



**Section 8  
Project-Based Rental  
Assistance Multifamily Housing  
Program**

**Tenant Selection and  
Continued Occupancy  
Plan For  
Pine Ridge Marquette, LDHALP  
PROPERTY OWNER**

**Marquette Housing Commission  
(MHC)  
MANAGEMENT AGENT**

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## **PINE RIDGE MARQUETTE LDHALP TENANT SELECTION PLAN OVERVIEW**

Pine Ridge Marquette (PRM) is located in historical east Marquette. It is within walking distance of downtown, restaurants, shopping, Mattson Lower Harbor Park, Northern Michigan University, UP Health Systems-Marquette and the beautiful beaches and views of Lake Superior. Pine Ridge offers one hundred-forty (140) apartments consisting of one hundred-thirty-five (135) one bedrooms and five (5) two bedrooms. Two two-bedroom and five one-bedroom apartments are barrier free. All utilities and several amenities are included in these newly renovated apartments.

Pine Ridge Marquette is an affordable housing community which combines Section 8 Project Based Rental Assistance (PBRA) program administered through the HUD Multifamily Housing Division and the Michigan State Housing Development Authority Low Income Housing Tax Credit (LIHTC) and HOME program. Tenant rent is based upon 30% of the adjusted gross income.

In 2020, the property was converted under the HUD Rental Assistance Demonstration (RAD) program to its current Section 8 PBRA/LIHTC status. The property has been designated as a family development without regard to race, color, religion, disability, familial status, national origin or gender. Pine Ridge Marquette 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 project is contracted with the U.S. Dept. of Housing and Urban Development, Multifamily Housing Division with a HAP contract for Section 8 PBRA through which funds and unit subsidy is provided to sustain required operations.

The procedures contained in the Tenant Selection Plan have been established in accordance with compliance with the Department of Housing and Urban Development (HUD) Handbook 4350.3, REV-1, Change 4, as amended, and all other applicable federal statutes and regulations.

## SECTION I THE PURPOSE OF THE TENANT SELECTION PLAN

The Tenant selection plan helps to ensure that Tenants are selected for and maintain occupancy in accordance with HUD program and project eligibility requirements and established management screening policies.

### **Availability of Assistance for Persons with Limited English Proficiency**

Executive Order 13166, "Improving Access to Services for Persons with Limited English Proficiency LEP)" requires the Owner/Agent (O/A) to develop and implement a system to provide housing assistance so persons with Limited English Proficiency (LEP) can have meaningful access to assisted housing opportunities. The O/A will provide for such meaningful access consistent with, and without unduly burdening the fundamental mission of the property. The O/A will work to ensure that people who apply for and/or qualify for housing assistance are provided meaningful access to HUD's housing assistance program.

- Please contact the management office if you need help understanding this document.
- Contacte por favor la oficina de gestión si usted necesita ayuda a comprender este documento. (Spanish)
- Por favor contate o escritório de gerência se deve ajudar entendimento este documento. (Portuguese)
- Si vous avez besoin d'aide à la compréhension de ce document, veuillez communiquer avec le Bureau de gestion. (French)
- Souple kontakte Biwo jesyon a si w bezwen èd pou konprann dokiman sa a. (Haitian Creole)
- Xin liên lạc với văn phòng điều hành nếu bạn cần giúp đỡ sự hiểu biết tài liệu này. (Vietnamese)
- Пожалуйста свяжитесь с офисом управления, если Вам нужна помощь в понимании этого документа. (Russian)
- Bitte kontaktieren Sie das Leitungsbüro, wenn Sie helfen müssen, dieses Dokument zu verstehen. (German)
- 請聯絡管理辦公室，如果你需要幫助理解這份文件。(Chinese)
- もしこの文書を理解しているための助けを必要としていれば、経営オフィスと連絡を取ってください。(Japanese)

## SECTION II ACCESSIBILITY AND PLAIN LANGUAGE

- A. Facilities and programs used by Tenants will be accessible to a person in a wheelchair. Application and management offices, hearing rooms, and community center, etc. (to the extent that Pine Ridge Marquette has such facilities) will be usable by Tenants with a full range of disabilities. To the extent that Pine Ridge Marquette offers such facilities, if none is already accessible, some will be made so, subject to the undue financial and administrative burden test. It is not required that all public and common areas be made accessible so long as persons with disabilities have full access to all the types of facilities and activities available to persons without disabilities. Thus, not all laundry facilities need to be accessible so long as there are sufficient accessible laundry facilities for use by persons with disabilities at each development that provides laundry facilities.
- B. Documents used by applicants and Tenants will be accessible for those with vision or hearing impairments. Also, all documents will be written simply and clearly to enable applicants with learning or cognitive disabilities to understand as much as possible. Unless prohibited by local law, documents may be translated into languages other than English. (24 CFR § 5.505 requires that any notice or document relative to citizen or eligible immigration status, where feasible, be provided to an applicant or tenant in a language that is understood by the individual if the individual is not proficient in English. In general, documents will be translated when there are sufficient numbers of applicants or Tenants speaking a language to warrant the expense).
- C. Pine Ridge Marquette will present examples to help applicants and Tenants understand eligibility, rent computation, applicant screening, reasonable accommodations, and lease compliance. In writing materials for applicants and Tenants, property management staff will be prepared to explain rules and benefits verbally, as often as may be needed, because some disabilities may affect an applicant's ability to read or understand.
- D. When Pine Ridge Marquette has initial contact with the applicant, property management staff will ask whether the applicant requires an alternate form of communication. Examples of alternative

forms of communication might include, but are not limited to: a qualified sign language interpreter provided for and paid for by Pine Ridge Marquette; having written materials explained orally by staff either in person or by telephone; provision of written materials in large/bold font; information on audio media; permitting applicants to file applications by mail; and, permitting alternative sites for the receipt of applications. In addition, Pine Ridge Marquette's obligation to provide alternative forms of communication to persons with disabilities does not preclude an individual's right to have a friend, relative or advocate accompany him/her for purposes of conducting business with Pine Ridge Marquette.

- E. Pine Ridge Marquette acknowledges that some applicants may have limited ability to read and/or comprehend written documents. Therefore, intake staff must be prepared to read and explain anything that they would normally provide to an applicant to be read or filled out by these applicants. Pine Ridge Marquette is required to take reasonable steps to ensure meaningful access to their programs and activities by limited English proficient (LEP) persons. Sources for several foreign language interpreters have been identified and can be made available. Applicants who have limited English speaking or interpretation skills may also furnish a foreign language interpreter (at their cost if applicable) who can interpret and explain what is going on. Applicants who are hearing impaired will have a sign language interpreter and/or braille documents provided.
- F. At a minimum, Pine Ridge Marquette will prepare information to be used by applicants and Tenants in plain-language accessible formats.

### **SECTION III                      NONDISCRIMINATION POLICIES**

#### **A. Fair Housing**

The O/A will not discriminate in any of the following ways:

1. Deny to any household the opportunity to apply for housing, nor deny to any eligible applicant the opportunity to lease housing suitable to its needs;
2. Provide housing which is different than that provided to others;
3. Subject a person to segregation or disparate treatment;
4. Restrict a person's access to any benefit enjoyed by others in the housing program;
5. Treat a person differently in determining eligibility or other requirements for admission;
6. Deny a person access to the same level of services; or
7. Deny a person the opportunity to participate in a planning or advisory group which is an integral part of the housing program.

The Fair Housing Act prohibits discrimination in housing and housing related transactions based on race, color, national origin, religion, sex, familial status, or disability. All previously listed protected classes apply all non-citizens. In addition, the State of Michigan added the protected classes of age, height and weight to the Elliott-Larsen Civil Rights Act in 1977.

#### **B. Title VI of The Civil Rights Act Of 1964**

The O/A complies with Title VI of the Civil Rights Act of 1964 which prohibits discrimination based on race, color, or national origin in any program or activity receiving federal financial assistance from HUD.

#### **C. Section 504 Of the Rehabilitation Act Of 1973**

The O/A complies with Section 504 of the Rehabilitation Act of 1973 which prohibits discrimination, based on the presence of a disability in all programs or activities operated by recipients of federal financial assistance. Although Section 504 protections often overlap with the disability discrimination prohibitions included in the Fair Housing Act, Section 504 differs in that it imposes broader affirmative obligations to make their programs, as a whole, accessible to persons with disabilities.

##### **1. Coordinating Efforts to Comply with Section 504 Requirements**

The O/A has designated a person to address questions or requests regarding the specific needs of Tenants and applicants with disabilities. This person is referred to as the Section 504

Coordinator and can be contacted at:

Name of Section 504 Coordinator: Executive Director

Address: 316 Pine Street, Marquette, MI 49855

Phone Number: 906-226-7559

2. Requests for Reasonable Accommodation or Modification

In accordance with the Fair Housing Act and Section 504 of the Rehabilitation Act, the O/A will make reasonable accommodations or modifications for individuals with disabilities (applicants or Tenants) unless these modifications would change the fundamental nature of the housing program or result in undue financial and administrative burden.

**D. Privacy Protections**

The O/A will guard the privacy of individuals conferred by the Federal Privacy Act of 1974 and to ensure the protection of such individuals' records maintained by the O/A. Neither the property O/A nor its agents shall disclose any personal information contained in its records to any person or agency, other than HUD, its Contract Administrators or other federal/state entity or investor auditing entities, unless the individual about whom information is requested gives written consent to such disclosure. Such consent may be provided in an equally effective manner, as a reasonable accommodation, when there is the presence of a disability. This Privacy Protection in no way limits the O/A's ability to collect such information to determine eligibility, compute rent, or determine an applicant's suitability for tenancy.

**E. The Violence Against Women Reauthorization Act Of 2019**

The O/A understands that, regardless of whether state or local laws protect victims of domestic violence, dating violence, sexual assault or stalking, people who have been victims of violence have certain protections provided through the Violence Against Women Reauthorization Act (VAWA) of 2019. If any applicant wishes to exercise the protections provided in the VAWA 2019, he/she should contact the O/A immediately. The O/A will not assume that any act is a result of abuse covered under the VAWA 2019. In order to receive the protections outlined in the VAWA 2019, the applicant/tenant must specify that he/she wishes to exercise these protections. The O/A will provide an individual with a copy of the VAWA Policy upon request.

**New VAWA Language**

**Nonretaliation**

The O/A will not discriminate against any person because that person has opposed any act or practice made unlawful by the Violence Against Women Act or because that person testified, assisted, or participated in any matter related to the Violence Against Women Act or a VAWA crime.

**Noncoercion**

The O/A shall not coerce, intimidate, threaten, or interfere with, or retaliate against, any person in the exercise or enjoyment of, on account of the person having exercised or enjoyed, or on account of the person having aided or encouraged any other person in the exercise or enjoyment of, any rights or protections under the Violence Against Women Act including:

1. Intimidating or threatening any person because that person is assisting or encouraging a person entitled to claim the rights or protections under the Violence Against Women Act.
2. Retaliating against any person because that person has participated in any investigation or action to enforce the Violence Against Women Act.

**Protection to Report Crimes from Home**

O/As, tenants, occupants, service providers, guests and applicants:

1. 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
2. Shall not be penalized based on their requests for assistance or based on criminal activity of which they are a victim or otherwise not at fault under statutes, ordinances, regulations, or policies adopted or enforced by covered governmental entities. Prohibited penalties include:
  - a. Actual or threatened assessment of monetary or criminal penalties, fines, or fees.

- b. Actual or threatened eviction.
- c. Actual or threatened refusal to rent or renew tenancy.
- d. Actual or threatened refusal to issue occupancy permit or landlord permit.
- e. Actual or threatened closure of the property, or designation of the property as a nuisance or a similarly negative designation.

**F. The Equal Access Rule**

The O/A ensures that HUD's core housing programs are open to all eligible persons regardless of sexual orientation, gender identity or marital status in accordance with The Equal Access Rule.

**G. Reasonable Accommodation Request Policies**

1. Under Title II of the Americans with Disabilities Act, Pine Ridge Marquette must provide a reasonable accommodation if requested by a disabled person. A reasonable accommodation is not a special treatment or undue advantage for a person with a disability, but rather an accommodation that allows a disabled person to access and take full advantage of the housing program.
2. Pine Ridge Marquette will make every reasonable effort to provide reasonable accommodations for individuals with verifiable disabilities and disability-related needs. However, reasonable accommodation requests must not:
  - (a) Be of such a nature as to fundamentally alter the housing program as a whole;
  - (b) Create an undue financial or administrative burden to Pine Ridge Marquette; or
  - (c) Be unrelated to the general accessibility needs of the requesting individual.
3. Individuals wishing to receive a reasonable accommodation must follow the procedures outlined in the Reasonable Accommodation Policy and Reasonable Accommodation Procedures. The owner/agent will provide an individual with a copy of these documents upon request.

**SECTION IV RULES OF CONDUCT**

The relationship between a landlord/O/A and a Tenant or applicant is a business relationship. A courteous and businesslike attitude is required from both parties. The O/A reserves the right to refuse to conduct business with anyone who is verbally abusive, swears, is disrespectful, makes threats, uses discriminatory language, appears to be intoxicated or under the influence of alcohol or drugs, is argumentative, or in general displays an attitude, at any time, which causes the O/A or the property staff to believe we would not have a positive business relationship.

If an applicant or any member of the applicant's family demonstrates unprofessional behavior in the presence of the management team or other Tenants/applicants, the applicant, the applicant's family and other members of the applicant's party (if applicable) will be required to leave the property and will be asked to reschedule their meeting with the management team for a time when they can demonstrate more professional behavior. If the applicant or any member of the applicant's family exhibits threatening behavior, appears to be intoxicated or under the influence of alcohol or illegal drugs, or attempts to intimidate the staff, the applicant, the applicant's family and other members of the applicant's entourage (if applicable) will be required to leave the property and the application will be rejected.

To ensure privacy in any of Pine Ridge Marquette management offices, staff, housing, tenants and applicants are asked to refrain from the use of cell phones or other electronic devices, except those necessary to alleviate the symptoms of a disability, by Tenants or applicants.

Assistance Animals are always welcome in the management offices. Pets are also welcome and must always be fully under the owner's control and on a leash or in a crate.

No staff member of Pine Ridge Marquette is permitted to accept any money, gifts, services or favors connected with the application process, criminal or credit checks, eligibility determination, apartment selection, or associated with any aspect of residency on this property. If property staff solicits any mandatory payment for any part of the application process, the applicant should notify the Executive Director at (906)226-7559.

## **Smoke Free Housing**

Smoking is prohibited in any indoor area, both private and common and includes leased Tenant units. Smoking is also prohibited within 20 feet of any common area, community building, administrative office, or playground.

This policy applies to all O/As, property staff, applicants, Tenants, guests, and service persons. “Smoking” shall include the inhaling, exhaling, or carrying of any lighted cigarette, cigar, pipe, hookah, other tobacco products, marijuana including medical marijuana, herbal smoking products “Legal Weed” or products known as “bath salts” or other legal or illegal substances.

## **SECTION V PROGRAM SUBSIDY AND LIMITATIONS**

### **A. Subsidy**

The property is a Low-Income Housing Tax Credit (LIHTC) program with HUD Project-Based Rental Assistance (PBRA) and Home subsidy.

Tenants at this property are offered subsidized rent. This means the rent that a household pays is based on the household income. The family will pay 30% of their adjusted household income, 10% of their gross household income or \$25 – whichever is higher OR the contract rent, LIHTC maximum rent or the fair market rent, based on the apartment-designated AMI. The Federal Government subsidizes the balance of the contract rent. The rent amounts paid by Tenants may vary.

### **LIMITATIONS**

### **B. Tenant-Based Vouchers**

The O/A may not admit an applicant with a tenant-based voucher to a unit with Project-Based Rental Assistance unless the applicant agrees to give up the voucher prior to occupancy. This will be verified with the former housing provider.

Please note that housing assistance provided through HUD’s multi-family housing program is not the same as the housing assistance provided through the voucher program. If any family member moves out, the housing subsidy will not move with the family as it does with a voucher.

### **C. Assisted Living**

This is not an assisted living property. The O/A and property staff do not provide, nor have the authority to provide, any personal care or personal supervision services. All care and supervision services must be provided by the Tenant or aides supervised by the Tenant or the Tenant’s representative(s). The O/A and property staff do not provide assistance with personal activities or daily living.

## **SECTION VI ELIGIBILITY REQUIREMENTS**

### **A. Property Eligibility Definition**

#### **1. Household/Tenant Type**

This multi-family PBRA / LIHTC property is designed to provide housing to families who meet the eligibility and screening requirements. Family includes, but is not limited to, the following, regardless of actual or perceived sexual orientation, gender identity, or marital status:

- (1) A single person, who may be: (i) An elderly person, displaced person, disabled person, near-elderly person, or any other single person;
- (ii) An otherwise eligible youth who has attained at least 18 years of age and not more than 24 years of age and who has left foster care, or will leave foster care within 90 days, in accordance with a transition plan described in section 475(5)(H) of the Social Security Act (42 U.S.C. 675(5)(H)), and is homeless or is at risk of becoming homeless at age 16 or older; or
- (2) A group of persons residing together, and such group includes, but is not limited to:
  - (i) A family with or without children (a child who is temporarily away from the home because of placement in foster care is considered a member of the family);
  - (ii) An elderly family;
  - (iii) A near-elderly family;
  - (iv) A disabled family;
  - (v) A displaced family; and
  - (vi) The remaining member of a tenant family.



Foster child - A member of the household who meets the definition of a foster child under State law. In general, a foster child is placed with the family by an authorized placement agency (e.g., public child welfare agency) or by judgment, decree, or other order of any court of competent jurisdiction.

Dependent - A member of the family (which excludes foster children and foster adults) other than the family head or spouse who is under 18 years of age, or is a person with a disability, or is a full-time student.

Minor - A member of the family, other than the head of family or spouse, who is under 18 years of age.

1. Income Limits

Income limits vary by program type (PBRA or LIHTC) and are based on family size and the annual income the family receives. Income limits are updated and published annually on or about April. The O/A will provide applicants a copy of the income limits for the property area upon request. In addition, applicants can review the income limits by accessing the following web sites: <https://www.novoco.com/resource-centers/affordable-housing-tax-credits/rent-income-limit-calculator>, <http://www.huduser.org/datasets/il.html> or [www.mqthc.org](http://www.mqthc.org)

HUD requires that property managers incorporate the most recently published income limits when determining eligibility. The IRS “hold harmless” rule states that if the income limits go down, the property can maintain the highest level of income limits in effect after the property was placed in service with tax credits.

This property is a layered property with all units required to meet both the PBRA and LIHTC income limit requirements. Both income limits are based off a percentage of the median family income for **Marquette County, MI**. If the LIHTC income limit is lower, by default it becomes the effective income limit for the property” to PBRA eligibility and income-targeting requirements must be satisfied before LIHTC program limits or set-asides are applied. LIHTC limits may not override PBRA eligibility sequencing.

