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RESIDENT SELECTION PLAN

OWNER:
Lakeview Presbyterian Homes, Inc.

MANAGEMENT AGENT:
Presbyterian Homes and Housing Foundation of Florida, Inc.

This Plan is <u>not entirely</u> in effect.
This version is provided as a preview of the upcoming changes resulting from the Housing Opportunities Through Modernization Act (HOTMA), as required by HUD. The denoted HOTMA changes will <u>not</u> be in effect until HOTMA is fully implemented by the Owner (subject to any additional HUD delays).
Please refer to the previous Plan for current versions of the policies being changed by HOTMA. All other non-HOTMA denoted policies are in effect as of this Plan.

This Resident Selection Plan has been prepared in accordance with HUD Handbook 4350.3 requirements. Revisions shall be made to the Plan as required by The United States Department of Housing and Urban Development or as needed by the Management Agent.

Revised on July 1, 2026

This company does not discriminate on the basis of disability status in the admission or access to, or treatment or employment in, its federally assisted programs and activities. The person named below has been designated to coordinate compliance with the nondiscrimination requirements contained in the Department of Housing and Urban Development's regulations implementing Section 504 (24 CFR, part 8 dated June 2, 1988).

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Lakeview Place

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EQUAL HOUSING OPPORTUNITY

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EQUAL HOUSING OPPORTUNITY

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I. Project Eligibility Requirements:

A. Community Specific Requirements

Lakeview Presbyterian Homes dba Lakeview Place was built and designated to serve elderly and disabled persons and families as defined in Section 202 of the Housing Act of 1959. There are a total of 104 apartments in this community and 94 are designated exclusively for elderly families. Elderly families are composed of one or more persons, the head or co-head of which is 62 years of age or older. The other 10 apartments in this community are mobility accessible apartments that are designated exclusively for disabled persons and families (elderly or nonelderly). To be eligible for one of the mobility accessible apartments, the applicant family's head or co-head (elderly or nonelderly) must be physically disabled and require the features provided by the mobility accessible apartment. The apartment for which the household is applying must be the household's only residence. Applicants must agree to pay the rent required by the program under which they will receive assistance. This community does not accept housing choice vouchers.
Smoke-Free: This is a smoke-free community. Please refer to the Owner's Smoke-Free Policy for further details.

B. Citizenship Requirements

By law, federal rental assistance in subsidized housing is restricted to the following:

1. U.S. citizens or nationals; and
2. Noncitizens that have eligible immigration status as determined by HUD.

Notice of the requirement to submit evidence of citizenship or eligible immigration status is provided as part of the application package. All family members, regardless of age, must declare their citizenship or immigration status.
Required Documentation: U.S. citizens must sign a declaration of citizenship and provide a birth certificate, U.S. passport, certificate of citizenship or naturalization certificate as verification of their declaration. Noncitizens 62 years and older must sign a declaration of eligible noncitizen status and provide proof of age. Noncitizens under the age of 62 must sign a declaration of eligible immigration, a signed verification consent form and one of the following DHS approved documents:

1. Form I-551, *Permanent Resident Card*.
2. Form I-94, *Arrival-Departure Record* annotated with one of the following:
   - "Admitted as a Refugee Pursuant to Section 207"
   - "Section 208" or "Asylum"
   - "Section 243(h)" or "Deportation stayed by Attorney General"
   - "Paroled Pursuant to Section 212(d)(5) of the INA"
3. Form I-94, *Arrival-Departure Record* (with no annotation) accompanied by one of the following:
   - A final court decision granting asylum (but only if no appeal is taken)
   - A letter from an DHS asylum officer granting asylum (if application was filed on or after October 1, 1990) or from an DHS district director granting asylum (application filed was before October 1, 1990)
   - A court decision granting withholding of deportation
   - A letter from an asylum officer granting withholding of deportation (if application was filed on or after October 1, 1990)
4. A receipt issued by the DHS indicating that an application for issuance of a replacement document in one of the above-listed categories has been made and that the applicant's entitlement to the document has been verified.
5. Other acceptable evidence. If other documents are determined by the DHS to constitute acceptable evidence of eligible immigration status, they will be announced by notice published in the Federal Register.

Timeframes for Submitting Evidence: Applicants must submit required documentation of citizenship/immigration status no later than the date the Owner initiates verification of other eligibility factors. If the applicant cannot supply the documentation within the Owner's specified timeframe, the applicant may be granted an extension of not more than 30 days, but only if the applicant certifies that the required documentation is temporarily unavailable and additional time is needed to collect and submit it. The applicant will be informed in writing if an extension request is granted or denied with the new deadline for submitting the documentation or the reasons for the denial.
Prohibition Against Delay of Assistance: The Owner will not delay the family's assistance if the family submitted its immigration documentation in a timely manner, but the DHS verification or appeals process has not been completed. If

an apartment is available, the family has come to the top of the waiting list, and at least one member of the family has been determined to be eligible, the family must be offered the apartment. Assistance will be provided to the family members determined to be eligible and to those family members that submitted their immigration documents on time. If any family members did not provide the required documentation, then the assistance for the family must be prorated.

Mixed Family and Prorated Assistance: A mixed family is one whose members include citizens and eligible immigrants as well as noncitizens without eligible immigration status. Mixed families are eligible only for prorated assistance. The prorated assistance is calculated by multiplying a family's full assistance by a fraction. The fraction is determined by dividing the number of eligible people in the family by the total number of persons in the family. The reduced assistance payment results in a revised Tenant Rent.

Verifying Immigration Status: The validity of documents provided by applicants or residents claiming eligible immigration status must be verified. Primary verification is conducted through DHS' automated SAVE system. If secondary verification is required, the Owner will immediately prepare and send DHS Form G-845S with copies of the DHS documents submitted by the applicant to the DHS office serving this jurisdiction. The family will be notified in writing if a negative result is returned. The family will have 30 days to appeal the decision directly to the DHS. A copy of the appeal must also be sent to the Owner. If the DHS decision results in a negative determination of eligibility, the family has 30 days to request a hearing with the Owner.

C. Social Security Number Requirements

Temporary Provisions - Delayed Implementation: The following SSN *change(s) will not be in effect until HOTMA is fully implemented by the Owner (previously 1/1/2025, subject to any additional HUD delays).

HOTMA Implemented: All applicant and resident household members are required to provide a Social Security Number (SSN) and adequate documentation necessary to verify that number. This rule applies to all household members including live-in aides, foster children, and foster adults. Failure to disclose and provide adequate documentation and verification of SSNs will result in an applicant not being admitted or a resident household's assistance and/or tenancy being terminated.

Required Documentation: Adequate documentation means an original social security card issued by the Social Security Administration (SSA) or an original document issued by a federal or state government agency that contains the name and SSN of the individual or other acceptable evidence of the SSN and identification such as:

- 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
- Earnings statements on payroll stubs
- Bank statement
- Form 1099
- Benefit award letter
- Retirement benefit letter
- Life insurance policy
- Court records
- *If the applicant cannot provide any of the above, the applicant will advise the Owner. The Owner may, but is not required to, accept self-certification of SSN and at least one third-party document, such as a bank statement, utility or cell phone bill, benefit letter, etc., that contains the name of the individual. When none of the other accepted methods are available and if verifying an individual's SSN using this method, the Owner must document why the other SSN documentation was not available. If the resident's SSN becomes verified in EIV, then no further verification is required. If the resident's SSN fails the SSA identity match, then the Owner must obtain a valid SSN card issued by the SSA or an original document issued by a federal or state government agency that contains the name of the individual and the SSN of the individual, along with other identifying information of the individual. The resident family's assistance must be terminated if any member fails to provide the required documentation.

Exceptions to Disclosure of SSN: The SSN disclosure requirements do not apply to:

1. Individuals who do not contend eligible immigration status.
   - Mixed Families: When applicants and residents are required to declare their citizenship status, proration of assistance or screening for mixed families must continue to be followed. In these instances, the Owner will have each resident's Citizenship Declaration on file whereby the individual did not contend eligible immigration status to support the individual not being subject to the requirements to disclose and provide verification of an SSN.

EQUAL HOUSING OPPORTUNITY

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2. Individuals age 62 or older as of January 31, 2010, whose initial determination of eligibility occurred prior to January 31, 2010.
   - The eligibility date is based on the initial effective date of the form HUD-50059 or form HUD-50058, whichever is applicable.
   - Documentation that verifies the applicant's exemption status must be obtained by the Owner and kept in the resident's file. A self-certification from the applicant stating that they qualify for the exemption is not acceptable verification of their exemption status.
   - The exception status for these individuals is retained if the individual moves to a new assisted apartment under any HUD assisted program or if there is a break in their participation in a HUD housing assistance program.
3. A minor child under the age of 6 without an assigned SSN added to the applicant family within the 6-month period prior to the household's date of admission.
   - The household will have a maximum of 90-days after the date of admission to provide the SSN and adequate documentation that the SSN is valid. An additional 90-day extension may be granted under certain circumstances (e.g., applicant demonstrates timely submission of a request for an SSN). If the household does not provide the SSN and adequate documentation to verify the SSN within the prescribed timeframe, HUD requires that the Owner terminate tenancy.
4. A minor child under the age of 6 without an assigned SSN being added to the household after move-in.
   - The household will have a maximum of 90-days after adding the child to provide the SSN and adequate documentation that the SSN is valid. An additional 90-day extension may be granted under certain circumstances (e.g., applicant demonstrates timely submission of a request for an SSN). If the household does not provide the SSN and adequate documentation to verify the SSN within the prescribed timeframe, HUD requires that the Owner terminate tenancy.
5. *Foster children or adults when:
   - The foster agency will not provide the SSN or adequate documentation to verify the SSN; and
   - HUD approves via written waiver.

Provisions for Applicants Disclosure and/or Documentation of SSNs: SSNs do not need to be disclosed or verified to be placed on the waiting list, but all non-exempt household members must provide adequate documentation necessary to verify SSNs before they can move-in. If, at the time an apartment becomes available, all non-exempt household members have not provided adequate documentation necessary to verify their SSNs:

1. The next eligible applicant must be offered the available apartment.
2. All non-exempt household members have ninety (90) days, from the date they are first notified that an apartment is available, to provide documentation necessary to verify their SSNs. During this 90-day period, the household may retain its place on the waiting list but will not be considered again until the required documentation is provided.
3. After ninety (90) days, if the applicant is unable to disclose/verify the SSNs of all non-exempt household members, the household will be determined ineligible and removed from the waiting list.
4. The Applicant may apply again, after obtaining the appropriate documentation, and will be placed on the waiting list based on the date and time the new application is received.

Secondary Verification of the SSN: The SSNs provided will be compared to the information recorded in the Social Security Administration database through HUD's Enterprise Income Verification (EIV) system to ensure that the SSN, date of birth (DOB), and last name match. If EIV returns an error that cannot be explained or resolved, assistance and/or tenancy may be terminated, and any improper payment must be returned to HUD. If an applicant/resident deliberately provides an inaccurate SSN, the Owner and/or HUD may pursue additional penalties due to attempted fraud.

II. Income and Asset Restrictions

A. Income Limits

Temporary Provisions - Delayed Implementation: The following income limit *change(s) will not be in effect until HOTMA is fully implemented by the Owner (previously 1/1/2025, subject to any additional HUD delays).
HOTMA Implemented: The applicant family's annual income must not exceed the applicable income limit established by HUD for this community's housing program.
Maximum Income Limits: To be eligible for occupancy in this community, an applicant family's gross annual income must not exceed the Very Low-Income limit (50% of median income) that is applicable to the applicant's family size.

- HUD establishes and publishes income limits for each county or Metropolitan Statistical Area (MSA) in the country. The income limits are based on the median income of the geographic area for which the limit is established. Therefore, the income limit for one city or county is likely to be very different from the income limit for another city or county.
- Income limits are updated and published annually and are available from the local HUD office or on-line at http://www.huduser.org/portal/datasets/il.html.
- Income limits are based on applicant family size and the gross annual income the family receives.
- A household does not need to have income to be eligible for assisted housing programs that provide rental assistance through an assistance contract.

Family Size for Income Eligibility: When determining family size for income eligibility, the Owner must include all individuals that are living in the apartment, except the following (non-family members):

- Live-in Aides – A person who resides with one or more elderly persons, near-elderly persons, or persons with disabilities, and who: is determined to be essential to the care and well-being of the person(s), is not obligated for the support of the person(s), and would not be living in the apartment except to provide the necessary supportive services. A live-in aide is not party to the lease. Please refer to the Owner's Live-in Aide Policy for further details.
- Guests – A person temporarily staying in an apartment with the consent of the Resident or another member of the household who has express or implied authority to consent on behalf of the resident and the Owner. A guest is not party to the lease.
- *Foster Adults/Children – Foster adults and children are defined by individual state law, but in general, they are a person who is unable to live independently (for foster adults this may be due to a debilitating physical or mental condition and for foster children because they are dependent children removed from their parent/guardian) and is placed with the family by an authorized placement agency or by judgment, decree, or other order of any court of competent jurisdiction.

Additionally, when determining family size for income eligibility, the Owner must include the following individuals who are not living in the apartment:

- Children temporarily absent due to placement in a foster home
- Children in joint custody arrangements who are present in the household 50% or more of the time
- Children who are away at school but who live with the family during school recesses
- Unborn children of pregnant women
- Children who are in the process of being adopted
- Temporarily absent family members who are still considered family members
- Family members in the hospital or rehabilitation facility for periods of limited or fixed durations (considered temporarily absent)
- Persons permanently confined to a hospital or nursing home. The family decides if such persons are included when determining family size for income limits. If such persons are included, they must be listed as other adult family member on the Lease and TRACS data and the Owner must include income received by these persons in calculating family income.

B. Asset Limitation

Temporary Provisions - Delayed Implementation: The following asset limit change(s) will not be in effect until HOTMA is fully implemented by the Owner (previously 1/1/2025, subject to any additional HUD delays). Prior to full HOTMA implementation, the asset limitation will not be enforced as part of the preliminary eligibility determination for any Section 8 applicants. This means new applications that violate the asset limitation may still be accepted and may still be admitted to the Section 8 program until the point that HOTMA is fully implemented by the Owner.

HOTMA Implemented: The Housing Opportunities Through Modernization Act (HOTMA) adds asset limitation which includes two new asset restrictions that must both be met to determine an applicant's eligibility for the Section 8 program. The Owner has elected to implement the discretionary policy of total non-enforcement of the asset limitation at annual and interim reexamination. This means that after Move-In (MI) or Initial Certification (IC), current residents' eligibility, based on HOTMA's asset limitation of net family assets and real property, does not apply, and will not be reviewed after their MI/IC unless the Owner has cause to correct their MI/IC or if the family's assistance is terminated. The Owner is still required to calculate resident's net family assets as part of the process of calculating annual income in accordance with §5.609, which includes having to verify whether the family owns real property that must be included in net family assets, however, additional information relevant to determining compliance with the real property restriction such as whether the real property is suitable for occupancy does not need to be obtained or verified.

EQUAL HOUSING OPPORTUNITY

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Enforcement Processing: The asset limitation will be enforced as part of the preliminary eligibility determination for all new Section 8 applications received on or after the date of full HOTMA implementation and as part of the detailed screening and verification process for all existing Section 8 applications received and accepted prior to the date of HOTMA implementation that would then be ineligible based on the asset limitation unless the application is voluntarily withdrawn by the applicant after receiving notice of the HOTMA implementation potentially changing their eligibility for the Section 8 program.

Asset Restrictions: The applicant family's assets must be in compliance with the following asset restrictions to be eligible for the Section 8 program:

1. **Asset Restriction Based on Net Family Assets – Asset Cap:** A dwelling unit may not be rented, and assistance may not be provided, to any applicant if their "net family assets" (as defined in §5.603) exceed the current Asset Cap established by HUD (certain assets are excluded, see exclusions below). The "asset cap" is subject to annual adjustment by HUD in accordance with a commonly recognized inflationary index.

   Exclusions: The following assets will be excluded from the calculation of net family assets:
   - The value of necessary items of personal property
   - The combined value of all non-necessary personal property as long as the combined net cash value of all non-necessary personal property does not exceed the current Asset Threshold established by HUD (subject to annual adjustment by HUD).
   - The value of any account under a retirement plan recognized as such by the Internal Revenue Service (IRS), including Individual Retirement Accounts (IRAs), employer retirement plans (e.g., 401(k), 403(b)), and retirement plans for self-employed individuals.
   - The value of real property when the family does not have the effective legal authority to sell in the jurisdiction in which the property is located.
   - Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member arising out of law that resulted in a member of the family being a person with disabilities.
   - The value of any Coverdell Education Savings Account under section 530 of the Internal Revenue Code of 1986, the value of any qualified tuition program under section 529 of such Code, the value of any Achieving a Better Life Experience (ABLE) account authorized under section 529A of such Code, and the value of any "baby bond" account created, authorized, or funded by the Federal, State, or local government.
   - Interests in Indian trust land.
   - Equity in a manufactured home where the family receives Section 8 tenant-based assistance under 24 CFR Part 982.
   - Equity in property under the Homeownership Option for which a family receives HCV homeownership assistance from a PHA under 24 CFR Part 982.
   - Family Self Sufficiency (FSS) Accounts.
   - Federal tax refunds or refundable tax credits for a period of 12 months after receipt by the family.
   - The value of any trust fund when the trust is not revocable by, or under the control of, any member of the participant family or household, so long as the fund continues to be held in a trust that is not revocable by, or under control of, any member of the participant family or household.
   - The value of any other assets as announced by HUD through Federal Register Notice.
2. **Asset Restriction Based on Home Ownership – Real Property:** Real property means "real property as provided under the State law in which the property is located". A dwelling unit may not be rented, and assistance may not be provided, to any applicant if they have a present ownership interest in, a legal right to reside in, and the effective legal authority to sell real property (based on the jurisdiction in which the property is located) that is suitable for occupancy by the family as a residence. This includes, but is not limited to a home, condominium, townhome, duplex, mobile home, etc.

   Exemptions to the Real Property Restriction: The real property asset restriction does not apply to the following:
   - Any property for which the family is receiving assistance under §982.620 (i.e., a manufactured home owned by a family who receives assistance to lease the space or lot in which it is located) or any property for which the family is receiving assistance under the Homeownership Option in 24 CFR Part 982. See §5.618(a)(1)(ii)(A).
   - Any property jointly owned by an applicant family member and another individual (non-family member) who does not live with the applicant family but who resides at the jointly owned property. See §5.618(a)(1)(ii)(B).

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- Any property owned by a family that includes a person who is a victim of VAWA crime *(domestic violence, dating violence, sexual assault, stalking),* as defined in 24 CFR Part 5 (Subpart L). If the victim is a minor, the real property restriction does not apply to any property owned by the victim's parent or guardian. When an applicant requests an exemption from the real property restriction on the basis of VAWA status, the Owner will accept self-certification in accordance with the Owner's VAWA Policy and §5.2007. See §5.618(a)(1)(ii)(C).
- Any property that the family is offering for sale. Documentary evidence of the sales process is required, which may include a contract with a real estate agent or a current real estate listing. See §5.618(a)(1)(ii)(D).

