

Changes made to Administrative Plan & Admissions and Continued Occupancy Policy (ACOP)  
Effective July 1, 2024

Administrative Plan Section	Heading	Revision
Chapter 1	1-II.A. Overview and History of the Program  (Both Plans)	<p><b>HOTMA</b></p> <p>On July 29, 2016, the Housing Opportunity Through Modernization Act of 2016 (HOTMA) was signed into law. HOTMA made numerous changes to statutes governing HUD programs, including sections of the United States Housing Act of 1937. Title I of HOTMA contains 14 different sections that impact the public housing and Section 8 programs. The Final Rule implementing broad changes to income and assets in Sections 102 and 104 of HOTMA, and for PHAs that administer the public housing program over-income provisions in Section 103, was officially published in the <i>Federal Register</i> on February 14, 2023. On September 29, 2023, HUD issued notice PIH 2023-27, which provided guidance to PHAs on the implementation of the program changes described in the Final Rule.</p>
3	Eligibility (Same in Admin Plan for HCV eligibility)  (Both Plans)	<p><b>Added:</b></p> <p><b><u>Introduction</u></b></p> <p>To be eligible for the HCV program, the family must:</p> <p>Meet net asset and property ownership restriction requirements.</p>
3	3-I.K. Foster Children and Foster Adults  (Both Plans)	<p><b>Added:</b></p> <p>Definition of a <i>foster adult</i> as a member of the household who is 18 years of age or older and meets the definition of a <i>foster adult</i> under state law. In general, a foster adult is a person who is 18 years of age or older, is unable to live independently due to a debilitating physical or mental condition, and is placed with the family by an authorized placement agency or by judgment, decree, or other order of any court of competent jurisdiction.</p> <p>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.</p> <p><b>Removed:</b></p> <p><b><u>PHA Policy</u></b></p>

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		<p><i>A foster child</i> is a child that is in the legal guardianship or custody of a state, county, or private adoption or foster care agency, yet is cared for by foster parents in their own homes, under some kind of short-term or long-term foster care arrangement with the custodial agency.</p>
3	3-II.A. Income Eligibility Targeting ((Both Plans)	<p><b>Added:</b> <b>Using Income Limits for Eligibility</b></p> <p>Income and net family assets of household members are excluded when determining income eligibility; however, household members are considered for purposes of unit size and subsidy standards.</p>
3	3-II.D. Family Consent to Release of Information (and see 7-I.A. Family Consent to Release of information) ((Both Plans)	<p><b>Added:</b> <b>PHA Policy:</b></p> <p>The consent form[s] [HUD-9886 and HUD-52675] remains effective until the family is denied assistance, assistance is terminated, or the family provides written notification to revoke consent.</p> <p>The PHA has established a policy that the family’s revocation of consent to allow the PHA to access records from financial institutions will result in denial of admission.</p>
3	3-III.C. Restriction on Assistance based on Assets ((Both Plans)	<p>There are two circumstances under which a family is ineligible to receive assistance based on asset ownership.</p> <p>First, assistance may not be provided to any family if the family’s net assets exceed \$100,000 (adjusted annually by HUD).</p> <p>Second, the family has real property that is suitable for occupancy by the family as a residence and the family has:</p> <ul style="list-style-type: none"> <li>• A present ownership interest in the real property; and</li> <li>• A legal right to reside in the real property; and</li> <li>• The effective legal authority to sell (based on state or local laws of the jurisdiction where the property is located) the real property.</li> </ul>

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		<p>However, the real property restriction does not apply in the following circumstances:</p> <ul style="list-style-type: none"> <li>• Any property for which the family is receiving assistance for a manufactured home under 24 CFR 982.620 or under the HCV Homeownership program;</li> <li>• Any property that 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 non-household member resides at the jointly owned property;</li> <li>• Any family that is offering the property for sale; or</li> <li>• Any person who is a victim of domestic violence, dating violence, sexual assault, or stalking.             <ul style="list-style-type: none"> <li>- When a family asks for an exception because a family member is a victim of domestic violence, dating violence, sexual assault, or stalking, the PHA must comply with all the confidentiality requirements under VAWA. The PHA must accept a self-certification from the family member, and the restrictions on requesting documentation under VAWA apply.</li> </ul> </li> </ul> <p>A property is considered <i>suitable for occupancy</i> unless the family demonstrates that it:</p> <ul style="list-style-type: none"> <li>• Does not meet the disability-related needs for all members of the family (e.g., physical accessibility requirements, disability-related need for additional bedrooms, proximity to accessible transportation, etc.);</li> <li>• Is not sufficient for the size of the family;</li> </ul> <p><u>PHA Policy</u> The PHA defines <i>not sufficient for the size of the family</i> as being overcrowded based on the PHA's subsidy standards in Chapter 5 of this policy.</p> <ul style="list-style-type: none"> <li>• Is geographically located so as to be 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 PHA or owner); Is not safe to reside in because of the physical</li> </ul>

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		<p>condition of the property (e.g., property’s physical condition poses a risk to the family’s health and safety and the condition of the property cannot be easily remedied); or</p> <ul style="list-style-type: none"> <li>• Is not a property that a family may reside in under the state or local laws of the jurisdiction where the property is located.</li> </ul>
3	<p>3-III.D. Other Permitted reasons for Denial of Assistance  (Both Plans)</p>	<p><b><u>Added:</u></b> <b>Criminal Activity</b> Criminal sexual conduct, including but not limited to sexual assault, incest, open and gross lewdness, or child abuse; or criminal activity that may threaten the health or safety of property owners, management staff, and persons performing contract administration functions or other responsibilities on behalf of the PHA (including a PHA employee or a PHA contractor, subcontractor, or agent).</p>
3	<p>3-III.H. Prohibition Against Denial of Assistance to Victims of Domestic Violence, Dating Violence, Sexual Assault, Stalking, and Human Trafficking  (Both Plans)</p>	<p><b><u>Added:</u></b> Although the VAWA 2022 statute does not specifically include human trafficking in the list of victims protected under VAWA, in 2022 HUD began including human trafficking as part of the list of victims protected under VAWA (as seen in Notices PIH 2022-06, PIH 2022-22, and PIH 2022-24). In the absence of a final rule implementing VAWA 2022 and to mirror HUD’s recent usage, this policy includes human trafficking in addition to domestic violence, dating violence, sexual assault, and stalking anywhere such a list appears.</p>
6	<p>6-I.A. Overview (Both Plans)</p>	<p><b><u>Added:</u></b> <b>Part I: Annual Income</b> In addition to this general definition, the regulations at 24 CFR 5.609(b) provide a comprehensive listing of all sources of income that are excluded from annual income. Note, unlike in previous versions of the regulations, the current regulations governing annual income do not list sources of income that are to be</p>

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		<p>included. Instead, HUD relies on the definition of excluded income under 24 CFR 5.609(b) to provide the scope of what is included. To that end, generally, all income is included unless it is specifically excluded by regulation.</p> <p>Annual income includes “all amounts received,” not the amount that a family may be legally entitled to receive but did not receive. For example, a family’s child support or alimony income must be based on payments received, not the amounts to which the family is entitled by court or agency orders [Notice PIH 2023-27].</p> <p>Annual income also includes all actual anticipated income from assets (provided the income is not otherwise excluded) even if the asset itself is excluded from net family assets</p>
6	<p>6-I.B. Household Composition and Income</p> <p>(Both Plans)</p>	<p><b>Temporarily Absent Family Members</b></p> <p><b>Removed:</b> The income of family members approved to live in the unit will be counted, even if the family member is temporarily absent from the unit [HCV GB, p. 5-18].</p> <p><b>ADDED:</b></p> <p><b>PHA Plan</b> Unless specifically excluded by the regulations, the income of all family members approved to live in the unit will be counted, even if the family member is temporarily absent from the unit.</p> <p><b>Absences Due to Placement in Foster Care</b> Children temporarily absent from the home as a result of placement in foster care (<b>as confirmed by the state child welfare agency</b>) are considered members of the family [24 CFR 5.403].</p>
6	<p>6-I.C. Calculating Annual Income</p> <p>(Both Plans)</p>	<p><b>Added:</b> <b>Anticipating Annual Income [24 CFR 5.609(c)(1)]</b> At initial occupancy and for an interim reexamination of family income, the PHA is required to use anticipated income (current income) for the upcoming 12-month period following the new admission or interim reexamination effective date.</p> <p><b>Added:</b></p>

