and size of dwelling unit required, are true and complete, the information submitted on the application form by the applicant is verified. Complete and accurate verification records consisting of third-party verification or Enterprise Income Verification (EIV) is preferred and will be substituted only when such verification has been attempted at least twice and is impossible to obtain. Verification taken by telephone or in-person contact are least preferred but, when taken, will be recorded in memorandum form containing the name and title of the individual providing the information and date the information was obtained and will be signed by the Housing Agency representative taking the information. When third party verification or verification by telephone or in-person contact is impossible to receive, family certification will be accepted. Family certification will consist of a notarized statement from the family.
2. Age, relationship, U.S. citizenship, and Social Security numbers will generally be verified with documentation provided by the family.

Timeframe for Providing Social Security Numbers for applicants:

Applicants currently on or applying to the wait list. A 90-day period is allowed during which an applicant family may become a program participant, even if the family lacks the documentation necessary to verify the Social Security Number (SSN) of a family member under the age of 6 years who does not yet have a Social Security Number (SSN) assigned to him/her, and was added to the household 6 months or less from the move-in date.

An extension of one additional 90-day period must be granted if MHA determines that, in its discretion, the applicant's failure to comply was due to circumstances that could not reasonably have been foreseen and were outside of the control of the applicant.

For example, an applicant may be able to demonstrate timely submission of a request for an SSN, in which case processing time would be the cause of the delay. If the applicant family does not produce the required documentation within the authorized time period, MHA must impose appropriate penalties.

(a) Applicants currently on or applying to waiting list

Applicants do not need to disclose or provide verification of a SSN for all non-exempt household members at the time of application and for placement on the waiting list. However, applicants must disclose and provide verification of a SSN for all non-exempt household members before they can be housed.

(b) Housing applicants from the waiting list

If all non-exempt household members have not disclosed and/or provided verification of their SSNs at the time a unit becomes available, the next eligible applicant must be offered the available unit.

The applicant who has not disclosed and/or provided verification of SSNs for all non-exempt household members has 90 days from the date they are first offered an available unit to disclose and/or verify the SSNs. During this 90-day period, the applicant may, at its discretion, retain its place on the waiting list. After 90 days, if the applicant is unable to disclose and/or verify the SSNs of all non-exempt household members, the applicant should be determined ineligible and removed from the waiting list.

Only U.S. citizens or eligible noncitizens may receive assistance under Section 8 programs.

Assistance in subsidized housing is restricted to the following:

- a. U.S. citizens or nationals; and
- b. Noncitizens who have eligible immigration status.

All applicants for assistance will be given notice of the requirement to submit evidence of citizenship or eligible immigration status at the time of application.

All family members, regardless of age, must declare their citizenship or immigration status.

Noncitizens (except those age 62 and older) must sign a Verification Consent Form and submit documentation of their status or sign a declaration that they do not claim to have eligible status. Noncitizens age 62 and older must sign a declaration of eligible immigration status and provide a proof of age document. U.S. citizens must sign a declaration of citizenship.

A mixed family—a family with one or more ineligible family members and one or more eligible family members—may receive prorated assistance, continued assistance, or a temporary deferral of termination of assistance.

Applicants who hold a noncitizen student visa are ineligible for assistance, as are any noncitizen family members living with the student.

The McCook Housing Agency will verify with the Department of Homeland Security (DHS) the validity of documents provided by applicants. To do so MHA will access the SAVE system and use the automated, web-based SAVE system to obtain primary and in many instances, secondary verification.

Noncitizens not claiming eligible immigration status may elect to sign a statement that they acknowledge their ineligibility for assistance.

This list is a sample of what may be used for documentation other sources of documentation may be allowed on a case-by-case basis.