Legal Right to Reside in the Real Property: The real property restriction applies only when the family has the legal right to reside in the real property. Whether a family has the legal right to reside in a property may be dependent on state and local law of the jurisdiction in which the property is located or other factors (e.g., the family owns commercial property like a convenience store which cannot be occupied as a place of residence by the family). Applicants who claim they lack the legal right to reside in the real property must provide relevant evidence to support their claim.

Effective Legal Authority to Sell the Real Property: The real property restriction applies only when the family has the effective legal authority to sell the real property, based on the laws of the state or locality in which the property is located, for which there may be multiple reasons why a family does not have such authority. This may include ownership of a property that is being contested in court or property that is part of divorce proceedings that they may be unable to sell until the completion of those proceedings. Applicants who claim they lack the legal authority to sell the real property must provide relevant evidence to support their claim.

Suitability of Real Property for Occupancy: A property will be considered suitable for occupancy unless the family demonstrates that the real property meets one of the following five conditions (§5.618(a)(2)):

- The property is not capable of meeting the disability-related needs of all members of the applicant family. (e.g., does not meet physical accessibility requirements, family has disability-related need for additional bedrooms, family needs proximity to accessible transportation, etc.). Documentary requirements to establish disability-related needs will comply with applicable fair housing and civil rights requirements.
- The property is not large enough for the size of the family (using the Owner's Occupancy Standards).
- The property is geographically located such that it creates a hardship for the family (e.g., the distance or commuting time between the property and the family's place of work or school would be a hardship to the family, as determined by the Owner).
- The property is considered unsafe to reside in because the property's physical condition poses a risk to the family's health and safety and the condition of the property cannot be easily remedied or the alterations needed to make the property safe to live in are cost prohibitive. Unsafe property conditions could include external circumstances or environmental factors outside the control of the family.
- The family does not have the legal right to reside in the property.

Real Property Determination: Prior to admission to the program, the Owner may rely upon self-certification from the applicant stating that the family does or does not have any present ownership interest in any real property using a standard form that will also inquire about the family's legal right to reside in, and their effective legal authority to sell, any real property that is suitable for occupancy as a residence by the family, which may also require additional third-party verification. If the applicant certifies that the family does not have any ownership interest in real property, the Owner may consider that self-certification sufficient to determine the applicant is *not* out of compliance with the real property restriction. If the applicant certifies that the family does have ownership interest in real property that does not meet one of the exemptions to the real property restriction, the Owner must obtain third party verification of the family's legal right to reside in the property, the effective legal authority to sell the property, and whether the property is suitable for occupancy by the family as a residence.

NOTE: Ownership of real property is relevant to the asset limitation in two distinct ways: 1) if the family has an ownership interest in real property, that interest may cause the family's net family assets to exceed the current Asset Cap (as adjusted for inflation), in which case the applicant is ineligible based on the Asset Cap asset restriction; and 2) if the family has a present ownership interest in, a legal right to reside in, and the effective legal authority to sell a property that is suitable for occupancy by the family as a residence, then the applicant is also ineligible based on the real property asset restriction. While there are several exemptions to the real property restriction that identify when a real property ownership interest does not by itself render the applicant ineligible based on the new asset restrictions, the real property exemptions do not indicate that the

value of such real property is excluded from the calculation of net family assets. Therefore, unless the real property is specifically excluded from net family assets (as defined by §5.603 and detailed above), it's value may still be included in net family assets, and the applicant may still be determined ineligible based on the new asset restrictions, if the cash value of exempted real property causes the applicant's net family assets to exceed the current Asset Cap (as adjusted for inflation).

III. Procedures for Accepting Applications and Selecting from the Waiting List

A. Procedures for Accepting Applications

Application Acceptance: The Owner accepts and processes all applications in accordance with the current version of the HUD Handbook 4350.3 and all applicable HUD regulations. Applications will be accepted via U.S. Mail, electronically via e-mail, fax, or in person during normal business hours, which are from 8:00 a.m. to 5:00 p.m., Monday through Friday, excluding public holidays. No person will be refused an application unless the waiting list is closed and notice of the closed waiting list has been posted in a prominent, accessible location as described in this Plan. Tours of the community and/or vacant apartments are provided during normal business hours only, preferably by appointment.

Application Interviews: Interviews are conducted in person or over the phone during normal business hours only. During the interview, the Owner will provide:

- An opportunity to answer applicant's questions
- Information on application processing and waiting list policies
- HUD required fact sheets and informational brochures

Equal Access: To provide equal opportunity for any and all interested parties to apply for housing, the Owner may:

1. For applicants with disabilities, modify or provide an alternative method of having their application processed
2. Make exceptions to the procedures described herein to take into account circumstances beyond the applicant's control (for example, medical emergencies, extreme weather conditions, or travel restrictions)
3. Provide any assistance requested or needed by applicants who might have literacy, vision, hearing, or language barrier challenges

Application Review: At the time an application is submitted, a cursory review of the application will be conducted to determine all of the following:

1. If the application is fully completed and if it has been signed and dated by all adult members
2. If all adult members have provided consent and sufficient information to conduct the required screening
3. If the household meets the age, income, and asset eligibility requirements of this community
4. If the community offers the size and/or type of apartment required by the household

Complete Applications: Fully completed applications have the time and date they are received at the business office recorded on them along with the name of the person who received it. The applicant's information is then recorded on the waiting list. In accordance with HUD regulations, when occupancy is not immediately available, the Owner will not proceed with the detailed screening and verification of information portion of the application. At this point, the Owner will make a preliminary determination of eligibility, based on the initial review of the application. If, according to the information provided on the application, the applicant is not eligible for occupancy based on age, income, assets* (*after full HOTMA implementation*), and apartment size/type, their application will be denied and written notice of rejection sent. If the information provided meets the eligibility requirements for age, income, assets* (*after full HOTMA implementation*), and apartment size/type, the applicant will be given a preliminary approval and written notice of their application's acceptance is sent. The acceptance letter informs the applicant that they are not guaranteed an apartment and that they will be contacted when it is their turn to proceed with the detailed screening and verification portion of the application. It also informs them of their responsibility to report any changes to their contact information and/or preferred method of contact (address/letter, phone, email, text). Qualified applicants are considered for occupancy in the order that their fully completed application is received unless they meet the criteria for preferential treatment.

Incomplete Applications: If an incomplete application is received and the incomplete portions prevent the preliminary determination of eligibility or future detailed screening and the permission to assist form is missing or incomplete, and/or required signatures are missing, the incomplete portion(s) of the application are highlighted, and the entire application is copied. After notifying the applicant, the original application is sent back to the applicant with a return envelope. The copy is kept in a folder that is flagged as pending and filed separately from the completed applications. Once the completed application is resubmitted, it will go through the initial application review process again. If it is now complete, they will receive written notice of their application's acceptance and the date the resubmitted application was received and reviewed is recorded on the application and then used as the application date on the waiting list. If the application is not resubmitted within the next 30 days, the applicant will be notified that their application has been rejected for being

incomplete. If the permission to assist form is completed and provided with the application, certain incomplete portions of the application may be completed by the Owner unless the applicant elects to come in and complete it themselves or have the incomplete application returned to them for completion as described above. If they elect to have the Owner assist with completion, the incomplete portions will be highlighted and completed by the Owner after obtaining the applicant's responses for the incomplete portions during a virtual or phone interview or via mail, fax, or email. A note to the file will be added to indicate that the applicant elected to have the Owner assist with completing the highlighted portions of the application. The permission to assist form does not permit assistance with signatures.

Waiting Lists: The waiting list consists of applicants who have received preliminary approval and are waiting to complete the detailed screening and verification portions of the application process. This community has a master waiting list for all applications that is kept according to the date and time each completed application is received. A separate waiting list is maintained specifically for all applicants and residents requiring the design features of an accessible apartment that have indicated such a need on their application that is kept according to the date and time each completed application is received.

Waiting List Contact: Applicants will be contacted in writing annually to reaffirm their intention to stay on the waiting list(s) and to update any pertinent information. In addition, applicants near the top of the waiting list may be contacted more frequently to confirm their interest and ability to move as soon as a vacancy occurs. Applicants on a waiting list are not guaranteed an apartment. It is the responsibility of the applicant to notify the Owner of any changes to their contact information. Applicants may be contacted via email, phone, text, and/or letter if provided on their application.

Waiting List Offers and 3 Strike Policy: Available apartments are preliminarily offered chronologically to qualified applicants on a corresponding waiting list based on suitability and position.

- Suitability is determined by the floorplan requirements and/or verified needs of each application.
- Position is determined by the date the approved application was received and/or eligibility for certain priority preferences.

The type of preliminary offer that a qualified applicant may receive is determined by the availability window of the offered apartment.

- Full notice offers are offers for a suitable apartment with at least 30 days advanced notice before availability.
  - Applicants may receive and refuse up to three (3) separate full notice offers for suitable apartments before losing their position on the waiting list. Each full notice refusal, regardless of reason, shall count as one (1) strike and be documented in the file and on the waiting list. If a third offer for a suitable apartment is refused, regardless of reason, that application will be denied and removed from all waiting lists.
- Short notice offers are offers for a suitable apartment with immediate or less than 30 days advance notice before availability.
  - Refusals of short notice offers do not count as a refusal strike, but each offer is still documented in the file and on the waiting list.

There is no guarantee that an offered apartment will include non-essential features requested by the applicant (e.g., elevator proximity, floor level, view, etc.). Applicants that refuse an offer for a suitable apartment will be noted on the waiting list and skipped and will not receive another offer for at least 60 days unless they specifically request to be contacted again sooner. Applicants that refuse three (3) full notice offers will receive a Denied Application Notice listing the refused apartments and dates and be removed from all waiting lists. Applicants that fail to respond to an offer before a stated deadline determined by the offered apartment's availability will be noted on the waiting list and skipped. Applicants that are unable to be contacted or that fail to respond to three (3) separate offers will have their application denied and be removed from all waiting lists. Preliminary offers are not a guarantee for the apartment nor a determination of eligibility. Final offer letters guaranteeing an apartment are only made after completing all required detailed screening and verification to determine the applicant eligible as described throughout this plan.

B. Procedures for Applying Preferences (including Income-Targeting for Section 8)

Applicant and resident households with eligible preferences are selected from the waiting list and receive an opportunity for an available apartment earlier than those who do not qualify for a preference if and when the available apartment is specifically suited to the preference for which that household qualifies. Preferences may be established by federal law, HUD regulations, State or local law, or written Owner policy. Assigning preferences to applicants and residents who meet certain criteria is a method intended to provide housing opportunities to eligible households based upon that household's specific circumstances. Preferences only affect the order in which eligible households are selected from the waiting list. They do not make anyone eligible who was not otherwise eligible.

Preferences: This community uses the following Owner-adopted preferences:

- Apartment Transfer Preference: Residents who have submitted an Apartment Transfer Request and who are deemed eligible for the transfer are given preference on the waiting list. This means that a resident transferring from one apartment to another may be offered an available apartment before an outside applicant.
- Split Household Preference: If two adult household members reside in one apartment and one chooses to apply for a transfer to a separate apartment, the "new family" requesting a separate apartment will be required to submit an application. Household members who remain in the existing apartment are not required to re-apply. The application will be reviewed for program, project, and transfer eligibility as described in this plan and if approved, that applicant may receive preference over other residents and applicants. Household splits, like transfers for other reasons, are not permitted during the first three (3) years of occupancy in a new apartment or after adding a new family member. If a household split is requested that qualifies for special consideration based on the VAWA Emergency Transfer policy, that request will receive preference over other requests to "split" a household.
- Imminent Threat Preference (VAWA Emergency Transfer): In some cases, persons that qualify for an Internal VAWA Emergency Transfer may receive preference over other residents who have requested an apartment transfer. Additionally, persons that qualify for an External Emergency Transfer may receive preference over other applicants. Please see the VAWA Policy and the VAWA Emergency Transfer Plan and/or contact the Owner for additional information.

Priority of Preferences as Described: In general, the Owner gives higher priority to and will select from residents on the waiting list before outside applicants. However, the Owner will also prioritize households that qualify for a preference over households that do not qualify for any preferences if and when the available apartment is specifically suited to the eligible preference for which that household qualifies. This means that, an outside applicant who qualifies for a preference could be selected before a resident who does not qualify for any preferences if the available apartment satisfies the requirement(s) of the preference for which the applicant qualifies. When filling a vacancy, the apartment will be offered based on the following, in descending priority of rank:

1. Prioritized Resident: Residents who are requesting new apartments and who qualify for any of the following preferences are placed in the Prioritized Resident category, which is given the highest priority on the waiting list. Prioritized Residents will be selected ahead of all other categories. Households in this category will be ranked among themselves according to the date and time each completed transfer request is received and then selected chronologically from oldest to newest.
   a) Verified need for the features of an available accessible apartment
   b) Verified need for a reasonable accommodation with a direct nexus to an available apartment
   c) Imminent Threat (VAWA Emergency Transfer)
   d) Resident is currently living in an accessible apartment and no longer needs the features
2. Prioritized Applicant: Applicants who qualify for any of the following preferences are placed in the Prioritized Applicant category, which is given the second highest priority on the waiting list. Prioritized Applicants will be selected after Prioritized Residents, however, persons in this category will be selected before either remaining Standard category. Persons in this category will be ranked among themselves based on the date and time each completed application is received and then selected chronologically from oldest to newest.
   a) Verified need for the features of an available accessible apartment
   b) Verified need for a reasonable accommodation with a direct nexus to an available apartment
   c) Imminent Threat (VAWA Emergency Transfer)
3. Standard Resident: Residents who are requesting new apartments and who do not qualify for any of the preferences described above are placed in the Standard Resident category, which is given the third highest priority on the waiting list. Standard Residents will be selected after Prioritized Applicants, however, persons in this category will be selected before Standard Applicants. Persons in this category will be ranked among themselves according to the date and time each completed transfer request is received and then selected chronologically from oldest to newest.
4. Standard Applicant: Applicants who do not qualify for the preferences described above are placed in the Standard Applicant category, which is given normal priority on the waiting list. Standard Applicants will be selected after Standard Residents. Persons in this category are ranked among themselves according to the date and time each completed application is received and their eligibility for other preferences if applicable and then selected chronologically from oldest to newest.

Accessible Apartments: Accessible apartments will always be offered to residents and applicants who need the features of the accessible apartment even if they are in lower preference categories before they are offered to residents and applicants who do not need the features of the accessible apartment. This means that, an outside applicant that needs the features of an accessible apartment could be offered an available accessible apartment before a prioritized

resident that does not need such features.

Verification of Preferences: All preferences will be verified using the verification methodology described in this plan. Special consideration applies when a VAWA Emergency Transfer Request is submitted by a victim of a VAWA crime. If this is your situation, please contact the Owner for additional information.

Income-Targeting: In accordance with the community's project-based Section 8 assistance contract, the Owner must not lease less than 40% of the apartments (assisted under the contract) that become available for occupancy in each fiscal year to extremely low-income households (ELI). This means that some applicants with higher incomes may have to be temporarily skipped over to ensure that the ELI percentage stays at or above the target amount. Each fiscal year the first two selections will always be the first two ELI applicants chronologically on the waiting list. Subsequent selections will be the next eligible applicant currently at the top of the waiting list (regardless of income), unless doing so would reduce the ELI percentage to below the target amount. Therefore, prior to each selection, a review of the current fiscal year's ELI percentage must be conducted. If selection of the next eligible applicant currently at the top of the waiting list would result in the ELI percentage falling below the target amount, then that higher income applicant must be temporarily skipped over for the next ELI household on the list. The Owner must always maintain at least 40% ELI when selecting applicants. This method will ensure that each fiscal year begins and ends with at least 40% ELI households being selected. The Owner will document the waiting list with the appropriate comments every time a higher income applicant is temporarily skipped over for Income-Targeting.

C. Applicant Screening Criteria

All eligible applicant household members must be screened prior to performing the final determination of applicant eligibility in accordance with HUD regulations. The Owner will use standard procedures and forms to ensure screening is performed in a fair, consistent, and objective manner. Screening is used to help ensure that households admitted to the community will abide by the terms of the lease, pay rent on time, take care of the apartment and common property, and allow all other residents to peacefully enjoy their homes. Anyone who wishes to live at this community must be screened prior to the date of move-in. This may include, but is not limited to, live-in aides, security/police officers or additional household members wishing to move-in after the initial move-in. Should an application be approved and move-in has occurred, any addition to the household must be approved by the Owner. The same screening completed to approve the original application will be used for future household members. Prior and current ability to meet the following basic criteria is necessary for initial, as well as continued, occupancy. This criterion pertains only to the individual behavior of each applicant household member.

- Past performance in meeting financial obligations, in a timely manner, such as the payment of rent, if applicable, and/or any other charges under the lease
- Fulfillment of the lease agreement, with or without assistance
- No record of eviction from housing programs
- An applicant's ability and willingness to comply with the terms of the lease, house rules, and program requirements of the community
- Noninterference with the rights of other residents or community employees
- No record of destruction or damage to the property of others
- Not to engage in activity on or near the community that involves illegal use of controlled substances or weapons or any criminal activity on or off the community

NOTE: Live-in aides are not subject to credit or rent payment history screening.

D. Required Drug-Related or Criminal Activity Criteria (including Sex Offender Screening)

Background screening is conducted on all applicants, residents, and household members to determine if current or past criminal activity indicates a present threat to other residents, community staff, or persons residing in the immediate vicinity of the community.

HUD Requirements: In accordance with HUD's established standards, this community prohibits the admission or tenancy of:

1. Eviction for Drug Related Criminal Activity: Any household in which any member was evicted in the last three (3) years from federally assisted housing for drug-related criminal activity.
2. Illegal Drug Use: Any household in which any member is currently engaged in illegal use of drugs or for which the Owner 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 community by other residents.
3. Sex Offender Registration: Any household member who is or ever has been subject to any state lifetime sex offender registration requirement. Sex Offender screening is conducted on all household members prior to

their admission and then on an annual basis for the duration of their tenancy using one or more database that checks against all state sex offender registries.

4. Alcohol Abuse: Any household in which there is reasonable cause to believe that a member's behavior, from abuse or pattern of abuse of alcohol, may interfere with the health, safety, and right to peaceful enjoyment of the community by other residents. Any such decision must be based on behavior, not the condition of alcoholism or alcohol abuse.
5. Medical Marijuana Use: Any household member who is currently engaged in the illegal use of marijuana or whose marijuana use interferes with the health, safety, and right to peaceful enjoyment of the community by other residents. Pursuant to the HUD memorandum published on December 29, 2014, the use of "medical marijuana" in federally assisted housing is illegal under federal law.