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		<p><b>Calculating Annual Income at Annual Reexamination [24 CFR 5.609(c)(2); Notice PIH 2023-27]</b>            At annual reexamination, PHAs must first determine the family’s income for the previous 12-month period and use this amount as the family income for annual reexaminations; however, adjustments to reflect current income must be made. Any change of income since the family’s last annual reexamination, including those that did not meet the threshold to process an interim reexamination of family income in accordance with PHA policies in Chapter 11 and HUD regulations, must be considered.</p> <p>If, however, there have been no changes to income, then the amount of income calculated for the previous 12-month period is the amount that will be used to determine the family’s rental assistance. Income from assets is always anticipated, irrespective of the income examination type.</p>
6	6-I.D. Earned Income  (Both Plans)	<p><b><u>Added:</u></b>  <b>Wages and Related Compensation</b></p> <p>The following defines workers and types of income that go into the calculation of annual income:</p> <p>The earned income of each member of the family who is 18 years of age or older, or who is the head of household or spouse/cohead regardless of age, is included in annual income. Income received as a day laborer or seasonal worker is also included in annual income, even if the source, date, or amount of the income varies [24 CFR 5.609 (b)(24)].</p> <p><b>Earned income</b> means 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, social security, and governmental subsidies for certain benefits), or any cash or in-kind benefits [24 CFR 5.100].</p> <p>A <b>day laborer</b> 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 [24 CFR 5.603(b)].</p> <p>A <b>seasonal worker</b> is defined as an individual who is hired into a short-term position ( e.g., for which the customary employment period for the position is six months or fewer) and the employment begins</p>

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		<p>about the same time each year (such as summer or winter). Typically, the individual is hired to address seasonal demands that arise for the particular employer or industry [24 CFR 5.603(b)]. 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 [Notice PIH 2023-27].</p> <p><b><u>Added:</u></b> <b><u>PHA Policy</u></b></p> <p>The PHA will include in annual income the full amount, before any payroll deductions of wages and salaries overtime pay, commissions, fees, tips and bonuses, and other compensation.</p>
6	<p>6-I.E. Earned Income Disallowance for Persons with Disabilities [Notice PIH 2023-27]</p> <p>(Both Plans)</p>	<p><b><u>Added:</u></b></p> <p>HOTMA removed the statutory authority for the EID. The EID is available only to families that are eligible for and participating on the program as of December 31, 2023, or before; no new families may be added on or after January 1, 2024.</p> <p>If a family is currently receiving the EID prior to or on the effective date of December 31, 2023, they are entitled to the full amount of the benefit for a full 24-month period. The policies below are applicable only to such families. No family will still be receiving the EID after December 31, 2025. The EID will sunset on January 1, 2026, and the PHA policies below will no longer be applicable as of that date or when the last qualifying family exhausts their exclusion period, whichever is sooner.</p> <p><b><u>Added:</u></b> <b><u>Lifetime Limitation</u></b></p> <p>The EID will sunset on January 1, 2026. In no circumstances will a family member’s exclusion period continue past January 1, 2026.</p>

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		<p><b><u>PHA Policy</u></b> To determine business expenses that may be deducted from gross income, the PHA will use current applicable Internal Revenue Service (IRS) rules for determining allowable business expenses [see IRS Publication 535], unless a topic is addressed by HUD regulations or guidance as described herein.</p> <p><b><u>Added:</u></b> <b>Independent Contractors</b> Income received as an independent contractor is included in annual income, even if the source date, or amount of the income, varies [24 CFR 5.609(b)(24)].</p> <p>An <i>independent contractor</i> is defined as 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 the payer has the right to control or direct only the result of the work and not what will be done and how it will be done [24 CFR 5.603(b)].</p> <p><b><u>Added:</u></b> <b>Assets Owned by a Business Entity</b> 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) [Notice PIH 2023-27].</p>
6	6-I.G. Student Financial Assistance [FR Notice 2/14/23 and Notice PIH 2023-27]	<b>6-I.G. STUDENT FINANCIAL ASSISTANCE [FR Notice 2/14/23 and Notice PIH 2023-27]</b> <b>Introduction</b>



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	(Both Plans)	<p>Section 479B of the HEA requires that all assistance under Title IV of the HEA and Bureau of Indian Affairs student financial assistance, even assistance provided to students in excess of tuition and required fees or charges, be excluded from HUD income calculations.</p> <p>For Section 8 programs only, however, for over 10 years through FY 2022, HUD appropriations have included a provision that for certain students receiving Section 8 assistance, any amounts received in excess of tuition and any other required fees and charges are considered income (with the exception of students who lived with their parents or who were over the age of 23 with a dependent child).</p> <p>The regulation requiring the inclusion of certain student financial assistance applies only to students who satisfy all of the following conditions:</p> <ul style="list-style-type: none"> <li>• They are enrolled in an institution of higher education, as defined under the Higher Education Act (HEA) of 1965.</li> <li>• They are seeking or receiving Section 8 assistance on their own—that is, apart from their parents—through the HCV program, the project-based voucher program, or the moderate rehabilitation program.</li> <li>• They are under 24 years of age <b>OR</b> they have no dependent children.</li> </ul> <p>For students who satisfy these three conditions, any financial assistance in excess of tuition and any other required fees and charges received: (1) under the 1965 HEA, (2) from a private source, or (3) from an institution of higher education, as defined under the 1965 HEA, must be included in annual income.</p> <p>To determine annual income in accordance with the above requirements, the PHA will use the definitions of <i>dependent child</i>, <i>institution of higher education</i>, and <i>parents</i> in Chapter 3, along with the following definitions [FR 4/10/06, pp. 18148-18150]:</p> <ul style="list-style-type: none"> <li>• <i>Assistance under the Higher Education Act of 1965</i> includes Pell Grants, Federal Supplement Educational Opportunity Grants, Academic Achievement Incentive Scholarships, State Assistance under the Leveraging Educational Assistance Partnership Program, the Robert G. Byrd Honors Scholarship Program, and Federal Work Study programs.</li> </ul>

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		<ul style="list-style-type: none"> <li>• <i>Assistance from private sources</i> means assistance from nongovernmental sources, including parents, guardians, and other persons not residing with the student in an HCV assisted unit.</li> <li>• <i>Tuition and fees</i> are defined in the same manner in which the Department of Education defines <i>tuition and fees</i> [Notice PIH 2015-21].             <ul style="list-style-type: none"> <li>- This is the amount of tuition and required fees covering a full academic year most frequently charged to students.</li> <li>- This is the amount of tuition and required fees covering a full academic year most frequently charged to students.</li> <li>- The amount represents what a typical student would be charged and may not be the same for all students at an institution.</li> <li>- If tuition is charged on a per-credit-hour basis, the average full-time credit hour load for an academic year is used to estimate average tuition.</li> <li>- Required fees include all fixed-sum charges that are required of a large proportion of all students. Examples include, but are not limited to, writing and science lab fees and fees specific to the student’s major or program (i.e., nursing program).</li> <li>- Expenses related to attending an institution of higher education must <b>not</b> be included as tuition. Examples include, but are not limited to, room and board, books, supplies, meal plans, transportation and parking, student health insurance plans, and other non-fixed-sum charges.</li> </ul> </li> </ul> <p>Any student financial assistance not subject to inclusion under the regulations is fully excluded from annual income, whether it is paid directly to the student or to the educational institution the student is attending. This includes any financial assistance received by:</p> <ul style="list-style-type: none"> <li>• Students residing with parents who are seeking or receiving Section 8 assistance</li> <li>• Students who are enrolled in an educational institution that does <b>not</b> meet the 1965 HEA definition of <i>institution of higher education</i></li> </ul>

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		<ul style="list-style-type: none"> <li>• Students who are over 23 <b>AND</b> have at least one dependent child, as defined in section 3-II.E</li> <li>• Students who are receiving financial assistance through a governmental program not authorized under the 1965 HEA.</li> </ul> <p><b>HOTMA Student Financial Assistance Requirements [24 CFR 5.609(b)(9)]</b> The regulations under HOTMA distinguish between two categories of student financial assistance paid to both full-time and part-time students.</p> <p><b>Types of Assistance</b> Any assistance to students under section 479B of the Higher Education Act of 1965 (Title IV of the HEA) must be excluded from the family’s annual income [24 CFR 5.609(b)(9)(i)].</p> <p>Any other grant-in-aid, scholarship, or other assistance amounts an individual receives for the actual covered costs charged by the institute of higher education not otherwise excluded by the Federally mandated income exclusions are excluded [24 CFR 5.609(b)(9)(ii)]. <i>Actual covered costs</i> are defined as the actual costs of:</p> <ul style="list-style-type: none"> <li>• Tuition, books, and supplies;             <ul style="list-style-type: none"> <li>- Including supplies and equipment to support students with learning disabilities or other disabilities</li> </ul> </li> <li>• Room and board; and</li> <li>• Other fees required and charged to a student by the education institution.</li> </ul> <p>For a student who is not the head of household or spouse/cohead, 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. Further, to qualify, other student financial assistance must be expressly:</p> <ul style="list-style-type: none"> <li>• For tuition, book, supplies, room and board, or other fees required and charged to the student by the educational institution;</li> <li>• To assist a student with the costs of higher education; or</li> </ul>