Documents to verify Age:

- Birth Certificate
- Baptismal Record
- Identification card issued by a federal, state, or local agency
- Military Discharge Papers
- Valid Passport
- Naturalization Certificate
- Social Security Administration Benefits Printout

Documents to verify Relationship:

- Birth Certificate
- Divorce Decree
- Adoption Record
- Court Record
- Marriage Certificate

Documents to verify U.S. Citizenship or legal alien status

- Birth Certificate
- Hospital Record
- Court Record
- SAVE Document

Documents to verify Social Security Numbers:

- Original Social Security card
- Driver's license with SSN
- Identification card issued by a federal, State, or local agency, a medical insurance provider, or an employer or trade union.
- SSA Benefit award letter which contains the name and SSN of the individual
- Retirement benefit letter which contains the name and SSN of the individual
- Court records which contains the name and SSN of the individual

3. All applicants will be screened through the EIV system for existing tenancy at other housing authorities.

4. All applicants will be screened for criminal history and sex offender registry status through local Police Dept., internet based software, and/or Nebraska State Patrol.

5. All applicants will be screened for rental history. If information is not provided MHA will use any means necessary to determine suitability for onsite housing which may include home visits or credit history to determine viable addresses.

6. All applicants may be screened for credit history if other searches do not yield appropriate income, asset, and address information

7. Verifications are valid for 90 days from the date of receipt by the Housing Agency. For the next 30 days the Housing Agency may update the verifications, orally with the source, with written documentation of the update placed in the file. If verifications are more than 120 days old, new written verifications must be obtained.

C. ELIGIBILITY DETERMINATION

1. Eligibility determination is made for program and project requirements. For project requirements the McCook Housing Agency has designated the rental units at 401 and 402 Missouri Avenue Circle for applicants who are disabled, handicapped, near-elderly (age 50 or older) and elderly (age 62 or older). These 1 bedroom units are for families of 1 or 2 persons. The units located at 1307 West F are designated for families that qualify under HUD guidelines for either a two or three bedroom unit. These units are two and three bedroom units for families of 2-6 persons. Unborn children of pregnant women are counted as a household member.

2. Applicants and tenants must meet the following requirements to be eligible for occupancy and housing assistance.

a. The family must agree to pay the rent required by the program under which the applicant will receive assistance.

b. The family's annual income must not exceed program income limits.

Income limits vary by family size. The McCook Housing Agency determines income eligibility based on low, very low and extremely low income designations and must use income-targeting to ascertain at least 40% of the units are provided to families with extremely low income.

All of the income limits are based on the median income of a metropolitan statistical area (MSA). This table show the four income limits as a percentage of median income in a MSA.

Income Limit	Median Income for area
Low-Income	80% of Median Income
Very Low Income	50% of Median Income
Extremely low Income	30% of Median Income

c. The family must meet the Standards of Admission and Screening.

d. The unit for which the family is applying must be the family's only residence.

e. The family must be citizens of the United States or have eligible immigration status

f. Social Security Numbers of household members must be provided and proof of the numbers reported must be given.

g. All adults in each applicant family must sign an Authorization for Release of Information prior to receiving assistance and annually thereafter.

3. Students attending institutions of higher learning must meet eligibility requirements in accordance with 24CRF 5.612.

Section 8 assistance shall not be provided to any individual who:

a. Is enrolled as either a part-time or full-time student at an institution of higher education for the purpose of obtaining a degree, certificate, or other program leading to a recognized educational credential;

b. Is under the age of 24;

c. Is not married;

d. Is not a veteran of the United States Military;

- e. Does not have a dependent child;
- f. Is not a person with disabilities, as such term is defined in 3(b)(3)(E) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)(3)(E)) and was not receiving section 8 assistance as of *November 30, 2005.* (See Definition E in Figure 3-6);
- g. Is not living with his or her parents who are receiving Section 8 assistance; and
- h. Is not individually eligible to receive Section 8 assistance and has parents (the parents individually or jointly) who are not income eligible to receive Section 8 assistance. (See paragraph 3-33 for verifying parent's eligibility.)