Community Requirements: In addition to HUD requirements, the Owner's criminal history screening policy includes the following provisions:

1. If a member of an applicant household has been convicted of any of the felony offenses listed below, the applicant will be denied admission:
   a) First degree murder
   b) Rape
   c) Sex crimes
   d) Arson
   e) Violent crimes against children
   f) Crimes involving explosives
   g) Crimes involving terrorism
2. If a member of an applicant household has been convicted of a felony offense involving the sale or manufacture of a controlled substance, the applicant will be denied admission if the **conviction, or exit from incarceration, occurred within 8 years of application.**
3. If a member of an applicant household has been convicted of a violent felony offense not covered above, the applicant will be denied admission if the **conviction, or exit from incarceration, occurred within 8 years of application.**
4. If a member of an applicant household has been convicted of a nonviolent felony offense including drug use or possession, the applicant will be denied admission if the **conviction occurred within 5 years of application.**
5. If a member of an applicant household has been convicted of a violent misdemeanor, the applicant will be denied admission if the **conviction, or exit from incarceration, occurred within 3 years of application.**
6. If a member of an applicant household has been convicted of 3 or more unrelated violent felony offenses not covered above, the applicant will be denied admission.
7. If a member of an applicant household has been convicted of 3 or more unrelated felony offenses, the applicant will be denied admission if the three convictions are not covered above and all of the **convictions occurred within 10 years of application.**
8. If a member of an applicant household has been convicted of 3 or more unrelated violent misdemeanor offenses, the applicant will be denied admission if the three convictions are not covered above and all of the **convictions, or exit from incarceration, occurred within 10 years of application**.
9. If a member of an applicant household has been convicted of 3 or more unrelated misdemeanor offenses, the applicant will be denied admission if the three convictions are not covered above and all of the **convictions occurred within 5 years of application**.

Charges vs Convictions: The Owner will not consider an arrest or charge that was resolved without conviction nor an adjudication withheld but may delay admission until resolution of any pending charges at the time of application.

Mitigating Circumstances: Applicants are permitted to address and present mitigating circumstances regarding criminal background checks prior to admission decisions. Relevant mitigating evidence might include: (1) the facts or circumstances surrounding the criminal conduct; (2) the age of the individual at the time of the conduct; (3) the seriousness of the criminal offense; (4) the relationship of the offense to the safety and security of other residents, staff or property; (5) evidence that the individual has maintained a good rental history before and/or after the conviction or conduct; (6) the length of time since the criminal offense, with particular weight being given to significant periods of good behavior; (7) and evidence of rehabilitation efforts.

Additional Public Sources: This community uses RealPage LeasingDesk Screening as its primary source for all background screening (credit, criminal, etc.). However, in certain situations, such as when relevant history is disclosed or known, but it's either not present, incomplete, or incorrect in the primary source screening report, the Owner may utilize reports from additional public sources to supplement the credit and/or criminal history screening review and

eligibility determination. Public sources include state and/or county record searches that are freely available to the public.

E. Procedures for Using the EIV Existing Tenant Search

The EIV Existing Tenant Search report identifies applicants applying for assisted housing that may be receiving rental assistance at the time of application processing at another location. The report will be used during the processing of an applicant for admission to determine if the applicant or any applicant household members, including minors, are currently being assisted at another Multifamily Housing or Public and Indian Housing (PIH) location. If the applicant or a member of the applicant's household is identified as residing at another community receiving HUD assistance, they will be given the opportunity to explain any circumstances relative to their receiving assistance at the other community. The Owner will contact the respective PHA or O/A to confirm the applicant's move-out status before admission. Use of the EIV Existing Tenant Search report gives the Owner the ability to coordinate move-out and move-in dates with the PHA or O/A of the other community which helps to reduce "double subsidy" situations. The EIV Existing Tenant Search report and any documentation obtained as a result of contact with the applicant and the PHA or O/A of the other community will be printed and kept with the application.

F. Other Allowable Screening Criteria

Credit Report: Credit history is used to determine how well an applicant meets their financial obligations and verify that there are no collections or outstanding balances for rental or housing related activities such as utility payments or other landlords. Any fees incurred for the collection of this information will not be passed to the applicant. Credit history is not screened for live-in aides.

Rental History: References received from one or more landlords can provide important details about an applicant's previous rental history and behavior. In accordance with HUD's established standards, the following information learned from a landlord may be grounds for rejecting an applicant:

- Failure to cooperate with recertification procedures
- Violations of house rules or the lease
- History of disruptive behavior
- Poor housekeeping practices
- Previous evictions for lease violations
- Termination of assistance for fraud
- Conviction for the illegal manufacture, distribution, or use of controlled substances
- Unpaid balance(s) for rent and/or damage

Rental History Screening Period: At least three (3) years of rental history is required. The Owner may attempt to obtain landlord references on all residences within the screening period that are not otherwise excepted as noted below. Should a previous landlord reference be obtained in addition to the current landlord, the Owner will rely more heavily on previous landlord references. Previous landlords do not have a reason to provide misleading information, and therefore may provide more accurate references.

Exceptions to Landlord Reference(s): Landlord reference(s) for an applicant's residence(s) may not be conducted by the Owner when such reference is either not possible or potentially biased due to there being no actual "landlord" with which to verify. Such situations include when the applicant owns/owned their house, is/was homeless, is/was living with family and/or friends, is/was in medical or rehab facility, or when attempting such reference would risk an applicant's safety due to their status as a VAWA victim.

G. Procedures for Rejecting Ineligible Applicants

Temporary Provisions - Delayed Implementation: The following applicant rejection *change(s) will not be in effect until HOTMA is fully implemented by the Owner (previously 1/1/2025, subject to any additional HUD delays).

HOTMA Implemented: This community complies with application rejection requirements set forth by HUD. Rejection of an application is appropriate where the Owner has a reasonable basis to believe that the applicant cannot meet the essential requirements for successful residency.

Ineligibility Criteria: Applicants may be rejected for one or more of the following reasons:

- Not meeting HUD criteria for this program or community
- Incomplete application
- Willful or serious misrepresentation in the application procedure or certification process for federally assisted housing

EQUAL HOUSING OPPORTUNITY

This company does not discriminate on the basis of disabled status in the admission or access to, or treatment or employment in, its federally assisted programs and activities. Persons with disabilities have the right to request reasonable accommodations to participate in the informal hearing process.

- Household characteristics or family size not appropriate for existing types of apartments
- Applicants who owe a balance to another landlord or a local utility provider will not be considered for admission until the account is paid in full and reasonable assurance is obtained that the contributing causes for failure to pay the utility bill have changed sufficiently to enable the household to pay and maintain utilities in their own name
- Not meeting the HUD student eligibility requirements
- Failure to provide SSN documentation for all non-exempt family/household members
- Refusing to sign and submit verification consent forms or the Authorization for Release of Information (forms HUD-9887 and HUD-9887-A)
- *Revoking consent previously provided by an executed Authorization for Release of Information (forms HUD-9887 and HUD-9887-A)
- Refusing to declare citizenship or non-citizenship status or sign a certification electing not to contend noncitizen status
- Prohibited criminal activity found during background screening
- Unfavorable landlord reference that reveals any of the following conduct by the applicant, any member of the applicant's household, a guest, or another person under the applicant's control:
  - **Records of Disturbance of Neighbors, Destruction of Property or Other Disruptive or Dangerous Behavior:** Includes behavior or conduct which adversely affects the safety or welfare of other persons by physical violence, gross negligence, or irresponsibility, which damages the equipment or community in which the household resides; or which is disturbing, dangerous, or disruptive to others.
  - **Violent Behavior:** Includes evidence of acts of violence or of any other conduct, which would constitute a real danger or disruption to others.
  - **Non-compliance with Lease:** Includes evidence of any failure to comply with the terms of their lease at prior residences, such as failure to recertify as required, providing shelter to unauthorized persons, keeping pets, or other acts in violation of rules and regulations.
  - **Owing Prior Landlords:** Applicants who owe a balance to present or prior landlords will not be considered for admission until the account is paid in full and reasonable assurance is obtained that the contributing causes for nonpayment of rent or damages have changed sufficiently to enable the household to pay rent and other charges when due.
  - **Unsanitary or Hazardous Care of Apartment:** Includes generally creating any health or safety hazard through acts of neglect, including but not limited to: causing or permitting any damage to or misuse of community and equipment, if the household is responsible for such hazard, damage, or misuse; causing or permitting infestation, foul odors, or other problems injurious to other persons' health, welfare or enjoyment of the community; failing to dispose of all garbage and waste; failing to use, in a reasonable and proper manner, all utilities, facilities, services, appliances, and equipment within the apartment or failing to maintain them in a clean condition; or any other conduct or neglect which could result in health or safety problems or in damage to the community.

Notice of Rejection: In the event that an applicant is rejected, the Owner will provide a written rejection notice that:

- Specifically states the reason(s) for the rejection
- Informs the applicant of their right to respond to the Owner in writing or request a meeting within fourteen (14) days to dispute or appeal the rejection of their application
- Informs the applicant that persons with disabilities have the right to request reasonable accommodations to participate in the informal hearing process
- Informs the applicant that persons who are victims of an act covered by the Violence Against Women Act (VAWA) and have the right to exercise those protections if they feel their status as a victim contributes to the rejection decision

Rejection Responses: In the event that a rejected applicant submits a request for a meeting:

- The applicant is allowed to participate in an informal meeting with or without a representative
- The meeting will be conducted by an individual who was not involved in the initial decision to reject the application
- Supportive evidence provided by the applicant will be accepted and reviewed
- Mitigating circumstances that would allow the processing of the application to continue will be considered
- Provide a written determination to the applicant within five (5) days of the response or meeting conclusion

Application rejection responses should be directed to the Owner's corporate office, located at:

Presbyterian Homes & Housing Foundation of Florida, Inc.

This company does not discriminate on the basis of disabled status in the admission or access to, or treatment or employment in, its federally assisted programs and activities. Persons with disabilities have the right to request reasonable accommodations to participate in the informal hearing process.

Attention: Director of Corporate Relations
1050 Burlington Avenue North
St. Petersburg, Florida 33705

Phone: (727) 894-0368
Fax: (727) 823-2476
TTY: (800) 955-8771

Record Keeping: The following items related to application rejections will be kept on file for at least three (3) years:

- Entire application package
- Initial Rejection Notice
- Any applicant replies, appeals, evidence, or other written requests
- Owner's final response
- All documentation supporting the reason for removal from the waiting list

Applicants with Disabilities: The Owner must consider the appeal of an application rejection; if the applicant has a disability and the reasons for the rejection could be overcome by the Owner's reasonable accommodation of the applicant's disability. For reasonable accommodations to apply there are several requirements:

- The applicant must request the reasonable accommodation
- The applicant must have a verifiable disability and need for the accommodation
- The disability must have a direct relation to the reason the application would be rejected
- The accommodation must be reasonable and not result in an undue financial and administrative burden to the community

NOTE: In some situations, even with reasonable accommodations, applicants with disabilities cannot meet essential program requirements. In these situations, the applicant is not eligible and the application will be rejected. Examples of such situations are:

- The behavior or performance in past housing caused a direct threat to the health or safety of persons or property
- Past history or other information that shows the applicant's inability to comply with the terms of their lease
- An objective determination that the applicant would require services from community that represent an alteration in the fundamental nature of the program

IV. Occupancy Standards

The applicant household size must be appropriate for the available apartments**.** Occupancy limits are determined by the number of bedrooms with a maximum of two (2) persons per bedroom.

Timeframes: Occupancy standards are applied at the time a completed application is received to allow applicants immediate notification of ineligibility due to household size. In addition, household composition is compared to occupancy standards whenever there is a change in household or family size.

NOTE: There are specific Section 202/8 program restrictions on household composition changes and adult children after initial occupancy. Please refer to Section XIX and/or the Owner's Live-in Aide Policy for further details.

Available Sizes: This community offers studios and one-bedroom apartments only. In regard to occupancy limits, studios are treated the same as one-bedroom apartments. No more than two (2) persons may occupy either apartment size.

Household Size: The number of persons living or anticipated to live in the household determines the appropriate apartment size. When determining household size:

- Every full-time family member listed on the application is counted
- All anticipated children are counted. Anticipated children include the following:
  - Children expected to be born to a pregnant woman
  - Children in the process of being adopted by an adult family member
  - Children whose custody is being obtained by an adult family member
  - Foster children who will reside in the apartment
  - Children who are temporarily in a foster home who will return to the family
  - Children in joint custody arrangements who are present in the household 50% or more of the time
- Live-in aides are counted
- Foster children and adults living in the apartment are counted

V. Apartment Transfer Policies

Transfer Reasons: The Owner will accept requests for transfer based on the following:

1. There is a verified need for a reasonable accommodation

2. There is a verified need for an accessible apartment
3. There is a need for a transfer of a household that does not require the accessibility features of the apartment in which they are living
4. The resident has requested and qualifies for a VAWA Emergency Transfer
5. There is a medical reason certified by a doctor or a change in family composition
6. Other reasons

Transfer Policies: Residents must submit transfer requests in writing to the Owner and explain the reason for the transfer. The Owner will accept the transfer request in an equally effective format, as a reasonable accommodation, if there is the presence of a disability. If approved, the resident will be placed on the waiting list for the next available apartment that meets the requirements and needs of the resident. When filling vacancies, approved transfer requests are given a higher priority than outside applicants. Special consideration is given when transfers are for reasons that qualify for preferential treatment. Transfers for "other reasons", including household splits, are not permitted during the first three (3) years of occupancy in a new apartment or during the first three (3) years after adding a new family member to an existing household's current apartment.

Moving Costs: For reasons 1 & 2 above, the Owner must pay the costs associated with the transfer, unless doing so would be an undue financial and administrative burden. For the remaining reasons, the resident shall be obligated to pay all moving costs associated with their transfer.

Non-compliance: Transfers for "other reasons" will not take place if the resident is out of compliance with their lease. This includes but is not limited to lease violations for "decent, safe and sanitary conditions" that have not been "cured", unpaid rent, damage charges, and any other outstanding lease violations. The transfer request will remain on the waiting list until the resident is in compliance with their lease, cancels the request or moves out.

Required Transfers: Residents may be required to transfer in any situation which may arise that is due to reasons beyond anyone's control, including, but not limited to, natural disasters or extensive repairs to be completed in, or around, the apartment which cannot be completed while the apartment in question is occupied.

VI. Policies to Comply with Section 504 of the Rehabilitation Act and the Fair Housing Act (and Other Relevant Civil Rights Laws and Statutes)

It is the policy of the Owner to fully comply with Title VI of the Civil Rights Act of 1964, Title VIII of the Civil Rights Act of 1968, Executive Order 11063, Executive Order 13166, Section 504 of the Rehabilitation Act of 1973, Fair Housing Amendments Act of 1988, Equal Access to Housing in HUD Programs - Regardless of Sexual Orientation or Gender Identity Final Rule, Executive Order 13988, and any legislation protecting the individual rights of residents, applicants, or staff which may subsequently be enacted or amended.

Title VI of the Civil Rights Act of 1964: The Owner is pledged to the letter and spirit of U.S. policy for the achievement of equal opportunity in housing. In compliance with all federal, state, and local fair housing and civil rights laws, this community forbids discrimination based on actual or perceived race, color, creed, religion, sex (including sexual orientation and gender identity or expression), disability, national origin, language, income, family or familial status (including pregnancy), or marital status of applicants and residents. We encourage and support an affirmative advertising and marketing program. The Owner will market to certain persons as specified in the Affirmative Fair Housing Marketing Plan. Title VI regulations require that Owners maintain racial and ethnic data showing the extent to which members of minority groups are beneficiaries of federal financial assistance.

Fair Housing Act: Pursuant to the Fair Housing Act, this community shall not discriminate in the leasing, rental, or other disposition of housing nor any other housing related transactions based on actual or perceived race, color, creed, religion, sex (including sexual orientation and gender identity or expression), disability, national origin, language, income, family or familial status (including pregnancy), or marital status. Additionally, the Owner will not take any of the following actions:

- Deny anyone the opportunity to apply to rent housing, or deny to any eligible applicant the opportunity to lease housing suitable to their needs
- Provide anyone housing that is different than that provided to others
- Subject anyone to segregation, even if by floor or wing
- Restrict anyone's access to any benefit enjoyed by others in connection with the housing program
- Treat anyone differently in determining eligibility or other requirements for admission, in use of housing amenities, facilities or programs, or in the terms and conditions of a lease
- Deny anyone access to the same level of services
- Deny anyone the opportunity to participate in a planning or advisory group that is an integral part of the housing program

EQUAL HOUSING OPPORTUNITY

This company does not discriminate on the basis of disabled status in the admission or access to, or treatment or employment in, its federally assisted programs and activities. Persons with disabilities have the right to request reasonable accommodations to participate in the informal hearing process.

- Publish or cause to be published an advertisement or notice indicating the availability of housing that prefers or excludes persons
- Discriminate against someone because of that person's relation to or association with another individual
- Retaliate against, threaten, or act in any manner to intimidate someone because they have exercised rights under the Fair Housing Act

Additional Protections for Persons with Disabilities: Although the Fair Housing Act generally requires applicants to be given equal treatment and prohibits discrimination against anyone with respect to the prohibited bases, there are certain limited circumstances when the Act requires a housing provider to treat persons with disabilities differently to enable them to have equal access to, or enjoyment of, housing and other housing-related programs. Specifically, the Fair Housing Act requires housing providers to provide "reasonable accommodations" to persons with disabilities. This means the Owner may have to modify rules, policies, practices, procedures, and/or services to afford a person with a disability an equal opportunity to use and enjoy the housing. Additional details on reasonable accommodations can be found in Section XI.

Section 504 of the Rehabilitation Act of 1973: Section 504 of the Rehabilitation Act of 1973 prohibits discrimination against persons with disabilities and establishes accessibility requirements by recipients of federal financial assistance in housing programs. Section 504 also establishes certain affirmative accessibility standards to be met regardless of whether or not an applicant or resident has made an individual request for a reasonable accommodation. Pursuant to Section 504, the Owner shall operate this community so that, when viewed in its entirety, it is readily accessible to and usable by persons with disabilities. Such operations include the following actions:

- Making and paying for reasonable structural modifications to apartments and/or common areas that are needed by applicants and residents with disabilities, unless these modifications would change the fundamental nature of the community or result in undue financial and administrative burdens
- Making modifications to policies and practices so they do not discriminate against persons with disabilities
- Operating housing that is not segregated based upon disability or type of disability, unless authorized by federal statute or executive order
- Providing auxiliary aids and services necessary for effective communication with persons with disabilities. Requests by persons with disabilities will be used to determine which alterations and auxiliary aids are necessary
- Ensure that structural changes are properly implemented to meet program accessibility requirements
- Operating programs in the most integrated setting appropriate to the needs of qualified individuals with disabilities
- Identifying and eliminating situations or procedures which create a barrier to equal housing opportunity for all

Improving Access to Services for Persons with Limited English Proficiency (LEP): It is the policy of the Owner to take reasonable steps to ensure meaningful access to and/or effectively communicate with persons in need of any provided services or information in a language other than English.

Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity: It is the policy of the Owner to never inquire about the sexual orientation or gender identity of an applicant or occupant for purposes of determining eligibility. Requests for applicants' disclosure of gender are in accordance with HUD requirements, are entirely optional, and are only requested for statistical purposes to ensure that the Federal laws prohibiting discrimination are complied with.

Privacy Policy: It is the policy of the Owner to guard the privacy of individuals granted by the Federal Privacy Act of 1974, the Health Insurance Portability & Accountability Act of 1996 (HIPAA) and Enterprise Income Verification (EIV) System to ensure the protection of such individuals' records being maintained at this community. Therefore, neither this community nor its agents shall disclose any personal information contained in its records to any person or agency unless the individual about whom information is requested has given written consent to the disclosure or the information is being subpoenaed by a court of law. This Policy in no way limits the ability to collect such information as needed to determine eligibility, compute rent, or determine an applicant's suitability for tenancy in accordance with HUD guidelines. The Owner is dedicated to protecting the privacy of all personal information received during this process, including Social Security, governmental identification numbers and any other required information. The Owner has adopted this Privacy Policy to help ensure that all personal information is kept secure. Consistent with the intent of Section 504 of the Rehabilitation Act of 1973, any information obtained on disability will be treated in a confidential manner. Additionally, the Owner will maintain all documentation relating to an individual's domestic violence, dating violence, sexual assault, and/or stalking in a separate file that is kept in a separate secure location from other applicant or resident files.

VII. Policy for Opening and Closing the Waiting List(s)

It is the policy of the Owner to administer the waiting list(s) in accordance with HUD's handbook and regulations. Waiting list(s) will be monitored on a regular basis, ensuring that not only are there sufficient applicants to fill vacancies, but that they do not become so long that the wait for an apartment becomes excessive. In order to maintain a balanced application pool, the Owner may, at their discretion, restrict or suspend application taking, or close waiting lists in whole or in part as allowed by the current version of the HUD Handbook 4350.3. All notices, publications and communications will be provided in a manner that ensures meaningful access for persons with disabilities and for persons with limited English proficiency. Once a year, the waiting list will be updated by removing the names of those who are no longer interested in or no longer qualify for housing at this community.

Closing: If there are sufficient applications, the Owner may, subject to HUD regulations, elect to close the waiting list if the waiting list contains more applicants than can be housed in a reasonable period of time. When the waiting list is to be closed, an announcement will be posted in common areas of the community to advise any potential applicants. Notice of this action will also be made in publications likely read by potential applicants as described in the Affirmative Fair Housing Marketing Plan (AFHMP). Any such notice must state the reason(s) for closing the waiting list and refusing additional applications.

Opening: Prior to the waiting list being opened and applications being accepted again, a notice of this action will be made in the same manner and publications as the notification announcing the closed waiting list. Such notices must be extensive and include the rules for applying, the order in which applications will be processed, where and when to apply and will conform to the advertising and outreach activities described in the Approved Affirmative Fair Housing Marketing Plan and in a manner that ensures meaningful access for persons with disabilities and for persons with limited English proficiency.

VIII. Eligibility of Students and Student Financial Assistance

Eligibility Temporary Provisions - Delayed Implementation: The following student financial assistance *change(s) will not be in effect until HOTMA is fully implemented by the Owner (previously 1/1/2025, subject to any additional HUD delays).

HOTMA Implemented: Eligibility of Students Enrolled at an Institute for Higher Education: Student eligibility for the Section 8 program is determined at Move-In (MI) or Initial Certification (IC) and at each Annual Recertification (AR). Student eligibility may also be reviewed at Interim Recertification (IR) if student status has changed since the last certification. A student who is otherwise eligible and meets this community's screening requirements is eligible for Section 8 assistance if the student meets the criteria indicated below. Section 8 assistance shall be provided to any individual who 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 when the student:

1. Is living with his or her parents who are receiving Section 8 assistance; or
2. Is individually eligible to receive Section 8 assistance and has parents who are income eligible to receive Section 8 assistance; or
3. Is a graduate or professional student; or
4. Is a veteran of the Armed Forces of the United States (as defined in subsection 480(c)(1) of the Higher Education Act of 1965 (HEA)) or is currently serving on active duty in the Armed Forces for other than training purposes; or
5. Is married; or
6. Has a legal dependent other than a spouse; or
7. Is at least 24 years of age; or
8. Is a person with disabilities, as such term is defined in 3(b)(3)(E) of the US Housing Act of 1937 (42 U.S.C. 1437a(b)(3)(E)) and was receiving assistance under Section 8 of the 1937 Act as of November 30, 2005; or
9. Is classified as "Vulnerable Youth". A student meets HUD's definition of a vulnerable youth when:
   a) The individual 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 when the individual was 13 year of age or older; or
   b) The individual 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; or
   c) The individual 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 (as such terms are defined in section 725 of the McKinney-Vento Homeless Assistance Act (MHAA)) (42 U.S.C 11431 *et seq.*), or as unaccompanied, at risk of homelessness, and self-supporting, by:

EQUAL HOUSING OPPORTUNITY

This company does not discriminate on the basis of disabled status in the admission or access to, or treatment or employment in, its federally assisted programs and activities. Persons with disabilities have the right to request reasonable accommodations to participate in the informal hearing process.

- A local educational agency homeless liaison, designated pursuant to section 722(g)(1)(J)(ii) of the MHAA; or
- The director of a program funded under the Runaway and Homeless Youth Act or a designee of the director; or
- The director of a program funded under subtitle B of title IV of the MHAA (relating to emergency shelter grants) or a designee of the director; or
- A financial aid administrator; or

10. Is an individual for whom a financial aid administrator makes a documented determination of independence by reason of other unusual circumstances.

Ineligible Students: 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 program requirements. The Owner cannot evict or require an ineligible student to move from an apartment as long as the student is in compliance with the terms of the lease.

Student's Independence Criteria: If a student does not meet the eligibility criteria above, but can prove independence from parents under HUD rules, then the student would meet HUD's student eligibility criteria. For a student to be eligible independent of their parents (where the income of the parents is not relevant), the student must demonstrate the absence of or their independence from parents. While the Owner may use additional criteria for determining the student's independence from parents, the Owner 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:

- Be of legal contract age under state law; and
- 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 (ED) definition of an "independent student"; and
- Not be claimed as a dependent by parents or legal guardians pursuant to IRS regulations; and
- 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.

Student's Independence Verification Requirements: The Owner must verify a student's independence from their parents to determine that the student's parents' income is not relevant for determining the student's eligibility for assistance by doing all of the following:

1. Reviewing and verifying previous address information to determine evidence of a separate household or verifying the student meets the ED's definition of "independent student"; and
2. Reviewing a student's prior year income tax returns to verify if a parent or guardian has claimed the student as a dependent (except if the student meets the ED's definition of "independent student"); and
3. Verifying income provided by a parent by requiring a written certification from the individual providing the support. Certification is also required if the parent is providing no support to the student. Financial assistance that is provided by persons not living in the apartment is part of annual income, unless the student meets the ED's definition of "vulnerable youth".

NOTE: Verification of a student's independence is not required if the student meets the definition of "vulnerable youth". Any individuals meeting ED's "independent student" definition 2, 3, or 8 are considered "vulnerable youth".

Definition of "Independent Student": HUD has adopted ED's definitions of "independent student", which are:

1. The individual is 24 years of age or older by December 31 of the award year;
2. The individual 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 when the individual was 13 year of age or older (considered "vulnerable youth");
3. The individual 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 (considered "vulnerable youth");
4. The individual is a veteran of the Armed Forces of the United States (as defined in subsection 480(c)(1) of the Higher Education Act of 1965 (HEA)) or is currently serving on active duty in the Armed Forces for other than training purposes;
5. The individual is a graduate or professional student;
6. The individual is a married individual;
7. The individual has legal dependents other than a spouse;
8. The individual 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 (as such terms are defined in section 725 of the McKinney-Vento Homeless Assistance Act (MHAA)) (42 U.S.C 11431 *et seq.*), or as unaccompanied, at risk of homelessness, and self-supporting, by (considered "vulnerable youth"):

a) A local educational agency homeless liaison, designated pursuant to section 722(g)(1)(J)(ii) of the MHAA;
b) The director of a program funded under the Runaway and Homeless Youth Act or a designee of the director;
c) The director of a program funded under subtitle B of title IV of the MHAA (relating to emergency shelter grants) or a designee of the director; or
d) A financial aid administrator; or

9. The individual is a student for whom a financial aid administrator makes a documented determination of independence by reason of other unusual circumstances.

Prohibition of Assistance to Noncitizen Students: Noncitizen students and their noncitizen families may not receive assistance. Noncitizen students are not eligible for continuation of assistance or temporary deferral of termination of assistance. A noncitizen student is defined as an individual who is as follows:

- A resident of another country to which the individual intends to return; and
- A bona fide student pursuing a course of study in the United States; and
- A person admitted to the United States solely for the purpose of pursuing a course of study as indicated on an F-1 or M-1 student visa.

NOTE: This prohibition applies to the noncitizen student's noncitizen spouse and noncitizen children. However, spouses and children who are U.S. citizens may receive assistance. For example, a family that includes a noncitizen student married to a U.S. citizen is a mixed family.

***Student Financial Assistance:** The treatment of student financial assistance depends on the HUD program, student/household characteristics, and the type of financial assistance received by the student. For the purpose of determining eligibility and annual income for the Section 8 program, any financial assistance that is not *specifically* excluded will be included as part of the family's annual income unless the student is the Head-of-Household (HOH) or co-HOH/spouse and is at least 24 years old with a dependent child or children, in which case the special exception formula described below applies. The student financial assistance rules apply to both full and part time students. The two types of student financial assistance applicable to this HUD community are:

1. Amounts received under Section 479B of the Higher Education Act (HEA) of 1965, as amended (20 U.S.C. 1087uu), which includes:
   - Federal Pell Grants
   - Teach Grants
   - Federal Work Study Programs
   - Federal Perkins Loans
   - Student financial assistance received under the Bureau of Indian Education
   - Higher Education Tribal Grant
   - Tribally Controlled Colleges or Universities Grant Program
   - Employment training program under Section 134 of the Workforce Innovation & Opportunity Act (WIOA)
2. Other Student Financial Assistance includes grants or scholarships received from the following sources:
   - The Federal Government
   - A state (including US Territories), Tribe, or local government
   - A private foundation registered as a nonprofit under 26 U.S.C. 501(c)(3)
   - A business entity (such as a corporation, general partnership, limited liability company, limited partnership, joint venture, business trust, public benefit corporation, or nonprofit entity)
   - An institute of higher education
   - Other student financial assistance does not include:
     - Financial support provided to the student in the form of a fee for services performed (e.g., a work study or teaching fellowship that is not excluded under section 479B of the HEA); or
     - Gifts, including gifts from family or friends.

   NOTE: Other student financial assistance may be paid directly to the student or to the educational institution on the student's behalf. The Owner must verify that the other student financial assistance is for the student's actual covered costs.

Excluded Student Financial Assistance: For the Section 8 program, any student financial assistance that is provided through a qualified Coverdell Education Savings Account (ESA) or other qualified ESA, is excluded when determining annual income for the family. Financial assistance that is provided by persons not living in the apartment is not part of annual income if the student meets the Department of Education's definition of "vulnerable youth".

Included Student Financial Assistance: For the Section 8 program, any student financial assistance a student receives (1) under section 479B of the Higher Education Act of 1965 (HEA), (2) from private sources, or (3) from an

institution of higher education (as defined under section 102 of the HEA), that is in excess of amounts received for tuition and any other required fees and charges (herein referred to as "actual covered costs"), is included when determining annual income for the family, if the student is the HOH or co-HOH/spouse and is 23 years old or younger or without dependent children.

Calculating Section 8 Student Financial Assistance Included in Annual Income: For the Section 8 program, there are two possible formulas for calculating the amount of excess student financial assistance included in a family's annual income. The student's relationship to the household, age, and whether they have dependent children will determine whether the standard Section 8 formula or the special exception formula is used.

Standard Section 8 Formula: If the student is the HOH or co-HOH/spouse and is 23 years old or younger or without dependent children, the standard Section 8 formula for calculating the amount of excess student financial assistance included in annual income is a one-step process.

- Step 1 – Subtract the total actual covered costs from the total student financial assistance from all sources to determine the excess amount of student financial assistance.
  - If the excess amount of student financial assistance is a positive number, then include that amount in annual income. If the excess amount of student financial assistance is zero or negative, then do not include that amount in annual income.
  - If the total of all actual covered costs is zero or exceeds the amount of total financial assistance from all sources, then no excess amount of student financial assistance will be included in annual income. Any amount of student financial assistance that exceeds the total actual covered costs must be included in annual income.

Special Exception Formula: If the student is the HOH or co-HOH/spouse and is at least 24 years old with a dependent child or children, all assistance under 479B of the HEA is excluded from annual income, but all other financial assistance received by the student that, either by itself or in combination with HEA assistance, exceeds the actual covered costs is included in annual income. In this case, the two step formula for determining the amount of other student financial assistance that is included in annual income requires first deducting the amount of assistance received under 479B of the HEA, if any, from the total actual covered costs.

- Step 1 – Subtract the amount received under section 479B of the HEA, or $0 if no 479B assistance was received, from the actual covered costs to arrive at the "amount of actual covered costs exceeding 479B assistance".
  - If the amount of received 479B assistance received exceeds the actual covered costs and the student did not receive any other student financial assistance, then step 2 is not necessary as there will be no student financial assistance to include in annual income.
- Step 2 – Subtract the "amount of actual covered costs exceeding 479B assistance" from the amount of other student financial assistance to determine the amount of student financial assistance included in annual income.
  - This step requires the amount of other student financial assistance received by the student to be subtracted from the amount of actual covered costs paid by other means. If the resulting number in step 2 is positive, then that is the amount that is included in annual income. If the resulting number in step 2 is zero or negative, then there will be no student financial assistance included in annual income, as all student financial assistance would be determined excluded per program requirements.

Definition of "Actual Covered Costs": Actual covered costs include tuition, books, supplies (including supplies and equipment to support students with learning disabilities or other disabilities), room and board, and fees required and charged to a student by an institution of higher education (as defined under section 102 of the HEA). For a student who is not the HOH or co-HOH/Spouse, actual covered costs also include the reasonable and actual costs of housing while attending the institution of higher education and not residing in an assisted apartment.

IX. Policies for Applying Violence Against Women Act (VAWA) Protections

Protections Provided Under the VAWA: The Violence Against Women Act (VAWA) provides protections for victims of domestic violence, dating violence, sexual assault, and/or stalking (collectively referred to as VAWA crimes or VAWA violence/abuse) who are applicant to, or beneficiaries of, assistance under any HUD program covered by the VAWA (collectively referred to as victims or VAWA victims), regardless of age or perceived or actual sexual orientation, gender identity, sex, or marital status. The Owner understands that, regardless of whether state or local laws protect victims of VAWA crimes, persons who have been victims of VAWA crimes have certain rights under federal fair housing regulation. As a result, pursuant to the Code of Federal Regulations (CFR) at 24 CFR 5.2001 and the nondiscrimination and equal opportunity requirements at 24 CFR 5.105(a), the Owner will not discriminate against victims on the basis of any

protected characteristic, including race, color, national origin, religion, sex, familial status, disability, or age and, consistent with HUD's Equal Access Rule at 24 CFR 5.105(a)(2), the Owner ensures that its housing is made available to all otherwise eligible individuals and families regardless of actual or perceived sexual orientation, gender identity, or marital status. The Owner's VAWA Policy is intended to support or assist victims of VAWA crimes and protect victims, as well as affiliated individuals (as defined below by HUD at 24 CFR 5.2003), from being denied housing or from losing their HUD assisted housing as a consequence of their status as a victim of VAWA crimes. "Affiliated individual, with respect to an individual, means:

1. *A spouse, parent, brother, sister, or child of that individual, or a person to whom that individual stands in the place of a parent or guardian (for example, the affiliated individual is a person in the care, custody, or control of that individual); or*
2. *Any individual, tenant, or lawful occupant living in the household of that individual.*"

Other than what is described above, VAWA protections are not provided to guests, unauthorized residents, or service providers (including live-in aides) hired by the resident. VAWA ensures that victims are not denied housing and housing assistance solely because the person is a victim of a VAWA crime. However, being a victim of a VAWA crime is not reason to change the eligibility or applicant screening requirements set forth in the Resident Selection Plan (RSP) or waive requirements set forth in the HUD Model Lease or in any lease attachment or HUD approved lease addendum unless such requirements interfere with the protection(s) provided by the VAWA.

Confidentiality: The Owner is committed to ensuring that the Privacy Act is enforced in this and all other situations. The identity of the victim, their status as a victim, and all information provided to the Owner relating to the incident(s) of abuse covered under the VAWA will be retained in confidence and shall neither be entered into any shared database nor provided to any related entity, except to the extent that the disclosure is requested or consented to by the victim in writing, required for use in an eviction proceeding or termination of assistance, or otherwise required by applicable law. The Owner will retain all documentation relating to a VAWA victim in a separate file that is kept in a separate secure location from other applicant/resident files.

Requests and Certification: The Owner will not assume that any act is a result of abuse covered under the VAWA. In order to receive the protections outlined in the VAWA, victims must specifically request that they wish to exercise these protections by contacting the Owner. Individuals wishing to exercise the protections provided in the VAWA may make a request for a VAWA accommodation by submitting a written request, verbally requesting either in person or via phone, or any other reasonable manner. When responding to a request to exercise protections provided under the VAWA, the Owner will request, in writing, that the individual certify their status as a victim of a VAWA crime or as an individual affiliated with a victim of a VAWA crime by submitting documentation of the occurrence of domestic violence, dating violence, sexual assault, or stalking. The Owner understands that the delivery of written requests, forms, notices, and/or general communications via certain methods may place the victim and/or affiliated individual at risk, (e.g., the accused perpetrator may monitor the mail). The Owner will work with the victim and/or victim's representative in making acceptable delivery and communication arrangements. Victims of VAWA violence/abuse have discretion on which of the following forms of documentation to submit:

1. Option 1 (Self-Certification): The Owner will accept self-certification via HUD's approved Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking (Form HUD-5382), which may be obtained from the community Administrator by calling (863) 687-3401 (TTY: 800-955-8771), by emailing lvpadministrator@phhf.com or by visiting the Owner's website at https://www.phhf.com or from HUD by visiting HUD's VAWA web site at www.hud.gov/vawa#VAWA-Forms; or
2. Option 2 (Legal Record): The Owner will accept a record of a Federal, State, tribal, territorial, or local law enforcement agency, court, or other official administrative agency documenting the occurrence of domestic violence, dating violence, sexual assault and/or stalking; or
3. Option 3 (Professional's Signed Statement): The Owner will accept a document signed by the VAWA victim and an employee, agent, or volunteer of a victim service provider, an attorney, medical professional, or a mental health professional (collectively, "professional") from whom the individual seeking VAWA protections has sought assistance relating to domestic violence, dating violence, sexual assault and/or stalking or the effects of abuse in which the professional attests, under penalty of perjury, that the professional believes in the occurrence of the incident of domestic violence, dating violence, sexual assault, or stalking that is the ground for protection and remedies under the VAWA, and that the incident meets the applicable definition of domestic violence, dating violence, sexual assault, and/or stalking under HUD's regulations at 24 CFR 5.2003; or
4. Option 4 (Verification of Shelter Housing): If the individual seeking VAWA protections is currently living in a shelter established to protect victims of violence covered under the VAWA, the Owner will accept verification of such living arrangement in lieu of certification methods described above; or

5. Option 5 (Alternatives): If the individual seeking VAWA protections cannot provide any of the documents described above, the person should contact the Owner to discuss acceptable alternatives (i.e., emails, text messages, voicemails, social media posts). If the documents above cannot be provided, the Owner will be the final decision maker regarding acceptable alternatives. The victim is not required to name their accused perpetrator if doing so would result in imminent threat or if the victim does not know the name of their accused perpetrator.