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		<ul style="list-style-type: none"> <li>• To assist a student who is not the head of household or spouse with the reasonable and actual costs of housing while attending the educational institution and not residing in an assisted unit.</li> </ul> <p>The student financial assistance may be paid directly to the student or to the educational institution on the student’s behalf. However, any student financial assistance paid to the student must be verified by the PHA.</p> <p>The financial assistance must be a grant or scholarship received from:</p> <ul style="list-style-type: none"> <li>• The Federal government;</li> <li>• A state, tribal, or local government ;</li> <li>• A private foundation registered as a nonprofit;</li> <li>• A business entity (such as corporation, general partnership, limited liability company, limited partnership, joint venture, business trust, public benefit corporation, or nonprofit entity); or</li> <li>• An institution of higher education.</li> </ul> <p>Student financial assistance, does not include:</p> <ul style="list-style-type: none"> <li>• 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);</li> <li>• Gifts, including gifts from family or friends; or</li> <li>• Any amount of the scholarship or grant that, either by itself or in combination with assistance excluded under the HEA, exceeds the actual covered costs of the student.</li> </ul> <p><b>Calculating Income from Student Financial Assistance [HOTMA Student Financial Assistance Resource Sheet; Notice PIH 2023-27]</b></p> <p>The formula for calculating the amount of other student financial assistance that is excluded from income always begins with deducting the assistance received under 479B of the HEA from the total actual covered costs, because the 479B assistance is intended to pay the student’s actual covered costs.</p>

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		<p>When a student receives assistance from both Title IV of the HEA and from other sources, the assistance received under Title IV of the HEA must be applied to the student’s actual covered costs first and then other student financial assistance is applied to any remaining actual covered costs. Once actual costs are covered, any remaining student financial assistance is considered income.</p> <p><b><u>PHA Policy</u></b>            If a student only receives financial assistance under Title IV of the HEA and does not receive any other student financial assistance, the PHA will exclude the full amount of the assistance received under Title IV from the family’s annual income. The PHA will not calculate actual covered costs in this case.</p> <p>If the student does not receive any assistance under Title IV of the HEA but does receive assistance from another source, the PHA will first calculate the actual covered costs to the student in accordance with 24 CFR 5.609(b)(ii). The PHA will then subtract the total amount of the student’s financial assistance from the student’s actual covered costs. The PHA will include any amount of financial assistance in excess of the student’s actual covered costs in the family’s annual income.</p> <p>When a student receives assistance from both Title IV of the HEA and from other sources, the PHA will first calculate the actual covered costs to the student in accordance with 24 CFR 5.609(b)(ii). The assistance received under Title IV of the HEA will be applied to the student’s actual covered costs first and then the other student financial assistance will be applied to any remaining actual covered costs.</p> <p>If the amount of assistance excluded under Title IV of the HEA equals or exceeds the actual covered costs, none of the assistance included under other student financial assistance” would be excluded from income.</p> <p>If the amount of assistance excluded under Title IV of the HEA is less than the actual covered costs, the PHA will exclude the amount of other student financial assistance up to the amount of the remaining actual covered costs</p>

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		<p><b>Removed and Replaced</b></p> <p>If the amount of assistance excluded under Title IV of the HEA is less than the actual covered costs, the PHA will exclude the amount of other student financial assistance up to the amount of the remaining actual covered costs.</p>
6	6-I.H. Periodic Payments (Both Plans)	<p><b>Added:</b></p> <p>Regulations do not specify which types of periodic payments are included in annual income.</p> <p>Income that has a discrete end date and will not be repeated beyond the coming year is excluded from a family’s annual income because it is nonrecurring income. However, 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. For example, a family receives income from a guaranteed income program in their city that has a discrete beginning and end date. While the guaranteed income will be repeated in the coming year, it will end before the family’s next annual reexamination. This income is fully excluded from annual income.</p> <p>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. However, periodic payments paid at regular intervals (such as weekly, monthly, or yearly) for a period of greater than one year that are received in lieu of wages for workers’ compensation are included in annual income. Payments received in lieu of wages for worker’s compensation are excluded, even if paid in periodic payments, if the income will last for a period of less than one year.</p> <p><u>PHA Policy</u></p> <p>The PHA will include in annual income the full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts.</p>

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		<p>Payments in lieu of earnings, such as unemployment and disability compensation, and severance pay are also counted as income if they are received in the form of periodic payments.</p> <p><b><u>Added:</u></b></p> <p><b><u>PHA Policy</u></b> The PHA will include in annual income the full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts.</p> <p>Payments in lieu of earnings, such as unemployment and disability compensation, and severance pay are also counted as income if they are received in the form of periodic payments.</p> <p><b><u>Lump-Sum Payments for the Delayed Start of a Periodic Payment</u></b> <b><u>PHA Policy</u></b> The PHA will include in annual income lump sums received as a result of delays in processing periodic payments (other than those specifically excluded by the regulation), such as unemployment or welfare assistance.</p> <p>If the delayed-start payment is received outside of the time the PHA is processing an annual reexamination, then the PHA will consider whether the amount meets the threshold to conduct an interim reexamination. If so, the PHA will conduct an interim in accordance with PHA policies in Chapter 11. If not, the PHA will consider the amount when processing the family’s next annual recertification.</p> <p><b><u>Retirement Accounts [24 CFR 5.609(b)(26); Notice PIH 2023-27]</u></b> Income received from any account under a retirement plan recognized as such by the IRS, including individual retirement arrangements (IRAs), employer retirement plans, and retirement plans for self-employed individuals is not considered actual income from assets.</p>

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		<p>However, any distribution of periodic payments from such accounts is included in annual income at the time they are received by the family. 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.</p> <p><b>Social Security Benefits [Notice PIH 2018-24]</b></p> <p>The PHA is required to use the gross benefit amount to calculate annual income from Social Security benefits.</p> <p>Annually in October, the Social Security Administration (SSA) announces the cost-of-living adjustment (COLA) by which federal Social Security and SSI benefits are adjusted to reflect the increase, if any, in the cost of living. The federal COLA does not apply to state-paid disability benefits. Effective the day after the SSA has announced the COLA, PHAs are required to factor in the COLA when determining Social Security and SSI annual income for all annual reexaminations and interim reexaminations of family income that have not yet been completed and will be effective January 1 or later of the upcoming year [Notice PIH 2023-27].</p> <p><b>Social Security Benefits [Notice PIH 2018-24]</b></p> <p>The PHA is required to use the gross benefit amount to calculate annual income from Social Security benefits.</p> <p>Annually in October, the Social Security Administration (SSA) announces the cost-of-living adjustment (COLA) by which federal Social Security and SSI benefits are adjusted to reflect the increase, if any, in the cost of living. The federal COLA does not apply to state-paid disability benefits. Effective the day after the SSA has announced the COLA, PHAs are required to factor in the COLA when determining Social Security and SSI annual income for all annual reexaminations and interim reexaminations of family income that have not yet been completed and will be effective January 1 or later of the upcoming year [Notice PIH 2023-27].</p> <p><b>PHA Policy</b></p>