For a student to be eligible independent of his or her parents (where the income of the parents is not relevant), the student must demonstrate the absence of, or his or her independence from, parents. While owners may use additional criteria for determining the student's independence from parents, owners must use, and the student must meet, at a minimum all of the following criteria to be eligible for Section 8 assistance. The student must:

- a. Be of legal contract age under state law;
- b. Have established a household separate from parents or legal guardians for at least one year prior to application for occupancy, or, meet the U.S. Department of Education's definition of an independent student.
- c. Not be claimed as a dependent by parents or legal guardians pursuant to IRS regulations; and
- d. Obtain a certification of the amount of financial assistance that will be provided by parents, signed by the individual providing the support. This certification is required even if no assistance will be provided.
- e. Be 24 years of age or older by December 31 of the award year.
- f. Is an orphan, in foster care, or a ward of the court or was an orphan, in foster care or a ward of the court at any time which the individual was 13 years of age or older.
- g. Is or was immediately prior to attaining the age of majority, an emancipated minor or in legal guardianship as determined by a court of competent jurisdiction in the individual's State of legal residence.
- h. Is a veteran of the Armed Forces of the United States or is currently serving on active duty in the Armed Forces for other than training purposes.
- i. Is a graduate or a professional student
- j. Is a married individual.
- k. Has legal dependents other than a spouse.

- I. Has been verified during the school year in which the application is submitted as either an unaccompanied youth who is a homeless child or youth or as unaccompanied, at risk of homelessness and self-supporting.
- m. Is a student for who a financial aid administrator makes a documented determination of independence by reason or other unusual circumstances.

Any financial assistance a student receives (1) under the Higher Education Act of 1965, (2) from private sources, or (3) from an institution of higher education that is in excess of amounts received for tuition is included in annual income, except if the student is over the age of 23 with dependent children or if the student is living with his or her parents who are receiving Section 8 assistance.

If an ineligible student is a member of an existing household receiving Section 8 assistance, the assistance for the household will not be prorated but will be terminated in accordance with the guidance in paragraph 8-6 A.

4. Annual income will be computed in accordance with definitions and procedures as set forth in this instrument and by HUD.
5. As part of the application record, the Housing Agency Executive Director or designated representative will certify to the actions taken and determination made.

D. NOTIFICATION TO APPLICANTS

Applications shall be received by the Agency during regular business hours. Each application received shall be placed on a waiting list in the order received (by date and time the application was received and as to the unit size required) and in accordance with the Tenant Selection Policies. All family information will be verified before eligibility can be determined. If a family lower on the waiting list has the verification process completed before a family higher on the waiting list the higher family or families will be skipped to offer the family who has had a determination of eligibility completed.

1. **ELIGIBLE APPLICANTS:** Each applicant that is determined to be eligible will be advised in writing when a unit is available to suit their needs. Such notification shall indicate that attendance at a briefing session is mandatory for all adult household members and is a condition of lease up. The eligible applicant will have 10 days to respond to the offer letter.
2. **INELIGIBLE APPLICANTS:** Each applicant determined to be ineligible on the basis of income, family composition, or for any other reason, shall be notified promptly in writing as to the reason for ineligibility. The letter shall state that the applicant has the right to request an informal review within 14 days.
3. **INFORMAL HEARING:** Within ten days of the receipt for a request for an informal review by the family or their designated representative, the Agency shall notify the ineligible applicant of the time and date of the review. The review will be held before a panel composed of any person or persons designated by the McCook Housing Agency other than the person or a subordinate of this person who made or approved the decision. The panel shall hear whatever evidence is to be represented. At the conclusion of the hearing, the panel shall meet and decide upon the merits of the evidence presented. Within fourteen days, the panel's decision shall be forwarded to the applicant in writing by the Executive Director.