The individual seeking VAWA protections will have fourteen (14) business days from the date of the written request to provide certification of their status as a victim of a VAWA crime or as an individual affiliated with a victim of a VAWA crime using one of the above methods. Certification may be submitted in an equally effective manner, as a reasonable accommodation, if there is the presence of a disability. The Owner will be mindful of the victim's safety and will work with the victim in making acceptable alternative arrangements if requesting and obtaining the protections afforded to them under the VAWA would put their safety at risk. If the individual seeking VAWA protection(s) fails or refuses to provide certification using one of the above methods by the specified deadline, the Owner does not have to provide the protections contained in the VAWA. If the Owner receives conflicting information from two or more members of a household, the individuals will be required to submit third-party documentation, as described above, within thirty (30) calendar days of the date of the request for the third-party documentation. To ensure that no one is wrongly accused of committing an act covered under the VAWA, the Owner will carefully evaluate all claims in order to avoid denial, termination of assistance, termination of tenancy or eviction based on false or unsubstantiated accusations. The Owner will review and respond to requests to exercise protections provided under the VAWA as quickly as possible but within no more than five (5) business days of receiving all required documentation. The response will specify whether the request was approved, denied, or requires additional information, as well as details regarding the individual's right to appeal the decision if their request is denied. Please refer to the Owner's VAWA Policy for additional information regarding certification submission and Owner review and response. The VAWA Lease Addendum, VAWA Notice, and VAWA Certification will be implemented and provided in accordance with HUD guidance.

Lease Bifurcation: If the Owner determines that physical abuse caused by a resident is clear and present, the law provides the authority to bifurcate a lease in order to evict, remove, terminate occupancy rights, or terminate assistance of the offending household member, while allowing the victim, who lawfully occupies the home, to maintain tenancy. Special consideration will be given to remaining household members if they are not qualified to remain in the apartment after the accused perpetrator that was the qualifying household member leaves or is terminated. Please refer to the Owner's VAWA Policy for additional information regarding lease bifurcation. Eligibility requirements are provided in Section I of this Plan.

Legal Action: Victims are encouraged to seek police/legal protection from their accused perpetrator. In some cases, the Owner may file a restraining order against the accused perpetrator to prevent the accused perpetrator from entering the community/property. VAWA does not limit the Owner's authority to comply with court orders or the authority to deny, evict or terminate assistance to an individual for violations that are not the result of a VAWA crime or when an actual and imminent threat to others (residents, applicants, or those employed at or providing services to the community) is demonstrable. Actual and imminent threat refers to a physical danger that is real, would occur within an immediate time frame, and could result in death or serious bodily harm. In determining whether an individual would pose an actual and imminent threat, the factors to be considered include: The duration of the risk, the nature and severity of the potential harm, the likelihood that the potential harm will occur, and the length of time before the potential harm would occur. Determinations made about the presence of an "actual and imminent threat" will not be based on stereotypes but will be tailored to particularized concerns about individual persons. Please refer to the Owner's VAWA Policy for additional information.

Nonretaliation: The Owner will not discriminate against any person because that person has opposed any act or practice made unlawful by the VAWA or because that person testified, assisted, or participated in any matter related to the VAWA or a VAWA crime.

Noncoercion: The Owner shall not coerce, intimidate, threaten, or interfere with, or retaliate against, any person in the exercise of, on account of the person having exercised, or on the account of the person having aided or encouraged any other person in the exercise of, any rights or protections under the VAWA including:

- Intimidating or threatening any person because that person is assisting or encouraging a person entitled to claim the rights or protections under the VAWA.
- Retaliating against any person because that person has participated in any investigation or action to enforce the VAWA.

Protection to Report Crimes from Home: Owner, residents, occupants, service providers, guests, and applicants:

- Shall have the right to seek law enforcement or emergency assistance on their own behalf or on behalf of another person in need of assistance, and

- Shall not be penalized based on their requests for assistance or based on criminal activity of which they are not a victim or otherwise not at fault under statutes, ordinances, regulations, or policies adopted or enforced by covered governmental entities. Prohibited activities include actual or threatened: assessment of monetary or criminal penalties, fines, or fees; eviction; refusal to rent or renew tenancy; refusal to issue occupancy permit or landlord permit; closure of the property, or designation of the property as a nuisance or a similarly negative designation.

VAWA Emergency Transfers (VET): Individuals may seek an emergency transfer to another apartment if they are a victim of VAWA violence/abuse, as outlined in the "Notice of Occupancy Rights Under the Violence Against Women Act," Form HUD-5380. The Owner will consider a VAWA Emergency Transfer (VET) request when an individual is a victim of VAWA violence/abuse AND either:

- The individual reasonably believes that there is a threat of imminent harm from further violence, including trauma, if the individual(s) stays in the same apartment; OR
- If the individual is a victim of sexual assault, either the individual reasonably believes that there is a threat of imminent harm from further violence, including trauma, if the individual(s) were to stay in the apartment, or the sexual assault occurred on the premises and the individual requested a VET within ninety (90) calendar days of when that assault occurred.

Individuals must also specifically request a VET as well as complete and submit all required documentation to support certification of their status as a victim of VAWA violence/abuse and their eligibility for a VET. Please refer to the Owner's VAWA Policy and/or VAWA Emergency Transfer Plan for additional information.

Recommended

X. Applicant Notification and Opportunity to Supplement Information Already Provided

Applicants will be notified of the disposition of their application in writing, after a preliminary determination of eligibility has been made, as described in the application processing procedures. Applicants desiring to provide additional information to support their application or make clear any portion thereof can do so by supplying the desired information to the Owner. It is the responsibility of the applicant to notify the Owner of any changes to their contact information.

XI. Procedures for Identifying Applicant Needs for the Features of Accessible Units or Reasonable Accommodations

Reasonable Accommodations: Pursuant to Section 504 of the Rehabilitation Act of 1973 and the Federal Fair Housing Act, the Owner will provide reasonable accommodations upon request to all applicants, residents, and employees with disabilities. A reasonable accommodation is a change, exception, or adjustment to a program, service, building, apartment, or workplace that will allow a qualified person with a disability to:

- Participate fully in a program
- Take advantage of a service
- Live in an apartment
- Perform a job

Requests: Under both Section 504 and the Fair Housing Act, a resident or applicant for housing makes a reasonable accommodation request whenever they make it clear to the housing provider that a request is being made for an exception, change or adjustment to a rule, policy, practice, service, or physical structure because of their disability. A request can be made by the person with the disability, a family member or someone else acting on the individual's behalf. All activity related to reasonable accommodations must be documented to maintain an auditable record of compliance with the requirements of Section 504 and the Fair Housing Act. Therefore, all requests for reasonable accommodations must be reduced to writing, either by the individual or by the Owner. If the individual with the disability requires assistance in providing a written reasonable accommodation request, the Owner may assist the individual by completing the written request for them. The Owner is obligated to provide prompt responses to reasonable accommodation requests.

Verification: To show that a requested accommodation is necessary, there must be an identifiable relationship, or nexus, between the requested accommodation and the individual's disability. Unless it is readily apparent, verification of the need for the accommodation is required before any such accommodation or modification will be approved. When an applicant requests a reasonable accommodation, an accessible apartment, or an apartment preference, such as

first floor only, inquiries may be conducted to verify the person's disability. In doing so, the Owner may verify a person's disability only to the extent necessary to document that the person:

- Is qualified for the housing for which they are applying
- Is qualified for deductions used in determining adjusted income
- Is entitled to any preference they may claim
- Has a disability related need for the requested accommodation or modification
- Has a disability related need for the design features of the accessible apartment

When an otherwise qualified applicant requests a reasonable accommodation or modification, the Owner is not required to:

- Make structural alterations that require the removal or altering of a load-bearing structure
- Provide support services that are not already part of its housing programs
- Take any action that would result in a fundamental alteration in the nature of the program or service
- Take any action that would result in an undue financial and administrative burden on the community, including structural impracticality as defined in the Uniform Federal Accessibility Standards (UFAS)
    - When a request for a reasonable accommodation will result in an undue financial and administrative burden, the Owner must provide all other needed accommodations up to the point at which further accommodations would result in an undue financial and administrative burden.

Refusal: If the Owner refuses a requested accommodation because it is not reasonable, the Owner must engage in an interactive dialogue with the requester to determine if there is an alternative accommodation that adequately addresses their disability-related needs. If an alternative accommodation or modification would meet the individual's disability-related needs and it is reasonable, the Owner must grant it. This includes permitting individuals to make and/or pay for accommodations or modifications themselves.

XII. Updating the Waiting List

Temporary Provisions - Delayed Implementation: The following waiting list update *change(s) will not be in effect until HOTMA is fully implemented by the Owner (previously 1/1/2025, subject to any additional HUD delays).

HOTMA Implemented: Periodic Assessment: Waiting List Confirmation Notices will be sent once a year to all applicants to reaffirm their intention to stay on the waiting list, ensure that applicant information is current, and remove any names that should no longer be on the list. The notice will specify the date by which the applicant's response is required in order to remain on the waiting list. Applicants are responsible for reporting any changes to their contact information and/or their preferred method of contact (address/mail, phone, email, text).

Changes Reported by Applicant: If the applicant reports a change in household composition, the waiting list information will be updated accordingly, and a determination will be made as to whether the household needs the same or a different apartment size. Regardless of the final determination, the original application date will be kept. If the applicant reports a change of contact information, the new information and the date it was received will be noted on their submitted application and then updated on the waiting list.

Changes in Preference Status: Occasionally households on the waiting list who did not qualify for a priority or a preference when they applied will experience a change in circumstances that qualifies them for a priority or a preference. In such cases, it will be the household's duty to contact the Owner so that their change in status may be verified to reflect the priority. If verification determines that the household now qualifies for a priority or a preference, their application will be moved up on the waiting list in accordance with the priority or preference and their application's original submission date and time.

Removal of Applications: The Owner must document removal of any names from the waiting list with the time and date of the removal. An applicant's name will not be removed from the waiting list unless:

- The applicant was notified, in writing, of the intention to remove the applicant's name; **and**
- The applicant requested their name be removed; or
- The applicant no longer meets the eligibility requirements for the community or program; or
- The applicant fails to respond by the date specified in a written notice for an eligibility interview or other waiting list contact notice; or
- The applicant fails to provide SSNs for all non-exempt household members; or
- The applicant refuses to sign and submit verification consent forms or the Authorization for Release of Information (forms HUD-9887 and HUD-9887-A) or forms declaring citizenship or non-citizenship status; or
- *The applicant revokes consent previously provided by an executed Authorization for Release of Information (forms HUD-9887 and HUD-9887-A); or

- Mail sent to the applicant's address is returned as undeliverable and documentation in the file shows that reasonable effort was made, unsuccessfully, to contact the applicant using any/all available methods (mail, email, phone, or text); or
- The apartment that is needed using family size as the basis changes and no appropriate size apartment exists in the community; or
- The applicant refuses three (3) separate full notice offers for suitable apartments; or
- The applicant fails to respond to three (3) separate offers before their stated deadlines; or
- The applicant changes their mind and refuses a previously accepted offer or fails to show up or respond after accepting an offer.

Extenuating Circumstances: In some situations, the consideration of extenuating circumstances may be necessary. These are circumstances beyond the applicant's control. Examples of extenuating circumstances include, but are not limited to:

- Hospitalization of applicant or member of applicant household
- Applicant out of town for a family emergency (such as the death or severe illness of a close family member)
- Applicant on military duty overseas

Reinstating Applicants: Applicants removed from a waiting list may reapply at any time unless the waiting list is closed. Applicants removed from the waiting list due to an error made by the Owner will be returned to the waiting list in their original position.

Activity: All activity regarding an application on a waiting list is documented in the applicant's Waitlist Notes. Applicants will be notified in writing of all critical actions taken on an application (acceptance, denial, final offers) via mailed letter and/or email, if available. Copies of all written or electronic correspondence with an applicant are kept in their file.

XIII. Policy for Notifying Applicants of Changes in the Resident Selection Plan

This Resident Selection Plan will be reviewed periodically and updated as necessary to ensure that it reflects current operating practices, program priorities, and HUD requirements. If changes are made to the Resident Selection Plan that affect the eligibility or placement of applicants on the waiting list, the Owner will provide notice to all applicants on the waiting list that a revised plan is available and explain how they may obtain or request a copy. In addition, the revised plan will be made available to all other interested parties by updating the community website and common area bulletin boards with the new version.

XIV. Procedures for Assigning Apartments with Design Features for Persons with Physical Disabilities

Section 504 requires that Owners take reasonable, nondiscriminatory steps to maximize the use of accessible apartments by eligible individuals whose disability requires the accessibility features of a particular apartment. As part of this requirement, available accessible apartments will be assigned to residents/applicants in the following order:

When there is a current resident and/or qualified applicant with at least one household member requiring the features of an available accessible apartment:

1. Current Residents – The first priority, the accessible apartment will be offered to a household currently residing in a non-accessible apartment in the same community, with a household member whose disability requires the features of the available accessible apartment.
2. Applicants – If there are no current residents requiring the special features of the available accessible apartment, it will then be offered to the next qualified applicant on the waiting list with a household member whose disability requires the features of the available accessible apartment.

When neither current resident nor qualified applicant require the features of an available accessible apartment:

- The apartment may be offered to another resident or qualified applicant in a manner consistent with this Resident Selection Plan. Where persons without disabilities are moved into accessible apartments, they shall do so only after agreeing in writing to move to an available apartment with no such design features, at their own expense, should a qualified applicant or current resident require an accessible apartment of the type currently occupied by the persons without disabilities. Such occupants will receive, in writing, 30 days' notice to transfer to the newly available non-accessible apartment if such a situation should occur.
- In the event that the member(s) of the resident household requiring the special features of the accessible apartment no longer reside in the apartment, and where the lease permits, the remaining members of the household will be required to agree in writing to move to an available apartment with no such design features, at their own expense, should an applicant or current resident require an accessible apartment of the type

currently occupied by the persons without disabilities. Such occupants will receive, in writing, 30 days' notice to transfer to the newly available non-accessible apartment if such a situation should occur.

XV. Charges for Facilities and Services

The Owner will not collect any money from residents at initial occupancy other than rent and the maximum HUD-allowed security deposit.

XVI. Security Deposit Requirements

Security deposits provide the Owner with financial protection when a resident moves out of the apartment and fails to fulfill their obligations under the lease. HUD requires collection of a security deposit at the time of the initial lease execution. The required security deposit amount is equal to the greater of $50 or the Total Tenant Payment (TTP) calculated on form HUD-50059.

- The amount of the security deposit established at move-in does not change when a resident's rent or apartment changes
- Residents are expected to pay the entire security deposit from their own resources or other public or private sources before move-in
- The security deposit and any interest it earns is refundable
- An applicant may be rejected if they do not have sufficient funds to pay the deposit
- Security deposits are maintained in an interest-bearing account
- Security deposits are recalculated when Move-In or Initial Certifications are corrected. Regardless of cause, any additional funds must be collected or refunded so that the amount of security deposit on hand equals the amount calculated on the corrected Move-In or Initial Certification.

XVII. Apartment Inspections

Before executing a lease, the Owner and the new resident must jointly inspect the apartment. After the Owner conducts an apartment inspection, the inspection form must clearly indicate the condition of the apartment. If cleaning and/or repair is required, the inspection form must specify the date by which the work will be completed. This date must not exceed 30-days after the effective date of the lease. Both the Owner and the resident must sign and date the inspection form. The inspection form must include the statement, "The unit is in decent, safe and sanitary condition". The resident has 5 days to report any additional deficiencies to be noted on the move-in inspection form. The move-in inspection form is made part of the lease. All apartments must undergo a move-in and move-out inspection by the Owner. These inspections include not only interior but also exterior inspections. In addition, there will be an inspection conducted at least annually by the Owner using an Annual Inspection form and from time to time, HUD, REAC, and/or the Contract Administrator may also conduct random inspections.

XVIII. Policies for Verification and Consent

Verification Requirements: The Owner shall obtain verifications in compliance with requirements set forth by HUD in order to verify all income, assets, expenses, deductions, family characteristics, and any other circumstances that affect family eligibility and/or level of assistance. Third party verification is a process by which the Owner gathers information independently from the source of the income, assets, expenses, or other factors that affect the determination of adjusted income. Third party verification may be obtained directly from the third party or through the family. The Owner is responsible for determining if the verification documentation is adequate and credible. The Owner must document the file with the reason third party verification was not available, unless HUD regulations specifically permit self-certification of a particular component of adjusted income, such as assets disposed for less than fair market value. All adult applicant and resident family members must sign consent forms to authorize the Owner to collect all information necessary to verify all income, assets, expenses, deductions, family characteristics, and circumstances that affect the family's eligibility for and level of assistance. Applicants and residents who do not sign required consent forms including HUD's Authorization for Release of Information (forms HUD-9887 and 9887A) will have their assistance denied or terminated.