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		<p>The PHA will count all regular payments of alimony or child support awarded as part of a divorce or separation agreement.</p> <p>The PHA will count court-awarded amounts for alimony and child support unless the family certifies and the PHA verifies that the payments are not being made.</p> <p>In order to verify that payments are not being made, the PHA will review child support payments over the last three months.</p> <p>If payments are being made regularly, the PHA will use the amount received during the last 12 months (excluding any lump sums received). If payments have been made for a period less than 12 months, the PHA will average all payments that have been made.</p> <p>At new admission or interim recertification, if any lump sum payments were made in the past 12 months, the PHA will determine the likelihood of the family receiving another similar payment within the next 12 months before deciding whether or not this amount will be included in the calculation of annual income.</p> <p>If the PHA determines and can appropriately verify that the family in all likelihood will not receive a similar payment, then the amount will not be considered when projecting annual income.</p> <p>If the PHA determines that it is likely that the family will receive a similar payment and can appropriately verify it, the amount will be included when projecting annual income.</p>
6	6-I.I. Nonrecurring Income [24 CFR 5.609(b) and Notice PIH 2023-27] (Both Plans)	<p><b>Added:</b> Nonrecurring income, which is income that will not be repeated beyond the coming year (e.g., 12 months following the effective date of the certification) based on information provided by the family, is excluded from annual income. The PHA may accept a self-certification from the family stating that the income will not be repeated in the coming year. See Chapter 7 for PHA policies related to verification of nonrecurring income.</p>

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		<p>Income received as an independent contractor, day laborer, or seasonal worker is not excluded from income as nonrecurring income, even if the source, date, or amount of the income varies.</p> <p>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 exclusion 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. Nonrecurring payments made to the family or to a third party on behalf of the family to assist with utilities;</p>
6	6-I.K. State Payments to allow Individuals with Disabilities to Live At Home [24 CFR 5.609(b)(19) (Both Plans)	<p><b>Added:</b> Payments made by or authorized by a state Medicaid agency (including through a managed care entity) or other state or federal agency to an assisted family to enable a member of the assisted family who has a disability to reside in the family's assisted unit are excluded.</p> <p>Authorized payments may include payments to a member of the assisted family through state Medicaid-managed care systems, other state agencies, federal agencies or other authorized entities.</p> <p>The payments must be received for caregiving services a family member provides to enable another member of the assisted family who has a disability to reside in the family's assisted unit. Payments to a family member for caregiving services for someone who is not a member of the assisted family (such as for a relative that resides elsewhere) are not excluded from income.</p> <p>If the agency is making payments for caregiving services to the family member for an assisted family member and for a person outside of the assisted family, only the payments attributable to the caregiving services for the caregiver's assisted family member would be excluded from income.</p>

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6	<p>6-I.L. Civil Rights Settlements [24 CFR 5.609(b)(25); FR Notice 2/14/23]</p> <p>(Both Plans)</p>	<p><b>Added:</b> Regardless of how the settlement or judgment is structured, civil rights settlements or judgments, including settlements or judgments for back pay, are excluded from annual income. This may include amounts received because 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 the Fair Housing Act, Title VI of the Civil Rights Act, Section 504 of the Rehabilitation Act (Section 504), the Americans with Disabilities Act, or any other civil rights or fair housing statute or requirement.</p> <p>While these civil rights settlement or judgment amounts are excluded from income, the settlement or judgment amounts will generally be counted toward the family’s net family assets (e.g., if the funds are deposited into the family’s savings account or a revocable trust under the control of the family or some other asset that is not excluded from the definition of <i>net family assets</i>). Income generated on the settlement or judgment amount after it has become a net family asset is not excluded from income. For example, if the family received a settlement or back pay and deposited the money in an interest-bearing savings account, the interest from that account would be income at the time the interest is received. Furthermore, if a civil rights settlement or judgment increases the family’s net family assets such that they exceed \$50,000 (as annually adjusted by an inflationary factor), then income will be imputed on the net family assets pursuant to 24 CFR 5.609(a)(2). If the imputed income, which HUD considers unearned income, increases the family’s annual adjusted income by 10 percent or more, then an interim reexamination of income will be required unless the addition to the family’s net family assets occurs within the last three months of the family’s income certification period and the PHA or owner chooses not to conduct the examination.</p>
6	<p>6.I.M. Additional Exclusions from Annual Income [24 CFR 5.609(b) (Both Plans)]</p>	<p><b>Other exclusions from income include:</b></p> <ul style="list-style-type: none"> <li>• Payments received for the care of foster children or foster adults or state or tribal kinship or guardianship care payments [24 CFR 5.609(b)(4)].</li> <li>• Insurance payments and settlements for personal or property losses, including but not limited to payments through health insurance, motor vehicle insurance, and workers’ compensation [24</li> </ul>

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		<p>CFR 5.609(b)(5)]. However, periodic payments paid at regular intervals (such as weekly, monthly, or yearly) for a period of greater than one year that are received in lieu of wages for workers' compensation are included in annual income [Notice PIH 2023-27].</p> <ul style="list-style-type: none"> <li>• Amounts received by the family that are specifically for, or in reimbursement of, the cost of health and medical care expenses for any family member [24 CFR 5.609(b)(6)].</li> <li>• 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 disabled [24 CFR 5.609(b)(7)].</li> <li>• 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 [24 CFR 5.609(b)(10)].</li> <li>• Income earned by government contributions to, and distributions from, "baby bond" accounts created, authorized, or funded by federal, state, or local government [24 CFR 5.609(b)(10)].</li> <li>• The special pay to a family member serving in the Armed Forces who is exposed to hostile fire [24 CFR 5.609(b)(11)].</li> <li>• Payments related to aid and attendance under 38 U.S.C. 1521 to veterans in need of regular aid and attendance [24 CFR 5.609(b)(17)]. 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 [Notice PIH 2023-27].</li> <li>• Loan proceeds (the net amount disbursed by a lender to or on behalf of a borrower, under the terms of a loan agreement) received by the family or a third party (e.g., proceeds received by the family from a private loan to enable attendance at an educational institution or to finance the purchase of a car) [24 CFR 5.609(b)(20)]. The loan borrower or co-borrower must be a member of the family for this income exclusion to be applicable [Notice PIH 2023-27].</li> <li>• 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 or other federal law [24 CFR 5.609(b)(21)].</li> </ul>

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		<p>Generally, payments received by tribal members in excess of the first \$2,000 of per capita shares are included in a family’s annual income for purposes of determining eligibility. However, as explained in Notice PIH 2023-27, payments made under the Cobell Settlement, and certain per capita payments under the recent Tribal Trust Settlements, must be excluded from annual income in HUD programs that adopt the definitions of <i>annual income</i> in 24 CFR 5.609, the Census Long Form, and the IRS Form 1040, including the programs affected by Notice PIH 2023-27.</p> <ul style="list-style-type: none"> <li>• Replacement housing “gap” payments made in accordance with 49 CFR Part 24 that offset increased out of pocket costs of displaced persons that move from one federally subsidized housing unit to another federally subsidized housing unit. Such replacement housing “gap” payments are not excluded from annual income if the increased cost of rent and utilities is subsequently reduced or eliminated, and the displaced person retains or continues to receive the replacement housing “gap” payments [24 CFR 5.609(b)(23)].</li> <li>• Income earned on amounts placed in a family’s Family Self-Sufficiency account [24 CFR 5.609(b)(27)].</li> <li>• Amounts received by participants in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (e.g., special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program [24 CFR 5.609(i)(12)(iii)] .</li> <li>• Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a <u>Plan to Attain Self-Sufficiency (PASS)</u> [(24 CFR 5.609(b)(12)(ii)].</li> <li>• Amounts received under a resident service stipend not to exceed \$200 per month. A resident service stipend is a modest amount received by a resident for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of life in the development [24 CFR 5.600(b)(12)(iii)].</li> </ul> <p>Incremental earnings and benefits to any family member resulting from participation in qualifying training program funded by HUD or in qualifying federal, state, tribal, or local</p>

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		<p>employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff are excluded from annual income. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives and are excluded only for the period during which the family member participates in the training program unless those amounts are excluded under 24 CFR 5.609(b)(9)(i) [24 CFR 5.609(b)(12)(iv)].</p> <p><b><u>Added:</u></b></p> <p><b><u>PHA Policy</u></b></p> <p>The PHA defines <i>training program</i> as “a learning process with goals and objectives, generally having a variety of components, and taking place in a series of sessions over a period of time. It is designed to lead to a higher level of proficiency, and it enhances the individual’s ability to obtain employment. It may have performance standards to measure proficiency. Training may include but is not limited to: (1) classroom training in a specific occupational skill, (2) on-the-job training with wages subsidized by the program, or (3) basic education” [expired Notice PIH 98-2, p. 3].</p> <p>The PHA defines <i>incremental earnings and benefits</i> as the difference between (1) the total amount of welfare assistance and earnings of a family member prior to enrollment in a training program and (2) the total amount of welfare assistance and earnings of the family member after enrollment in the program [expired Notice PIH 98-2, pp. 3–4].</p> <p>In calculating the incremental difference, the PHA will use as the pre-enrollment income the total annualized amount of the family member’s welfare assistance and earnings reported on the family’s most recently completed HUD-50058.</p> <p>End of participation in a training program must be reported in accordance with the PHA’s interim reporting requirements (see Chapter 11).</p> <ul style="list-style-type: none"> <li>• <u>Reparation payments</u> paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era [24 CFR 5.609(b)(13)]</li> </ul>