V. TENANT SELECTION POLICIES

The Housing Agency shall avoid concentration of the most economically and socially deprived families. However, at least 40% of the dwelling units in any project placed under annual contributions contract in any fiscal year beginning after the effective date of this subpart shall be occupied by the extremely-low income families. The Housing Agency shall attain a tenant body in each project composed of families with a broad range of income and rent paying ability which is generally representative of the range of income of very-low income families in the Public Housing Agency's area of operation. Very-low income families are generally those of the median income for the area of operation of the Housing Agency.

The Housing Agency will pass over applicants on the waiting list who have income higher than the extremely-low income guideline to meet the 40% requirement and will determine eligibility for applicants lower on the waiting list who have income that meets the very-low income guideline. Applicants who are passed over because of this requirement will retain their position on the waiting list until such time as there are sufficient tenants to meet the 40% requirement.

VI. LEASING

Prior to admission, a lease shall be signed by the head of household and any other adult head of household member and executed by the Housing Agency. The Head of Household is the person in the family who is legally and morally responsible for the group and who is actually looked to and held accountable for the family's needs.

1. If a tenant transfers within the project, a new lease shall be executed for the dwelling into which the family is to move.
2. If, at any time during the life of the lease, a change in the tenant's status results in the need for changing or amending the lease, either,
 - a. a new lease shall be executed, or
 - b. a rent adjustment notice will be prepared and made a part of the existing lease. Notices of rent adjustments shall be signed and dated by the Housing Agency's Executive Director or designated representative. One copy of the rent adjustment notice shall be placed in the tenant's file. The original shall be delivered to the tenant.
3. Conditions and requirements of the lease become part of this policy by reference.

VII. UNIT SIZE REQUIRED

The following standards will determine the number of bedrooms required to accommodate a family of a given size, unless sustained vacancies would result and it is necessary to waive the unit size required.

Number of Bedrooms	Number of Persons	
	Minimum	Maximum
0	1	1
1	1	2
2	2	4
3	3	6

The following factors will be considered when assigning a bedroom size for a family:

- a. children expected to be born to a pregnant woman
- b. children under the age of 6 years may occupy the same bedroom with parents
- c. the need for a reasonable accommodation due to health or physical disability
- d. the difference in age or sex in siblings
- e. the number of persons in the family

VII. CHANGE IN FAMILY SIZE AFTER INITIAL OCCUPANCY

If the unit becomes overcrowded or underutilized due to a change in family composition the family must transfer to a unit that is suitable for their family size as outlined in the chart on the previous page. The McCook Housing Agency will give the family written 30 days notice for the transfer. The family must transfer at their own expense.

If two tenants are eligible for a unit transfer and only one unit of the appropriate size is available to both families the housing agency staff will determine the transfer by family size. If both families are of equal size the family who has been overhoused or underhoused for the longer period of time shall be required to transfer first.

If the tenant refuses to transfer the tenant shall pay the appropriate ceiling rent for the size of the unit.

IX. TRANSFER REQUESTS

If a tenant with a physical disability or for a medical reason needs to transfer to a more accessible unit due to their disability or medical problem the McCook Housing Agency will make this determination with a request for a reasonable accommodation validated by a statement from a physician of their choice.

If a tenant who has been a victim of domestic violence, dating violence, sexual assault, or stalking needs to transfer to a safer or more secure unit the McCook Housing Agency will determine eligibility for the transfer based on the documentation provided by the tenant.

In all cases approval of a transfer to another unit is contingent on the availability of a

more appropriate unit. The tenant is responsible for all costs associated with the move. Existing tenants will be placed first for: verified need for a reasonable accommodation, verified medical need, VAWA Emergency Transfer, tenants currently living in an accessible unit and no longer in need of this feature, and a tenant that is underhoused. Tenants will have priority over applicants and if more than one tenant requests a unit transfer to the same vacant unit the determination will be made on a first come first served basis.