EQUAL HOUSING OPPORTUNITY

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A. Traditional Verification Hierarchy

Temporary Provisions - Delayed Implementation: The following verification hierarchy change(s) will not be in effect until HOTMA is fully implemented by the Owner (previously 1/1/2025, subject to any additional HUD delays).
HOTMA Implemented: The Owner will attempt verifications in the following order of acceptability, ranked from highest to lowest, in accordance with HUD requirements:

- Level 6**:** Upfront Income Verification, EIV System – *Highest* – Upfront Income Verification (UIV) is the verification of income before or during a family reexamination, through an independent source that systematically and uniformly maintains income information in computerized form for many individuals. The UIV method includes HUD's EIV system at Level 6 and other non-HUD UIV tools at Level 5. EIV may be used as the sole verification of Social Security income. EIV income information may be used to calculate other types of annual income when the family agrees (refer to Level 4 for further details). Use of the EIV system, in its entirety, is required. The EIV Income report is required to be pulled for each family at every AR, even if using a different verification method/level, unless using Safe Harbor documentation as verification of family income (refer to Means-Tested Verification for further details). Please refer to the Owner's EIV Policies and Procedures for further details on EIV reports and usage.
- Level 5: Upfront Income Verification, Non-EIV Systems – *Highest* – This verification method is used to verify data that is not available to or in EIV. This method includes systems such as The Work Number (an automated verification system) and web-based state government benefit databases.
- Level 4: Written, Third-Party Verification – *High* – An original or authentic document generated by a third-party source dated within 120 days of the date received by the Owner. For fixed-income sources, a statement for the appropriate benefit year is acceptable documentation. Such documentation may be in the possession of the family which is also known as "tenant-provided documents". The Owner may follow up with the third-party source directly to obtain verification or clarification after obtaining any tenant-provided documents, when necessary. Examples of tenant-provided documents (generated by a third-party source) include but are not limited to: pay stubs, payroll summary reports, employer notice/letter of hire/termination, SSA benefit letter, bank statement, child support payment stubs, IRS 1099, and welfare or unemployment benefit letters. Written, third-party verification is used when the family disputes EIV reported employment and/or income information or when the income type is not available in EIV (e.g., self-employment, GoFundMe, VA benefits, etc.). The Owner is required to obtain a minimum of two current and consecutive pay stubs for determining annual income from wages when the family does not elect to use EIV + Self-Certification (see below) or the income type is not reported/correct in EIV. For new income sources or when two pay stubs are not available, income may be verified using Level 3 or the best available information.
    - EIV + Self-Certification: The EIV Income Report may be used as Level 4 verification and may be used to verify income if the family agrees with the information in EIV. This practice is known as "EIV + Self-Certification. The family will be provided with the information from EIV pulled within 120 days prior to the reexamination effective date and must self-certify that the amount(s) in EIV is accurate and representative of current income. The Owner will determine the most reasonable method of calculating annual income (e.g., total of last four quarters combined, average of any number of quarters, etc.). The Owner may use either written third-party verification or EIV + Self-Certification when both are available.
- Level 3: Written, Third-Party Verification Form – *Medium* – Traditional third-party verification. This type of verification is a form developed by the Owner that is used uniformly for all families when needed to collect information from a third-party source. The Owner sends the form directly to the third-party source by mail, fax, or email to be completed by the third-party and returned directly to the Owner. This verification level is used if Level 5 or Level 4 verification is not available or is rejected by the Owner and when the family is unable to provide acceptable documentation. This verification level may be substituted with Level 2, which means only having completed Level 3 *or* Level 2 verification before moving to Level 1 Self-Certification.
- Level 2: Oral Third-Party Verification – *Medium* – Independent verification of information by contacting the individual income/expense source(s), as identified through the UIV technique or by the family, via telephone or virtual or in-person visit. An oral verification form will be used to document verifications conducted in this manner to ensure that all requisite information is captured (date and time of contact, name and phone number of contacted individual, name of individual conducting oral verification, and confirmed information). This verification method is typically used when the independent source does not respond to the Owner's written requests in a reasonable time frame. This verification level may be skipped if Level 3 was attempted, which means having only completed Level 3 or Level 2 verification before moving to Level 1 Self-Certification.
- Level 1: Self-Certification – *Low* – The resident submits a signed statement of reported information to the Owner, witnessed or notarized. This verification method is used as a last resort when attempts at all other

required verification methods have been unsuccessful. Except when accepted based on HUD guidance (e.g., streamlining, disposed assets, etc.), when self-certification is accepted, the family's file will be documented, when appropriate, to show that all other required verification method attempts were unsuccessful and/or why third-party verification was not available before relying on non-third-party self-certification. The Owner is not required to accept self-certification. Self-certification may be used as the highest form of verification when the family reports zero income.

B. Safe Harbor Verification Method

Temporary Provisions - Delayed Implementation: The following Safe Harbor verification change(s) will not be in effect until HOTMA is fully implemented by the Owner (previously 1/1/2025, subject to any additional HUD delays).
HOTMA Implemented: When verifying income at Move-In (MI) or Initial Certification (IC), Annual Recertification (AR), and Interim Recertification (IR), the Owner may, but is not required to, determine a family's annual income, including income from assets, prior to the application of any deductions based on income determinations made within the previous 12-month period, using income determinations from the following types of means-tested federal public assistance programs:

- The Temporary Assistance for Needy Families block grant (42 U.S.C. 601, et seq.)
- Medicaid (42 U.S.C. 1396 et seq.)
- The Supplemental Nutrition Assistance Program (42 U.S.C. 2011 et seq.)
- The Special Supplemental Nutrition Program for Woman, Infants, and Children (42 U.S.C. 1786)
- Supplemental Security Income (42 U.S.C. 1381 et seq.)
- Other programs administered by the Secretary
  - HUD's Multifamily Housing Programs using HUD form 50059
  - HUD's Public & Indian Housing Program using HUD form 50058
- The Treasury's Low Income Housing Tax Credit Program (26 U.S.C. 42) TIC
- Other means-tested forms of federal public assistance for which HUD has established a memorandum of understanding
- Other federal benefit determinations made by other means-tested federal programs that the Secretary determines to have comparable reliability and announces through a Federal Register notice.

Safe Harbor Verification Requirements: The Safe Harbor verification must state the family size, must be for the entire family (i.e., the family members listed in the documentation must match the family's composition in the applicant household, except for non-family members), and must state the amount of the family's annual income. The annual income need not be broken down by family member or income type. Annual income includes income earned from assets, therefore when using Safe Harbor verification to verify a family's income, the Owner will not inquire about the family's net assets, nor about the income earned from those assets.
NOTE: The Owner will confirm only the following asset details to ensure eligibility pursuant to the program's asset restrictions:

- The net cash value of all family assets does not exceed HUD's current asset cap; and
- That no member of the applicant family owns real property suitable for occupancy.

Safe Harbor Verification Validity: The Safe Harbor verification must show that the family's income determination was made within the 12 months prior to the receipt of the verification by the Owner. The Safe Harbor verification documentation will be considered acceptable if any of the following dates fall into the 12-month period prior to the receipt of the documentation by the Owner:

- Income determination effective date
- Program administrator's signature date
- Family's signature date
- Report effective date
- Other report-specific dates that reasonably verify the income determination date

Safe Harbor Usage: The only information that the Owner is permitted to use to determine income under this Safe Harbor verification is the total income determination made by the federal means-test program administrator. Other federal programs may provide additional information about income inclusions and exclusions in their documentation; however, these determinations and any other information will not be considered by the Owner for purposes of the Safe Harbor verification provision. If the Safe Harbor income determination is used as verification of a family's income, the Owner does not need to take any additional steps to verify or calculate gross annual income, which includes comparing the income determination to EIV data. Due to potential variations in income calculation methods across various accepted means-tested programs, usage of Safe Harbor verification changes the requirements for using certain EIV Reports as

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part of current or future re/certifications. Please refer to the Owner's EIV Policies & Procedures for more details. The Owner shall not mix and match Safe Harbor verifications income determinations and other income verifications. If the applicant family presents multiple verifications from the same or different accepted federal means-tested programs, the Owner will accept the one with the most recent income determination as the Safe Harbor verification to use. The Owner will not use Safe Harbor verification when:

- The family wishes to use a Childcare Deduction when childcare enables a member to work
- The family wishes to use the Attendant Care & Auxiliary Apparatus Expense Deduction
- Any member of the family is participating in HUD's Family Self-Sufficiency (FSS) program
- The family is in year 2 or 3 of streamlining. Please refer to the Owner's Streamlining Procedures for further details

C. Streamlining Policies and Methods

The Owner has implemented the following Streamlining policies as permitted by and in accordance with HUD's FAST Act and/or any related notices, revisions, and/or final rules that may subsequently be released. Streamlining is a verification method intended to reduce the burden of annual income reexaminations by permitting "traditional" (or full third-party) verification, as described previously in Verification Hierarchy Section, of income and assets to be completed once every three years instead of every year with each annual reexamination. If eligible for streamlining in years two and three of a family's three-year cycle, verification of income and assets will be simplified using the policies described below. If, at any time, the family is no longer eligible for streamlining of income and/or assets, the three-year cycle(s) will be interrupted and start over as year one with traditional verification. Streamlining does not apply to deductions such as medical expenses which must always be verified using traditional verification methods. Please refer to the Owner's Streamlining Procedures for more details.

- Streamlined Determination of Fixed Income - At MI/IC and at least every three years, the Owner will verify income from any fixed income source using traditional verification methods. In Year 2 and in Year 3, the Owner will streamline income by using EIV and/or applying any published/documented COLA(s) or fixed percentage increase(s) to the previous year's fixed income amount(s), as necessary.
  NOTE: Any incomes that are not fixed will be verified using traditional verification methods every year, unless the family qualifies as a "Fixed Income Family" (see below).
- Streamlined Verification of Assets (When the Net Cash Value of Assets is at or Below the Current Asset Threshold Established by HUD) - At MI/IC and at least every three years, the Owner will verify the cash value of assets that are not specifically excluded and will verify the income from those assets when possible, using traditional verification methods. In Year 2 and in Year 3, the Owner will conduct such verification only if the net cash value of all family assets exceeds the current Asset Threshold. If the net cash value of all family assets (except those specifically excluded), is equal to or less than the current Asset Threshold, the Owner will streamline assets by accepting the family's notarized or witnessed self-certification providing the net cash value of assets, that are not specifically excluded, and any known income from those assets.
  NOTE: If the net cash value of all family assets exceeds the current Asset Threshold, the family is ineligible for asset streamlining (and self-certification) and the Owner must verify assets and asset income using traditional verification methods.
  HOTMA Implemented: The Owner may, but is not required to, accept self-certification of assets and anticipated income from those assets at MI so long as the net cash value of all assets is equal to or less than the current Asset Threshold.
- Streamlined Certification for Fixed Income Families - When 90% or more of the family's total (unadjusted) annual income consists of fixed income (e.g., Social Security, Pension, Annuity, etc.) they are considered a "Fixed Income Family". At MI/IC and at least every three years, the Owner will verify the cash value of assets that are not specifically excluded, the income from those assets when possible, and any fixed and/or not fixed income amounts using traditional verification methods. In Year 2 and in Year 3, if the family certifies both that 90% or more of their unadjusted annual income is fixed income and that their sources of fixed income have not changed from the previous year, the Owner will apply Streamlined Determination of Fixed Income and Streamlined Verification of Assets and also streamline any not fixed income by either using the same amount of not fixed income reported on the Year 1 50059 for Year 2 and Year 3. The Owner may choose to adjust sources of not fixed income by an amount determined based on third-party verification.
  NOTE: When less than 90% of the family's total unadjusted annual income consists of fixed income sources, the family is ineligible for streamlined verification of not fixed incomes. Fixed income sources are always eligible for streamlining even when the family's not fixed income is more than 10% of the family's total

unadjusted annual income. It is only the not fixed income sources that have special qualifications for being eligible for streamlining.

D. HUD Consent Forms HUD-9887 and 9887-A

Temporary Provisions - Delayed Implementation: The following HUD-9887 & HUD-9887-A change(s) will not be in effect until HOTMA is fully implemented by the Owner (previously 1/1/2025, subject to any additional HUD delays) and an updated HUD 9887 & 9887-A and Model Lease has been released.

HOTMA Implemented: Starting on the later of January 1, 2024, or when HUD releases an updated HUD 9887 & 9887-A and Model Lease, all applicants must sign HUD's Authorization for Release of Information consent forms HUD 9887 & 9887-A prior to admission as part of their application. After an applicant or resident has signed and submitted HUD's consent forms either on or after January 1, 2024, they do not need to sign and submit subsequent consent forms (e.g., at each AR) except under the following circumstances:

1. When a new member is added to the family if:
   - The new member is 18 years of age or older, or
   - The new member is the HOH, co-HOH/spouse regardless of age
2. When a member of the family turns 18 years of age
3. As required by HUD in administrative instructions

Authorization Effectivity: HUD's consent forms contain provisions authorizing HUD and the Owner to obtain necessary information for verification of an application or to maintain a family's assistance, including income information and tax return information. The executed HUD consent forms will remain effective until the family is denied assistance or the assistance is terminated or consent is revoked by the family. If a family leaves a HUD program (moves-out), the family's assistance is considered to be terminated and the signed HUD consent forms will no longer be in effect.

Revocation of Consent: Any adult member of the family may provide written notification to the Owner to revoke the consent provided by their executed HUD consent forms. Doing so will make the family ineligible for the Section 8 program and housing assistance will be denied or terminated immediately. Termination will be completed in accordance with the HUD lease and HUD guidance. The resident will be provided with a 30-Day Notice of Rent Increase as required. If, subsequently, the family wishes to reapply for assistance, and when such assistance is available, the HOH, co-HOH/spouse and all adult members will be required to sign and submit HUD's consent forms with any other documentation required to redetermine eligibility. Failure to do so will result in denial of assistance under HUD's program rules.

Minors Turning 18: When a minor family member living in the assisted apartment turns 18, they will have thirty (30) days to meet with the Owner and sign the appropriate HUD consent forms. The resident will be notified in writing of this requirement up to three (3) months before the individual's 18th birthday. Failure or refusal to sign the required HUD consent forms will result in termination of assistance for the entire household.

XIX. Annual Recertification Requirements

To ensure that assisted residents pay rents commensurate with their ability to pay, recertification of family income and composition will be conducted at least annually to recompute resident rent and assistance payments.

- Annual recertifications (AR) must be completed by the resident's recertification anniversary date. The recertification anniversary date is the first day of the month in which the resident moved into the community or began receiving assistance from HUD. The recertification anniversary date does not change if a resident transfers from one apartment to another within the same community.
- Initial notice for the following year's AR is received at initial execution of the lease, as well as upon completion of each AR thereafter.
- A series of three (3) monthly reminder notices are sent to residents starting 120 days prior to their upcoming recertification anniversary date. Until their AR is completed, residents will receive one or more additional reminder notices 90 and 60 days prior to their upcoming recertification anniversary date.
- Residents must supply all information requested by the Owner or HUD regarding their income, assets, expenses, deductions, and/or family composition along with any other factors that may affect the determination of their adjusted annual income.
- Residents must sign the consent forms that allow the Owner to verify all reported income, assets, expenses, deductions, and/or family composition along with any other factors that may affect family eligibility or level of benefits.
- All residents receive copies of the following documents at initial occupancy and annually during each AR:

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- HUD-1141 – Is Fraud Worth It?
- Resident Rights and Responsibilities
- HUD-9887 – Fact Sheet (*after HOTMA implementation this will no longer be provided annually at AR*)
- HUD Fact Sheet – How Your Rent is Determined (Section 8)
- Resident Grievance Procedures
- EIV & You Brochure

XX. Interim Recertification Reporting Policies

Temporary Provisions - Delayed Implementation: The following Interim Recertification change(s) will not be in effect until HOTMA is fully implemented by the Owner (previously 1/1/2025, subject to any additional HUD delays) and an updated HUD Model Lease has been released and properly executed.

HOTMA Implemented: The Owner must conduct a reexamination and redetermination of family income and composition at least annually. To ensure that assisted residents continue to pay rents commensurate with their ability to pay, and based on the requirements outlined in the HUD Model Lease, residents must report and supply information required or requested by the Owner and/or HUD if and when changes to family income and/or household composition have occurred since their last determination, which could be their Move-In (MI), Initial Certification (IC), Annual Recertification (AR), or Interim Recertification (IR).

Reporting a Change: Residents must report changes to family income and/or composition by submitting an Interim Change Request (completed by or on behalf of the resident). If the Owner determines an interim reexamination is necessary, the resident must report changes in all aspects of the family's adjusted income, which includes any changes to income, assets, deductions, and/or household composition, on the Owner's Interim Change Questionnaire.

Changes Required to be Reported: Residents must notify the Owner of the following changes to family income and/or composition:

- Adding or removing a family or non-family member
- Changes to a family member's identifiers (e.g., legal name, SSN, date of birth) or citizenship status
- Annual income increases of any amount

Reporting Other Changes: Residents may request an interim reexamination due to any changes occurring since their last determination (MI/IC/AR/IR). Some examples of changes a resident may want to report that could affect their rent and assistance payment include the following:

- Decreases in earned income including, but not limited to, loss of employment or reduction in number of hours worked by an employed family member
- Decreases in unearned income including, but not limited to, social security benefits, welfare assistance, pension benefits, annuity payments, etc.
- Increases in allowances including, but not limited to, increased medical expenses, new dependent deduction, higher childcare costs, etc.

Required Timeframe for Reporting Changes: Residents must report changes affecting family income and composition to the Owner within 30 days of either the change occurring, or the family being notified of the change. The addition of a new household member (except minors) must be approved *before* the new member moves into the apartment. The addition of a new minor household member must be reported within 30 days of being added to the household.

- Timely – When a resident reports a change within the required timeframe, the change will be considered as reported on time or timely. When the reporting of a change is timely, the resident will receive optimal consideration when determining the effective date of any required IR(s), which includes at least 30 days advanced notice before any resulting rent increase.
- Untimely – When a resident fails to report a change within the required timeframe and/or a change that was required to be reported is discovered by the Owner, the change will be considered as not reported on time or "untimely". When the reporting of a change is untimely, the resident will not receive optimal consideration when determining the effective date of any required IR(s), which may result in the resident owing a balance to HUD for overpaid subsidy. Failure to properly notify the Owner of changes that are required to be reported is a violation that may result in the termination of assistance and/or tenancy.

Processing Interim Reexaminations: The Owner must process any requested or required interim reexamination within a reasonable time after being notified or made aware of a change, which is only the amount of time needed to obtain and/or verify the reported or discovered change(s). Generally, processing of the interim reexamination should not exceed 30 days. Processing also includes the Owner determining whether an IR or non-Interim Reexamination Transaction (nIR) is necessary and, if the interim redetermination is necessary, when it will be effective and then

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notifying the resident of the outcome in writing. The written notice will specify if any further action is required by the resident (providing additional information, signing required forms, etc.) as well as when any such action(s) must be completed and any penalties for failing to do so. If applicable, the written notice will also clearly detail how the redetermination affects their rent and subsidy calculation including whether any amounts are owed to or by the resident.