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		<ul style="list-style-type: none"> <li>• <u>Adoption assistance payments for a child</u> in excess of the amount of the dependent deduction per adopted child [24 CFR 5.609(b)(15)]</li> <li>• <u>Refunds or rebates on property taxes</u> paid on the dwelling unit [24 CFR 5.609(b)(20)]</li> <li>• Amounts that HUD is required by federal statute to exclude from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR 5.609(b) apply. HUD will publish a notice in the <i>Federal Register</i> to identify the benefits that qualify for this exclusion. Updates will be published when necessary.</li> <li>• HUD publishes an updated list of these exclusions periodically. The most recent list of exclusions was published in the <i>Federal Register</i> on May 20, 2014. It includes:</li> </ul>
		<p>Annual income includes all actual anticipated income from assets (unless otherwise excluded by the regulations) even if the asset itself is excluded from net family assets [Notice PIH 2023-27]. The regulation at 24 CFR 5.603(b)(3) provides a list of items that are excluded from the calculation of net family assets. Note, unlike previous versions of the regulations, the current regulations do not list types of assets that are included in annual income. Instead, HUD relies on the definition of items excluded from assets to provide the scope of what is included. Exhibit 6-2 provides the regulatory definition of <i>net family assets</i>.</p> <p>Optional policies for family self-certification of assets are found in Chapter 7. Policies related to the asset limitation may be found in Chapter 3.</p> <p>Income from assets is always anticipated, irrespective of the income examination type.</p> <p><u>PHA Policy</u> The PHA generally will use current circumstances to determine both the value of an asset and the anticipated income from the asset. The PHA will use other than current circumstances to anticipate income when (1) an imminent change in circumstances is expected, (2) it is not feasible to anticipate a level of income over 12 months, or (3) the PHA believes that past income is the best indicator of anticipated income. For example, if a family member owns real property</p>

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		<p>that typically receives rental income, but the property is currently vacant, the PHA can take into consideration past rental income along with the prospects of obtaining a new tenant. Any time current circumstances are not used to determine asset income, a clear rationale for the decision will be documented in the file. In such cases the family may present information and documentation to the PHA to show why the asset income determination does not represent the family's anticipated asset income.</p> <p><b>6-II.B. ASSETS DISPOSED OF FOR LESS THAN FAIR MARKET VALUE [24 CFR 5.603(b)(2)]</b> PHAs must include the value of any business or family assets disposed of by an applicant or participant 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 or reexamination, as applicable, in excess of the consideration received for the asset. 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. [Notice PIH 2023-27].</p> <p><b><i>Minimum Threshold</i></b> The <i>HCV Guidebook</i> permits the PHA to set a threshold below which assets disposed of for less than fair market value will not be counted [HCV GB, p. 5-27]. <u>PHA Policy</u> The PHA will not include the value of assets disposed of for less than fair market value unless the cumulative fair market value of all assets disposed of during the past two years exceeds the gross amount received for the assets by more than \$1,000.</p> <p><b><i>Separation or Divorce</i></b> The regulation also specifies that assets are not considered disposed of for less than fair market value if they are disposed of as part of a separation or divorce settlement and the applicant or tenant receives important consideration not measurable in dollar terms. <u>PHA Policy</u> All assets disposed of as part of a separation or divorce settlement will be considered assets for which important consideration not measurable in monetary terms has been received. In order to qualify for</p>



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		<p>this exemption, a family member must be subject to a formal separation or divorce settlement agreement established through arbitration, mediation, or court order.</p> <p><b><i>Foreclosure or Bankruptcy</i></b> Assets are not considered disposed of for less than fair market value when the disposition is the result of a foreclosure or bankruptcy sale. Negative equity in real property or other investments does not prohibit the owner from selling the property or other investments, so negative equity alone would not justify excluding the property or other investments from family assets.</p> <p><b><i>Asset Owned by a Business Entity</i></b> 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) [Notice PIH 2023-27].</p> <p><b><i>Family Declaration</i></b> <u>PHA Policy</u> Families must sign a declaration form at initial certification and each annual recertification identifying all assets that have been disposed of for less than fair market value or declaring that no assets have been disposed of for less than fair market value. The PHA may verify the value of the assets disposed of if other information available to the PHA does not appear to agree with the information reported by the family.</p>
6	6-II.B. Assets Disposed of For Less Than Fair Market Value [24 CFR 5.603(b)(2) (Both Plans)	<p><b><u>Added:</u></b> <b>Overview</b> PHAs must include the value of any business or family assets disposed of by an applicant or participant 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 or reexamination, as applicable, in excess of the consideration received for the asset.</p>

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		<p>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. [Notice PIH 2023-27].</p> <p><b><i>Minimum Threshold</i></b>  <u>PHA Policy</u>                      The PHA will not include the value of assets disposed of for less than fair market value unless the cumulative fair market value of all assets disposed of during the past two years exceeds the gross amount received for the assets by more than \$1,000.</p> <p><b><i>Separation or Divorce</i></b>                      The regulation also specifies that assets are not considered disposed of for less than fair market value if they are disposed of as part of a separation or divorce settlement and the applicant or tenant receives important consideration not measurable in dollar terms.  <u>PHA Policy</u>                      All assets disposed of as part of a separation or divorce settlement will be considered assets for which important consideration not measurable in monetary terms has been received. In order to qualify for this exemption, a family member must be subject to a formal separation or divorce settlement agreement established through arbitration, mediation, or court order.</p> <p><b><i>Foreclosure or Bankruptcy</i></b>                      Assets are not considered disposed of for less than fair market value when the disposition is the result of a foreclosure or bankruptcy sale. Negative equity in real property or other investments does not prohibit the owner from selling the property or other investments, so negative equity alone would not justify excluding the property or other investments from family assets.</p> <p><b><i>Asset Owned by a Business Entity</i></b>                      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</p>

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		<p>is what is counted toward net family assets (e.g., one-third of the value of the restaurant) [Notice PIH 2023-27].</p> <p><b>Family Declaration PHA Policy</b> Families must sign a declaration form at initial certification and each annual recertification identifying all assets that have been disposed of for less than fair market value or declaring that no assets have been disposed of for less than fair market value. The PHA may verify the value of the assets disposed of if other information available to the PHA does not appear to agree with the information reported by the family.</p>
6	6-II.C. Asset Inclusions (Both Plans)	<p><b>Checking and Savings Accounts [Notice PIH 2023-27]</b> HUD considers bank accounts as non-necessary items of personal property. Whether or not necessary personal property is counted toward net family assets depends on the combined value of all of the family's assets.</p> <ul style="list-style-type: none"> <li>• When the combined value of net family assets is greater than \$50,000, as adjusted by inflation, checking and/or savings accounts would be counted toward net family assets.</li> <li>• 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. In this case, the value of the family's checking and/or savings accounts would not be considered when calculating net family assets.</li> </ul> <p>However, actual income from checking and savings accounts 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.</p> <p><b>ABLE Accounts [24 CFR 5.609(b)(10); Notice PIH 2019-09]</b> An Achieving a Better Life Experience (ABLE) account is a type of tax-advantaged savings account that an eligible individual can use to pay for qualified disability expenses. Section 103 of the ABLE Act mandates that an individual's ABLE account (specifically, its account balance, contributions to the account, and distributions from the account) is excluded when determining the designated beneficiary's eligibility and</p>