2. Occupancy Standards

Occupancy standards serve to prevent the over-utilization or under-utilization of units that can result in an inefficient use of housing funding. Occupancy standards also ensure that Tenants are treated fairly and consistently and receive adequate housing space. Below, please find this property’s occupancy standards description:

| Number of Bedrooms | Minimum Persons Per Unit | Maximum Persons Per Unit |
|--------------------|--------------------------|--------------------------|
| 1                  | 1                        | 2                        |
| 2                  | 2                        | 4                        |

- Generally, there is a maximum of two people per bedroom. The O/A does not determine who shares a bedroom;
- The family is given the choice of which bedroom size is appropriate for their household, as long as the number of household members is within the range listed in the chart above;
- Once the household has selected an eligible bedroom size, they will be placed on the waiting list for that bedroom size. Changes to the bedroom size cannot be made unless a qualifying event occurs. Qualifying events include:
  - Changes in the family composition (removing or adding household members) which result in the family no longer being eligible for the chosen bedroom size;
  - Changes in the ages of the children, resulting in two children of the opposite sex, with one at least seven (7) years of age. These children will not be required to share a bedroom;
  - Changes in family composition adding persons of different generations (grandparent, grandchild, parent, etc.). These family members will not be required to share a bedroom; or
  - Need for a different bedroom size as a reasonable accommodation for a disability.

- (d) Authorized live-in aides will be allocated a separate bedroom. No additional bedrooms will be provided for the live-in aide's family;
  - 1) Live-in aides: A person who resides with one or more 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 unit except to provide the necessary supportive services; and
  - 2) The live-in aide qualifies for occupancy only as long as the individual needing supportive services requires the aide's services and remains a tenant, and **MAY NOT** qualify for continued occupancy as remaining family member. Management will use the HUD approved Lease Addendum to deny/evict from occupancy, any person(s) who are no longer eligible to reside in the unit.
- (e) Anticipated children will be included. Anticipated children include:
  - 1) Children expected to be born to a pregnant woman;
  - 2) Children in process of being adopted by an adult family member;
  - 3) Children whose custody is being obtained by an adult family member;
  - 4) Foster children who will reside in the unit;
  - 5) Children who are temporarily in a foster home who will return to the family; and
  - 6) Children in joint custody arrangements who are present in the household 50% or more of the time.
- (f) The following principles govern the size of unit for which a family will qualify. Generally, two people are expected to share each bedroom, except that units will be so assigned that:
  - 1) It will not be necessary for persons of different generations or opposite sex, other than husband and wife, to occupy the same bedroom, although they may do so at the request of the family;
  - 2) Exceptions to the largest permissible unit size may be made in case of reasonable accommodations for a person with disabilities;
  - 3) Two children of the opposite sex will not be required to share a bedroom, although they may do so at the request of the family;
  - 4) An unborn child will be counted as a person in determining unit size. A single pregnant woman shall not be required to share a bedroom with her child once it is born, although she may request to do so;
  - 5) In determining unit size, management will count a child who is temporarily away from the home because the child has been placed in foster care, kinship care, or is away at school;
  - 6) A single head of household parent shall not be required to share a bedroom with his/her child, although they may do so at the request of the family;
  - 7) A live-in aide may be assigned a bedroom. Single elderly or disabled Tenants with live-in attendants will be assigned one- or two-bedroom units; and
- (g) The largest unit size that a family may be offered would provide no more than one bedroom per family member, considering family size and composition;
- (h) When a family applies for housing and when the waiting list is updated, some families will qualify for more than one-unit size. These applicants will choose the waiting sub-list where they wish to receive a unit offer. Based on the family's choice, they will be placed on the appropriate waiting sub-list by unit size;
- (i) If a family opts for a smaller unit size than would normally be assigned under the largest unit size standard (because, for example, the list is moving faster), the family will be required to sign a statement agreeing to occupy the unit assigned at their request until their family size or circumstances change;
- (j) When a family is actually offered a unit, if they no longer qualify for the unit size where they were sub-listed, they will be moved to the appropriate sub-list, retaining their preferences and date and time of application. This may mean that they may have to wait longer for a unit offer;

- (k) While the family is on the waiting list, management shall change the family's sub-list at any time at the family's request;
  - (l) If there are no families on the waiting list for a larger size, smaller families may be housed if they sign a release form stating they will transfer (at the family's own expense) to the appropriate size unit when an eligible family needing the larger unit applies. The family transferring will be given a 30-day notice before being required to move and a period of five days to complete the move;
  - (m) Larger units may be offered in order to improve the marketing of a development suffering a high vacancy rate;
  - (n) A household that contains a family member (not the head of household or spouse) who is enrolled as a full-time student at an institution of higher learning and who is on the lease will be counted for the purposes of establishing occupancy standards for the unit size if:
    - 1) the family member is enrolled and actively attending a two-year or four-year college or university; and
    - 2) the family member resides in the public housing unit during school breaks and holidays.
  - (o) Any household placed in a unit size different from that defined in these Occupancy Standards shall agree to transfer to an appropriate size unit at the same property when one becomes available. Once an appropriate size unit is offered to the family, they have 30 days to complete the transfer or lose their subsidy.
3. Verifying the Need for an Accessible Unit  
 When an applicant requests an accessible unit or a unit preference, such as a first-floor unit, the O/A will conduct inquiries to:
- (a) Verify that the applicant is qualified for the unit, which is only available to persons with a disability or to persons with a particular type of disability;
  - (b) Verify that the applicant needs the features of the unit as an accommodation to his or her disability; and
  - (c) Verify that the applicant is qualified to receive a priority on the waiting list available to persons with a disability or to persons with a particular type of disability.
  - (d) If the disability it is not apparent, Pine Ridge Marquette will send documentation to be completed by the applicant's physician, psychiatrist, social worker, or other mental health professional that the individual has a verified disability and that the requested accommodation is needed due to the disability.

## **B. Program Eligibility**

### **1. Eligibility Standards**

Based on federal regulations, the O/A may admit only eligible applicants. In the selection of applicants for admission, eligibility criteria have been established in accordance with HUD guidelines. The following eligibility standards will be applied in accordance with HUD requirements:

- (a) The household's annual income must not exceed program income limits at move-in;
- (b) Own net family assets that exceed \$103,000 as of January 1, 2025 (adjusted annually for inflation) and/or real property that is suitable for occupancy. A family will not be denied PBRA eligibility when they lack effective legal authority to sell, occupy, or benefit from real property. Exceptions include joint ownership without consent, probate or litigation, court-restricted property, tribal trust land, property listed for sale, unsafe units, disability-unsuitable units, or units inaccessible due to domestic violence.
- (c) The Head-of-Household (HOH), co-Head-of-Household and the spouse (regardless of age) and all adults (18 years of age and over) in each household must sign an Authorization for Release of Information (HUD Forms 9887 and 9887A) and O/A created verification documents prior to receiving assistance (See Consent and Verification forms section for more information);
- (d) The unit for which the household is applying must be the household's only residence;
- (e) An applicant must agree to pay the rent required by the program under which the applicant will receive assistance;

- (f) Only U.S. citizens or eligible non-citizens may receive assistance;
  - (g) Applicants who claim eligible status must disclose Social Security Numbers for all household members and provide proof of the numbers reported (See additional information below);
  - (h) The household size must be appropriate for the available apartments (See Occupancy Standards); and
  - (i) All information reported by the household is subject to verification.
2. Disclosure and Verification of Social Security Numbers (SSN)  
All household members receiving HUD housing assistance or applying to receive HUD housing assistance are required to provide an 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. Adequate documentation includes a Social Security card issued by the Social Security Administration (SSA) or other acceptable evidence of the SSN such as:

- Original Social Security card;
- Driver's license with SSN;
- Identification card issued by a federal, State, or local agency, a medical insurance provider, or an employer or trade union;
- 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 O/A. The O/A may 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 is available and if verifying an individual's SSN using this method, the O/A must document why the other SSN documentation was not available. If the tenant's SSN becomes verified in EIV, then no further verification is required. If the tenant's SSN fails the SSA identity match, then the O/A 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 tenant family's assistance must be terminated if they fail to provide the required documentation.

3. Exceptions to Disclosure of Social Security Number (SSN) The SSN requirements do not apply to:
1. Individuals age 62 or older as of January 31, 2010, whose initial determination of eligibility was begun before January 31, 2010.
  2. Individuals who do not contend eligible immigration status.
  3. A child under the age of 6 years 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 days may be granted under certain circumstances. If the household does not provide the SSN and adequate documentation to verify the SSN within the prescribed timeframe, HUD requires that the O/A terminate tenancy.
  4. A minor under the age of 6 years 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 days may be granted under

certain circumstances. If the household does not provide SSN and adequate documentation to verify the SSN within the prescribed timeframe, HUD requires that the O/A 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.

If, at the time a unit becomes available, all non-exempt household members have not provided adequate documentation necessary to verify SSN, the next eligible applicant family must be offered the available unit.

All non-exempt household members have ninety (90) days-from the date they are first notified that a unit is available-to provide documentation necessary to verify the SSN. 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.

If, after ninety (90) days, the applicant family is unable to disclose/verify the SSN of all non-exempt household members, the household will be determined ineligible and removed from the waiting list.

The applicant family may apply again, after obtaining the appropriate documentation. The applicant family will be placed on the waiting list based on the date and time the **new** Pre-Application or Application is received.

Secondary Verification of the Social Security Number (SSN)

The SSN provided will be compared to the information recorded in the Social Security Administration database through HUD's Enterprise Income Verification System (EIV) to ensure that the SSN, birth date 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/tenant deliberately provides an inaccurate SSN, the O/A and/or HUD may pursue additional penalties due to attempted fraud (See Errors Caused by a Member of the Tenant Family section for more information).

4. Citizenship and Immigration Requirements

By law, only U.S. citizens and eligible noncitizens (a non-citizen who has eligible immigration status under one of the categories set forth in Section 214 of the Housing and Community Development Act of 1980 (see 42 U.S.C. 1436a(a)) may benefit from federal rental assistance. Applicants are required to declare U.S. citizenship or submit evidence of eligible immigration status for each household member seeking housing assistance. The O/A is required to obtain the following during the initial eligibility determination and prior to move-in:

- (a) Family Composition List (lists all household members who will reside in the assisted unit);
- (b) Citizenship Declaration - Each household member listed on the Family Composition List must complete a declaration of citizen or non-citizen status; and
- (c) Forms and/or evidence of citizen/immigration status as required by HUD.
- (d) O/A receives completion of the Verification with the Systematic Alien Verification for Entitlements (SAVE) through the U.S. Department of Homeland Security (DHS).
- (e) O/A will provide reasonable time for completion of the DHS appeal process provided in accordance with HUD regulations, if applicable and
- (f) O/A will provide an opportunity for informal meeting in accordance with HUD regulations, if applicable.

- (g) If the family is determined eligible, they will return to the waiting list as of the date their application was received.

If any applicant has questions or experiences difficulty providing the described information or determining the type of documentation required, the applicant should contact the management office. If any applicant is unable to provide the required documentation in the timeframe indicated by O/A, the applicant must contact the management office to request an extension, not to exceed 30 days. If any applicant fails to provide this information in the timeframes described, the O/A cannot provide assistance and the application will be rejected. HOTMA allows DHS SAVE and alternative immigration documentation when standard forms are unavailable, consistent with HUD verification protocols.

The O/A will offer the household assistance, providing subsidy to those eligible household members whose documents were received on time and verified by DHS/SAVE, when the following criteria is met:

- (a) At least one member of the household has submitted the required documentation in a timely manner and has been determined to be eligible based on all of the criteria in this Tenant Selection Plan;
- (b) Assistance/unit is available; and
- (c) The household is the next household to be selected from the waiting list.

As part of the annual or interim recertification process, the Property Manager must determine the citizenship/immigration status of tenants from whom the owner has not previously collected the proper documentation or whose documentation suggested that their status was likely to change. If the status of a family member in a mixed family changes from ineligible to eligible, the family may request an interim recertification.

Proof of declared citizenship status must be provided for all household members. Members who claim U.S. citizenship can provide any documents approved by HUD or the Department of Homeland Security (DHS) to prove citizenship. Applicants who claim eligible immigration status must provide documentation to support that status. Citizenship eligibility must be reviewed after move-in if eligibility status can change. If any household member is determined to be an ineligible non-citizen, either at application or after move-in, assistance and/or tenancy may be denied, terminated or prorated as appropriate (Please see HUD Handbook 4350 for guidance on denying, terminating or prorating assistance, as applicable).

5. Single Residence/Subsidy Criteria

A household is eligible for assistance only if the unit will be the household's only residence. The O/A will not knowingly assist applicants who will maintain a residence in addition to the HUD assisted unit.

Applicants must disclose if they are currently receiving HUD housing assistance. Tenants can only receive subsidy for one unit/residence at a time. This prohibition does not prevent a person who is currently receiving assistance from applying for an assisted unit in another property. If, for any reason, an applicant moves in to this property before moving out of another subsidized unit, the new Tenant will be required to pay market rent until the move out from the previous property is complete and the Tenant is eligible to receive HUD subsidy for this property. Assistance in the new unit will begin, if the household is still eligible, the day after assistance ends for the previous unit.

There is an exception to this rule. Children in joint custody arrangements can receive HUD housing assistance in two units when both parent/guardian families receive HUD housing assistance. However, only one household may use the dependent deduction to determine adjusted income. In these cases, additional verification is required. The O/A will request:

- (a) Verification of the custody/guardianship/living arrangement;
- (b) Verification of the use of the deduction. The O/A will verify use of the dependent deduction with the other O/A if:
  - The child will live in the unit at least 50% of the time; and
  - The parent wishes to claim the deduction; and

- Both families are receiving HUD housing assistance.
- (c) There is a second exception to this rule. If a member of an existing household leaves that household to establish their own unit, HUD allows for a temporary overlap of subsidy (not to exceed 60 days) to allow for the interim recertification to go into effect for the original household.

#### 6. Eligibility of Students Enrolled at an Institute for Higher Education

Student eligibility is determined at move-in/initial certification and at each annual certification. Student eligibility may also be reviewed at interim certification if student status has changed since the last certification.

A student who is otherwise eligible and meets screening requirements is eligible for 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;
- 2) Is individually eligible to receive Section 8 assistance and has parents who are income eligible to receive Section 8 assistance;
- 3) Is a graduate or professional student;
- 4) Is a veteran of the United States military or is an active member of the United States military;
- 5) Is married;
- 6) Has a dependent other than a spouse (e.g., dependent child);
- 7) Is at least 24 years of age;
- 8) Is a person with disabilities, as such term is defined in section 3(b)(3)(E) of the 1937 Act and was receiving assistance under section 8 of the 1937 Act as of November 30, 2005;
- 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 years of age or older;
  - 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;
  - 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) (42 U.S.C. 11431 et seq.), or as unaccompanied, at risk of homelessness, and self-supporting, by
    - i. A local educational agency homeless liaison, designated pursuant to the McKinney-Vento Homeless Assistance Act;
    - ii. The director of a program funded under the Runaway and Homeless Youth Act or a designee of the director;
    - iii. The director of a program funded under subtitle B of title IV of the McKinney-Vento Homeless Assistance Act (relating to emergency shelter grants) or a designee of the director;
- or
- iv. A financial aid administrator; or
- 10) The individual is a student for whom a financial aid administrator makes a documented determination of independence by reason of other unusual circumstances.

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. Please see property staff if you need additional information about proving independence from parents.

If an ineligible student applies for or is a member of an existing household receiving Section 8 assistance, the assistance for the household will not be prorated but will be terminated.

**NOTE:** The O/A cannot evict or require an ineligible student to move from a unit as long as the student is in compliance with the terms of the lease.

7. Additional Tax Credit Eligibility Requirements for Students Enrolled at an Institute of Higher Education

Households composed entirely of full-time students are not eligible for tax credit program unless, they meet one of these 5 criteria:

- (a) Married and filing a joint tax return or eligible to file a joint tax return; or
- (b) Single parent, at least 1 child, neither of whom is a dependent on another person's tax return, except for the return of the other parent of the child; or
- (c) Receiving welfare or TANF; or
- (d) Participating in job-training program funded through Workforce Investment Act; or
- (e) Household member was a participant in the foster care program.

For PBRA households, HUD Section 8 and HOTMA student eligibility rules govern eligibility for rental assistance. LIHTC student exemptions do not override PBRA requirements.

8. 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:

- 1) A citizen of another country to which the individual intends to return;
- 2) A bona fide student pursuing a course of study in the United States; and
- 3) 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.

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**

Student financial assistance that is not specifically excluded will be included as part of the family's Annual Income unless the student is the HOH, co-HOH/spouse and is over 23 (24) with a dependent child.

For Section 8 programs, any 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.

Any financial assistance a student receives (1) from private sources, (2) from an institution of higher education, or (3) under the Higher Education Act of 1965, that is in excess of amounts received for tuition and other qualified fees, is included when determining Annual Income for the family, except if the student is the HOH, co-HOH or spouse and is over the age of 24 with a dependent child or children (as defined by HUD).

Student financial assistance that is provided by persons not living in the unit is not part of annual income if the student meets the Department of Education's definition of "vulnerable youth".

Covered fees 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 Higher Education Act of 1965). For a student who is not the Head-of-Household, 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 unit.

## **SECTION VII PROCEDURES FOR TAKING APPLICATIONS**

The O/A's will accept and process applications in accordance with HUD guidance. The O/A will make a reasonable accommodation to assist in the application process if the applicant or any member of the applicant household is disabled.

One component that determines placement on the Waiting List is the date and time that the application was received. Applications submitted by mail, email, facsimile (fax), in secure dropbox on property or in person will be immediately date/time stamped by the staff member receiving it. Former tenants wishing to return must reapply and go through the eligibility process again.

### **A. Initial Application Submission**

Applicants will first complete the "Preliminary Rental Application" to have their name placed on the waiting list for housing. Contact Pine Ridge Marquette for assistance in locating free internet service or to use the desktop terminal in our office to complete the application. PRM will also accept the application in an equally effective format, as a reasonable accommodation, if there is the presence of a disability. Please contact PRM to request that accommodation.

1. Applications are available from:
  - (a) In the vestibule of the building 24 hours a day; or
  - (b) On our website [www.mqthc.org](http://www.mqthc.org); or
  - (c) Can be emailed at the request of an applicant.
2. Completed applications and supporting documents may be returned by the following methods:
  - (a) Presenting them in person during walk-in hours or by appointment;
  - (b) Mailing them to our office at 316 Pine Street, Marquette, MI 49855;
  - (c) Sending by facsimile (fax) to 906-226-8633; or
  - (d) Emailing to the office; or
  - (e) Persons with disabilities who require a reasonable accommodation in completing or returning an application may call Pine Ridge Marquette to make special arrangements.