Increases in Adjusted Income – 10% (IR Threshold): The Owner must conduct an interim reexamination when made aware that the family's annual adjusted income has changed by an amount that the Owner estimates will result in an increase of 10% or more (IR Threshold) in annual adjusted income (or such other amount established by future HUD notice). The Owner will not process interim reexaminations for income increases that result in annual adjusted income increases of less than the 10% IR Threshold, with the exception of circumstances in which household members are added or removed as described in the Household Composition section. A series of smaller reported increases in annual adjusted income, including decreases in a family's deductions, may cumulatively produce a sufficient increase in annual adjusted income to meet or exceed the 10% IR Threshold necessitating processing of an interim reexamination. The following are the Owner's discretionary exception policies applicable to the requirement that the Owner must process income reexaminations for increases in annual adjusted income that exceed the 10% IR Threshold:

- 3 Month Exception – The Owner will not process an interim reexamination during the last 3 months of a certification period if a family reports an increase in income occurring within 3 months of their next AR effective date. Families who delay reporting income increases until the last 3 months of their certification period may be subject to retroactive rent increases in accordance with the Owner's income reporting policies.
- Earned Income Increase Exception – The Owner will never consider any increases in earned income when estimating or calculating whether a family's annual adjusted income has increased for the purposes of processing an interim reexamination. Earned income increases will only be considered at the family's next annual reexamination.

Decreases in Adjusted Income – 10% (IR Threshold): Upon request of the family, the Owner must conduct an interim reexamination when the family's annual adjusted income has changed by an amount that the Owner estimates will result in a decrease of 10% or more in annual adjusted income. The Owner will not process an interim reexamination if the reported change to annual adjusted income results in an estimated decrease of less than the 10% IR Threshold, with the exception of circumstances in which household members are added or removed as described in Household Composition Changes section. In addition to decreases in family income, increases in a family's deductions may cumulatively produce a sufficient decrease in annual adjusted income to meet or exceed the 10% IR Threshold necessitating processing of an interim reexamination. The following are the Owner's discretionary policies applicable to the requirement that the Owner must process decreases in annual adjusted income:

- Decrease Percentage Rounding – The Owner will not round calculated percentages for decreases in annual adjusted income to the nearest whole number.

Household Composition Changes – 0% Threshold: The Owner must process an interim reexamination when a household adds or removes household members, including family members, foster adults, foster children, and live-in aides, during the period since the family's last AR, regardless of whether the change in household composition results in a decrease, increase, or no change in the family's annual adjusted income. This 0% Threshold for household composition changes does not apply when the household does not add or remove a household member but experiences other kinds of changes to existing household member characteristics (e.g., changes in relationship, citizenship, student, or dependent status). Such changes would be subject to the Owner's normal adjusted income increase or decrease policies described above. The following are the exception policies applicable to the requirement that the Owner must process income reexaminations for household composition changes:

- 3 Month Exception – The Owner will not process an interim reexamination during the last 3 months of a certification period if a family reports a change to household composition that is occurring within 3 months of their next AR effective date and would otherwise require an interim reexamination for an increase in annual adjusted income. The Owner will process the change to household composition during the family's next annual reexamination.
- Earned Income Increase Exception– When conducting an interim reexamination for an increase due to the addition or removal of a household member, the Owner will not consider increases in earned income when estimating or calculating whether the family's annual adjusted income has increased. Earned income increases will only be considered at the family's next annual reexamination.

Household Composition Changes – Adult Children: When a change in family composition is reported in Section 202/8 communities, adult children are eligible to move in after initial occupancy only if they are essential for the care or well-being of the elderly resident. They are considered a part of the family and their income must be counted. Adult children are required to sign a release form relinquishing any future rights to the apartment as a remaining member of the family, as they qualify for occupancy only as long as the individual needing the supportive services is in occupancy.

The adult child may be considered a live-in aide if they meet the definition and there is a verified need. Please refer to the Owner's Live-in Aide Policy for further details.

Effective Date of Rent Changes: Effective dates for rent changes are primarily determined based on whether the change in family income or composition was reported timely (within the Owner's required timeframe). This may result in a future or retroactive effective date for the IR. The resident is responsible for overpaid subsidy balances that result from their failure to properly report such changes. The resident is not responsible for any overpaid subsidy balances that result from errors by the Owner. The resident will be notified in writing of how and when retroactive changes will affect their rent and subsidy payments as well as whether they or the Owner are responsible for returning any overpaid subsidy to HUD or if they are due a refund for any overpaid rent.

- Increases reported timely – When changes that result in an increase in annual adjusted income are reported timely, the resident is in compliance and the Owner must provide at least 30 days advance notice of any rent increase. The effective date of any resulting IR increasing their rent will be the first 1st of the month after the end of that 30-day notice period.
  - *Example: On 6/15/2023 the resident reports increase of income that began on 6/1/2023. If annual adjusted income increase is verified as 10% or greater, the resulting IR would be effective 8/1/2023.*
- Decreases reported timely – When changes that result in a decrease in annual adjusted income are reported timely, the resident is in compliance and the effective date of any resulting IR will be the first 1st of the month after the date the actual change(s) occurred, which is generally retroactive.
  - *Example: On 6/15/2023 the resident reports decrease of income that began on 5/20/2023 or 6/1/2023. If adjusted income decrease is verified as 10% or greater, the resulting IR would be effective retroactively to 6/1/2023 and the resident would be notified of their refund of overpaid rent*.
- Increases not reported timely – When changes that result in an increase in annual adjusted income are not reported timely, the resident is not in compliance and the effective date of any resulting IR will be retroactive to the first 1st of the month after the date the actual change(s) occurred. The Owner is only required to process such changes and/or corrections for a maximum of up to 5 years retroactively.
  - *Example 1: On 6/15/2024 the resident reports increase of income that began on 5/1/2024. If adjusted income increase is verified as 10% or greater, the resulting IR would be effective 5/1/2024. Example 2: On 6/15/2024 the Owner discovers unreported income that began on 5/10/2021. If adjusted income increase is verified as 10% or greater, the resulting IR would be effective 6/1/2021.*
- Decreases not reported timely – When changes that result in a decrease in annual adjusted income are not reported timely, the resident is not in compliance and the effective date of any resulting IR will be the next 1st of the month after the change(s) is verified.
  - *Example: On 6/15/2024 the resident reports decrease of income that began on 2/10/2024. If adjusted income decrease is verified as 10% or greater on or before 7/1/2024, the resulting IR would be effective 7/1/2024. If the decrease is verified on 7/2/2024, the resulting IR would be effective 8/1/2024.*

Exceptions to Prohibition Against Retroactive IR's for Income Decreases: HUD regulations specifically prohibit Owner's from creating IR's effective retroactively for income decreases unless the change was not reported timely due an Owner observed exception. When a resident fails to report a decreasing change timely, a retroactive effective date for any resulting IR would only be considered if at least one of the following exceptions is verified as the reason:

- Reporting the change on time was not possible due to the resident's status as a VAWA victim.
- Reporting the change on time was not possible due to the resident's disability status.
- Reporting the change on time was not possible due to the resident's Limited English Proficiency (LEP) status.
- Reporting the change on time was not possible due to the resident's hospitalization or other similar extenuating circumstance.
- Reporting the change on time was not possible due to a natural disaster or other similar extenuating circumstances.

Retroactive Effective Date Exception Limitation: Even if the resident qualifies for an exception and the IR for decreased adjusted income is made effective retroactively, HUD has set a limitation on how far back Owners are permitted to go. Owners are only permitted to make such certifications effective retroactively to the more recent of the 1st of the month following either the date of the actual decrease or the date of the resident's last full certification (most recent Annual Recertification or Interim).

- *Examples: On 6/15/2023 the resident reports a decrease in income that began on 2/15/2023 that could not be reported timely due to their VAWA status. If the resident's last AR was effective on 4/1/2023, the IR for the change could only be made effective retroactive to 5/1/2023 (1st of month following most recent full certification-AR). If the resident's last AR was effective 12/1/2022, the IR for the change could be made effective retroactive to 3/1/2023 (1st of month following the change). If the resident's last AR was effective*

12/1/2022, but they also had an IR effective 5/1/2023, the IR for the change could be made effective retroactive to 6/1/2023 (1st of the month following most recent full certification-IR).

Non-Interim Reexamination Transactions: When a change must be reported to HUD before the resident's next AR without making changes to their annual adjusted income, either because there is no qualifying change to their annual adjusted income or the annual adjusted income change does not exceed the applicable IR Threshold to trigger a traditional interim reexamination (IR), the Owner will process the non-interim transaction by using code "O" on the form HUD-50059. The Owner will submit non-interim transactions for the following changes within the family's household:

- Adding or removing a hardship exemption for the child-care 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 AR or IR, whichever is sooner, once HOTMA is fully implemented by the Owner)
- 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 hardship exemption for Section 8 minimum rent
- 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 (e.g., 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 the household with an ineligible noncitizen(s)
- Adding or updating a family or household member's SSN

NOTE: All other changes to assets, income, and/or deductions will be made at the family's next AR or, if applicable, the next IR, whichever is sooner.

XXI. Determining the Eligibility of a Remaining Household Member

Periodically, family composition changes after initial occupancy. If the qualifying person leaves the apartment, a determination must be made as to whether the remaining member of the household will be eligible to remain in the apartment and continue to receive Section 8 assistance. Eligibility depends upon the type of community occupied and other issues. The following basic requirements for eligibility must be met for a person to qualify as a remaining member of a household:

- The individual must be a party to the lease when the family member leaves the apartment
- The individual must be of legal contract age under state law
- The remaining family member is defined in Section 202 regulations as the surviving member or members of an elderly family or family with disabilities that was a party to the lease and living in the assisted apartment with the now deceased member of the family at the time of his or her death
    - The remaining family member, based on the death of the family member, is eligible to remain in the apartment but must pay rent based on income. In this case, eligibility of the remaining family member, as defined by the death of the family member, is not reviewed.
- If the individual who establishes eligibility for the project leaves the apartment for any reason other than death in a Section 202/8, the Owner must determine if the individual still residing in the apartment meets the eligibility requirements for the project, income and age or disability. In a Section 202/8 community, the individual may remain in the apartment but must pay contract rent.

XXII. Implementation of House Rule Changes

As part of the lease, residents agree to abide by the House Rules established for this community. The Owner will periodically review the House Rules to determine if any changes are required. The Owner will generally provide residents with written notice at least 60 days prior to implementing any required changes to the House Rules. However, depending on the circumstances, such rule changes may be implemented with as little as 30 days advance notice. Residents who do not wish to accept the new House Rules must provide their 30-Day Notice to Vacate prior to the new House Rules going into effect.

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XXIII. Calculating Adjusted Income and Rent

A. Deductions

Temporary Provisions - Delayed Implementation: The following deductions change(s) will not be in effect until HOTMA is fully implemented by the Owner (previously 1/1/2025, subject to any additional HUD delays).
HOTMA Implemented: When calculating adjusted income, the Owner will use HUD's required methods to determine annual income for the entire family. After annual income is determined, the Owner will apply the following deductions as applicable:

- The Elderly/Disabled Family Deduction (subject to annual adjustment by HUD)
- The Dependent Deduction (subject to annual adjustment by HUD)
- The Childcare Deduction (subject to annual adjustment by HUD)
- The Health & Medical Expense Deduction
- The Attendant Care & Auxiliary Apparatus Deduction

B. Elderly/Disabled Family Deduction

Temporary Provisions - Delayed Implementation: The following deduction change(s) will not be in effect until HOTMA is fully implemented by the Owner (previously 1/1/2025, subject to any additional HUD delays).
HOTMA Implemented: For each family where the Head-of-Household (HOH) or co-HOH/spouse is 62 or older or is disabled, HUD provides an annual family allowance as a deduction from the family's total income. The Elderly/Disabled Family Deduction is the same standard amount for all eligible households, and the amount is subject to annual adjustment by HUD.

C. Dependent Deduction

Temporary Provisions - Delayed Implementation: The following deduction change(s) will not be in effect until HOTMA is fully implemented by the Owner (previously 1/1/2025, subject to any additional HUD delays).
HOTMA Implemented: A resident receives a Dependent Deduction, which is the same standard amount subject to annual adjustment by HUD, as a deduction from the family's total income, for each family member who is:

- Under 18 years of age, or
- A person with disabilities, or
- A full-time student of any age

Some family members may never qualify as dependents regardless of age, disability, or student status.

- The HOH, co-HOH, or spouse may never qualify as a dependent
- A foster child, foster adult, an unborn child, a child who has not yet joined the family, or a live-in aide may never be counted as a dependent

Custody Considerations: It is not necessary for a member of the family to have legal custody of a dependent in order to receive the Dependent Deduction. When more than one family shares custody of a child and both live in assisted housing separately, only one family at a time can claim the Dependent Deduction for that child.

D. Childcare Deduction

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

- The childcare is necessary to enable a family member to work, seek employment, or further their education (academic or vocational);
- The resident has determined there is no adult family member capable of providing the childcare during the hours childcare is needed;
- The childcare expense is not paid to a family member living in the apartment;
- The amount deducted reflects reasonable charges for childcare;
- The childcare expense is not reimbursed by an agency or individual outside the family;
- The childcare expense does not exceed the amount of employment income earned by the member that was enabled to work due to the childcare.

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E. Hardship Exemption to Continue the Childcare Deduction

Temporary Provisions - Delayed Implementation: The following Hardship Exemption change(s) will not be in effect until HOTMA is fully implemented by the Owner (previously 1/1/2025, subject to any additional HUD delays).

HOTMA Implemented: The childcare deduction hardship exemption enables eligible residents, whose eligibility for their existing childcare expense deduction is ending due to a change in circumstances, to continue receiving the childcare expense deduction even though they would otherwise be ineligible for the it.

Eligibility for Hardship Exemption to Continue the Childcare Deduction: To be eligible for the hardship exemption to continue receiving the childcare deduction, the resident must be already eligible for (as described in the applicable section above) and currently receiving the childcare expense deduction before experiencing a change in circumstances leading to their no longer being qualified for the childcare expense deduction because no family member is working, seeking employment, or furthering their education. The resident must be able to demonstrate that they are unable to pay their rent because of the loss of the childcare expense deduction and that the childcare expense deduction is still necessary even though no family member is working, seeking employment, or furthering their education.

Definition of "Financial Hardship": For the purposes of this hardship exemption, the Owner defines a financial hardship as a potential decrease in income or increase in other expenses that would result from the loss of the childcare expense and such loss would impact the resident's ability to pay the rent. Factors that are considered when determining if the resident is unable to pay their rent include determining that the resident's share of total housing costs and applicable qualified expenses exceeds 60% of the household's income and verifying that the resident has experienced unanticipated expenses. Examples of circumstances resulting in a financial hardship for this exemption include:

- A death has occurred in the family. To qualify under this provision, a resident must demonstrate how the death has impacted their ability to pay the rent and created a continued need for childcare; or
- A health/medical issue in the household. To qualify under this provision, a resident must describe how the health or medical issues have impacted their ability to pay the rent and created a continued need for childcare (e.g., a member who was previously employed and who is injured and home during rehab and childcare is still necessary during rehab, the member who was enabled to work due to the childcare had to leave their job to care for a sick family member and in order to provide this unpaid care, the resident continues to need childcare, etc.).

Applicability of Childcare Hardship Exemption: The childcare hardship exemption is a temporary hardship exemption that, if approved by the Owner, will be applied by using the resulting alternative adjusted income calculation for a period of up to 90 days. The childcare hardship exemption is available regardless of whether the eligible resident has received, qualified, and/or requested any other hardship exemptions. Availability for the childcare hardship exemption is only limited by the resident's noncompliance with the provisions of this Policy and/or as described in the Restrictions for Childcare Hardship Exemption section below.

Processing of Childcare Hardship Exemption: The childcare hardship exemption is not automatic. It must be requested and with such request the resident must show that they are unable to pay their rent because of the loss of the childcare expense deduction and it is still necessary even though no family member is working, seeking employment, or furthering their education. The Owner will not consider or approve providing this hardship exemption, unless the eligible resident:

1. Requests a childcare hardship exemption; and
2. Participates in a review meeting and provides all required information, including third-party verification of the hardship, and signatures, within ten (10) business days; and
3. Is receiving a childcare deduction on the current certification in effect at the time of the request; and
4. Has net cash value of assets for the family that is at or below the current Asset Threshold; and
5. Has a total annual income for the family that is at or below the current Extremely Low Income Limit; and
6. Has a change that, after review by the Owner, qualifies as a financial hardship; and
7. Has not provided a Notice to Vacate; and
8. Is a resident in good standing and the Owner has not indicated intent to terminate assistance and/or tenancy (eviction) for reasons other than nonpayment of rent due to the financial hardship.

Verification of Childcare Hardship Exemption: The Owner must obtain third-party verification of the household's inability to pay rent and/or of the change in circumstances resulting in the financial hardship or document the reason why third-party verification was not available, prior to the end of the 90-day period. The resident must provide all necessary information to enable the Owner to verify the need and/or eligibility for the hardship exemption, when requested.

Notification for Childcare Hardship Exemption: The Owner will review the completed hardship exemption request and determine whether the resident qualifies within thirty (30) calendar days and will notify the resident in writing within ten (10) business days of any decision made on the request. If the hardship exemption request is approved, written

notice will include details regarding the change in the determination of adjusted income and their rent resulting from the application of the hardship exemption, the dates the hardship exemption will begin and expire, and the resident's obligations for reporting any changes to the circumstances that made them eligible for the hardship exemption. If the hardship exemption request is denied, written notice will include details regarding the reason(s) for the denial the resident's right to request a meeting to discuss and/or appeal the decision within ten (10) business days of the date of the written notification of denial. If requested, the appeal meeting will be conducted by a person who was not originally involved in the decision to deny.

Restrictions for Childcare Hardship Exemption: The resident is required to notify the Owner if the circumstances that made them eligible for the childcare hardship exemption are no longer applicable. The childcare hardship exemption ends when the circumstances that made the household eligible for the exemption no longer apply and the resident can pay their rent without the childcare hardship exemption, assistance is terminated for cause, or after 90 days, whichever comes earlier. The Owner does not extend hardship exemptions beyond 90 days. The Owner does not provide more than one 90-day hardship exemption for the same circumstances or during the same recertification period. If the childcare deduction is lost because the circumstances that made the resident eligible for the temporary hardship exemption persisted beyond the maximum 90 days, the resident may request a redetermination of eligibility to begin receiving the childcare deduction again once those circumstances no longer apply. If a childcare hardship exemption ends because the resident fails to notify the Owner when eligible circumstances no longer apply prior to expiration of the 90 day period as required, fails to participate in any required meetings or provide any required documents, or the resident is found to have been intentionally fraudulent regarding any circumstances pertaining their hardship exemption request, the Owner will not consider additional requests for hardship exemption and all future requests will be denied. The Owner will provide consideration for the need for reasonable accommodation, the impact of being a survivor of a VAWA crime, limited English proficiency, and extenuating circumstances, upon request, in any/all denial situations.

F. Health and Medical Care Expense Deduction

Temporary Provisions - Delayed Implementation: The following deduction change(s) will not be in effect until HOTMA is fully implemented by the Owner (previously 1/1/2025, subject to any additional HUD delays).