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		<p>continued occupancy under certain federal means-tested programs. The PHA must exclude the entire value of the individual’s ABLÉ account from the household’s assets. Distributions from the ABLÉ account are also not considered income. However, all wage income received, regardless of which account the money is paid to, is included as income.</p> <p><b><i>Investment Accounts Such as Stocks, Bonds, Saving Certificates, and Money Market Funds [24 CFR 5.603(b)(1)]</i></b></p> <p>HUD considers financial investments such as stocks and bonds non-necessary items of personal property. Whether non-necessary personal property is counted toward net family assets depends on the combined value of all of the family’s assets.</p> <ul style="list-style-type: none"> <li>• When the combined value of net family assets is greater than \$50,000, as adjusted by inflation, financial investments such as stocks and bonds are considered part of net family assets. In this case, the value of the family’s checking and/or savings accounts would be counted toward net family assets.</li> <li>• 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. In this case, the value of the family’s financial investments such as stocks and bonds would not be considered when calculating net family assets.</li> </ul> <p>However, actual income from financial accounts 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. When a stock issues dividends in some years but not others (e.g., due to market performance), the dividend is counted as the actual return when it is issued, but when no dividend is issued, the actual return is \$0. When the stock never issues dividends, the actual return is \$0.</p> <p><u>PHA Policy</u> The HA will include interest or dividends earned by investment accounts as actual income from assets even when the earnings are reinvested.</p>

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		<p>The cash value of such an asset is determined by deducting from the market value any broker fees, penalties for early withdrawal, or other costs of converting the asset to cash.</p> <p>In determining the market value of an investment account, the PHA will use the value of the account on the most recent investment report.</p> <p><b><i>Necessary and Non-Necessary Personal Property [24 CFR 5.603(b)(3)(i)]</i></b>  All assets are categorized as either <i>real property</i> (e.g., land, a home) or <i>personal property</i>. <i>Personal property</i> includes tangible items, like boats, as well as intangible items, like bank accounts. The value of necessary items of personal property is excluded from the calculation of net family assets. Necessary items of person property include a car used for commuting or medical devices. HUD defines <i>necessary personal property</i> as 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. Items of personal property that do not qualify as necessary personal property are classified as non-necessary personal property.</p> <p>The combined value of all <b>non-necessary</b> items of personal property is only included in annual income when the combined total value exceeds \$50,000 (adjusted annually by HUD). 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.</p> <p>While not an exhaustive list, the following table from Notice PIH 2023-27 provides examples of necessary and non-necessary personal property.</p> <p><u>PHA Policy</u></p>

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		<p>In determining the value of non-necessary personal property, the PHA will use the family's estimate of the value. The PHA may obtain an appraisal if there is reason to believe that the family's estimated value is off by \$50 or more. The family must cooperate with the appraiser but cannot be charged any costs related to the appraisal.</p> <p><b><i>Lump-Sum Additions to Net Family Assets [24 CFR 5.609(b)(24(viii); Notice PIH 2023-27]</i></b> The regulations exclude income from lump-sum additions to family assets, including lottery or other contest winnings as a type of nonrecurring income.</p> <p>In addition, lump sums from insurance payments, settlements for personal or property losses, and recoveries from civil actions or settlements based on claims 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 family member with a disability are excluded from income.</p> <p>Further, deferred periodic amounts from Supplemental Security Income (SSI) and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts, or any deferred Department of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts are also excluded from income.</p> <p>However, these amounts may count toward net family assets. The PHA must consider any actual or imputed returns from assets as income at the next applicable income examination. In the case where the lump sum addition to assets would lead to imputed income, which is unearned income, that increases the family's annual adjusted income by 10 percent or more, then the addition of the lump sum to the family's assets will trigger an immediate interim reexamination of income in accordance with Chapter 11. This reexamination of income must take place as soon as the lump sum is added to the family's net family assets unless the addition takes place in the last three months of family's income certification period and the PHA chooses not to conduct the examination.</p> <p><u>PHA Policy</u></p>

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		<p>Any lump-sum receipts are only counted as assets if they are retained by a family in a form recognizable as an asset. [RHIP FAQs]. For example, if the family receives a \$1,000 lump sum for lottery winnings, and the family immediately spends the entire amount, the lump sum will not be counted toward net family assets.</p> <p><b><i>Jointly Owned Assets [Notice PIH 2023-27]</i></b> For assets owned jointly by the family and one or more individuals outside of the assisted family, the PHA must include the total value of the asset in the calculation of net family assets, unless:</p> <ul style="list-style-type: none"> <li>• The asset is otherwise excluded;</li> <li>• The family can demonstrate that the asset is inaccessible to them; or</li> <li>• The family cannot dispose of any portion of the asset without the consent of another owner who refuses to comply.</li> </ul> <p>If the family demonstrates that they can only access a portion of an asset, then only that portion’s value is included in the calculation of net family assets for the family.</p> <p>Any income from a jointly owned asset must be included in annual income, unless:</p> <ul style="list-style-type: none"> <li>• The income is specifically excluded;</li> <li>• The family demonstrates that they do not have access to the income from that asset; or</li> <li>• The family only has access to a portion of the income from that asset.</li> </ul> <p>If the family demonstrates that they can only access a portion of the income from an asset, then only that portion’s value is included in the calculation of income from assets.</p> <p>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.</p>

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		<p>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. The PHA must count all actual returns (<i>e.g.</i>, interest earned) from the trust as income or, if the trust has no actual returns (<i>e.g.</i>, if the trust is comprised of farmland that is not in use) and the total value of the combined net family assets exceeds \$50,000 (as that amount is updated for inflation), as imputed returns, as applicable.</p> <p><b><i>Life Insurance [FR Notice 2/14/23 and Notice PIH 2023-27]</i></b>            Net family assets do not include the value of term life insurance, which has no cash value to the individual before death.            The cash value of a life insurance policy available to a family member before death, such as a whole life or universal life policy, is included in the calculation of the value of the family’s assets. The cash value is the surrender value. While the cash value of an insurance policy is considered an asset, the face value of any policy is not. If such a policy earns dividends or interest that the family could elect to receive, the amount of dividends or interest is counted as income from the asset whether or not the family actually receives it.</p> <p><b><i>Tax Refunds [24 CFR 5.603(b)(3)(xi) and Notice PIH 2023-27]</i></b>            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.            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 the account in which the federal tax refund or refundable tax credits were deposited. When the subtraction results in a negative number, then the balance of the asset is considered \$0.</p> <p>If the tax refund or refundable tax credit is deposited into another excluded asset, such as a retirement account or a Coverdell Education Savings Account, then the deposit will have no effect on the balance of the asset (<i>i.e.</i>, there is no need for the PHA to subtract the amount of the deposit from the value of the excluded asset).</p>



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		<p><b>Asset Exclusions [24 CFR 5.603(b)]</b> The following are excluded from the calculations of net family assets:</p> <ul style="list-style-type: none"> <li>• The value of any account under a retirement plan recognized as such by the IRS, including individual retirement arrangements (IRAs), employer retirement plans, and retirement plans for self-employed individuals [24 CFR 5.603(b)(3)(iii)].</li> <li>• 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 [24 CFR 5.603(b)(3)(iv)].</li> </ul>
6	6-II.D. Determining Income from Assets (Both Plans)	<p><b>Actual Income from Assets</b> The PHA may determine the net assets of a family based on a self-certification by the family that the net family assets do not exceed \$50,000 (adjusted annually by HUD), without taking additional steps to verify the accuracy of the declaration [24 CFR 5.618(b)]  The PHA may not calculate or include any imputed income from assets when net family assets total \$50,000 or less [24 CFR 5.609(b)(1)].</p>
6	6-III.B. Elderly or Disabled Family Deduction (Both Plans)	<p><b>Added:</b> A single deduction of \$500 is taken for any elderly or disabled family (which amount will be adjusted by HUD annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers, rounded to the next lowest multiple of \$25) [24 CFR 5.611(a)(2)].</p>
6	6-III.G. Hardship Exemptions (Both Plans)	<p><b>Health and Medical Care and Disability Assistance Expenses</b> <b>Phase-In</b> The first category is applicable to all families who received a deduction for unreimbursed health and medical care and/or reasonable attendant care or auxiliary apparatus expenses based on their most recent income review. The family must receive phased-in relief if they are determined to be eligible. These families will begin receiving a 24-month phased-in relief at their next annual or interim reexamination, whichever occurs first. For these families, the threshold amount is phased-in as follows:</p>