3. Incomplete Applications:

If an application is incomplete, the O/A will contact the applicant and ask them to come in and provide the missing information. Due to long waiting lists and depending on the preferences for which an applicant family may qualify, the time spent on the waiting list may be anywhere from several months to several years. The number on the waiting list may vary due the number of preference points the application and other applications receive. While waiting on the waiting list, applicants may check the status of their application by calling 906-226-7559 however, the exact placement on the wait list or wait time will not be provided. It is the applicant's responsibility to keep all contact information current and report changes to their application during the waiting period.

### **B. Preliminary Determination of Applicant Eligibility**

Information needed to determine applicant eligibility shall be obtained, verified, and the determination of applicant eligibility performed, in accordance with HUD, IRS and property eligibility requirements. Upon receipt of the completed application, the O/A will make a preliminary eligibility determination before adding a household to the waiting list or initiating final eligibility tasks. The O/A will review the application to ensure:

1. That the household's preliminary income qualifies them as income eligible;
2. That the applicant household is qualified to receive the unit size indicated;
3. That sufficient information is present to screen Applicant's prior landlord history;
4. That the applicant complies with the consent to management's requirement to secure a criminal background history and must provide sufficient information to enable management to secure such reports;
5. That there are no obvious factors that would make the applicant ineligible. Obvious factors include, but are not limited to:
  - (a) Owing a debt to MHC (any property or program);

- (b) Having been evicted (or vacated in lieu of eviction) from any MHC-managed program within 5 years for any reason
- (c) Having been denied admission to this program within the past 12 months for any reason at any property owned or administered by the MHC, unless otherwise allowed in this policy; and
- (d) Having rejected a housing offer for a unit of the same size at the same property within the last 12 months.
- (e) Having been evicted from any housing within 5 years for any reason.

If an applicant is preliminarily ineligible, the O/A will send a notice to the applicant indicating that they are not eligible, including the reason(s) why they were determined ineligible and stating the family's rights to appeal the decision. The notice will include the Notice of Occupancy Rights under the Violence Against Women Act and, if applicable, A Summary of Your Rights Under the Fair Credit Reporting Act. This action will be completed in agreement with the O/A's Grievance and Appeals Policy which is available to the applicant upon request.

If a preliminary eligibility review indicates that a household is preliminarily eligible for tenancy, but units of appropriate size are not available, the O/A will place the household on the waiting list for the property and notify the household when their name comes to the top of the waiting list.

If an applicant is otherwise eligible but no appropriate unit exists in the property, the O/A will reject the pre-application. The O/A will notify the applicant family if their pre-application is rejected for any reason.

### C. Eligibility Process

1. When the applicant family reaches the top of the waiting list, they will receive an invitation to come to an eligibility interview.
  - (a) Applicant families can receive up to 3 invitations to attend an eligibility interview.
  - (b) If a family does not attend the scheduled appointment, a notice will be sent to the family and their name will be withdrawn from the waiting list.
  - (c) If the family responds within ten (10) business days of the notice and requests to be rescheduled, they will be placed back on the waiting list with their same date and time.
  - (d) Once the family misses their third scheduled appointment, they are no longer eligible to be placed back on the waiting list. The family will be required to submit a new application and start the process from the beginning.
2. During the eligibility process, the applicant family will confirm that the application is complete and accurate. All adult applicants **must complete the required documents in full, signed and dated in order to be accepted.** Before completing or executing any forms, additional copies should be made for all adult household members and in some cases for minors who will live in the unit. At this interview, the applicant will be provided:
  - (a) Resident Rights and Responsibilities Brochure
  - (b) Fact Sheet for HUD-Assisted Residents, "How Your Rent Is Determined"
  - (c) Applying For HUD Housing Assistance/Fraud Information
  - (d) EIV & You
  - (e) Notice of Occupancy Rights Under the Violence Against Women Act
  - (f) Certification of Domestic Violence, Dating Violence, Sexual Assault or Stalking and Alternate Documentation

The Tenant Selection Plan will be provided to any applicant upon request and will be available at the site leasing office and the main office of Pine Ridge Marquette.

### D. Verification

The O/A will require applicants to provide several documents as verification and proof of eligibility for housing. These will include, but not limited to:

1. A government-issued photo ID - used for verifying the identity of all applicants 18 years or older;
2. A birth certificate or other government-issued document which includes the applicant's name and date of birth – used to verify the age of all applicant family members;
3. Proof of citizenship – which may include a US birth certificate, US passport or other

- government-issued documents demonstrating citizenship;
- 4. Proof of immigration status (if applicable) - which may include a permanent Tenant card, employment authorization card, I-94 visa or other government-issued document indicating valid immigration status;
- 5. A Social Security card or any other government-issued document including the name and full SSN of all applicants;
- 6. Verification of all sources of income, including (but not limited to) check stubs for employment, SS / SSI award letters, VA Pension award letters, TANF award letter, proof of child support and verification of asset income;
- 7. All verified documents must be dated within 120 days of the date of receipt by O/A.

#### **E. Final Determination of Eligibility**

Once the applicant family completes the eligibility interview, all eligibility criteria will be reviewed before a final eligibility determination is made. Being eligible, however, does not guarantee that the application will be approved. All adult applicants (and, if appropriate, minors) will be subject to the certain screening based on landlord/rental history, credit history and criminal history. If the screening process determines that the family meets HUD's and the O/A's standards for admission, the family is found eligible (See Offering An Apartment for more details).

#### **F. Live-In Aides**

A Live-in Aide must meet HUD's definition of a Live-in Aide which states "A person who resides with one or more elderly persons, near-elderly persons, or persons with disabilities (according to the HUD definition of handicapped or disabled), and who:

- 1. Is determined to be essential to the care and well-being of the person(s);
- 2. Is not obligated for the support of the person(s) (in other words, is not a child or family member who is still claimed as a dependent of the requesting person(s)); and
- 3. Would not be living in the unit except to provide the necessary supportive services.

Live-in Aides are entitled to their own bedroom, and must be counted for the purposes of determining appropriate unit size. However, if a unit with a separate bedroom for the Live-in Aide is not available, the Aide should not be denied occupancy as long as permitting such occupancy does not overcrowd the unit under state or local law. If a larger unit becomes available and the tenant requests a transfer to such unit, Pine Ridge Marquette is obligated to permit the transfer as a reasonable accommodation.

The Live-in Aide is required to complete the application, verifications related to the Live-In Aide, and participate in the same screening criteria regarding criminal history that applies to applicants and tenants of the property. The Live-in Aide is obligated to abide by the terms of the Live-in Aide Agreement, the tenant's lease and the House Rules. Violation of the terms of these documents will result in the termination of the Live-in Aide Agreement and eviction from the property.

The live-in aide qualifies for occupancy only as long as the individual needing supportive services requires the aide's services and remains a tenant. Only the Live-in Aide can live in the unit and no other members of the Live-in Aide's household cannot reside in the unit.

The live-in aide has no rights to the unit as a remaining family member nor the right of residency or occupancy if the Tenant is absent or if the Tenant moves out for any reason including death. The live-in aide must agree to relinquish possession of the unit including removal of all possessions owned by the Live-in Aide if the Tenant is absent for longer than 14 days or if the Tenant vacates the unit for any reason. In such case, the Live-in Aide must vacate the unit within 14 days of the Tenant's death or report of absence. The Live-in Aide is not considered a household member and under no circumstances can the Live-in Aide qualify for continued occupancy as remaining family member or converted to a household member.

Management will use the HUD approved Lease Addendum to deny/evict from occupancy, any person(s) who are no longer eligible to reside in the unit.

### **SECTION VIII PREFERENCES**

Applicants with a preference are selected from the waiting list and receive an opportunity for an eligibility interview earlier than those who do not have a preference. Assigning preferences to applicants who meet certain criteria is a method intended to provide housing opportunities to applicants based upon household

circumstances. Preferences affect only the order in which applicants are selected from the waiting list. They do not make anyone eligible who was not otherwise eligible. Preferences are not permitted if they, in any way, interfere with affirmative marketing efforts or fair housing requirements.

**A. Income-targeting**

The O/A is required to comply with the HUD and the Michigan State Housing Development Authority Income Targeting Requirements for this property. Income Targeting requires that the O/A lease at least 40% of the units during the property fiscal year to extremely low-income families.

The O/A is also required to comply with the Low Income Housing Tax Credit requirement that all households that move in to the property or who begin receiving assistance fall within the following distribution of unit incomes:

1. Nine (9) units at or below the 30% AMI
2. Twenty-three (23) units at or below the 40% AMI
3. Three (3) units at or below the 50% AMI
4. Ninety-nine (99) units at or below the 60% AMI
5. Six (6) units at or below the 80% AMI

The Managing Agent shall review the composition of admissions to confirm that the target will be met for any fiscal year. If this periodic review reveals that admissions of extremely low-income applicants are below the requirement, the Owner shall use the following Income-targeting procedures:

1. When an extremely low-income applicant is needed to achieve targeting requirements, and the next applicant on the waiting list has income above the extremely low-income limit, the applicant with the above-extremely-low-income will be returned to the waiting list. When Pine Ridge Marquette is ready to house an applicant with income above the extremely low-income limit, this applicant can be served. A notation will be made on the waiting list indicating why this applicant has been returned to the list rather than housed or withdrawn.
2. Pine Ridge Marquette will then look for the first extremely low-income applicant on the list needing the appropriate bedroom size and qualifying for the top-ranked preference. This applicant will be offered the unit.
3. Once this target has been reached, admission of applicants will be performed in waiting list order.

**B. Preference for Admission**

This property operates a waiting list system to ensure the fair and orderly selection of residents. While applications are generally processed and offered housing in chronological order based on the date and time they are received, management has adopted two specific admission preferences; families with an elderly member defined as 62 years of age or older and families with a disabled member. While a household may qualify for more than one preference, the household will be limited to one. Preferences affect only the order of applicants on the waiting list. They do not make anyone eligible who was not otherwise eligible, and they do not change an owner's right to adopt and enforce applicant/resident screening criteria. The preference applies to all waiting lists at this property.

Qualifying for the preference is not a requirement for placement on the waiting list. All other program income and otherwise eligible applicants are placed on the waiting list based chronologically according to the date and time of application.

| Preference Category | Preference Type                                                     | Weights/Points |
|---------------------|---------------------------------------------------------------------|----------------|
| O/A                 | Families with an elderly member defined as 62 years of age or older | 1              |
| O/A                 | Families with a disabled member                                     | 1              |

**C. Verification of Preferences**

All preferences will be verified using the verification methodology described in this Tenant Selection Plan. This verification will be conducted at the time of the eligibility interview.

**D. When a Request for Preference is Denied**

If it is determined that an applicant does not meet the criteria for receiving this preference, the applicant will be notified and has the right to appeal the decision.

**E. Change in Preference Status While on the Waiting List**

Occasionally households on the waiting list who did not qualify for a preference when they applied will experience a change in circumstances that qualifies them for a preference. In such cases, it is the responsibility of the applicant to contact the O/A to request a change in status so that the waiting list can be updated to reflect the preference as appropriate. To the extent the verification determines the household does now qualify for a preference, they will be selected from the waiting list in accordance with the preference and the date the application was received.

**F. Exceptions to the Preference Rule**

Management must give priority to current Tenants:

1. Residing in a unit that has been determined uninhabitable due to flood, fire or other natural disaster; or
2. When a unit is designated for rehabilitation or repair.

These situations represent extenuating circumstances and the normal selection order may be adjusted to address the needs of these Tenants.

**SECTION IX WAITING LISTS**

To ensure that applicants are appropriately and fairly selected for the next available unit, it is essential for the O/A to maintain waiting lists. Former tenants wishing to return must first be placed on the waiting list.

**A. Placement on the Waiting List**

The O/A will place the applicant household on the waiting list after preliminary eligibility determination is complete. If applicants are eligible for more than one size bedroom, the applicants will have the option of choosing which bedroom size is appropriate for their family. Applicants will make this specifying a desired unit size when completing the pre-application. The applicant will be placed on the waiting list for all indicated unit sizes/types as long as:

1. The applicant household meets the Occupancy Standards described in this plan; and
2. The waiting list for the unit size is open

Once applicants have selected a bedroom size, they will not be allowed to change that selection unless a qualifying event has occurred. Please see the list of qualifying events in the Occupancy Standards section of this plan.

The applicant Head-of-Household (HOH) will be contacted, based on the waiting list selection criteria, and offered housing for the first unit that becomes available based on the selection guidelines described in this plan.

**B. Maintaining Waiting Lists**

The O/A will administer its waiting list as required by HUD 4350 and regulations. The O/A will update the waiting list by removing the names of applicants who are no longer interested in or no longer qualify for the PBRA and/or LIHTC program.

On a regular basis, as determined by the O/A considering the length of the waiting list, the O/A will contact each applicant household by mail, using the address provided on the pre-application. The applicant will have thirty (30) days to return the completed Statement of Continued Interest form to the office. Applicants are responsible for updating their application with any changes in address. The Head-of-Household (HOH) will be the only person contacted unless otherwise requested. If this letter is unable to be delivered by the United States Postal Service, the application will be rejected and the household will be removed from the waiting list. If the Head-of-Household (HOH) fails to respond to the O/A inquiries regarding the desire to remain on the waiting list, the application will be rejected and the household will be removed from the waiting list.

In addition, an adult member of the applicant household must contact the office, in writing, if household information changes (i.e. number of household members, number of future household

members, criminal history, income, etc.). If the household size or composition changes, the O/A will:

1. Update the waiting list information; and
2. Decide whether the household needs the same or a different size unit

If, as a result of the household composition change, it is determined that the household will be on the waiting list for a different unit than originally indicated, the household will maintain their place on the waiting list for the new unit. If the waiting list is currently closed for the appropriate unit size, the application will be rejected and the household will be removed from the waiting list. If there are no units of the appropriate size on the property, the household will be rejected and will be removed from the waiting list.

#### **C. Removal of Applicants from The Waiting List**

1. The O/A will remove an applicant's name from the waiting list if/when any of the following apply:
  - (a) Applicant requests that the household name be removed;
  - (b) The unit that is needed – using household size as the basis – has changed, and no appropriate size/type unit exists in the property;
  - (c) The unit that is needed – using household size as the basis – has changed, and the waiting list is closed for that unit size/type;
  - (d) Applicant fails to meet eligibility requirements;
  - (e) Applicant fails to meet occupancy standards;
  - (f) Applicant fails to meet screening requirements;
  - (g) Applicant is rejected for any reason described in this plan;
  - (h) Applicant cannot be contacted by US Mail (letters are returned or undeliverable);
  - (i) Applicant fails to keep application information up to date based on the requirements described in this plan;
  - (j) Applicant was clearly advised, in writing, of the requirement to tell O/A of his/her continued interest in housing by a particular time and failed to do so; or
  - (k) Applicant refused offer of a unit (See Right to Refusal Policy for additional information).
  - (l) 3 attempts were made to contact the applicant to request an appointment to proceed with the application and all 3 attempts failed.
2. If an applicant is removed from the waiting list, and subsequently the O/A determines that an error was made in removing the applicant, the applicant will be reinstated at the original place on the waiting list. If an applicant is removed from the waiting list and later, the applicant household feels that they are now qualified for assistance/tenancy, the applicant household must submit a new application. The applicant will be placed on the waiting list, as necessary, based on the submission date and time of the new application.
3. There are certain situations when the O/A may refuse to accept an application. The O/A will not accept pre-applications from individuals or families who:
  - (a) Were denied admission to this program within the past 12 months for any reason at any property owned and administered by Pine Ridge Marquette;
  - (b) Owe a move-out balance or debt to Pine Ridge Marquette for previous tenancy in any of their housing programs that is not barred by the statute of limitations;
  - (c) Has been evicted or moved out in lieu of eviction from another property managed or owned by the O/A, or from the Public Housing or Housing Choice Voucher programs within the past two years for any reason other than drug related;
  - (d) Has been evicted or moved out in lieu of eviction from an MHC property or program for drug related reasons in the last five years;
  - (e) Are currently housed at this property; or
  - (f) Rejected a housing offer at the same property within the past year.In addition, if an applicant previously accepted a unit offered by the O/A and the applicant failed to take possession of the unit on the agreed upon date without notice to the O/A, the O/A reserves the right to refuse all future applications.

#### **D. Selecting Applicants from The Waiting List**

When an applicant family reaches the top of the waiting list, they will be invited in to Pine Ridge Marquette Office to complete an eligibility interview. Once the family has been certified eligible,

they will wait for the next unit to become available.

When an appropriate unit is available, the O/A will contact the next certified eligible household in chronological order at the top of the list based on the selection criteria described in this plan and make a housing offer to the family. No determination of final eligibility or decisions to offer the unit shall be made until all information required to be presented by the applicant has been verified and the final eligibility determination is complete.

#### **E. Opening and Closing Waiting List**

In order to ensure that applicants on the waiting list are processed in a reasonable amount of time, the O/A may stop accepting applications and close waiting lists in whole or in part. Decisions about closing and opening the waiting list will be based on the number of applications available for a particular size and type of apartment and the ability of the O/A to house an applicant in an appropriate apartment within a reasonable period of time.

On a regular basis, the O/A will review the number of families on the waiting list to determine whether the waiting list may be closed. If the O/A has sufficient applications, the waiting list may be closed completely. Notices announcing that the waiting list is closed or open will be publicly announced in the following manner:

1. Local newspapers;
2. Publications described in the Affirmative Fair Housing Marketing Plan (AFHMP); and
3. Flyers distributed through Social Service agencies as described in the AFHMP.
4. On our website at [www.mqthc.org](http://www.mqthc.org)

Interested parties who insist on submitting applications when the waiting list is closed will not be considered. The application **will not be reviewed** and will be returned. During the period when the waiting list is closed, the O/A **will not** maintain a list of individuals who wish to be notified when the waiting list is reopened.

### **SECTION X VERIFICATION**

The O/A shall obtain verifications in compliance with requirements set forth by the Department of Housing and Urban Development. After the preliminary eligibility determination, no decision to approve an application shall be made until information provided on the application form and during subsequent interviews has been collected and any necessary follow-up interviews have been performed. See Streamlining section for verification procedures.

#### **A. Information to be Verified**

All information relative to the following items must be verified as described in these procedures. Information to be verified includes, but is not limited to:

1. Eligibility for Admission, such as
  - (a) Elderly and/or Disabled status
  - (b) Income
  - (c) Assets and Asset Income
  - (d) Identification
  - (e) Age
  - (f) Household Composition
  - (g) Social Security Numbers
  - (h) Citizenship And/or Legal Status
  - (i) Student Status
  - (j) Current HUD Assistance
2. Allowances, such as
  - (a) Age
  - (b) Disability
  - (c) Full-Time Student Status
  - (d) Child Care Expenses
  - (e) Disability Assistance Expenses
  - (f) Medical Expenses (For Elderly/Disabled Households Only)
3. Preference
4. Compliance with Tenant Screening Guidelines, such as
  - (a) Criminal History

- (b) Credit History
- (c) Rental/Residence History

5. The Need for an Accessible Unit

**B. Credibility**

The O/A will be the final judge of the credibility of any verification submitted by an applicant. If the O/A questions the validity of a document or the validity of information provided, it will be reviewed by the office for a ruling regarding acceptability.