HOTMA Implemented: The health and medical care expense deduction is permitted only for families in which the Head-of-Household (HOH) or co-HOH/spouse is at least 62 or older or is disabled (elderly or disabled families). If the family is eligible for a health and medical care expense deduction, the Owner must include the unreimbursed medical expenses of all family members, including the expenses of non-elderly family members (adults or children) living in the assisted apartment. The health and medical care expense deduction is that portion of total unreimbursed health and medical care expenses (as defined by HUD and previously known as medical expenses) that exceeds 10% of the family's annual income. The health and medical care expense deduction includes all qualified out-of-pocket expenses the family anticipates incurring during the 12 months following the certification effective date that are not reimbursed by an outside source. The Owner may use ongoing expenses the family paid in the 12 months preceding the certification effective date to estimate the family's anticipated expenses. In addition to anticipated ongoing expenses, past one-time nonrecurring expenses that have been paid in full may be included in the health and medical care expense deduction for current residents at IC, IR, or AR, however, they are not applicable when calculating anticipated expenses at MI.

G. Attendant Care and Auxiliary Apparatus Expense Deduction

Temporary Provisions - Delayed Implementation: The following deduction change(s) will not be in effect until HOTMA is fully implemented by the Owner (previously 1/1/2025, subject to any additional HUD delays).

HOTMA Implemented: Families are entitled to a deduction for unreimbursed, anticipated costs for attendant care and auxiliary apparatus for each family member who is a person with disabilities, to the extent these expenses are reasonable and necessary to enable any family member(s) 18 years of age or older, who may or may not be the member who is a person with disabilities, to be employed. The attendant care and auxiliary apparatus expense deduction is that portion of attendant care and auxiliary apparatus expenses (as defined by HUD and previously known as disability assistance expenses) that exceeds 10% of the family's annual income. However, the deduction may not exceed the earned income received by the family member(s) who are enabled to work by the attendant care or auxiliary apparatus. In addition to anticipated on going expenses, one-time nonrecurring expenses that have been paid in full may be included in the attendant care and auxiliary apparatus expenses deduction for current residents at IR or AR.

NOTE: If an elderly/disabled family's annual income will be reduced by including both health and medical care expenses and attendant care and auxiliary apparatus expenses, a special calculation is required to ensure that the family's 10% of income expenditure is applied only one time. Because the deduction for attendant care and auxiliary apparatus

expenses is limited by the amount earned by the person(s) enabled to work, the attendant care and auxiliary apparatus expense deduction must be calculated before the health and medical care expense deduction is calculated.

H. Hardship Exemptions to Health and Medical Expense Deduction & the Attendant Care and Auxiliary Apparatus Deduction

Temporary Provisions - Delayed Implementation: The following deduction change(s) will not be in effect until HOTMA is fully implemented by the Owner (previously 1/1/2025, subject to any additional HUD delays).

HOTMA Implemented: HUD has created two categories of Hardship Exemptions to the 10% (increased from 3%) expense threshold for deducting "qualified expenses" (unreimbursed health and medical care expenses and/or attendant care and auxiliary apparatus expenses).

1. Phased-in Relief – The Owner will implement a phased-in relief hardship exemption policy for eligible existing residents only as described below.
2. General Relief – The Owner will implement a general relief hardship exemption policy for eligible existing residents only as described below.

Category 1 – Phased-in Relief: The phased-in relief hardship exemption enables eligible residents to have their expense threshold percentage increased gradually over a 24-month period, instead of immediately increasing to HOTMA's standard 10%. This means the amount of eligible expenses included in the expense deduction that is used to calculate the resident's rent will be reduced in phases every 12 months, instead of immediately.

Schedule for Phased-in Relief: Residents who receive this phased-in relief will have eligible expenses deducted as follows:

- For the first 12 months, the expense deduction will be the amount that exceeds 5% of Annual Income.
- For the next 12 months, the expense deduction will be the amount that exceeds 7.5% of Annual Income.
- After the first 24 months, the expense deduction will be the amount that exceeds 10% of Annual Income. This will remain in effect for the resident from that point forward.

Eligibility for Phased-in Relief: Only the current residents who were receiving HUD assistance (subsidy) and who were receiving a medical expense deduction and/or the disability assistance expense deduction as part of the assistance payment calculation on their most recent income determination (MI, IC, IR, AR) that was processed by the Owner and effective in 2023 prior to January 1, 2024, are eligible to begin receiving phased-in relief. Current residents that were not receiving such an expense deduction prior to January 1, 2024 are not eligible for and will not receive phased-in relief.

Continuation of Phased-in Relief at Move-In: The Owner does not continue or provide phased-in relief at move-in for outside applicants who were receiving phased-in relief at their prior assisted housing.

Applicability of Phased-in Relief: Phased-in relief is a limited hardship exemption that is available only to eligible residents for the 24-month period immediately following each of their first AR or IR, whichever occurs first, on or after the date the Owner implements phased-in relief. Phased-in relief will no longer be available to a resident once their 24-month period ends. Phased-in relief will no longer be available to a resident if their assistance is terminated (not suspended) for cause.

Processing of Phased-in Relief: The phased-in relief hardship exemption is automatic and is required for eligible existing residents. Residents are not required to submit a hardship exemption request for phased-in relief. The Owner will track and maintain the 24-month period for each eligible resident, even if their expenses go below the appropriate phase-in percentage during the first or second 12-month phase. When phased-in relief begins at an IR, the Owner must process additional transactions at 12 and 24 months later to move the resident to the next phase, which can be either an IR, if triggered, or a non-Interim Reexamination (nIR) transaction.

Category 2 - General Relief: The general relief hardship exemption enables eligible residents to have their qualified expenses temporarily reduced by only 5% of the resident's annual income instead of the HOTMA standard 10% (and/or 7.5% if being phased-in).

Eligibility for General Relief: To be eligible for the general relief hardship exemption, the resident must meet certain qualifications including the family being eligible for an expense deduction (as described in the applicable sections above) and being able to demonstrate that their qualified expenses (unreimbursed health and medical care expenses and/or reasonable attendant care and auxiliary apparatus expenses) have increased (other than from transition to a higher threshold) or their financial hardship is a result of a change in circumstances (as defined by the Owner) that would not otherwise trigger an IR (please refer to the Owner's Interim Recertification policy for additional information regarding the changes that trigger a required IR). Residents total expense deduction, including all current, new, and/or increased qualified expenses, must exceed the minimum expense deduction percentage threshold of 5% of annual income.

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Definition of "Change in Circumstances": For the purposes of this hardship exemption, the Owner defines a change in circumstances as a decrease in income and/or increased qualified expenses that has resulted in a financial hardship but does not, on its own, trigger an IR. The Owner does not consider transitioning to a higher threshold, on its own, as an increase in qualified expenses or as an eligible change in circumstance. Examples of a change in circumstances constituting a financial hardship for this exemption include:

- The resident has lost eligibility for or is awaiting an eligibility determination for a federal, state, or local assistance program (such as a determination for Medicare, Medicaid, unemployment, or disability benefits) that would otherwise pay for some or all of the new and/or increased qualified expenses; or
- The resident has experienced significant unanticipated qualified expenses (such as large medical bills) due to health/medical issues and/or death of a family member; or
- Other circumstances as determined by the Owner.

Applicability of General Relief: General relief is a temporary hardship exemption that, if approved by the Owner, will be applied by the eligible resident receiving a deduction for the sum of the eligible expenses that exceed 5% of annual income for a period of up to 90 days. The general relief hardship exemption is available regardless of whether the eligible resident previously received an unreimbursed health and medical care expense deduction, unreimbursed reasonable attendant care and auxiliary apparatus expense deduction, is currently receiving phased-in hardship relief, or was previously eligible for and/or received either this general relief or the phased-in relief hardship exemption(s). Availability for the general relief hardship exemption is only limited by the resident's noncompliance with the provisions of this Policy and/or as described in the Restrictions for General Relief section below.

Processing of General Relief: The general relief hardship exemption is not automatic. It must be requested and with such request the resident must show that their qualified expenses have increased (other than from transition to a higher threshold) and that their financial hardship is a result of a change in circumstances. The Owner will not consider or approve providing this hardship exemption, unless the eligible resident:

1. Requests a general relief hardship exemption; and
2. Participates in a review meeting and provides all required information, including third-party verification of the hardship, and required signatures within ten (10) business days; and
3. Has net cash value of assets for the family that is at or below the current Asset Threshold; and
4. Has a total annual income for the family that is at or below the current Extremely Low Income Limit; and
5. Has a change that, after review by the Owner, when considering income, childcare, rent, and qualified expenses, would result in a TTP that exceeds 25% of the family's remaining income, but does not otherwise require an IR; and
6. Has not provided a Notice to Vacate; and
7. Is a resident in good standing and the Owner has not indicated intent to terminate assistance and/or tenancy (eviction) for reason(s) other than nonpayment of rent due to this financial hardship.

Verification of General Relief: The Owner must obtain third-party verification of the household's increased expenses and of the change in circumstances resulting in the financial hardship or document the reason why third-party verification was not available, prior to the end of the 90-day period. The resident must provide all necessary information to enable the Owner to verify the need and/or eligibility for the hardship exemption, when requested. The Owner must comply with the Health Insurance Portability and Accountability Act (HIPAA) and the Privacy Act of 1974 when requesting documentation to determine eligibility for a hardship exemption for unreimbursed health and medical care expenses. The Owner may not request documentation beyond what is sufficient to determine anticipated health and medical care and/or reasonable attendant care and auxiliary apparatus costs or if/when a change in circumstances took place.

Notification for General Relief: The Owner will review the completed hardship exemption request and determine whether the resident qualifies within thirty (30) calendar days and will notify the resident in writing within ten (10) business days of any decision made on the request. If the hardship exemption request is approved, written notice will include details regarding the change in the determination of adjusted income and their rent resulting from the application of the hardship exemption, the dates the hardship exemption will begin and expire, and the resident's obligations for reporting any changes to the circumstances that made them eligible for the hardship exemption. If the hardship exemption request is denied, written notice will include details regarding the reason(s) for the denial the resident's right to request a meeting to discuss and/or appeal the decision within ten (10) business days of the date of the written notification of denial. If requested, the appeal meeting will be conducted by a person who was not originally involved in the decision to deny.

Restrictions for General Relief: The resident is required to notify the Owner if the circumstances that made them eligible for the general relief hardship exemption are no longer applicable. If the resident reports this change in eligible circumstances in a timely manner of not more than ten (10) days, the Owner will provide the resident with 30 days advance notice of any rent increase and such rent increase will be effective the first day of the month beginning after

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the end of that 30-day notice period. If the resident does not report the change in eligible circumstances in a timely manner, the adjustment may be made retroactive to the first of the month following the date change in eligible circumstances occurred. The general relief hardship exemption ends when the circumstances that made the household eligible for the exemption no longer apply and the resident can pay their rent without the general relief hardship exemption, assistance is terminated for cause, or after 90 days, whichever comes earlier. The Owner does not extend hardship exemptions beyond 90 days. The Owner does not provide more than one 90-day hardship exemption for the same circumstances or during the same recertification period. If a general relief hardship exemption ends because the resident fails to notify the Owner when eligible circumstances no longer apply prior to expiration of the 90 day period as required, fails to participate in any required meetings or provide any required documents, or the resident is found to have been intentionally fraudulent regarding any circumstances pertaining their hardship exemption request, the Owner will not consider additional requests for hardship exemption and all future requests will be denied. The Owner will provide consideration for the need for reasonable accommodation, the impact of being a survivor of a VAWA crime, limited English proficiency, and extenuating circumstances, upon request, in any/all denial situations.

I. Rent Calculations

The Total Tenant Payment (TTP) will be calculated in compliance with HUD rules. This means that the resident will pay the greater of:

- 10% of Monthly Income; or
- 30% of Monthly Adjusted Income; or
- Welfare rent (welfare recipients in as-paid localities only); or
- The $25 minimum rent (Section 8 only).

Utility Allowances: In some cases, such as when residents are required to pay for their own utilities, HUD may provide a Utility Allowance (UA) as well. In those cases, a family' TTP may be reduced by an amount equal to the HUD approved UA to determine the monthly rent due, if any, to the Owner from the resident, which is known as the Tenant Rent (TR). Additionally, negative TR can occur if the calculated TTP is less than the UA. The Owner is required to ensure that residents pay the correct rent based on HUD's calculation requirements.

No Subsidy Due in Rent Calculation: When the rent calculation described above results in a TTP that is equal to or more than the apartment's HUD approved Gross Rent (GR), the family is ineligible to receive subsidy at this community. In these cases, current residents will have their Section 8 assistance terminated requiring them to pay the HUD approved Contract Rent until such time that their income changes and/or the calculation results in them being eligible to receive available subsidy again (TTP is less than the apartment's HUD approved GR) and outside applicants will be denied admission.

J. Hardship Exemption to Section 8 Minimum Rent

The Owner, may, at the Owner's discretion, grant a hardship exemption waiving a family's requirement to pay the Section 8 Minimum Rent (S8MR). The Owner will not consider or approve providing a S8MR hardship exemption, unless the eligible resident:

1. Requests a Section 8 minimum rent hardship exemption; and
2. Participates in a review meeting, provides all required information, including third-party verification of the hardship, and signatures within ten (10) business days; and
3. Has net cash value of assets for the family that is at or below the current Asset Threshold; and
4. Has a total annual income for the family that is at or below the current Extremely Low Income Limit; and
5. Has not provided a Notice to Vacate; and
6. Is a resident in good standing and the Owner has not indicated intent to terminate assistance and/or tenancy (eviction) for reasons other than nonpayment of rent due to this financial hardship; and
7. Agrees to participate and participates in a review meeting at least every 90 days or upon request by the Owner.

Financial Hardship Circumstances: The Owner must waive the S8MR for any family unable to pay due to a long-term financial hardship due to the following circumstances:

- The resident has lost federal, state, or local government assistance or is waiting for an eligibility determination
- The resident would be evicted if the minimum rent requirement was imposed
- The family's total annual income has decreased due to a change in circumstances, including but not limited to loss of employment
- A death in the family has occurred
- Other applicable situations, as determined by HUD, have occurred

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Implementing an Exemption Request: When a resident requests a S8MR hardship exemption, the Owner must waive the minimum $25 rent charge beginning the month immediately following the request and implement the TTP calculated at the higher of 30% of adjusted monthly income or 10% of gross monthly income (or the welfare rent). The TR will not be reduced to zero unless those calculations all result in zero.

Determination of Exemption Request: The Owner may request reasonable documentation of the hardship in order to determine whether there is a hardship and whether it is temporary or long term. The Owner will make a determination within one (1) week of receiving the documentation.

1. If the Owner determines there is no financial hardship, as covered by the statute, the Owner must immediately reinstate the S8MR requirements. The resident is responsible for paying any S8MR that was not paid, from the date minimum rent was suspended. The Owner may not evict the resident for nonpayment of rent during the time in which the Owner was making the determination. A reasonable repayment agreement for any back payment of rent will be created.
2. If the Owner determines that the financial hardship is temporary, the Owner may not reinstate the S8MR requirement until 90 days after the effective date of the certification granting the S8MR hardship exemption. At the end of the 90-day period, the resident is responsible for paying the S8MR, retroactive to the initial date of the suspension. The Owner may not evict the resident for nonpayment of rent during the time in which the Owner was making the determination or during the 90-day suspension period. A reasonable repayment agreement for any back payment of rent will be created.
3. If the Owner determines that the financial hardship is long term, the Owner will exempt the resident from the S8MR requirement starting with the effective date of the certification granting the Section 8 minimum rent hardship exemption. The S8MR hardship exemption may be effective until such time that the hardship no longer exists. The Owner must meet with and recertify the resident every 90 days while the suspension lasts to verify that circumstances have not changed. The resident is required to immediately notify the Owner if the circumstances that made them eligible for the S8MR hardship exemption are no longer applicable. The length of the S8MR hardship exemption may vary from one resident to another depending on the circumstances of each resident. The Owner must maintain documentation on all requests and determinations regarding S8MR hardship exemptions.

XXIV. Errors in Income Determinations

Temporary Provisions - Delayed Implementation: The following De Minimis Errors *change(s) will not be in effect until HOTMA is fully implemented by the Owner (previously 1/1/2025, subject to any additional HUD delays).

HOTMA Implemented: In general, residents are required to pay back any overpaid subsidy that is owed as a result of their own errors during the calculation of income and rent and residents are not required to pay back any overpaid subsidy that is owed as a result of the Owner's errors during the calculation of income and rent.

***De Minimis Errors:** De minimis errors occur when a determination of a household's income is different from the correct income determination by no more than the current De Minimis Threshold (subject to annual adjustment by HUD).

Errors Caused by Owner or Software: Once the Owner becomes aware of the existence of an income calculation error, including de minimis errors, the error(s) will be corrected retroactive to the effective date of the action resulting in an error regardless of the dollar amount associated with the error(s). The resident will not be required to repay the Owner in instances where the Owner miscalculated income resulting in a resident being undercharged for rent. Once the corrections have been made, the resident will be provided with a 30-day notice of the increase to their rent portion. The Owner will take corrective action to credit or repay a resident if the resident was overcharged tenant rent due to the error, including de minimis errors, in the income determination. The Owner will:

- Request a meeting with the resident to discuss the error(s)
- Prepare corrections and/or new certifications that must be signed by all adult family members
- Provide the resident with written notification that includes the change in rent and the change's effective date retroactive to the date the error occurred, the new monthly rent the resident is required to pay and when it's effective, as well as the amount of the overpayment of rent due to them
- Provide refund for overpayment of rent to the resident within ten (10) days of correcting the error(s)

Errors Caused by Resident: If an Owner suspects that a resident has inaccurately supplied or misrepresented information that affects their rent or eligibility, the Owner must investigate and document the resident file. If the resident meets with the Owner to discuss the error, and the Owner is convinced the submissions were correct, the Owner will document the file accordingly and close the investigation. If, after meeting with the resident, the Owner determines that the provision of inaccurate information was an unintentional program violation, the Owner will correct the rent calculation(s), if applicable, and provide the resident with notice of the change in rent. If the resident received an

improper payment (of subsidy), the resident will be required to return the overpaid subsidy to HUD, in compliance with the HUD lease. If the resident is unable to repay the full amount of the improper payment, the Owner and resident may enter into a subsidy repayment agreement.

- If, after the income adjustment, the resident no longer qualifies for subsidy, the Owner will terminate resident's assistance in accordance with program requirements, but the resident may remain in their apartment subject to them making subsidy repayments and paying the HUD approved Contract Rent.
- The Owner may terminate tenancy if the resident refuses to pay any new monthly rent or refuses to repay the previously overpaid subsidy (improper payment) pursuant to any repayment agreement.
- The Owner may terminate tenancy if the resident refuses to enter into a repayment agreement, if such an option is offered.

If the Owner determines the resident knowingly provided inaccurate or incomplete information, and this can be substantiated through documentation, the Owner may pursue the incident as fraud. If any adult member of the assisted family fails to meet with the Owner as requested, the Owner will initiate termination of tenancy (eviction) in compliance with HUD's guidance.