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		<ul style="list-style-type: none"> <li>• The family is eligible for a deduction totaling the sum of expenses that exceeds 5 percent of annual income for the first 12 months.</li> <li>• At the conclusion of 12 months, the family is eligible for a deduction totaling the sum of their expenses that exceed 7.5 percent of annual income for another 12 months.</li> <li>• At the conclusion of 24 months, the standard threshold amount of 10 percent would be used, unless the family qualifies for relief under the general hardship relief category.               <ul style="list-style-type: none"> <li>- When an eligible family’s phased-in relief begins at an interim reexamination, the PHA will need to process another transaction one year later to move the family along to the next phase. The transaction can be either an interim reexamination if triggered, or a non-interim reexamination transaction.</li> </ul> </li> </ul> <p><u>PHA Policy</u> The PHA will not continue the phased-in relief for families who move from public housing to HCV. These families will be treated as new admissions and the sum of expenses that exceeds 10 percent of annual income will be used to calculate their adjusted income.</p> <p><b>Child Care Expense Hardship Exemption</b> A family whose eligibility for the child care expense deduction is ending may request a financial hardship exemption to continue receiving the deduction.</p> <p><u>PHA Policy</u> For a family to qualify, they must demonstrate that their inability to pay rent would be as a result of the loss of this deduction. The PHA defines this hardship as a potential decrease in income or increase in other expenses that would result from the loss of the child care expense and such loss would impact the family’s ability to pay their rent.</p> <p>Some factors to consider when determining if the family is unable to pay rent may include determining that the rent, utility payment, and applicable expenses (child care expenses or health and medical expenses) are more than 40 percent of the family’s adjusted income, or verifying whether the family has</p>

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		<p>experienced unanticipated expenses, such as large medical bills, that have affected their ability to pay their rent.</p> <p>The family must also demonstrate that the child care expense is still necessary even though the family member is no longer employed or furthering their education. The PHA will consider qualification under this criterion on a case-by case basis (for example, if the family member who was employed has left their job in order to provide uncompensated care to an elderly friend or family member who is severely ill and lives across town).</p> <p>The family must provide third-party verification of the hardship with the request. If third-party verification is not available, the PHA will document the file with the reason and will attempt to obtain third-party verification prior to the end of the 90-day hardship exemption period.</p>
6	6-IV.D. Applying Utility Allowances (Both Plans)	<p><b>Reasonable Accommodation and Individual Relief</b></p> <p>On request from a family that includes a person with disabilities, the PHA must approve a utility allowance which is higher than the applicable amount on the utility allowance schedule if a higher utility allowance is needed as a reasonable accommodation to make the program accessible and usable by the family member with a disability [24 CFR 982.517(e)].</p> <p><u>PHA Policy</u></p> <p>The family must request the higher allowance and provide the PHA with information about the amount of additional allowance required.</p> <p style="padding-left: 40px;">The PHA will consider the following criteria as valid reasons for granting individual relief:</p> <ul style="list-style-type: none"> <li>The family’s consumption was mistakenly portrayed as excessive due to defects in the meter or errors in the meter reading.</li> <li>The excessive consumption is caused by a characteristic of the unit or owner-supplied equipment that is beyond the family’s control, such as a particularly inefficient</li> </ul>

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		<p>refrigerator or inadequate insulation. The allowance should be adjusted to reflect the higher consumption needs associated with the unit until the situation is remedied. The resident should be granted individual relief until the allowance is adjusted.</p> <p>The excessive consumption is due to special needs of the family that are beyond their control, such as the need for specialized equipment in the case of a family member who is ill, elderly, or who has a disability.</p> <p>In determining the amount of the reasonable accommodation or individual relief, the PHA will allow a reasonable measure of additional usage as necessary. To arrive at the amount of additional utility cost of specific equipment, the family may provide information from the manufacturer of the equipment, or the family or PHA may conduct an internet search for an estimate of usage or additional monthly cost.</p> <p>Information on reasonable accommodation and individual relief for charges in excess of the utility allowance will be provided to all families at admission as part of the information on payment standards and utility allowances in the briefing packet. The PHA will also provide information on utility relief programs or medical discounts (sometimes referred to as “Medical Baseline discounts”) that may be available through local utility providers.</p> <p>At its discretion, the PHA may reevaluate the need for the increased utility allowance at any regular reexamination.</p> <p>If the excessive consumption is caused by a characteristic of the unit or PHA-supplied equipment that is beyond the family’s control, such as a particularly inefficient refrigerator or inadequate insulation, the individual relief to the resident will cease when the situation is remedied.</p>
7	7-I.A. Family Consent to Release of Information (Both Plans)	<p><b>Consent Forms Added:</b></p>

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		<p>All household members 18+ years of age are required to sign consent forms (HUD-9886) only once instead of every 13 months.</p> <p>The executed form will remain effective until the family is denied assistance, assistance is terminated, or the family provides written notification to the PHA to revoke consent.</p> <p><b>Penalties for Failing to Consent [24 CFR 5.232]</b>  <u>PHA Policy</u>                      The PHA has established a policy that revocation of consent to access financial records will result in denial of admission or termination of assistance in accordance with PHA policy.</p> <p>In order for a family to revoke their consent, the family must provide written notice to the PHA. Within 10 business days of the date the family provides written notice, the PHA will send the family' a notice acknowledging receipt of the request and explaining that revocation of consent will result in denial or termination of assistance, as applicable. At the same time, the PHA will notify their local HUD office.</p>
7	7-I.B. Use of Other Program's Income Determinations (Both Plans)	<p><b><u>Added:</u></b></p> <p><u>PHA Policy</u></p> <p>When available and applicable, the PHA will accept verification of annual income from other "Safe Harbor" programs who have determined the family's total annual income.</p> <p>The PHA will still require third-party verification of all deductions such as the health and medical care expense or child care expense deductions.</p>

**Commented [DC1]:** Warning to be put on all forms,

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		<p>Further, if the family is eligible for and claims the disability assistance expense or child care expense deductions, where applicable, the PHA will obtain third-party verification of the amount of employment income of the individual(s) enabled to work in order to cap the respective expenses as required.</p> <p>Prior to using any Safe Harbor determination from another program, the PHA will ask the family if they agree with the income amounts listed. If the family disputes the income amounts on the Safe Harbor determination, the PHA will obtain third-party verification of all sources of income and assets (as applicable).</p> <p>The PHA will not accept other programs’ determinations of income for any new admission or interim reexamination.</p> <p>When the PHA uses a Safe Harbor income determination from another program, and the family’s income subsequently changes, the family is required to report the change to the PHA. Depending on when the change occurred, the change may or may not impact the PHA’s calculation of the family’s total annual income. Changes that occur between the time the PHA receives the Safe Harbor documentation and the effective date of the family’s annual reexam will not be considered. If the family has a change in income that occurs after the annual reexam effective date, the PHA will conduct an interim reexam if the change meets the requirements for performing an interim reexamination as outlined in Chapter 11. In this case, the PHA will use third-party verification to verify the change.</p>
7	7-I.C. Streamlined Income Determinations [24 CFR 960.257(c); Notice PIH 2023-27 (Both Plans)	<p><u>PHA Policy</u></p> <p>When the PHA does not use a Safe Harbor income determination from a federal assistance program to determine the family’s annual income as outlined above, then PHA will use a streamlined income determinations where applicable.</p> <p>If 90 percent or more of a family’s unadjusted income is from fixed income sources: The PHA will streamline the annual reexamination process by applying the verified inflationary adjustment factor to fixed-income sources.</p>

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		<p>The family will be required to sign a self-certification stating that 90 percent or more of their unadjusted income is fixed income and that their sources of fixed income have not changed from the previous year.</p> <p>The PHA will document in the file how the determination that a source of income was fixed was made.</p> <p>Third-party verification of non-fixed income will be obtained annually regardless of the percentage of family income received from fixed sources.</p> <p>If the family’s sources of fixed income have changed from the previous year, the PHA will obtain third-party verification of any new sources of fixed income.</p> <p>When less than 90 percent of a family’s unadjusted income consists of fixed income: The PHA will apply a COLA to each of the family’s sources of fixed income.</p> <p>All other income will be verified using third-party verification as outlined in Notice PIH 2023-27 and Chapter 7 of this policy.</p> <p>In the following circumstances, regardless of the percentage of income received from fixed sources, the PHA will obtain third-party verification as outlined in Notice PIH 2023-27 and Chapter 7 of this policy:</p> <ul style="list-style-type: none"> <li>Of all assets when net family assets exceed \$50,000;</li> <li>Of all deductions and allowances from annual income;</li> <li>If a family member with a fixed source of income is added;</li> <li>If verification of the COLA or rate of interest is not available;</li> </ul> <p>During the intake process and at least once every three years thereafter</p>
7	7-I.F. Level 4 Verification (Both Plans)	<b>Added:</b>