**C. Consent and Verification Forms**

All applicants must sign HUD's consent forms at admission. After an applicant or tenant has signed and submitted a consent form either on or after January 1, 2024, they do not need to sign and submit subsequent consent forms except under the following circumstances:

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

These consent forms contain provisions authorizing HUD and O/A 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 consent forms will remain effective until the family is denied assistance, or the assistance is terminated. If a family leaves a HUD program (moves out), the family's assistance is considered to be terminated and the signed consent forms will no longer be in effect.

Any adult member of the family may provide written notification to the O/A to revoke consent. Doing so makes the family ineligible and housing assistance will be terminated immediately. Termination will be completed in accordance with the HUD lease and HUD guidance. The tenant 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 submit the signed 9887 documents with any documentation required to determine eligibility. Failure to do so will result in denial of assistance under HUD's program rules.

When a minor living in the unit turns 18, he/she will have thirty (30) days to meet with the management staff and sign appropriate forms. Failure to do so will result in termination of assistance for the entire household.

**D. Provisions for Refusal to Sign**

If any member of the applicant/tenant household does not sign and submit the consent forms as required, the O/A must reject the application and deny assistance and/or tenancy.

**E. Misrepresentation**

When available, the O/A may review public criminal records to ensure the information provided in the preliminary application is true and accurate. Any information provided by the applicant that proves to be untrue may be used to disqualify the applicant because of misrepresentation or attempted fraud. The O/A will not take any action to reduce or deny assistance based on inconsistent information received during the verification process until the O/A has independently investigated the information.

The O/A considers the following false information about the following to be grounds for rejecting an applicant:

- Identity
- Social Security Numbers/Information
- Assets/Income from Assets



- Income
- Household Composition
- Disability
- Birth Date/Age
- Citizenship, Naturalization, and/or Eligible Non-citizen status
- Immigration Status
- Eviction History
- Criminal History
- Sexual Offender Status
- Eligibility for Preferences and Priorities
- Current/Previous Residence History
- Current Housing Assistance
- Status as A Student

## **SECTION XI APPLICANT SCREENING**

All adult family members listed on the application shall be screened in accordance with the actions defined below. Applicant screening shall assess the conduct of the applicant and other family members listed on the application, in present and prior housing and will assess the applicant's ability and willingness to comply with the essential lease requirements. Screening is performed in a manner that is reasonable, consistent, and complies with fair housing laws.

Screening is used to help ensure that households admitted to a property will abide by the terms of the lease, pay rent on time, take care of the property and unit, and allow all Tenants to peacefully enjoy their homes. Anyone who wishes to live on the property must be screened prior to moving in. This includes, but is not limited to: live-in aides, security/police officers or additional household members wishing to move-in after the initial move-in. Certain exceptions apply to children/minors. The current screening guidelines in place at the time the new household member applies will be used to determine eligibility for admission.

**Note:** The Owner / Agent followed HUD guidelines for the Rental Assistance Demonstration (RAD) requiring owners to not re-screen families at the time of conversion. Therefore, families living at the property at the time of conversion from Public Housing to PBRA and LIHTC were not re-screened. However, they were screened for these criteria at the time of their original move-in to the Public Housing program and are still subject to the same annual certification guidelines as usual. Former tenants wishing to return must go through the screening criteria.

### **A. Screening for Drug Abuse and Other Criminal Activity**

A Criminal History Screening will be conducted on all adult members applying for housing in accordance with the Criminal History Screening Procedures.

1. HUD has established standards that prohibit admission of:
  - (a) Any household in which any member was evicted in the last five years from federally assisted housing for drug-related criminal activity;
  - (b) Any household in which any member was engaged in the production of methamphetamine;
  - (c) A household in which any member is currently engaged in illegal use of drugs or for which the O/A has reasonable cause to believe that a member's illegal use or pattern of illegal use of a drug may interfere with the health, safety, and right to peaceful enjoyment of the property by other Tenants;
  - (d) Any household member who is subject to any state lifetime sex offender registration requirement;
  - (e) Any household member, if there is reasonable cause to believe that that member's behavior, from abuse or pattern of abuse of alcohol, may interfere with the health, safety, and right to peaceful enjoyment by other Tenants. The screening standards must be based on behavior, not the condition of alcoholism or alcohol abuse.

**Note:** "Currently engaged in" is defined as any use of illegal drugs during the previous six months.

2. In addition to HUD requirements, the O/A has established a policy to reject all applications where the applicant or any household member has engaged in criminal activity as described in this document. The O/A will reject applications if any household member's criminal history includes any of the following:

- (a) Sex Offender Registration: Applicant, or any member of the applicant family, is or ever has been subject to registration under a state sex offender registration program;
- (b) Record of any conviction or adjudication, other than acquittal, of the following felonies by any household member, regardless of when it happened:
  - 1) Capital Murder
  - 2) Murder / Manslaughter
  - 3) Arson
  - 4) Kidnapping
  - 5) Child Molestation
  - 6) Treason
  - 7) Rape or Crimes of a Sexual Nature
  - 8) Incest
  - 9) Crimes involving explosives
  - 10) Crimes involving terrorism
  - 11) Gross Lewdness
- (c) If any household member is currently engaged in, or has engaged in any of the following criminal activities within five years, the family will be denied admission:
  - 1) Drug-related criminal activity, defined by HUD as the illegal manufacture, sale, distribution or use of a drug or the possession of a drug with intent to manufacture, sell, distribute or use the drug, **including medical marijuana**;
  - 2) Violent criminal activity, defined by HUD as any criminal activity that has as one of its elements the use, attempted use or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage;
  - 3) Criminal activity that may threaten the health, safety or welfare of other tenants;
  - 4) Illegal possession/discharge/display/carrying of firearm or illegal weapon/ deadly weapon;
  - 5) Assault, aggravated assault, assault by threat, stalking;
  - 6) Physical violence to persons or property, or criminal activity that has as one of its elements the use, attempted use or threatened use of physical force against the person or property of another.
  - 7) Criminal activity that may threaten the health or safety of MHC staff, contractors, subcontractors or agents;
  - 8) Three or more incidences or convictions of drug or alcohol-related criminal activity, including Possession, Driving under the Influence and Public Intoxication;
  - 9) Burglary of a Habitation; or
  - 10) If any household member is currently engaged in, or has engaged in any of the following criminal activities, within the past three years, the family will be denied admission:
    - A pattern of abuse of drugs and/or alcohol, including, but not limited to, public intoxication and driving while intoxicated;
    - A pattern of fraud committed against a governmental entity;
    - A pattern of theft or fraud;
    - A pattern of organized criminal activity; or
    - A pattern of prostitution.

A pattern (for the purposes listed above) consists of three or more incidences, with a minimum of one incident occurring within the past three years. The O/A will not use arrest records as the sole basis for denying admission to the program.

### 3. Arrest Records

The O/A may consider arrest and conviction records in accordance with 24 CFR 5.851 and applicable state/local law. Arrest information may be reviewed when supported by relevant documentation or surrounding evidence. Screening must comply with Fair Housing requirements and be applied consistently. All non-mandatory criminal screening determinations will include an individualized assessment considering severity, recency, circumstances, rehabilitation, and mitigating factors. Mandatory federal denials (lifetime sex offender and methamphetamine production) apply as required.

4. Evidence of criminal conduct will be considered if it indicates a demonstrable risk to safety and/or property.
5. VAWA Protections  
If a Tenant or applicant has requested VAWA protections and such protections have been justified based on O/A investigation, the abuser/perpetrator will not be approved to live on the property.
6. Inability to Conduct Criminal or Sexual Offender Screening  
If the O/A is unable to complete required criminal or sexual offender screening, the application will be rejected. If the O/A determines that a sex offender is part of the household, the O/A will allow the household to remove the sex offender from the application. Removal must be documented using the change of address receipt from the Maryland or National Sex Offender Registration. The household will have five (5) business days to provide verification that the household member has alternative housing or that the household member has applied for alternative housing. Failure to provide such documentation will result in rejection of the application for all household members.
7. Household Composition After Move-In  
The O/A reserves the right to monitor household composition after move-in. The O/A will conduct reviews at Annual Recertification matching Tenants 14 years and older against the registered sex offender database. If the O/A discovers that a sex offender has moved in to the unit, assistance will be terminated and the household will be evicted in accordance with HUD requirements. Any assistance paid-in-error must be returned to HUD.
8. Illegal Aliens  
United States Code Title 8, subsection 1324(a)(1)(A) prohibits the harboring of illegal aliens. The provision of housing to illegal aliens is a fundamental component of harboring. All applicants will be required to provide proof of citizenship or legal immigration status.
9. Unacceptable Criminal History  
If criminal screening indicates that the applicant has an unacceptable criminal history, (based on the criteria outlined above), the O/A will reject the applicant in accordance with HUD guidance and the O/A's standards for applicant rejection.
10. Consideration of Extenuating Circumstances
  - (a) In deciding whether to exercise discretion to admit an individual who has engaged in prohibited criminal activity, the O/A will consider all of the circumstances relevant to the particular admission decision, including but not limited to: the seriousness of the offending action; the effect that denial of the entire household would have on family members not involved in the criminal activity; and the extent to which the applicant has taken all reasonable steps to prevent or mitigate the criminal activity.
  - (b) Additionally, when specifically considering whether to deny admission for illegal drug use by household member who is no longer engaged in such activity, the O/A will consider whether the household member is participating in or has successfully completed a drug rehabilitation program, or has otherwise been rehabilitated successfully.
11. Criminal Screening Discoveries  
If the criminal background investigation indicates that the applicant does not meet the criminal screening criteria, the O/A will reject the applicant in accordance with HUD guidance and the O/A's standards for applicant rejection. Before rejecting the household, the O/A will compare the information provided by the applicant with the criminal history report. If the information conflicts, the O/A will:
  - (a) Notify the household of the proposed action based on the information;
  - (b) Provide a copy of the criminal history report;
  - (c) Provide the applicant with an opportunity to dispute the accuracy and relevance of the information obtained from any law enforcement agency;
  - (d) Allow the household the opportunity to remove the household member.In this situation, applicants will have seven (7) business days to resolve the discrepancy. If the applicant fails to contact the O/A or indicates that he/she cannot provide documentation to refute

the criminal discovery, the O/A will reject the application and remove the household from the waiting list. The O/A will notify the applicant family of the rejection in writing. The family will have the opportunity to request an appeal of the denial according to the terms of the grievance policy which is available upon request.

If, after move-in, the O/A discovers that there was criminal history that would have resulted in rejection, the O/A will contact the Tenant to ascertain the accuracy of the criminal report. If the Tenant would have been rejected had the information been known at the time of the eligibility determination, the O/A will take appropriate action including notifying HUD's Office of the Inspector General of potential fraud and pursuing termination of tenancy (eviction).

#### **B. Screening for Credit History**

The O/A reviews each adult applicant's credit history. The O/A does not consider medical bills/expenses, credit score, or the lack of credit history, when reviewing credit history.

Credit history will be reviewed to determine the following:

1. If there is any debt owed to a prior landlord or HUD;
2. If there are any evictions that have not been reported;
3. If there are any other housing related judgments against the applicant.

Applicants will be rejected in the following situations:

1. The family owes a debt to a federally assisted housing program which has not been repaid and the family has not established a repayment agreement; and
2. The family has a pattern of debts owed to affordable housing programs within the past five (5) years.

If the applicant has no credit history, the credit screening will be considered "positive".

#### **C. Screening for Rental History**

**O/A will not continue participation in the Hardship Exemption Phase-In for new admissions.**

If any member of the applicant household has been evicted from any property owned or managed by MHC for lease violations within the last two years, that applicant household will be rejected.

The O/A will review rental history with any landlord indicated in the past five (5) years. The O/A will also review information provided through automated databases including eviction databases.

The application will be rejected for any of the following:

1. The family has been evicted from federally assisted housing or any other housing within the past 5 years;
2. The family has a pattern of disturbance of neighbors, destruction of property or living or housekeeping habits at prior residences within the past two years which may adversely affect the health, safety or welfare of other tenants; or
3. The family has been evicted from housing or termination from housing programs within the past five years (considering relevant circumstances).

If the applicant fails to identify one or more residences where he/she lived in the last five (5) years, the applicant will be rejected and the household will be removed from the waiting list. An applicant who has been homeless can meet the requirement to identify their residence by self-certifying to their homeless status.

The O/A will contact the prior property O/A (as indicated above) and inquire about the following information:

1. Adherence to the Lease & Community Policies;
2. Compliance with certification reporting requirements;
3. Rental Payment Performance;
4. Compliance with requirements to fully and accurately disclose income information in a timely manner;
5. Requirement to Return Assistance Paid in Error due to under-reporting income or un-reported income;
6. Unit Maintenance/Damage;
7. Record of Disturbing Neighbors; and
8. Complaints.

If information obtained is negative the applicant will be rejected. Negative responses include but are

not limited to:

1. Failure to comply with the lease;
  2. Failure to comply with House Rules, Pet Rules or Assistance Animal Rules;
  3. Failure to fully and accurately report income, new employment or changes in household composition in a timely manner (if required);
  4. Providing false information;
  5. Attempting to receive or receiving HUD assistance in multiple units/homes;
  6. Slow or no response to requests to recertify;
  7. Poor rental payment history (average more than two (2) late payments per year, record of bounced checks, any outstanding balance);
  8. Poor unit maintenance or damage to the unit beyond normal wear-and-tear;
  9. Complaints from neighbors regarding actions that directly affect the peace and quiet comfort of others living in the community;
  10. Record of actions that interfered with or prevented the previous landlord from effectively managing the property; and
  11. Outstanding balances owed by any household member to a prior landlord
- If the applicant has no landlord history, the landlord screening will be considered "positive".

#### **D. Screening for Receipt of HUD Assistance in Another Unit (PBRA Only)**

All applicants must disclose if they are currently receiving HUD housing assistance. The O/A will not knowingly assist applicants who will maintain a residence in addition to the HUD-assisted unit on this property. HUD provides the O/A with information about an applicant's current status as a HUD housing assistance recipient.

The O/A will use the Existing Tenant Report provided via HUD's Enterprise Income Verification System (EIV) to determine if the applicant or any member of the applicant household is currently receiving HUD housing assistance. This applies to all household members and to new members of an existing household, including minors, foster children/adults, and live-in aides.

Nothing prohibits a HUD housing assistance recipient from applying to this property. However, the applicant must move out of the current property and/or forfeit any voucher before HUD assistance on this property will begin. Special consideration applies to:

1. Minor children where two assisted families share custody;
2. Recipients of HUD assistance in another unit who are moving to establish a new household when other family/household members will remain in the original unit (Split household/Swap household)

If the O/A discovers a discrepancy between the information on the application and the information provided by EIV, the applicant will be notified and will have 5 business days to respond to the inquiry. If an applicant fails to fully and accurately disclose receipt of HUD assistance or rental history, the application will be rejected and the applicant and all members of the applicant household will be removed from the waiting list.

If any household member receives or attempts to receive HUD housing assistance while receiving HUD housing assistance on this property, the household member will be required to reimburse HUD for assistance paid in error. This is considered a material lease violation and may result in penalties up to and including eviction and pursuit of fraud charges.

The O/A will use the Former Tenant Search provided via HUD's Enterprise Income Verification System (EIV) to identify any debts owed to any state/federally assisted housing program. If the search reveals a debt that is owed, it must be paid and proof provided from that program that it has been paid before the applicant can be processed further.

#### **E. Home Visits**

A home visit may be conducted on applicants that have successfully completed the above screenings and have incomplete, questionable landlord references or landlord refuses to complete a reference to determine if the applicant's housekeeping would create health or sanitation problems. Staff completing the home visit will consider whether the conditions they observe are the result of the applicant's treatment of the unit or are caused by the unit's overall substandard condition. Criteria to be checked during the visit shall include, but not be limited to:

1. Conditions in living room, kitchen (food preparation and clean-up), bathroom, bedrooms,

- entrance-ways, halls, and yard (if applicable);
- 2. Cleanliness of each room;
- 3. General care of appliances, fixtures, windows, doors, walls, floors, cabinets, etc.;
- 4. Evidence of destruction of property;
- 5. Unauthorized occupants present;
- 6. Evidence of criminal activity; and
- 7. Conditions inconsistent with information provided on the application.

All applicants shall have at least two days' advance notice of Home Visits. If applicant lives out of the area, the home visit will be waived. Notification of home visit will be by telephone. If applicant is unable to be reached by telephone, a letter will be sent advising applicant of the date and time of the home visit.

#### **F. Rejecting Ineligible or Unqualified Applicants**

The O/A reserves the right to reject applicants for admission based on any of the following:

- 1. Any member of the household fails to respond to management inquiries for additional information during the application process;
- 2. The O/A is unable to contact the applicant via US Mail (letters undeliverable or returned) and/or by phone (number disconnected or changed);
- 3. Any member of the household has a record of eviction, for lease violations, from any property managed by the O/A;
- 4. Any member of the household has a pattern of eviction, for lease violations, from any property within the last two years;
- 5. There is a pattern of outstanding or overdue payments to a previous landlord;
- 6. There is record of outstanding or overdue payments to HUD;
- 7. The household is unable to pay the security deposit required;
- 8. The household is unable to take possession of the unit within the timeframes outlined in this plan;
- 9. The household is unable to pay the first month's rent (TTP); or
- 10. The household does not have a need for an accessible unit and refuses one previous unit offer.

The O/A shall keep the following materials on file for at least 3 years:

- 1. Application;
- 2. Initial rejection notice;
- 3. Any applicant replies;
- 4. Owner's final response; and
- 5. All interview and verified information on which the Owner based the rejection.

#### **G. Rejection Notices**

The O/A will promptly notify the household (Head-of-Household (HOH)), in writing using the Application Denied letter informing them of the denial of admission or assistance. The notice will include the "Notice of Occupancy Rights under the Violence Against Women Act", as required by HUD. If applicable, "A Summary of Your Rights Under the Fair Credit Reporting Act" will also be enclosed. The letter will be sent to the Head of Household and will include the reason(s) for the rejection.