Emergency transfers have precedence over non-emergency transfers. The move must take place within 30 days of a written notice that a unit is available. If the tenant at the top of the waiting list for a more appropriate unit is not able to move within 30 days the McCook Housing Agency will offer the unit to the next person on the list until a suitable tenant is found.

X. RECERTIFICATION AND ELIGIBILITY FOR CONTINUED OCCUPANCY

The Housing Agency shall recertify the income and other factors of each family annually up to 120 days prior to the anniversary date of the move-in.

The Housing Agency shall use Enterprise Income Verification (EIV) as a source to verify a tenant's employment and income during mandatory recertifications. Additionally the Housing Agency shall use the EIV system in its entirety for Income discrepancy, new hires, no income, existing tenant, multiple subsidy, identity verification and deceased tenants reports to assist in reducing subsidy payment errors.

The McCook Housing Agency shall prove EIV compliance by placing EIV documentation in the tenant file.

A. ANNUAL RECERTIFICATION

Residents have a choice regarding annual recertifications. The resident can choose whether to continue with traditional recertification or streamlined income determination recertification. If the resident chooses streamlined income determination recertification they may choose to also have a traditional interim recertification at any time.

1. Streamlined Recertification

McCook Housing Agency will conduct streamlined income redeterminations for fixed-income households (once every three years). To qualify for a streamlined recertification the tenants income must have at least 90% of their income received from fixed sources.

The term "fixed-income" includes income from:

- Social Security payments, to include Supplemental Security Income (SSI) and Supplemental Security Disability Insurance (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.

A streamlined income determination will be made by applying a verified cost of living adjustment (COLA) or current rate of interest to the previously verified or adjusted income amount. The COLA or current interest rate applicable to each source of fixed income must be obtained either from a public source or from tenant-provided, third-party generated documentation. In the absence of such verification for any source of fixed income, third-party verification of income amounts must be obtained.

This provision is available for program participants only and may be implemented at the family's next annual reexamination. The provision is not available for program applicants; in the initial year in which a streamlined income determination is made, the COLA must be applied to a source of income that has been verified previously.

In the initial year McCook Housing Agency will determine whether a source of income is fixed. McCook Housing Agency may do this 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.

McCook Housing Agency may also make such a determination by requiring a family to identify as to which source(s) of income are fixed. McCook Housing Agency will document in the tenant file how it made the determination that a source of income is fixed.

For the second income determination involving a family member whose income was adjusted previously using a streamlined income determination, the adjustment will be made to the previously determined income amount (i.e., in year two, the COLA is applied to the year one 1 income amount, as previously adjusted by a COLA).

For any family member whose income is determined pursuant to a streamlined income determination, *third-party verification of all income amounts for all family members must be performed at least every three years*. This means that, for the third income determination involving a family member whose income had been adjusted twice using a streamlined income determination, the PHA would need to obtain third-party verification of *all* income amounts.

This also means that if a family member with a fixed-income source is added to the family during year two, for example, then the McCook Housing Agency must obtain third-party verification of all income amounts for that family member at the next reexamination.

Third-party verifications are required for medical expenses and other deductions to income.

2. Traditional Recertification

1. At the time of the recertification, the head of household and any other adult head of household members will be required to sign an application for continued occupancy and all necessary verification forms.
2. All income, assets, and deductions shall be verified, documented and placed in the tenant file.

3. The Executive Director or designated representative shall make a determination of the verified information with respect to the following:

- a. Eligibility of tenant.
- b. Size of unit required for tenant.
- c. Tenant Rent Payment.

The Executive Director or Administrative Assistant shall certify the determinations in the space provided on the application for continued occupancy.

4. After recertification, the Executive Director or designated representative will:

a. Send a rent adjustment notice to the tenant stating the changes, if any. A copy of the rent adjustment notice shall be placed in the tenant file and made a part of the existing lease.

b. If a change in unit size has been determined, the tenant will be notified and will be required to move, at their own expense, to an appropriate size unit if available. If a unit is not available, the tenant will be placed on a transfer list and moved to an appropriate sized unit when one becomes available. A new lease will only be executed if changes other than the rent amount have been made.