#### **H. Appealing the Decision to Reject**

Any applicant may request to appeal the denial in writing within thirty (30) business days from the date of the rejection. The O/A will accept the request in an equally effective manner, as a reasonable accommodation, if there is the presence of a disability. Such requests are to be submitted to the Pine Ridge Marquette office. If there is no appeal request within thirty (30) business days, the rejection will be considered final. Reasons to appeal include:

- 1. The applicant believes that they have been discriminated against;
- 2. The applicant believes the decision has been made in error;
- 3. The applicant believes there are extenuating circumstances that should be considered;
- 4. The applicant or a member of the applicant's household is a victim of abuse covered by the Violence Against Women Act and the applicant feels the applicant's status as a victim contributes to the decision to deny;

5. The applicant or a member of the applicant's household is a person with a disability, and the applicant believes a reasonable accommodation would allow the O/A to continue processing the application; and
6. The applicant's household was rejected because the application includes someone who is a registered sex offender and the applicant wishes to remove that household member.

Any staff person engaged in the initial review will not be involved in the appeal. Pine Ridge Marquette's designated hearing officer will conduct the informal review. Applicants may bring a representative to assist in the appeal meeting. Applicants and/or their representatives have the right to request a reasonable accommodation to:

1. Assist in facilitating their request for appeal;
2. To assist in their participation during the appeal meeting.

The hearing officer will provide written notification of a final decision within ten (10) business days of the informal review. For complete details about the appeals process, see the Grievance and Appeals Policy. This policy is available for public viewing in all leasing offices and a personal copy is available upon request.

The grievance procedures afforded to families living in Conventional Public Housing before conversion through RAD to Project-Based Rental Assistance (PBRA) must be continued after the conversion.

## **SECTION XII OFFERING AN APARTMENT**

- A. When a unit becomes available and eligibility is determined, available units will be offered using one or more of the following methods:

1. In writing.
2. Over the phone.
3. By email.

If the O/A is unable to contact the household within five (5) business days from the date of the letter, the offer will be cancelled and the apartment will be offered to the next applicant based on the selection criteria described in this plan.

Failure to respond to the O/A will be considered a refusal of the unit offer. (See Right to Refusal policies.) It is the applicant family's responsibility to keep all contact information current with the Property Management Services Department.

### **B. Offering Accessible Units**

Units that have been made accessible in accordance with the Universal Federal Accessibility Standards or the Americans with Disabilities Act Accessibility Guidelines will be offered to applicant households with disabled members first. In some cases, the O/A may implement marketing effort to ensure that disabled households occupy accessible units.

Units with communication accessible features will be offered to households with a verified need for communication accessible units first. Units with mobility accessible features will be offered to households with a verified need for mobility accessible units first.

After move-in, if the members of the household who required the special features of the accessible unit no longer reside in the unit, and where the lease permits, the O/A will require the remaining members of the household to move to a unit without accessibility features when such a unit of the appropriate size becomes available.

If there is no household on the waiting list that has requested an accessible unit, the unit will then be offered to the next household based on the selection order. Before the applicant can accept that accessible unit, all adult members of the applicant household must sign an agreement that includes a requirement to move, at the household's expense, to the first available non-accessible unit that meets the household's occupancy requirements as described in this plan. The Tenant household will not be required to move if:

1. No unit that meets the household's occupancy requirements is available; or
2. There is no applicant household on the waiting list requesting an accessible unit.

In either of the cases above, the household must take possession of the unit within the timeframes outlined in this plan. If the applicant fails to move in within the established timeframes, assistance will be terminated. This rule in no way affects the single residence criteria. The household can only accept assistance in one unit on any given day.

**C. Offering Units to Disabled Applicants Requesting Accessibility Features**

The O/A will not skip over a household that has reached the top of the waiting list and has indicated a need for certain unit features because of a disability. The household will be given the opportunity to benefit from the program and decide, in compliance with the Fair Housing Act and Section 504, whether a unit meets the needs of the disabled household member. The household may accept the unit and request some modification to the unit as a reasonable accommodation.

**D. Offering Units to Applicants or Tenants with Preferences**

Applicants/Tenants with preferences are selected from the waiting list and receive an opportunity for an available unit earlier than those who do not have a preference.

**E. Applicant/Tenant Selection Order**

**1. Accessible Apartments** will be offered in the following order:

- (a) The next household on the transfer list who is requesting an accessible unit. Offers will be made in order according to the weighted transfer list preferences:
  - 1) Emergency / Safety (with need for an accessible unit)
  - 2) Reasonable Accommodation (with need for an accessible unit)
  - 3) Over Housed (with need for an accessible unit)
  - 4) Under Housed (with need for an accessible unit)
- (b) The next applicant on the waiting list who is requesting an accessible unit. Offers will be made in order according to the weighted waiting list preferences:
  - 1) MHC Tenant with VAWA preference (with need for an accessible unit)
  - 2) Involuntarily Displaced preference (with need for an accessible unit)
  - 3) Disability preference (with need for an accessible unit)
- (c) When there is no one in need of the accessibility features for this unit, the offer will be given to the next household on the transfer list. Offers will be made in order according to the weighted transfer list preferences:
  - 1) Emergency / Safety
  - 2) Reasonable Accommodation
  - 3) Over Housed
  - 4) Under Housed
- (d) When there is no one in need of the accessibility features of this unit, the offer will be given to the next applicant on the waiting list. Offers will be made in order according to the weighted waiting list preferences:
  - 1) MHC Tenant seeking VAWA protections
  - 2) Involuntarily Displaced
  - 3) Disability

**2. Standard Apartments** will be offered in the following order:

- (a) The next household on the transfer list, regardless of need for an accessible unit. Offers will be made in order according to the weighted transfer list preferences:
  - 1) Emergency / Safety
  - 2) Reasonable Accommodation
  - 3) Over Housed
  - 4) Under Housed
  - 5) Tenant has no need for accessible feature in current unit
- (b) The next applicant on the waiting list, regardless of need for an accessible unit. Offers will be made in order according to the weighted waiting list preferences:
  - 1) MHC Tenant seeking VAWA protections
  - 2) Involuntarily Displaced
  - 3) Disability

**F. Right to Refusal**

The Right to Refusal Policy applies to applicants and existing Tenants who have submitted a Unit Transfer Request. Tenants requesting unit transfer and applicants will be offered available units based on the information included in this tenant selection plan.

Each household will only be offered the opportunity to accept an offered apartment one (1) time. If a



Tenant/applicant does not wish to accept an offered apartment, they have the right to refuse the offer. Tenants/applicants must notify the O/A of their intent to refuse the unit offer by using one or more of the following methods:

1. In writing (delivered by fax, mail or other means)
2. By email
3. Over the phone

**Note:** If the refusal is made over the phone, contact must be made with a member of the management staff. Leaving a message is not adequate.

When an applicant or Tenant refuses a unit, the unit will be offered to the next qualified household based on the selection order described above. When a Tenant refuses a transfer offer, the terms of the lease require that the assistance be terminated and the Tenant be required to pay the full contract rent. When an applicant refuses an offered unit, the household will be removed from the waiting list and will have to wait one calendar year before applying for the same bedroom size again. However, if the family composition changes, the family can submit an application at an earlier date.

Right to refusal policies will be modified in two cases:

1. If a disabled applicant or Tenant is at the top of the waiting list, they will be offered units as they become available regardless of whether they include accessible features. A disabled household has the right to refuse an unlimited number of non-accessible units or units that do not meet the specific accessibility requirements for the family. This modification applies only when the offered unit is a non-accessible unit. The one refusal limit still applies when an accessible unit which meets the family's requirements is offered. Note: Certain restrictions apply to non-elderly disabled households when HUD's program eligibility requires the need for an accessible unit.
2. If an applicant or Tenant household with no disabled members is at the top of the waiting list, and there are no disabled households on the waiting list, that household may be offered an accessible unit. An applicant household with no disabled household members has the right to refuse an unlimited number of accessible units or units that do not meet their needs.

#### **G. Timeframe for Taking Possession of a Unit by An Applicant Family**

When a housing offer is made, the applicant family must meet the following timeframes for taking possession of the offered unit:

1. Within 2 business days from the date the offer is received, the applicant family must make contact with the property management staff. At that time, the property management staff will notify the family of the anticipated date that the unit will be available to be viewed;
2. Once the unit is ready to view, the property management will schedule an appointment to view the unit. Failure to attend the scheduled appointment is considered a rejection of the housing offer;
3. Within 3 business days of viewing the unit, the applicant family must accept or reject the unit. No response by close of business on the third day is considered a rejection of the housing offer;
4. Within 2 business days of accepting an offer, the applicant family must pay the security deposit and the prorated first month's rent. At that time, the family will receive the keys and are considered to have taken possession of the unit. Failure to take possession of the unit by close of business on the second day is considered a rejection of the unit.

If the applicant household does not complete appropriate paperwork and does not take possession of the unit within the timeframes outlined above, the applicant will be subsequently rejected and removed from the waiting list. Extenuating circumstances will be considered, including the following:

1. The family is dealing with a documented medical or other family emergency. In this case the O/A and family will negotiate an appropriate solution which may include offering the family the next unit; or
2. The family is required to give 30 days' notice to their current landlord which is part of another federally assisted housing program.

When the family rejects the unit or does not meet the outlined timeframes, the O/A reserves the right to refuse subsequent applications. The unit will be offered to the next eligible applicant/Tenant based on the selection order described in this plan.

### **SECTION XIII: DETERMINING INCOME AND RENT**

#### **A. Annual income.**

Annual income includes all amounts received from all sources by each member of the family who is 18 years of age or older, the head of household, or spouse of the head of household, in addition to unearned income received by or on behalf of each dependent who is under 18 years of age.

Annual income does not include amounts specifically excluded in paragraph (b) of 24 CFR § 5.609. (See Income Exclusions). All amounts received by the head of household, co-head, or spouse, including the income of a day laborer, independent contractor, and seasonal worker (see paragraphs F.2.a, F.2.b, and F.2.c, below) are included in annual income regardless of age, unless otherwise excluded in paragraph (b) of 24 CFR § 5.609

1. **Earned Income:** Earned Income is defined as income or earnings from wages, tips, salaries, other employee compensation, and net income from self-employment. Earned income does not include any pension or annuity, transfer payments (meaning payments made or income received in which no goods or services are being paid for, such as welfare assistance, Social Security, and other governmental subsidies/benefits), or any cash or in-kind benefits.

2. **Day Laborer:** A day laborer is defined as an individual hired and paid one day at a time without an agreement that the individual will be hired or work again in the future. Income earned as a day laborer is not considered nonrecurring income under 24 CFR § 5.609(b)(24) and must be included, unless specifically excluded in 24 CFR § 5.609(b) (e.g., earnings of full-time students in excess of the dependent deduction (24 CFR §§ 5.609(b)(3), (b)(14), etc.).

3. **Independent Contractor:** An independent contractor is an individual who qualifies as an independent contractor instead of an employee in accordance with the Internal Revenue

Code federal income tax requirements and whose earnings are consequently subject to the self-employment tax.

In general, an individual is an independent contractor if they have the right to control or direct only the conduct of the work. For example, while instructions and route information are generally provided, third-party delivery and transportation service providers are considered independent contractors unless state law dictates otherwise. In addition, individuals considered “gig workers,” such as babysitters, landscapers, rideshare drivers, and house cleaners, typically fall into the category of independent contractor.

Income earned as an independent contractor is not considered nonrecurring income and must be included unless specifically excluded in 24 CFR § 5.609(b) (e.g., 24 CFR §§ 5.609(b)(3), (b)(14), etc.).

4. **Seasonal Worker:** A seasonal worker is defined as an individual who is: 1) hired into a short-term position (e.g., for which the customary employment period for the position is 6 months or fewer); and 2) the employment begins about the same time each year (such as summer or winter). Typically, the individual is hired to address seasonal demands that arise for the employer or industry. Some examples of seasonal work include employment limited to holidays or agricultural seasons. Seasonal work may include but is not limited to employment as a lifeguard, ballpark vendor, or snowplow driver. Income earned as a seasonal worker is not considered nonrecurring income and must be included unless specifically excluded in 24 CFR § 5.609(b) (e.g., § 5.609(b)(14), etc.).

5. **Unearned Income:** Unearned income means any annual income, as calculated under 24 CFR § 5.609, that is not earned income.

#### **B. INCOME EXCLUSIONS:**

1. **Nonrecurring Income:** Income that will not be repeated beyond the coming year (i.e., the 12 months following the effective date of the certification), based on information provided by the family, is considered nonrecurring income and is excluded from annual income. However, income received as an independent contractor, day laborer, or seasonal worker is not excluded from income under § 5.609(b)(24), even if the source, date, or amount of the income varies.

Income that will not be repeated beyond the coming year (i.e., the 12 months following the effective date of the certification), based on information provided by the family, is considered nonrecurring

income and is excluded from annual income. However, income received as an independent contractor, day laborer, or seasonal worker is not excluded from income under

§ 5.609(b)(24), even if the source, date, or amount of the income varies.

Income that has a discrete end date and will not be repeated beyond the coming year during the family's upcoming annual reexamination period will be excluded from a family's annual income as nonrecurring income. This does not include unemployment income and other types of periodic payments that are received at regular intervals (such as weekly, monthly, or yearly) for a period of greater than one year that can be extended.

Income amounts excluded under this category may include, but are not limited to, nonrecurring payments made to the family or to a third party on behalf of the family to assist with utilities, eviction prevention, security deposits to secure housing, payments for participation in research studies depending on the duration (research stipend), and general one-time payments received by or on behalf of the family.

The following list of exclusions is codified at 24 CFR § 5.609(b)(24) as nonrecurring income. Please note that the list is not exhaustive:

- Payments from the U.S. Census Bureau for employment lasting no longer than 180 days and not culminating in permanent employment;
- Direct federal or state economic stimulus payments;
- Amounts directly received by the family as a result of state refundable tax credits or state tax refunds at the time they are received;
- Child tax credits;
- Amounts directly received by the family as a result of federal refundable tax credits or federal tax refunds at the time they are received;
- Gifts for holidays, birthdays, or other significant life events or milestones (e.g., wedding, baby shower, or anniversary gifts);
- One-time gifts;
- In-kind donations (e.g., food, clothing, or toiletries received from a food bank or similar organization); and
- Lump-sum additions to net family assets (e.g., lottery winnings, contest winnings, etc.)

2. Payments from the U.S. Census Bureau for employment relating to the decennial census or the American Community Survey lasting no longer than 180 days and not culminating in permanent employment are excluded from annual income. However, it should be noted that any permanent employment with the U.S. Census Bureau should be considered in the annual income calculation

3. Direct federal or state payments intended for economic stimulus or recovery are excluded from annual income.

4. Amounts directly received by the family as a result of state refundable tax credits or state tax refunds at the time they are received are excluded from annual income.

5. Amounts directly received by the family as a result of federal refundable tax credits and federal tax refunds at the time they are received are excluded from annual income.

6. Gifts for holidays, birthdays, or other significant life events or milestones (e.g., weddings, baby showers, anniversaries) are excluded from annual income.

7. Non-monetary in-kind donations, such as food or toiletries, received from a food bank or similar organization are excluded from annual income. When calculating annual income, O/As are prohibited from assigning monetary value to non-monetary in-kind donations received by the family from a food bank or similar organization.

8. Lump-sum additions to net family assets, including but not limited to lottery or other contest winnings, are excluded from annual income. These amounts may count toward net family assets in accordance with 24 CFR § 5.603.

9. Income earned on amounts placed in a family's FSS account is excluded from the family's calculation of annual income.

10. Income of a live-in aide, foster child, or foster adult as defined in 24 CFR §§ 5.403 and

5.603 is excluded from the family's calculation of annual income.

11. Payments received for the care of foster children or foster adults, or state or Tribal kinship or guardianship care payments, are excluded from annual income.

This income exclusion also applies to Kinship Guardian Assistance Payments (KinGAP), kinship care payments, and other state-based kinship or guardianship payments that are alternatives to traditional foster care programs.

12. Insurance payments and settlements for personal or property losses, including but not limited to payments under health insurance, motor vehicle insurance, and workers' compensation, are excluded from annual income. Any workers' compensation is always excluded from annual income, regardless of the frequency or length of the payments.

13. 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 becoming a person with disabilities are excluded from annual income. Any amounts recovered are excluded irrespective of whether they are received periodically or in a lump sum payment.

14. Earned income of dependent full-time students in excess of the amount of the deduction for a dependent in § 5.611 is excluded from annual income. Full-time students must be

dependent family members for this exclusion to apply. This exclusion does not apply to the head of household, spouse, or co-head.

15. Adoption assistance payments in excess of the amount of the deduction for a dependent in § 5.611 per adopted child are excluded from the family's calculation of annual income.

16. Payments to veterans in need of regular aid and attendance are excluded from annual income under 38 U.S.C. 1521. This income exclusion applies only to veterans in need of regular aid and attendance and not to other beneficiaries of the payments, such as a surviving spouse.

17. Payments made by or authorized by a state Medicaid agency (including through a managed-care entity) or other state or federal agency to a family to enable a family member who has a disability to reside in the family's assisted unit are excluded from the calculation of the family's annual income. Authorized payments may include payments to a member of the assisted family through the state Medicaid agency (including through a managed-care entity) or other state or federal agency for caregiving services the family member provides to enable a family member who has a disability to reside in the family's assisted unit.

A family member with a disability qualifies for this income exclusion. Amounts received may be intended for items such as services, equipment, and compensation provided to a family member. The payments are excluded from income as long as the amounts are provided to enable a family member with a disability to remain in the family's assisted unit. Both the person providing the care and the person who has the disability must be family members (not household members) and must live in the same assisted household. The exclusion does not apply to income earned by the family for other caregiving services provided to individuals outside of the assisted household.

18. Loan proceeds (the net amount disbursed by a lender to a borrower under the terms of a loan agreement) received by the family or a third party (e.g., proceeds received by the family to finance the purchase of a car) are excluded from annual income. The loan borrower or co-borrower must be a member of the family for this income exclusion to be applicable. Loan proceeds may include, but are not limited to, personal loans (with a loan agreement) and student loans, regardless of whether the proceeds are received in the form of a refund to the student.

19. Tribal General Welfare payments

20. Payments received by Tribal members as a result of claims relating to the mismanagement of assets held in trust by the United States, to the extent such payments are also excluded from gross income under the Internal Revenue Code (IRC) or other federal law, are excluded from annual income.

21. n Elouise Cobell et al. v. Ken Salazar et al., G2 a class of individual members of Indian tribes

filed suit against the United States for its failure to adequately manage certain trust assets. The settlement was authorized pursuant to the Claims Resolution Act of 2010 (Pub. L. 111–291). In accordance with the Act, lump-sum or periodic payments received by an individual Indian under the Cobell Settlement are statutorily excluded from counting toward a family’s annual income, or as a resource, for purposes of determining initial eligibility or level of HUD assistance, for a period of one year from the time of receipt of that payment. This exclusion from income applies to all HUD programs and is included in the list of federally mandated exclusions from annual income that HUD periodically publishes in the Federal Register.

22. The United States has entered into settlements with a number of federally recognized Indian tribes, settling litigation in which the tribes alleged that the Department of the Interior and the Department of the Treasury mismanaged monetary assets and natural resources the United States holds in trust for the benefit of the tribes. In some circumstances, proceeds from these settlements have resulted in, or will result in, per-capita payments to Indian families by Indian tribes. To date, at least 70 Indian tribes have settled Tribal Trust cases. 24 CFR 5.609(b)(21) requires that certain payments received by Tribal members, to the extent that such payments are excluded from gross income under the IRC, must be excluded from family income. The Internal Revenue Service (IRS) issued guidance in IRS Notice 2013–1, “Per Capita Payments from Proceeds of Settlements of Indian Tribal Trust

Cases,” advising that per-capita payments made from the proceeds of the enumerated Tribal Trust Settlements are excluded from the gross income of the members of the tribe receiving the per-capita payments under 25 USC 117b(a) and 25 USC 1407.

IRS Notice 2013–1 also clarifies, however, that per-capita payments that exceed the amount of the Tribal Trust Settlement proceeds and that are made from an Indian tribe’s private bank account in which the tribe has deposited the settlement proceeds are included in the gross income of the members of the tribe receiving the per-capita payments. For example, if an Indian tribe receives proceeds under a settlement agreement, invests the proceeds in a private bank account that earns interest, and subsequently distributes the entire amount of the bank account as per-capita payments, then a member of the tribe excludes from gross income that portion of the member’s per-capita payment attributable to the settlement proceeds under 25 USC 117b(a) and 25 USC 1407 and must include the remaining portion of the per-capita payment in gross income in accordance with the guidance provided in IRS Notice 2013-1. Per-capita payments not excluded from gross income in accordance with the IRC should be reviewed for potential exclusion as “nonrecurring income” (24 CFR § 5.609(b)(24)) or as “lump sum additions to net family assets” (24 CFR § 5.609(b)(24)(vii)). The IRS last updated the list of Indian tribes who have entered into Tribal Trust Settlements with the United States in 2013,G4 and for whom per-capita Tribal Trust payments are excluded from gross income. O/As should ensure they are reviewing the current list of Tribal Trust Settlements when determining whether a family’s per-capita proceeds should be excluded from annual income.

23. Exclusions from other federal statutes: This exclusion applies to all amounts that HUD is required by federal statute to exclude from annual income. HUD will publish a notice in the Federal Register to identify the benefits that qualify for this exclusion. Updates will be published when necessary.

24. Replacement housing “gap” payments made in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (“URA”), as implemented by 49 CFR Part 24, are excluded from annual income. “Gap” payments offset the increased out-pocket costs of displaced persons who move from one federally subsidized housing unit to another federally subsidized housing unit.

However, replacement housing “gap” payments are not excluded from annual income if the increased cost of rent and utilities is reduced or eliminated, and the displaced person retains or continues to receive the replacement housing “gap” payments.

Replacement housing “gap” payments should cover a minimum of 42 months of tenancy at the new unit.

25. The treatment of student financial assistance depends on the HUD program, student/household

characteristics, and the type of financial assistance received by the student. The student financial assistance rules apply to both full-time and part-time students. The two types of student financial assistance applicable to MFH programs are described below.

**a. Amounts Received Under Section 479B of the Higher Education Act (HEA) of 1965, as amended (20 U.S.C. 1087uu)**

Section 479B provides that certain types of student financial assistance are to be excluded in determining eligibility for benefits made available through federal, state, or local programs financed with federal funds. The types of financial assistance listed below are considered 479B student financial assistance programs; however, this list is not exhaustive, and 479B will be updated as of July 1, 2024.

- 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 and Opportunity Act (WIOA).

**b. Other Student Financial Assistance**

Other student financial assistance includes grants or scholarships received from the following sources:

- The Federal government;
- A state (including U.S. 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); or
- An institution 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 Higher Education Act 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 O/A must verify that the other student financial assistance is for the student's actual covered costs.

The following sections describe the treatment of the two above-described types of student financial assistance by program type. There are distinct differences in the treatment of student financial assistance between the Section 8 program and the Public Housing and non-Section 8 programs administered by MFH due to language in the annual appropriations acts. Section 210(b) of the Consolidated Appropriations Act, 2023, G5 requires that, "for purposes of determining the eligibility of a person to receive assistance under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f), any financial assistance (in excess of amounts received for tuition and any other required fees and charges) that an individual receives under the Higher Education Act of 1965 (20 U.S.C.

1001 et seq.), from private sources, or from an institution of higher education (as defined under section 102 of the Higher Education Act of 1965 (20 U.S.C. 1002)), shall be considered income to that individual, except for a person over the age of 23 with dependent children." HUD interprets that "a person over the age of 23" is 24 years old.

While the Consolidated Appropriations Act, 2023, language is limited to federal fiscal year 2023,

this does not rule out the possibility that similar language will be included in future years' appropriations bills. For any funds from a year where HUD's appropriations include this Section 8 student financial assistance limitation, if the student is the head of household, co-head, or spouse and is under the age of 23 or without dependent children, then both the assistance received under 479B of the HEA and other student financial assistance received by the student will be counted as income to the extent that it exceeds the total of tuition and any other required fees and charges.G6 In contrast, the student financial assistance received by a Section 8 student who is the head of household,

spouse, or co-head of household and is over the age of 23 with dependent children will be treated in a manner identical to the student financial aid received by students who participate in the Public Housing and non-Section 8 programs administered by MFH. During years in which an appropriations act does not contain this Section 8 student financial assistance limitation (or any other such limitation), then the determination of student financial assistance as included/excluded income for all Section 8 students defaults to the methodology described above for the Public Housing and non-Section 8 programs administered by MFH.

26. Achieving a Better Life Experience (ABLE) accounts are excluded from the definition of net family assets, and therefore income generated from such accounts is not considered when calculating income from assets. Distributions from these accounts are also excluded from income.

27. Income and distributions from any Coverdell education savings account under section 530 of the Internal Revenue Code of 1986 or any qualified tuition program under section 529 of such Code; and income earned by government contributions to, and distributions from, "baby bond" accounts created, authorized, or funded by Federal, State, or local government are excluded from income and net family assets.

28. The gross income received by a family through self-employment or the operation of a business is excluded from income. Gross income is all income amounts received into the business, prior to the deduction of business expenses. To determine the amount of business or self-employment income included in a family's annual income, the net income of the business must first be determined.

Net income is the "gross income amount minus business expenses" that allows the business to operate. The net income from self-employment or the operation of a business is considered income.

Expenditures for business expansion or amortization of capital indebtedness are not deductible when determining the income from a business. An allowance for the depreciation of assets used in a business or profession may be deducted, based on a straight-line depreciation, as provided in IRS's regulations.G7 Any withdrawal of cash or assets from the operation of a business is income except to the extent that such withdrawal is to reimburse the family member for cash or assets that the family has invested in the operation of the business.

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

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

Additionally, this exclusion applies to back pay received by the family pursuant to a civil rights settlement or judgment.

### C. ASSETS

O/A has established a total non-enforcement policy for all families at reexaminations, which would mean that they will not initiate termination or eviction proceedings for a family for non-compliance with the asset limitation.

Net family assets are defined as the net cash value of **all assets owned by the family**, after deducting reasonable costs that would be incurred in disposing of real property, savings, stocks, bonds, and other forms of investment, except as excluded.

Assets with negative equity. The cash value of real property or other assets with negative equity would be considered \$0 for the purposes of calculating net family assets. Negative equity in real property or other investments does not prohibit the family from selling the property or other investments, so negative equity alone would not justify excluding the property or other investments from family assets.

Assets disposed of for less than fair market value. In determining the value of net family assets, O/As must include the value of any business or family assets disposed of by an applicant or tenant for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application for the program or reexamination, as applicable, in excess of the consideration received. For example, if a family gave away a home with a net value of \$80,000, the value of the home must be included in the calculation of net family assets for two years following the transfer of property. If a family sold a home for less than fair market value, the difference between the value and the amount for which they sold it would be included in net family assets for two years following the transfer of property.

For example, if a family sold a property with a fair market value of \$80,000 to a friend for \$20,000, then the difference in value (\$60,000) minus the cost to dispose of the property (\$10,000), which is in this example totals \$50,000, would be counted in net family assets for two years from the date of the property's transfer to the other party.

An asset moved to a retirement account held by a member of the family is not considered to be an asset disposed of for less than fair market value. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered less than fair market value if the applicant or tenant receives consideration not measurable in dollar terms.

Asset owned by business entity. If a business entity (e.g., limited liability company or limited partnership) owns the asset, then the family's asset is their ownership stake in the business, not some portion of the business's assets. However, if the family holds the assets in their own name (e.g., they own one-third of a restaurant) rather than in the name of a business entity, then the percentage value of the asset owned by the family is what is counted toward net family assets (e.g., one-third of the value of the restaurant).

Jointly owned assets. For assets jointly owned by the family and one or more individuals outside of the assisted family, O/As must include the total value of the asset in the calculation of net family assets, unless the asset is otherwise excluded, or unless the assisted family can demonstrate that the asset is inaccessible to them, or that they cannot dispose of any portion of the asset without the consent of another owner who refuses to comply. If the family demonstrates that they can only access a portion of an asset, then only that portion's value shall be included in the calculation of net family assets for the family. Likewise, any income from a jointly owned asset must be included in annual income, unless that income is specifically excluded, or unless the family demonstrates that they do not have access to the income from that asset, or that they only have access to a portion of the income from that asset.

If an individual is a beneficiary who is entitled to access the account's funds only upon the death of the account's owner, and may not otherwise withdraw funds from an account, then the account is not an asset to the assisted family, and the family should provide proper documentation demonstrating that they are only a beneficiary on the account.

#### Section 8 Asset Restrictions

The following Section 8 Asset Restrictions are considered when determining the eligibility of families applying for Section 8 Housing Assistance. Asset Restrictions apply only to families applying for Section 8 Assistance. **Asset limitations will not be applied retroactively to families receiving assistance prior to HOTMA implementation. The O/A will apply asset limitations in accordance with HUD transition guidance. This Total Non-Enforcement policy applies only at recertification and not at admission.**

##### 1. Home Ownership - Real Property Rule

HOTMA provides that families cannot receive assistance if they have a present ownership interest in, legal right to reside in, and the effective legal authority to sell real property that is suitable for occupancy as a residence and that is located in the jurisdiction in which the property is located. This includes, but is not limited to a home, condominium, townhome, duplex, mobile home, etc. This restriction does not apply if:

- a. The property is jointly owned by a member of the family and at least one non-household member



- who does not live with the family, if the person resides in the jointly owned property;
- b. The property is not large enough for the size of the family ;
- c. If there are any disabled family members, the home does not provide for the disability-related needs. (e.g., physical accessibility requirements, disability-related need for additional bedrooms, proximity to accessible transportation, etc.);
- d. The property is currently offered for sale. Under this proposed rule, in order to demonstrate that a family is offering property for sale, the O/A may require that the family provide evidence that the property has been listed for sale;
- e. The property is considered unsafe to reside in when 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;
- f. The family may not reside in the property under State or local laws of the jurisdiction where the property is located;
- g. The property is owned by a survivor of a VAWA crime (domestic violence, dating violence, sexual assault, stalking) and such status prevents access to or use of the home or is there a possibility that the survivor could be in imminent danger if the survivor attempted to access the home;
- h. The property is located so that the distance or commuting time between the property and the family's place of work or a family member's educational institution would create 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 O/A);
- i. The property is a manufactured home for which the family is receiving Section 8 tenant-based assistance;
- j. The family receives homeownership assistance from a PHA;
- k. The property part of an irrevocable trust.

## 2. Restrictions Based on Net Assets - Asset Cap

A dwelling unit may not be rented, and assistance may not be provided initially, to any family if the net family assets (as defined in § 5.603) exceed the current Asset Cap established by HUD - \$100,000.00 in 2024 (certain assets are excluded). This "cap" may be adjusted annually in accordance with a commonly recognized inflationary index, as determined by HUD.

## D. ASSET EXCLUSIONS

Required exclusions from net family assets include the following:

1. The value of necessary items of personal property.
2. The value of all non-necessary items of personal property with a total combined value of \$50,000 or less, annually adjusted for inflation.\*\*
3. The value of any account under a retirement plan recognized as such by the Internal Revenue Service, including Individual Retirement Accounts (IRAs), employer retirement plans (e.g., 401(k), 403(b)), and retirement plans for self-employed individuals.
4. The value of real property that the family does not have the effective legal authority to sell in the jurisdiction in which the property is located. Examples of this include but are not limited to: co-ownership situations (including situations where one owner is a victim of domestic violence), where one party cannot unilaterally sell the real property; property that is tied up in litigation; inherited property in dispute.
5. 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.
6. 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; and the amounts in, contributions to, and distributions from any Achieving a Better Life Experience (ABLE) account authorized under section 529A of such code.
7. The value of any "baby bond" account created, authorized, or funded by the federal, state, or local government (money held in trust by the government for children until they are adults).
8. Interests in Indian trust land.
9. Equity in a manufactured home where the family receives assistance under 24 CFR Part 982.

10. Equity in property under the Homeownership Option for which a family receives assistance under 24 CFR Part 982.
11. Family Self-Sufficiency accounts.
12. Federal tax refunds or refundable tax credits for a period of 12 months after receipt by the family.
13. The full amount of assets held in an irrevocable trust.
14. The full amount of assets held in a revocable trust where a member of the family is the beneficiary, but the grantor/owner and trustee of the trust is not a member of the participant family or household.
15. Necessary personal property is excluded from net family assets. Non-necessary personal property with a combined value greater than \$50,000, as adjusted by inflation, is considered part of net family assets. When the combined value of all non-necessary personal property does not exceed \$50,000, as adjusted by inflation, all non-necessary personal property is excluded from net family assets. All assets are categorized as either real property (e.g., land, a home) or personal property. Personal property includes tangible items, like boats, as well as intangible items, like bank accounts. For example, a family could have non-necessary personal property with a combined value that does not exceed \$50,000 but also own real property such as a parcel of land. Even though the non-necessary personal property would be excluded from net family assets, the real property would be included in net family assets regardless of its value unless the real property meets a different exclusion under 24 CFR § 5.603. Necessary personal property are items essential to the family for the maintenance, use, and occupancy of the premises as a home; or they are necessary for employment, education, or health and wellness. Necessary personal property includes more than merely items that are indispensable to the bare existence of the family. It may include personal effects (such as items that are ordinarily worn or utilized by the individual), items that are convenient or useful to a reasonable existence, and items that support and facilitate daily life within the family's home. Necessary personal property also includes items that assist a household member with a disability, including any items related to disability-related needs, or that may be required for a reasonable accommodation for a person with a disability. Necessary personal property does not include bank accounts, other financial investments, or luxury items.
16. Trusts: Whether the value of a trust counts as a net family asset and whether distributions from the trust count as annual income to the family depends on the following three factors:
  - a. Whether the trust is under the control of the family;
  - b. Whether distributions are made from the trust's principal; and
  - c. The purpose of the distribution, if the distribution is made from income earned on the trust's principal.

#### 17. Trusts as Net Family Assets

The value of irrevocable trusts and revocable trusts that are not under the control of the family are both excluded from net family assets. The distinguishing feature of a revocable trust is that the grantor can terminate and/or amend the trust at any time for any reason before his or her death. In circumstances when a member of the assisted family is the beneficiary of a revocable trust, but the grantor is not a member of the assisted family, the beneficiary does not "own" the revocable trust, and the value of the trust is excluded from net family assets. For the revocable trust to be considered excluded from net family assets, no family or household member may be the account's trustee. A revocable trust that is under the control of the family or household (e.g., the grantor is a member of the assisted family or household) is included in net family assets, and, therefore, income earned on the trust is included in the family's income from assets. This also means that O/As will calculate imputed income on the revocable trust if net family assets are more than \$51,600 (1/1/2025), as adjusted by inflation, and actual income from the trust cannot be calculated (e.g., if the trust is comprised of farmland that is not in use).

#### 18. Actual Income from a Trust

If the O/A determines that the revocable trust is included in the calculation of net family assets, then the actual income earned by the revocable trust is also included in the family's income.

Where an irrevocable trust is excluded from net family assets, the O/A must not consider actual income earned by the trust (e.g., interest earned, rental income if property is held in the trust) for so long as the income from the trust is not distributed.

19. Trust Distributions and Annual Income

- a. Revocable trust considered part of net family assets: If the value of the trust is considered part of the family's net assets, then distributions from the trust are not considered income to the family.
- b. Revocable or irrevocable trust not considered part of net family assets: If the value of the trust is not considered part of the family's net assets, then distributions from the trust are treated as follows:
  1. All distributions from the trust's principal are excluded from income.
  2. Distributions of income earned by the trust (i.e., interest, dividends, realized gains, or other earnings on the trust's principal), are included as income unless the distribution is used to pay for the health and medical expenses for a minor.

20. Federal Tax Refunds or Refundable Tax Credits

All amounts received by a family in the form of federal tax refunds or refundable tax credits are excluded from a family's net family assets for a period of 12 months after receipt by the family. Taxpayers have several options for receiving their tax refunds: via paper check or direct deposit into a checking or savings account; via TreasuryDirect to buy savings bonds; via direct deposit into a Traditional, Roth, or Simplified Employee Pension Plan-IRA; or via purchase of savings bonds, a Health Savings Account, an Archer Medical Savings Account, or a Coverdell Education Savings Account. Refundable tax credits, such as the Earned Income Tax Credit (EITC), are determined as part of an overall tax return submission to the Internal Revenue Service (IRS). Taxpayers receive one federal tax refund reflecting the taxpayer's tax liability, if negative, including any applicable refundable tax credits.

At the time of an annual or interim reexamination of income, if the federal tax refund was received during the 12 months preceding the effective date of the reexamination, then the amount of the refund that was received by the family is subtracted from the total value of net family assets. When the subtraction results in a negative number, then net family assets are considered \$0.

**Note:** Only the amount that the family receives is excluded from net family assets. For example, if a family anticipates a \$500 federal tax refund but only receives \$250, then only \$250 will be excluded from the net family assets because that is the amount that the family received. O/As are not required to verify the amount of the family's federal tax refund or refundable tax credit(s) if the family's net assets are equal to or below \$50,000 (adjusted annually for inflation), even in years when full verification of assets is required or if the O/A does not accept self-certification of assets. O/A must verify the amount of the family's federal tax refund or refundable tax credits if the family's net assets are greater than \$51,600.

The anticipated income earned by the assets in which a family has deposited their federal tax refund or refundable tax credits must be included in the family's annual income unless the income is specifically excluded under 24 CFR § 5.609(b).