B. INTERIM RECERTIFICATION:

An interim recertification may become necessary between admission and the first recertification or between the annual recertification due to the following:

1. It is found, at the time of admission or annual recertification, that the tenant's income, assets or other factors cannot be accurately determined due to sporadic employment, unemployment or other factors.
2. A significant change of \$200 per month or any decrease in gross income.
3. Changes in family composition due to death, birth, divorce, marriage or other continuing circumstances.
4. It is found that the tenant has supplied false information to the Housing Agency.

Recertification procedures as stated in part (A) of Annual Recertifications will be followed by the Executive Director or designated representative for all interim recertifications. If an increase in tenant rent has been determined, the tenant shall receive a rent adjustment notice. The effective date of the rent change (for a rent increase) will be at least 30 days from the beginning of the following month. Decreases in tenant rent will be effective the first day of the month following that in which the change is reported.

For Streamlined Income Determination Annual Recertification households interim recertifications are not required, but the household may at their discretion, request an interim recertification if they believe it to be in their best interest.

C. FAILURE TO REPORT/PROVIDING FALSE INFORMATION

Tenants are required to report any changes in gross income and family composition. If the tenant fails to report an increase in income or provides false information, the housing agency shall recompute eligibility and tenant payment amounts based on the

new information.

D. RECERTIFICATION INELIGIBILITY

Tenants, who at the time of an application for continued occupancy, are deemed ineligible shall be notified, in writing, of such ineligibility and the reason therefore. The letter will also state that the tenant has a right to an Informal Hearing as stated in Section III (D) (3) of this policy.

E. VAWA PROTECTIONS

Tenants who have been victims of domestic violence, dating violence, sexual assault and stalking and their families are protected from being denied an opportunity to apply or losing their HUD assisted housing because of their relationship with a perpetrator of domestic violence.

X. NOTIFICATION TO TENANTS

Tenants will be notified, in writing, of any misrepresentations or lease violations revealed through the annual recertification, interim recertification, or other occurrences and any other corrective actions that may be required by the Housing Agency.

XI. DEFINITIONS OF INCOME

Annual income is the gross amount of income, from all sources, received by the family head and spouse/co-head (even if temporarily absent) and by each additional member of the family, including all net income derived from assets, for the twelve (12) month period following the effective date of initial certification or recertification of income, exclusive of income that is temporary, nonrecurring or sporadic as defined in this section and exclusive of certain other types of income specified in this section.

A. INCOME INCLUSIONS

Income includes, but is not limited to the following:

1. The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips, bonuses, and other compensation for personal services of all adults of the household. Includes salaries received from a family owned business;
2. Net income, salaries and other amounts distributed from a business or profession. Expenditures for business expansion or amortization of capital indebtednesses shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted based on straight line depreciation, as provided in Internal Revenue Service Regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family;
3. Interest, dividends, and other net income of any kind from real or personal property (See A 2 above). Where the family has net family assets in excess of \$5,000.00, annual income shall include the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate as determined by HUD;
4. The full amount of periodic payments received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic receipts, including a lump-sum payment for the delayed start of

a periodic payment for all household members. If the family can provide documentation that the amounts withdrawn are reimbursement of amounts invested the income is excluded until the entire investment amount has been withdrawn;

5. Payments in lieu of earnings, such as unemployment, worker's compensation and severance pay;
6. Welfare Assistance;
7. Periodic and determinable allowances, such as alimony and child support payments. Child Support and alimony is included as income even if it isn't being received unless the family has taken all legal actions to collect the amount due.
8. All regular pay, special pay and allowances of a member of the Armed Forces (whether or not living in the dwelling) who is head of the family, spouse, or other person whose dependents are residing in the unit (but see paragraph B (6) under Income Exclusions);
9. Lottery winnings paid in periodic payments. (Winnings paid in a lump sum are included in net family assets – not in annual income);
10. Income of students who is the head, spouse, or co-head;
11. Income from household members who are temporarily absent;
12. Income from a family member who is permanently confined to a Nursing Home if the family chooses to include the family member in the household composition;
13. Regular contributions of gifts received from persons not residing in the unit;
14. Resident service stipends greater than \$200 per month.