E. PASSBOOK RATE\*\*

HUD will annually publish a passbook rate based on the Federal Deposit Insurance Corporation (FDIC) National Deposit Rate for savings accounts, which is an average of national savings rates published on a monthly basis. O/As must use the HUD-published passbook rate when calculating imputed asset income for net family assets that exceed \$51,600 (a figure that is annually adjusted for inflation). The HUD-published passbook rate will be posted to a dataset on the HUD User Web site, alongside annual inflationary adjustments.

To determine the passbook rate for the next calendar year, HUD will average the most recent three months of FDIC updates to the National Deposit Rate for savings accounts, rounded to the nearest hundredth of 1 percent. In order to ensure updated passbook rates may be used for reexaminations with an effective date of January 1, HUD will calculate the update in July each year, using FDIC data from April, May, and June for publication on HUD User not later than September 1.

*Tenant Selection Plan*

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*\*\*Upon implementation of HUD software changes*

Implemented July 9, 2026

## F. ACTUAL AND IMPUTED INCOME FROM ASSETS

1. **Actual Income:** Actual income from assets is always included in a family's annual income, regardless of the total value of net family assets or whether the asset itself is included or excluded from net family assets, unless that income is specifically excluded by 24 CFR § 5.609(b).

Income or returns from assets are generally considered to be interest, dividend payments, and other actual income earned on the asset, and not the increase in market value of the asset. The increase in market value is relevant to the cash value of the asset for the purpose of determining total net family assets and imputing income.

2. **Imputed Income:** Imputed income from assets is no longer determined based on the greater of actual or imputed income from the assets. Instead, imputed asset income must be calculated for specific assets when three conditions are met:

- The value of net family assets exceeds \$51,600 (as adjusted for inflation);
- The specific asset is included in net family assets; and
- Actual asset income cannot be calculated for the specific asset.

Imputed asset income is calculated by multiplying the net cash value of the asset, after deducting reasonable costs that would be incurred in disposing of the asset, by the HUD-published passbook rate. If the actual income from assets can be computed for some assets but not all assets, then O/As must add up the actual income from the assets, where actual income can be calculated, then calculate the imputed income for the assets where actual income could not be calculated. After the O/A has calculated both the actual income and imputed income, the housing provider must combine both amounts to account for income on net family assets with a combined value of over \$51,600. When the family's net family assets do not exceed \$51,600 (as adjusted for inflation), imputed income is not calculated. Imputed asset income is never calculated on assets that are excluded from net family assets. When actual income for an asset — which can equal \$0 — can be calculated, imputed income is not calculated for that asset.

## G. DETERMINATION OF ADJUSTED INCOME\*\*

When determining Adjusted Income, the O/A will use HUD methods to determine annual income for the entire family. After Annual Income is determined, the O/A will apply the following deductions as applicable:

- The Elderly/Disabled Family Deduction;
- The Dependent Deduction;
- The Childcare Deduction;
- The Health & Medical Expense Deduction (Medical Expenses in excess of 10% of Annual Income)\*\*
- The Attendant Care & Auxiliary Apparatus Deduction

**These amounts may be adjusted by HUD annually. Eligible families will receive the updated amounts at their first interim or annual after the effective date set forth by HUD.**

### Elderly/Disabled Family Deduction

In order for a family to be eligible for the Elderly/Disabled Family Deduction, the Head-of-Household (HOH), co-HOH or spouse must be either:

- ✧ 62 years of age or older; or
- ✧ Disabled.

### The Health and Medical Expense Deduction

In order for a family to be eligible for the Medical Expense Deduction, the Head-of-Household (HOH), co-HOH or spouse must be either:

- ✧ 62 years of age or older; or
- ✧ Disabled.

O/As must verify and include any out-of-pocket medical expenses for any family member listed on the 50059.

The calculation of the Health & Medical Expense Deduction:

- ✧ Total all verified out of pocket medical expenses;
- ✧ Reduce the total by 10% of Annual Income;

✧ The result is the Medical Expense Deduction used to reduce Annual Income. The Attendant Care & Auxiliary Apparatus Expense Deduction  
All families who incur expenses on the behalf of a disabled individual that allows an adult member (can be the disabled member) to work are eligible for the Attendant Care and Auxiliary Apparatus Expense Deduction.

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 18 years of age or older who may or may not be the member who is a person with disabilities to be employed.

The calculation of the Disability Assistance Expense Deduction, O/As:

- ✧ Total all verified out of pocket Attendant Care and Auxiliary Apparatus Expenses;
- ✧ Reduce the total by 10% of Annual Income;
- ✧ Compare that amount to the amount earned by the person made able to work;
- ✧ The Attendant Care and Auxiliary Apparatus Expense Deduction cannot exceed the income earned by the person made able to work;
- ✧ Use the lesser of the reduced Attendant Care and Auxiliary Apparatus Expense Deduction or the income earned by the person made able to work.

Note: If an elderly/disabled family’s Annual Income will be reduced by including both a Medical Expense Deduction and a Disability Assistance Expense Deduction, a special calculation is required to ensure that the family’s 10% of income expenditure is applied only one time. Because the deduction for disability assistance expenses is limited by the amount earned by the person enabled to work, the Disability Assistance Expense Deduction must be calculated before the Medical Expense Deduction is calculated.

#### The Dependent Deduction

A family receives a deduction for each family member (except foster children and foster adults) who is:

1. Under 18 years of age;
2. A person with disabilities; or
3. A full-time student of any age.

It is not necessary for a member of the family to have legal custody of a dependent in order to receive the dependent deduction (ex: a family that has power of attorney of a child). When more than one family shares custody of a child and both live in assisted housing, only one family at a time can claim the dependent deduction for that child. 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 dependents.
- 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.

#### The Childcare Deduction

Anticipated expenses for the care of children under age 13 may be deducted from Annual Income if all of the following are true:

- ✧ The care is necessary to enable a family member to work, seek employment, or further his/her education (academic or vocational);
- ✧ The family has determined there is no adult family member capable of providing care during the hours care is needed;
- ✧ The expenses are not paid to a family member living in the unit;
- ✧ The amount deducted reflects reasonable charges for child care;
- ✧ The expense is not reimbursed by an agency or individual outside the family;

#### H. RENT CALCULATION

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

1. 10% of Monthly Income;
2. 30% of Monthly Adjusted Income; or
3. Welfare rent (welfare recipients in as-paid localities only); or
4. The \$25 minimum rent (Section 8 only).

O/As are required to ensure that tenants pay the correct Tenant Rent based on HUD's requirements.

#### I. VERIFICATIONS:

The O/A shall obtain verifications in compliance with requirements set forth by the Department of Housing and Urban Development. After the preliminary eligibility determination, no decision to approve an application shall be made until information provided on the application form and during subsequent interviews has been collected and any necessary follow-up interviews have been performed.

All information relative to the following items must be verified as described in these procedures. Verifications will be attempted as follows:

**1. Means-tested Verification (also known as Safe Harbor).**

**2. Upfront Income Verification (UIV)** using HUD's Enterprise Income Verification (EIV) system (EIV may be used as the sole verification of Social Security income);

**3. Upfront Income Verification (UIV)** using non-EIV resources (e.g., Work Number, web-based state benefits system, etc.);

**4. Written, third-party verification from the source, also known as "tenant-provided verification".** An original or authentic document generated by a third-party source dated within 120 days of the date received by the O/A. (e.g., tenant provided bank statement). For fixed-income sources, a statement for the appropriate benefit year is acceptable documentation.

O/As may also accept third-party verification directly from the verification source. For example, O/As may (but are not required to) obtain verification of disability directly from a medical care provider (e.g., physician, physical therapist, etc.) or may accept a letter provided by the provider to the tenant;

**5. EIV with Self-Certification (Employment or Unemployment Income).** The EIV Income Report may be used to verify and calculate income if the family self-certifies that the amount is accurate and representative of current income. The family will be provided with the information from EIV.

**6. A Written Third-party Verification Form (as appropriate);**

**7. Oral verification.** When verifying information over the telephone or via the internet, it is important to be certain that the person is the party he or she claims to be. When verifying information by phone, the owner must record and include in the tenant's file the following information:

- a. Third-party's name, position, and contact information;
- b. Information reported by the third party;
- c. Name of the person who conducted the telephone/internet interview; and
- d. Date and time of the call.

**8. Family Self-Certification.** In the absence of any of the above or as provided in HUD guidance, notarized or witnessed self-certification from the household member (the O/A is not required to accept family/self-certification). Except when accepted based on HUD guidance (e.g., Streamlining, Assets Disposed, etc.), when the O/A accepts Family Self-Certification, the tenant file will be documented, when appropriate, to show that staff attempted other acceptable verification before relying on family self-certification.

Streamlined Determination of Income, Streamlined Verification of Assets & Streamlined Certification for Fixed Income Families

The O/A has implemented the following Streamlining processes.

1. **Streamlined Determination of Fixed Income.** At move-in and at least every three years, O/As will verify income from any fixed income source using verification methods described above. In Year 2 and in Year 3, O/As will apply any published/documented COLA or Fixed Percentage Increase to the previous year's fixed income amount.

1. **Streamlined Verification of Assets When the Net Cash Value of Assets Is At Or Below The Current Asset Threshold Established By HUD (\$51,600 1/1/2025 adjusted annually).** At move-in and at least every three years, O/As will verify the cash value of assets that are not specifically

excluded, and will verify the income from those assets when possible. In Year 2 and in Year 3, O/As 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 O/A will accept the families notarized or witnessed self-certification providing the net cash value of assets not specifically excluded and any known income from those assets. The O/A has opted to verify all assets at move-in and will accept self-certification of assets in certification year 2 and year 3.

2. **Streamlined Certification for Fixed Income Families.** When 90% or more of the total annual income is derived from a fixed income source (e.g., Social Security, Pension, Annuity), at move-in and at least every three years, O/As will verify the cash value of assets that are not specifically excluded, any fixed income amounts and the amount of any income that is not fixed. In Year 2 and in Year 3, the O/A will apply Streamlined Determination of Fixed Income and Streamlined Verification of Assets. The O/A will also accept self-certification of amounts that are not fixed or the O/A will use the amount of income that is not fixed on the most recent 50059 in effect at the time of any certification interview.

Streamlining will not be utilized if any member of the family has received a lease violation for failing to fully and accurately report income information or if any member of the family has been required to return an improper payment to the Department of Housing & Urban Development.

#### **SECTION XIV CONTINUED OCCUPANCY**

A. **\*\* Hardship Exemption – Health & Medical Expense Deduction and the Attendant Care & Auxiliary Apparatus Deduction**

HUD has provided two Hardship Exemptions related to the increase to the Health & Medical Expense Deduction (previously known as the Medical Expense Deduction) and the Attendant Care

& Auxiliary Apparatus Deduction (previously known as the Disability Assistance Expense Deduction).

There are two types of Hardship Exemptions related to the Medical Expense Deduction and the Attendant Care and Auxiliary Apparatus Expense Deduction.

1. The Phase-in Hardship Exemption; and
2. The General Relief Hardship Exemption.

**Hardship Exemption – Health & Medical Expense Deduction and the Attendant Care & Auxiliary Apparatus Deduction**

The Phase-in Exemption is available only to those tenants who were residing at PRM and receiving either Medical Expense or the Disability Assistance Expense Deduction before the O/A's implementation of HOTMA.

The Phase-in Exemption is automatic. Tenants are not required to submit a Request for a Hardship Exemption allowing for a gradual increase to the Medical Expense Deduction or Disability Assistance Expense Deduction Percentage.

**Phased-in Relief Timing**

|                         |                                                                                                                                                                                     |                    |
|-------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| Phased-in Relief Timing | In Excess Threshold Percentage for Families Receiving the Health and Medical Expenses and Reasonable Attendant Care and Auxiliary Apparatus Expense Deduction as of January 1, 2024 | Reexamination Type |
|-------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|

|                                                                                                                                                        |             |                                                                                                                                                                 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| First annual reexamination or interim reexamination, whichever occurs first on or after the date on which the PHA/O/A implements the phased in relief. | 5 percent   | Annual or Interim Reexamination                                                                                                                                 |
| Twelve months after the 5-percent phase-in began                                                                                                       | 7.5 percent | Annual Reexamination or Interim Reexamination If no Interim Reexamination is triggered, then the PHA/O/A processes with a noninterim transaction.               |
| Twelve months after the 7.5-percent phase-in began                                                                                                     | 10 percent  | Annual Reexamination or Interim Reexamination If no Interim Reexamination is triggered, then the PHA/O/A processes with a noninterim reexamination transaction. |

O/A will NOT continue the phased-in relief for a new admission who was receiving the phased-in relief at their prior assisted housing at the time that the family was admitted to their current unit. For example, a family is admitted to a new MFH property, but they would have still been receiving the 24-month phased-in hardship exemption had they continued to reside in their previous unit at a different MFH property. O/As may establish a policy to continue the phased-in hardship exemption for the family's remaining months in the 24-month phase-in period. However, the family may qualify under the general relief. Please Note: A family receiving phased-in relief may request to

receive general hardship relief instead; once a family chooses to obtain general relief, a family may no longer receive the phased-in relief.

#### General Relief:

Relief is available regardless of whether the family previously received an unreimbursed health and medical care expense deduction, unreimbursed reasonable attendant care and auxiliary apparatus expense deduction, are currently receiving phased-in hardship relief, or were previously eligible for either this general relief or the phased-in relief.

To receive general relief, a family must demonstrate that they are unable to pay their rent due to unreimbursed reasonable attendant care/auxiliary apparatus or health and medical care expense deduction.

#### Childcare Hardship Exemption

A family may request a Childcare Hardship Exemption to continue the Childcare Deduction if:

1. The family is no longer qualified for the Childcare Deduction because no member is working, seeking work or furthering his or her education; and
2. The Childcare Deduction is still necessary.

The family must demonstrate they are unable to pay their rent because of the loss of childcare deduction and childcare expense is still necessary by providing documentation that:

- They left a job to take care of a sick or injured family member OR
  - They are not working due to hospitalization, extended illness or other medical reason OR
  - They intend to work or further their education and their childcare provider has a long waiting list and pulling them out would leave them without reliable childcare
- AND

• There is no one living in the unit that can provide the necessary childcare To qualify for general relief or childcare hardship exemption:

1. The tenant has not provided Notice to Move;



2. The tenant is a tenant in good standing and the O/A has not indicated intent to terminate assistance and/or terminate tenancy (eviction);
3. The tenant agrees to participate in a review meeting and provide required documentation at least every 90 days or upon request by the O/A.

#### Requesting a Hardship exemption

Tenants (or tenants' representatives), who wish to request a Financial Hardship Exemption or a Childcare Hardship Exemption, may do so by completing the attached form and returning it to the property management office

Tenant's may also submit an electronic copy using the email address below. Pine Ridge  
Marquette

ATTN: Heidi Rosenberg 316

Pine Street

Marquette, MI 49855

Email: [HRosenburg@mqthc.org](mailto:HRosenburg@mqthc.org) Telephone:  
(906)226-7559 ext. 5

- Review & determination:
  - For general relief hardship, the family will have 30 days to set up payment arrangement(s) with their medical provider(s) and submit the payment plan to the office.
    - O/A will review the payment plan and determine if the family's monthly rent payment plus all qualifying monthly payments in the plan exceed 45 percent of the family's adjusted income.
  - For childcare hardship, the family will have 30 days to provide documentation stating the circumstances behind the necessity of the childcare exemption.
    - O/A must obtain 3<sup>rd</sup> party verification of the family's inability to pay rent or must document in the file with reason 3<sup>rd</sup> party verification was not available. O/A must attempt to obtain 3<sup>rd</sup> party verification before the end of the 90 days.
  - O/A will promptly notify the family in writing of the change in the determination of adjusted income and the family's rent resulting from the application of the hardship exemption. The written notice will also inform the family of the dates that the hardship exemption will begin and expire and the requirement for the family to report to the office if the circumstances that made the family eligible for relief are no longer applicable. The notice will also state that the family's adjusted income and tenant rent will be recalculated upon expiration of the hardship exemption. Owners/agent must provide families 30 days' notice of any rent increase.
    - If approved for general relief, the family will receive a deduction for the sum of the eligible expenses that exceed 5 percent of annual income beginning the first of the month following the approval and will end 90 days after.
    - If approved for childcare exemption, O/A will recalculate the family's Adjusted Income and continue to include the Childcare Deduction beginning the first of the month following the approval and will end 90 days after.
    - If denied, owners/agent will promptly notify families in writing if they are denied either an initial hardship exemption or an additional 90-day extension of the exemption. The notification will specifically state the reason for the denial (See appealing the decision to deny for more information).
  - O/A may extend the general relief hardship for increments of 90 days, with no limit to the number of extensions.
  - While receiving the general relief hardship, a review to continue will be conducted between 60 and 90 days. For the review, the family must provide updated medical bills showing they have been paying those bills and that they still need the deduction to be able to pay their rent.
  - The family's general hardship relief ends when:
    - The medical bills have been paid off OR
    - OA determines the family's monthly rent plus the qualifying monthly payments in the plan drop below 45 percent of the family's adjusted income OR
    - O/A determines that the family has not been paying their medical bills OR

- The family fails to provide updated medical bills required for the review as requested by O/A.
- The family's childcare hardship exemption ends when:
  - O/A determines the need for the Financial Hardship Exemption no longer exists and the family is able to pay their rent without the Financial Hardship Exemption.
  - If the tenant fails to meet with property staff and provide required documentation, as required, at least every 90 days or upon request from the O/A.

**O/A will provide a written 30-day notice to tenant preceding the expiration of their hardship.**

### **REPORTING REQUIREMENTS**

Tenant family composition, income and expenses are reviewed at least Annually. Interim Recertifications are not required for income that are reported within 3 months of the next Annual Recertification. Families who delay reporting income increases until the last 3 months of their certification period may be subject to retroactive rent in accordance with O/A's policy.

All tenants **must** notify the O/A as specified in their current house rules when:

- Household unearned income increases by 10% or more of family's combined (earned and unearned) Annual Adjusted Income
- There is a change in household composition (regardless of income change);
  - A current household member moves out of the unit;
  - Addition of new minors must be reported as quickly as possible, but not later than the date the next rent payment, is due after the minor is added.
- The household proposes to move a new member into the unit (except minors)
- Provision of a Social Security Number for a temporarily exempt minor (even when there is no income change);
- Tenant wishes to request a Rent Hardship Exemption;
- Tenant wishes to request a Financial Hardship Exemption (% of income for Medical/Disability Expenses);
- Tenant wishes to request a Childcare Hardship Exemption.

O/As must apply eligibility criteria and screening criteria (including screening for drug abuse and other criminal activity) to persons proposed to be added to the household, including live-in aides. Optional Reporting

Tenants may request an Interim Recertification due to any changes occurring since the last certification that may affect the TTP or tenant rent and assistance payment for the tenant. Changes a tenant **may** report include, but are not limited to, the following:

- Unearned income decreases after it exceeds 30 days
- Loss of earned income
- The family becomes eligible for new or increased deductions;
  - Family now meets the definition of elderly or disabled family
  - Family qualifies for new or increased medical expense/disability assistance expense
  - Family qualifies for new dependent deduction (member becomes student or disabled)
- A member's noncitizen status changes and the family is entitled to an additional subsidy (even when there is no income change);
  - OAs are required to review noncitizen status at each IR (and AR) if it is possible that the status would change.
- Change to Student Status (regardless of income change);
  - OAs are required to review student status at each IR (and AR).

### **When A Tenant Turns Eighteen**

Tenants are not required to report for certification when a family member turns 18 years of age between Annual Recertifications. However, the person who turns 18 must sign HUD Forms 9887/9887A within thirty (30) business days. At the next annual, the new adult will be required to complete income certification and sign all lease forms.

Failure to sign required consent forms is reason for termination of assistance for the entire household.

#### Penalties for Failure to Report

Failure to report changes that create a rent increase, within thirty (30) business days will result in a retroactive rent increase effective the first day of the month following the date of the change. Per the lease, a 30-Day Notice of Rent Increase is not required. Tenants must receive approval **before** a new household adult member moves in to a unit. Failure to notify the O/A is considered a material violation of the lease which may result in termination of assistance and/or residency. All household members must be eligible and must meet current screening requirements in order to be approved to move in to the unit.

Failure to report changes that result in a decrease of rent, within thirty (30) business days will result in a rent change effective the first day of the month following the date the tenant provides information required to recalculate assistance. In most cases, the reduction in rent will NOT be retroactive.

#### Extenuating Circumstances – Retroactive Income Decrease

The O/A understands that certain circumstances may prevent a tenant from reporting in a timely manner. These include, but are not limited to:

- Delays caused by a tenant's status as a survivor of VAWA crimes (domestic violence, dating violence, stalking, sexual assault);
- Delays caused by the need for a reasonable accommodation;
- Delays caused for a medical reason;
- Delays caused because of a tenant's Limited English Proficiency;
- Delays caused by any Presidentially Declared Disaster;
- Other delays as deemed appropriate by the O/A.

When there are extenuating circumstances, the O/A may make a rent decrease retroactive. However, HUD rules specify that a retroactive rent decrease may not be effective prior to the later of:

- The first of the month following the date of the change leading to the interim reexamination; or
- The first of the month following the effective date of the family's most recent previous income examination (either interim or annual reexamination, or the first of the month following the family's initial examination if that was family's only income examination before the interim reexamination in question).

In other words, a family's failure to report the change at a previous certification or recertification may not be taken into consideration in applying the effective date of the interim reexamination. O/A ACTION

If the change reported results in a reduction to family income, the O/A will process an Interim Recertification (IR), adjusting rent. O/A will only process Interim Recertifications for decreases if the decrease has (for unearned income) or will (for earned income) exceed 30 days.

If the unearned income increase is 10% or more of the family's combined adjusted annual income, the O/A will process an Interim Recertification (IR) adjusting rent.

If the family's income decreases by any amount, the O/A will process an Interim Recertification (IR) adjusting the rent.

If there is a pattern of irregular payments for unearned income, the O/A will conduct quarterly reviews for the first year, processing Interim Recertifications (IR) once the accumulated income received is 10% or more of the family's combined adjusted annual income.

The O/A will only process increases in earned income at Annual Recertifications (AR), unless a new family member is added to the lease that increases the family's combined adjusted annual income by 10% or more.

O/A will not round calculated percentage increases up to meet the 10% threshold necessary to process an Interim Recertification.

If the tenants comply with reporting requirements, rent changes will be implemented as follows:

1. Rent increases. If the rent increases, the owner will give the tenant 30 days advance notice of the increase. The effective date of the increase will be the first of the month after the end of the 30-day period.
2. Rent decreases. If the rent will decrease, the change in rent is effective on the first day of the month after the date of action (e.g., first of the month after the date of loss of employment.) A 30-day notice is not required for rent decreases.

If the tenants do not comply with the reporting requirements, and the owner discovers the tenant has failed to report changes as required, the owner will implement rent changes as follows:

1. Rent increases. Owners must implement any resulting rent increase retroactive to the first of the month following the date that the action occurred.
2. Rent decreases. Any resulting rent decrease must be implemented effective the first rent period following completion of the most recent recertification. The O/A will make rent decreases retroactive under certain circumstances. In most cases, the reduction in rent will NOT be retroactive.

NOTE: Streamlining verification will not be utilized if any member of the family has received a lease violation for failing to fully and accurately report income information or if any member of the family has been required to return an improper payment to the Department of Housing & Urban Development (See Streamlining section for more information).

#### Errors Caused by a Member of the Tenant Family

If an owner suspects that a tenant has inaccurately supplied or misrepresented information that affects the rent or a family's eligibility, the owner must investigate and document the tenant file.

If the tenant family 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 tenant family, the owner determines that the provision of inaccurate information was an unintentional program violation, the owner will correct the rent calculation, if applicable, and provide the tenant with notice of the change in rent.

#### Improper Assistance Payments

In any case, if the O/A determines the tenant received an improper assistance payment, all adult household members living in the unit at the time of discovery will be responsible for returning that improper payment to the O/A, in compliance with the HUD lease. The O/A must then return the improper payment to HUD. If the owner determines the tenant knowingly provided inaccurate or incomplete information, and this can be substantiated through documentation, the owner will pursue the incident as fraud.

#### Repayment Agreements

If the tenant is unable to repay the full amount, the owner and tenant may enter into a repayment agreement. The monthly payment plus the tenant's rent at the time the repayment agreement is executed should not exceed 40 percent of the family's monthly adjusted income.

1. If, after the income adjustment, the family no longer qualifies for assistance, the family may remain in the property subject to making repayments and paying market rent.
2. The owner may terminate tenancy if the tenant refuses to pay any new monthly rent or refuses to repay the previously overpaid subsidy (improper payment) pursuant to any Repayment Agreement.
3. The owner may terminate tenancy if the tenant refuses to enter in to Repayment Agreement if such an option is offered.
4. If necessary, civil action may be filed to recover the funds.

## DeMinimus Errors Policy

### Errors Caused by The O/A, a Service Bureau or O/A Software

If the O/A determines that an error was made and the family's income was over-reported, the owner must complete corrections to the prior certification(s) affected by the income change. Once the corrections have been made, the owner must determine the difference between the amount of rent paid and the rent that should have been paid.

- The O/A will request a meeting to discuss the error;
- The O/A will prepare corrections or new certifications that must be signed by all adult members;
- The O/A will provide the family with written notification, which includes:
  - A notice of the change in rent, effective retroactively to when the error occurred;
  - The new monthly rent the tenant is required to pay;
  - The amount of the overpayment of rent due; and
  - A form used by the family choosing whether to:
    - Receive a full refund; or
    - Apply the overpayment to future monthly rent payments.

Please note that any credit will be applied to any outstanding rent payment before calculating the amount due to the tenant family.

## EIV POLICY

The Marquette Housing Commission staff utilizes the Enterprise Income Verification System (EIV) as a method of verification of tenant income and program eligibility. Marquette Housing Commission staff will only use EIV data in accordance to the provisions of the Federal Privacy Act (5 U.S.C. @ 552, As Amended By Public Law No. 104-231, 110 Stat. 3048) and related amendments.

### USE OF EACH REPORT

EIV Reports are used for HUD purposes/programs only.

These reports are not to be used for other programs such as LIHTC, USDA 515, etc. to verify income or any other information.

### APPLICATION

Existing Tenant Search

ETS must be reviewed for all family and non-family members (including minors) before the family's application is approved and a unit offer is extended. MASTER FILES

Identity Verification Reports - Must be reviewed each month and stored as part of the Master File.

- Two required reports

1) Failed Pre-Screening Report and

2) Failed Verification Report.

Deceased Tenant Report - Must be reviewed at least quarterly and stored as part of the Master File.

Multiple Subsidy Report - Must be reviewed at least quarterly and stored as part of the Master File.

New Hires Report -

- Must be reviewed at least quarterly and stored as part of the Master File.
- Must be reviewed when conducting AR interviews unless staff used Means-tested verification when determining income for the most recent certification (NEW). REPORTS REVIEWED

### WHEN CERTIFYING OR RECERTIFYING

Income Summary Report - The Income Summary Report is reviewed at AR

**Income Report (Income Detail)** - The Income Report is reviewed at AR.

Staff may use this report to verify any income shown on the report when paired with self-certification.

*Tenant Selection Plan*

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*\*\*Upon implementation of HUD software changes*

Implemented July 9, 2026

Tenants should indicate that the report is correct when using the report to verify specific information (or disagree if that is appropriate). Staff **is not** required to use the report when creating the Annual Recertification if they used Means-tested verification to determine the family's income for the current certification. Staff is required to review the report 120 days after submission of the MI/IC transaction. Staff will use this is verification of Social Security Number (SSN). If the

SSN is not validated staff will investigate to determine if the error can be explained with reason or fraudulent intentional misrepresentation.

**Income Discrepancy Report** - Because the report is designed to detect discrepancies related to a \$200 income variance, it is no longer valid, staff will discontinue use of the EIV Income Discrepancy Report.

## **RECORDKEEPING**

Initial Qualifying files will be retained forever.

EIV reports used when creating the Move-in or Annual Recertifications will be maintained in the tenant file for the time of tenancy and for three years after tenancy ends. Initial qualifying files at RAD conversion (dark blue files) will be maintained for the life of the property. Master Files are maintained for three years.

Staff will destroy records and data and will document when and how records and data are destroyed.

### **1. Electronic Data.**

Staff will destroy electronic data and will document when and how records and data are destroyed. The method used to destroy such data will ensure that records and documents cannot be accessed once they have been destroyed. The type of destruction method used will correlate to the sensitivity of the data and HUD's or other federal/state/local government requirements.

### **2. Paper File Destruction.**

Staff will dispose of paper files in a manner that will prevent any unauthorized access to personal information, e.g., burn, pulverize, shred, etc.

### **3. Converting paper files to electronic files**

When converting paper files/documents to electronic format and prior to destroying the paper format, staff will ensure that local and state laws and practices to determine if hardcopy documents with original signatures must be retained or whether a print-out of an electronic document with a verifiable electronic signature is acceptable.

## **SECTION XV UNIT TRANSFER POLICIES**

Transfers will be made without regard to race, color, national origin, sex, religion, familial status, marital status, sexual orientation, gender identity or disability. Tenants will not be transferred to a dwelling unit of equal size except to alleviate hardship of the Tenant or other undesirable conditions as determined by the Director of Property Management Services or designee. Tenants can be transferred to accommodate a disability.

Tenants will receive one offer of a transfer. Refusal of that offer without good cause will result in lease termination for mandatory transfers or the removal of the household from the transfer list for voluntary transfers.

Transfers will be sorted into their appropriate categories by the Director of Property Management Services. Within each category, transfer applications will be sorted by the date the completed file (including any verification needed) is received from the Property Manager. Admissions will be made in the following descending order:

### **A. The O/A will accept requests for transfer in the following situations:**

#### **1. Emergency or Safety**

The household needs to move due to a life-threatening situation and the transfer will take priority over new admissions. Life-threatening situations include the following:

- (a) Due to no fault of the Tenant(s), the unit is uninhabitable and cannot be made habitable in a reasonable amount of time;

- (b) A household member has experienced a medical condition which makes the current unit uninhabitable or unsafe;
  - (c) A household member is in danger of retaliation due to witnessing a crime;
  - (d) A household member is a victim of domestic violence, hate crime or extreme harassment and qualifies for VAWA protections.
2. Category 1 Administrative Transfers  
A family member has a medical problem of a serious (but not life-threatening) nature and there is a verified need for a Reasonable Accommodation to be made for an accessible unit.
3. Category 2 Administrative Transfers  
Transfers in this category include:
- (a) Over Housed where the household is in a unit that is larger than they qualify for according to the O/A's occupancy standards.
  - (b) Under Housed where the household is in a unit that is smaller than they qualify for according to the O/A's occupancy standards or the family has had a qualifying event (see occupancy standards for the list of qualifying events) and requests a bedroom size for which they are eligible.
  - (c) Category 2 transfers will only be made if the family size is so small that it includes fewer persons than the number of bedrooms, or so large that the household members equal more than two persons per bedroom, taking into consideration family composition/makeup.
  - (d) These transfers will take priority over new admissions and are mandatory for the Tenant.
4. Category 3 Administrative Transfers  
Transfers in this category include:
- (a) The family has an unneeded accessibility feature which the family does not require or no longer needs the accessibility features of a unit in which they are living. However, there is not another family that needs that accessibility feature;
  - (b) If a family's size is between the smallest and largest size permissible for the unit, the family may request a transfer, e.g. to permit older children of opposite sexes to have separate bedrooms;
  - (c) To avoid concentration of the most economically and socially deprived families;
  - (d) To address situations that interfere with peaceful enjoyment of the premises;
  - (e) These transfers will not take priority over new admissions. They will be processed at the rate of one transfer to four admissions.
- B.** Unit transfer requests that do not fall into one of these categories will not be approved. Families requesting to move for any other reason will be provided with information on how to apply for housing assistance at the other properties managed or owned and operated by MHC.
- C.** Existing Tenants must complete a Unit Transfer Request. The Unit Transfer Request must be completed and signed by the head of household and all adult household members who wish to move. The O/A will accept the Unit Transfer Request in an equally effective format, as a reasonable accommodation, if there is the presence of a disability.
- D.** Special consideration is given when the unit transfer is requested because there is:
- 1. A verified medical need for a different unit;
  - 2. A verified need for an accessible unit;
  - 3. There is a need for a unit transfer of a household that does not require the accessibility features of a unit in which they are living to accommodate a disabled Tenant/applicant on the waiting list;  
or
  - 4. A change in household size that makes the current unit too large or too small for the family based on the O/A's occupancy standards.
- E.** With the exception of Emergencies and Reasonable Accommodations, unit transfers will be granted only if:
- 1. The household has not given notice to move;
  - 2. The Tenant is not being evicted;
  - 3. The Tenant is current for all outstanding charges; and
  - 4. The Tenant complies with lease provisions regarding decent safe and sanitary conditions of current unit.

- F.** A household living in an apartment too large for its needs will not be required to move if there are no applicants waiting for the bedroom size to be vacated by the transfer. An appropriately sized unit will be available before the Tenant household is required to move. At that time, the household will have thirty (30) days to complete the transfer.
- G.** Split-family transfers will be processed as Category 2 Administrative Transfers.
1. Families that split into 2 “new” households may be transferred to two different units or
  2. A portion of the “old” household may be transferred to a single unit depending on family circumstances and unit availability.
  3. Such transfers will be made in a manner that minimizes the impact on vacant units.

**H. Good Record Requirement for Transfers**

1. In general, and in all cases of all Tenant requested transfers, Tenants will be considered for transfers only if the head of household and any other family members for the past two years:
    - (a) have not engaged in criminal activity that threatens the health and safety of Tenants and staff;
    - (b) do not owe back rent or other charges, or evidence a pattern of late payment;
    - (c) meet reasonable housekeeping standards and have no housekeeping lease violations; and
    - (d) can get utilities turned on in the name of the head of household (applicable only to properties with tenant-paid utilities).
  2. Exceptions to the good record requirements may be made for emergency transfers or when it is to Pine Ridge Marquette’s advantage to make the transfer. (e.g. A single person is living alone in a three-bedroom unit and does not want to move). The exception to the good record requirement will be made by the Director of Property Management Services. Absent a determination of exception, the following policy applies to transfers:
    - (a) If back rent is owed, the Tenant will not be transferred until a payment plan is established or, if prior payment plans have failed; back rent is paid in full.
- (b) A Tenant with housekeeping standards violations will not be transferred until he/she passes a follow up housekeeping inspection.

**I. Unit Transfer Preferences**

Tenants who request to be transferred or are required to transfer must submit a Unit Transfer Request to the Property Management Office. If the Tenant is deemed eligible for the transfer, the Tenant will be placed on the Waiting List according to the order in which they requested and points assigned. Tenants are only eligible for one category preference and will be assigned the highest of the three.

| Preference Category                      | Preference Type                                                                                                    | Weight/Points Assigned |
|------------------------------------------|--------------------------------------------------------------------------------------------------------------------|------------------------|
| Category 1<br>Administrative<br>Transfer | Reasonable Accommodation Request or documented need for Accessible unit                                            | 3                      |
| Category 2<br>Administrative<br>Transfer | Unit is Under Housed or Over Housed                                                                                | 2                      |
| Category 3<br>Administrative<br>Transfer | Make an Accessible Unit Available, Accommodate Family Changes, Avoid Concentration, Peaceful Enjoyment of the Unit | 1                      |

**J. Costs of Transfers**

Tenants shall bear the cost of transfers to correct occupancy standards. However, where there is a hardship due to health, disability, or other factors, the Property Manager may recommend that families be reimbursed for their out-of-pocket expenses for an occupancy standard transfer in an amount not to exceed a reasonable moving allowance established by Pine Ridge Marquette.

Transfers requested or required by Pine Ridge Marquette, including those for temporary relocation



during, and all transfers for reasonable accommodations will be paid for or made by Pine Ridge Marquette.

## **SECTION XVI CHANGES TO THE TENANT SELECTION PLAN**

Applicants will be notified in writing when the tenant selection plan undergoes significant change or when preferences are added or removed. At that time, applicants will be given an opportunity to review the new plan, notified of changes to preferences and asked if they wish to remain on the waiting list. If the applicant household does not respond, that household will be deemed ineligible and removed from the waiting list.

The current Tenant selection plan in place at the time of final eligibility determination, will be used to make a final decision to approve or reject the application.

## **HOTMA DEFINITIONS**

HOTMA Definitions added:

- **Net Family Assets:** the net cash value of all assets owned by the family, excluding allowable asset exclusions, as determined under HOTMA
- **Asset Cap:** HOTMA provision that establishes a maximum allowable amount of net family assets for eligibility in HUD-assisted housing programs
- **Effective Legal Authority:** the date on which HOTMA provisions become **legally enforceable** due to HUD's issuance of final regulations and required implementation timelines
- **Nonrecurring Income:** income that:
  - Is not expected to continue, and
  - Is received one time or sporadically, rather than on a regular or periodic basis.
- **Fixed-Income Family:** a family whose entire income consists of:
  - Social Security
  - Supplemental Security Income (SSI)
  - Federal, state, local, or private pensions
  - Other similar **fixed benefit sources**, as defined by HUD
- **Imputed Asset Income:** income that HUD assumes a family earns from assets when total net family assets exceed the HUD-established threshold
- **Self-Certification (as defined by HOTMA):** allows a family to declare information without third-party verification, unless the PHA has reason to doubt its accuracy