B. INCOME EXCLUSIONS

Annual income does not include such temporary, non-recurring or sporadic income as the following:

1. Employment income of children (including foster children) younger than 18 years of age.
2. Earnings in excess of \$480 for each full-time student 18 years old or older unless the student is the head, spouse, or co-head;
3. Income associated with persons that live in the unit but are not regular household members. Includes: payments received from the local welfare office for care of foster children, foster adults and income of live-in attendants;
4. Lump-sum additions to family assets—such as inheritances; cash from sale of assets; one-time lottery winnings; insurance settlements under health and accident insurance and workmen's compensation; capital gains and settlement for personal or property losses;
5. All amounts of student financial assistance paid directly to the student or to the educational institution, and amounts paid by the Government for a veteran, for use in

meeting the costs of tuition, fees, books, equipment, materials, supplies, transportation and miscellaneous personal expenses of the student. Any amount of such assistance or payment to a veteran not used for the above purposes that is available for subsistence is to be included in income;

6. Amounts received under training programs funded by HUD;
7. Amounts received by a Disabled person that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);
8. Income from training programs which clearly define goals and objections for a specific time period;
9. Amounts being recouped due to overpayments such as Social Security, SSI, TANF or unemployment;
10. Withdrawals from IRAs and 401 K accounts that are not periodic payments;
11. Resident services stipends that are less than \$200 per month.

C. ADJUSTMENTS TO INCOME

Adjusted income is annual income less the following allowances:

1. \$480.00 for each household member who is under the age of 18, or is handicapped, disabled or a full-time student regardless of age. A full time student is a family member who is carrying a full-time subject load (as defined by the institution) at an institution with a degree or certificate program.
2. \$400.00 per family for all families in which the head or spouse is at least 62 years of age or handicapped or disabled.
3. Child Care Expenses:

Anticipated expenses for the care of children under age 13 (including foster children) may be deducted from annual income if all of the following are true:

- a. The care is necessary to enable a family member to work, seek employment, or further his/her education (academic or vocational).
- b. The family has determined there is no adult family member capable of providing care during the hours care is needed.
- c. The expenses are not paid to a family member living in the unit.
- d. The amount deducted reflects reasonable charges for child care
- e. The expense is not reimbursed by an agency or individual outside the family.
- f. Child care expenses incurred to permit a family member to work must not exceed the amount earned by the family member made available to work during the hours for which child care is paid.

4. Handicapped-Disabled Allowance: Amounts anticipated for care attendants and auxiliary apparatus for handicapped or disabled family members if such expenses:
 - a. Enable one or more family members to work (including the disabled family members);
 - b. Are not reimbursed by an agency or individual outside the household;
 - c. Are not paid to a family member living in the unit; and
 - d. Do not exceed the earned income of the household member enabled to work.

5. Medical Expenses: Deduction is permitted only for households in which the head, spouse, or co-head is at least 62 or disabled. If the household is eligible for a medical expense deduction, the medical expenses of all family members are counted.

Medical expenses include all expenses anticipated to be incurred during the 12 months following certification/recertification which are not covered by an outside source, such as insurance.

They may include:

- a. Services of doctors and health care professionals;
- b. Services of health care facilities;
- c. Medical insurance premiums or costs of an HMO;
- d. Prescription/non-prescription medicines that have been prescribed by a Doctor;
- e. Transportation to treatment;
- f. Dental expenses;
- g. Eyeglasses, contact lenses, hearing aids, batteries;
- h. Live-in or periodic medical assistance such as nursing services, assistive animal and its upkeep;
- i. Monthly payment on accumulated medical bills;
- j. Medical care of a permanently institutionalized family member IF his/her income is included in annual income; and
- k. Long Term Care Insurance Premiums.

Anticipated medical expenses may be based on the expenses the family paid in the 12 months preceding the certification, less any one-time, nonrecurring expenses.

The Allowable Medical Expense Deduction is that portion of total medical expenses in excess of three percent of annual income.

XII. NET FAMILY ASSETS

The value of assets may affect the family's TTP because of the requirement to impute income if assets are greater than \$5,000. A determination of the cash value of each asset must be made by the housing agency. This is the amount the family would receive if the asset were converted to cash.

A resident household may self-certify that their assets total value is less than \$5000. This certification is retained in the resident file to be reviewed annually if the resident chooses traditional annual certification or triennially if the resident chooses the streamlined income determination recertification. Total asset value that is less than \$5000 is not verified with the resident self-certification.

Cash value is market value minus reasonable expenses that were or would be incurred in selling or converting the asset to cash, such as:

- a. Penalties for premature withdrawal;
- b. Broker and legal fees; and
- c. Settlement costs for real estate transactions.

Assets owned jointly are prorated according to the percentage of ownership. If no percentage is specified or provided by State law, the asset is prorated evenly among owners.

Family Declaration of assets under \$5000.

The McCook Housing Agency obtain third-party verification of all family assets upon admitting a family to the public housing program and then again at least every 3 years thereafter.

During the intervening annual reexaminations will accept a family's declaration that it has total net assets equal to or less than \$5,000, without taking additional steps to verify the accuracy of the declaration. If a family submits such a declaration, then the PHA does not need to request supporting documentation (e.g., bank statements) to verify the assets or the amount of income expected to be received from those assets.

The family's declaration of total assets must show each asset and the amount of income expected from that asset. The total amount of income expected from all assets must be less than or equal to \$5,000.

Assets include, but is not limited to the following:

1. Current amounts in savings accounts and the average balance for the last six months for checking accounts. Also includes cash held at home or safe deposit box.
2. Cash value of revocable trusts.
3. Equity in real property or other capital investments. Equity is the estimated current market value of the asset less the unpaid balance on all loans secured by the asset and reasonable costs (such as broker fees) that would be incurred in selling the asset.
4. Stocks, bonds, Treasury Bills, certificates of deposit, money market funds.
5. IRA, Keogh Plans, and similar retirement savings accounts, that is assessable to the family, even though withdrawal would result in a penalty.
6. Some contributions to company retirement/pension funds.

7. Surrender value of whole life or universal insurance policies.
8. Personal property held as an investment (such as jewelry or antiques.)
9. Inheritances, lottery winnings, capital gains, insurance settlements and other lump-sum amounts are generally considered assets.
10. Assets valued at greater than \$1000 disposed of for less than fair market value during the two years preceding certification or recertification except in the case of divorce, bankruptcy, or foreclosure. Assets placed in an irrevocable trust fund are considered as assets disposed of for less than the fair market value.
11. Mortgages or deed of trust held by a family member.

XIII. PROCEDURES IN THE TIME OF CRISIS

In times of crisis rules and procedures shall be modified or suspended with the approval of the Board of Commissioners. The revision of these rules and procedures shall include but not be limited to:

- Eliminating face to face contact in respect to applications, reviews, move in, move out, briefings and inspections and
- Forwarding telephone calls to staff home or cell phones when housing authority offices are closed by order of the state or federal government and
- Suspending all work orders that are not an emergency and
- Eliminating all travel, training, and any other staff activities and
- Eliminating all resident activities such as social gatherings and
- Encourage all residents to conduct contact between residents and staff by mail or telephone.

These modifications shall remain in place throughout the time of the crisis.