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		<p><b>EIV + Self-Certification</b></p> <p><u>PHA Policy</u></p> <p>At annual reexamination, if the PHA is unable to use a determination of income from a means-tested federal assistance program and if there are no reported changes to an income source, the PHA will use EIV + self-certification as verification of employment income, provided the family agrees with the amounts listed in EIV.</p> <p>The PHA will use an average of the last two quarters of income listed in EIV to determine income from employment. The PHA will provide the family with the information in EIV. The family will be required to sign a self-certification stating that the amount listed in EIV is accurate and representative of current income. If the family disagrees with the amount in EIV, the amount is not reflective of current income, or if less than two quarters are available in EIV, the PHA will use written third-party verification from the source as outlined below.</p> <p>The PHA will not use this method of verification at new admission since EIV is not available for applicant families or at interim reexamination since the income information in EIV is not current.</p>
7	7-III.D. Alimony or Child Support (Notice PIH 2023-17) (Both Plans)	<p><b>Added:</b></p> <p>Annual income includes “all amounts received,” not the amount that a family may be legally entitled to receive but which they do not receive. For example, a family’s child support or alimony income must be based on payments received, not the amounts to which the family is entitled by court or agency orders. A copy of a court order or other written payment agreement alone may not be sufficient verification of amounts received by a family.</p> <p><b>PHA Policy</b></p> <p>If receipts are provided verifying child support or alimony income, copies of receipts and/or payment stubs must be provided before 12 months, instead of the previous 60 days.</p>



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7	7-III.E. Nonrecurring Income [Notice PIH 2023-27] (Both Plans)	<p><b>Added:</b> 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. PHAs may accept a self-certification from the family stating that the income will not be repeated in the coming year.</p> <p><b>PHA Policy</b> The PHA will accept self-certification from the family stating that income will not be repeated in the coming year. However, the PHA may choose, on a case-by-case basis, to require third-party verification that income sources will not be repeated in the coming year.</p>
7	7-III.F. Assets and Income from Assets (Both Plans)	<p><b>Added:</b> <b>Net Family Assets [24 CFR 5.603]</b> At admission and reexam, for families with net assets totaling \$50,000 or less (adjusted annually), the PHA may, but is not required to, accept the family’s self-certification that the family’s assets do not exceed \$50,000 without taking any additional steps to verify the accuracy of the declaration. The declaration must include the amount of income the family expects to receive from assets which must be included in the family’s income. This includes declaring income from checking and savings accounts which, although excluded from the calculation of net family assets (because the combined value of non-necessary personal property does not exceed \$50,000), may generate asset income. PHAs must clarify during the self-certification process which assets are included/excluded from net family assets. For PHAs that choose to accept self-certification, the PHA is required to obtain third-party verification of all assets, regardless of the amount, at least once every three years. PHAs who choose not to accept self-certifications of assets must verify all families’ assets on an annual basis. When net family assets have a total value over \$50,000, the PHA may not rely on the family’s self-certification. Third-party verification of assets is required when net family assets exceed \$50,000, adjusted annually by HUD. When verification of assets is required, PHAs are required to obtain a minimum of one statement that reflects the current balance of banking/financial accounts.</p>

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		<p><u>PHA Policy</u> For families with net assets totaling \$50,000 or less, the PHA will accept the family’s self-certification of the value of family assets and anticipated asset income. The family’s declaration must show each asset and the amount of income expected from that asset. All family members 18 years of age and older must sign the family’s declaration. The PHA reserves the right to require additional verification in situations where the accuracy of the declaration is in question. Any income the family expects to receive from assets will be included in the family’s annual income. The family will be required to provide third-party verification of net family assets every three years.</p>
8	<p>National Standards for the Physical Inspection of Real Estate and Rent Reasonableness Determinations [24 CFR 5, Subpart G and Notice PIH 2023-28 (Both Plans have NSPIRE inspections)</p>	<p><b>Added:</b> HUD requires that all units occupied by families receiving Housing Choice Voucher (HCV) and Project Based Voucher (PBV) assistance meet HUD’s National Standards for Physical Inspection of Real Estate (NSPIRE) regulations and standards no later than October 1, 2024. The inspection performance standards and procedures for conducting NSPIRE inspections must be included in the administrative plan [Notice PIH 2023-28].</p> <p>NSPIRE provides for minimum, or affirmative, habitability requirements for each area (unit, inside, outside).</p> <p>NSPIRE standards replaces Housing Quality Standards (HQS) inspections for all federal programs.</p>
8	<p>8-I.G. Minimum Heating Standards (Public Housing only)</p>	<p><b>Removed:</b> PHAs in states, territories, or localities with existing minimum heating standards must use their respective local standards for public housing dwelling units. For PHAs where state or local minimum heating standards do not exist, PHAs must use the HUD-prescribed heating standards specified in Notice PIH 2018-19.</p> <p style="text-align: center;"><u>PHA Policy</u></p>

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		<p>The PHA is located in an area where state or local residential heating standards exist and will utilize those standards for public housing units. Therefore, the PHA’s minimum heating standards are as follows:</p> <p style="padding-left: 40px;">Minimum temperature:</p> <p style="padding-left: 80px;">If the PHA controls the temperature, the minimum temperature in each unit must be at least [insert degrees Fahrenheit]. If the resident controls the temperature, the heating equipment must have the capability of heating to at least [insert degrees Fahrenheit].</p> <p style="padding-left: 40px;">Minimum temperature capability:</p> <p style="padding-left: 80px;">[If PHAs are allowed flexibility maintaining the indoor temperature when the outdoor temperature approaches the design day temperature, insert criteria for when flexibility applies and the minimum temperature threshold that the indoor temperature should never fall below. Note, the design day temperature refers to the lowest expected outdoor temperature a heating system was designed to accommodate.]</p> <p style="padding-left: 40px;">Measurement:</p> <p style="padding-left: 80px;">Temperature measurements must be taken according to the following methodology: [insert methodology for taking temperature measurements].</p>
8	<p>8-II.C. NSPIRE Inspections [24 CFR 5.705(c); Notice PIH 223-16]</p> <p>(Public Housing Only)</p>	<p>Self-Inspections [24 CFR 5.707]</p> <p>During an NSPIRE inspection, REAC inspectors will inspect areas and associated items or components that are listed in the regulations as affirmative requirements and those included within the NSPIRE standards. For most properties, the frequency of NSPIRE inspections is determined by the date of the prior inspection and the score received.</p> <p><b>Notice to Residents [Notice PIH 2023-16]</b></p> <p>The PHA must provide notice to all residents as described in 24 CFR 5.711(h) and the lease.</p>

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		<p><u>PHA Policy</u></p> <p>The PHA will provide all residents with at least seven days’ notice of an NSPIRE inspection. Notice will be provided through multiple communication methods, including by posted notice on each resident’s door and through email where applicable. All materials, notices, and communications to families regarding the inspection will be clearly communicated and provided in a manner that is effective for persons with hearing, visual, and other communication-related disabilities consistent with Section 504 of the Rehabilitation Act (Section 504) and HUD’s Section 504 regulation, and Titles II or III of the Americans with Disabilities Act (ADA) and implementing regulations.</p>
11	<p>11-I.E. Calculating Annual Income at Annual Reexamination [24 CFR 5.609(c)(2) and Notice PIH 2023-27</p> <p>(Both Plans)</p>	<p><b>Added:</b></p> <p><b>Steps to calculate both earned and unearned income at annual reexamination.</b></p> <p>Step 1: The PHA determines annual income for the previous 12-month period by reviewing: The EIV Income Report within 120 days of the effective date of the annual reexamination; the amount currently showing as being used in the calculation of current rent, and the amount of prior year income reported by the family at the last annual reexamination.</p> <p>Step 2: The PHA takes into consideration any interim reexaminations of the family since the last annual reexamination. If there was an interim reexamination, the PHA must use the annual income from the interim to determine the family’s annual income at the annual reexamination. If there have been no changes since the last reexamination.</p> <p>Step 3: If there were changes in the annual income that were not processed by the PHA since the last reexamination, the PHA must use current income.</p>

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		<p><b>PHA Policy</b></p> <p>When income is calculated using a streamlined income determination or Safe Harbor determination from a means-tested federal public assistance program in accordance with PHA policies in Chapter 7, the above is not applicable. However, where the family disagrees with the PHA or other agency's determination of income or the PHA has other reason to use third-party verification in these circumstances, then the above will apply.</p>
11	<p>11-II.C. Changes Affecting Income or Expenses</p> <p>(Both Plans)</p>	<p><b>Added:</b></p> <p><b>Interim Increases [24 CFR 982.516(c)(3) and Notice PIH 2023-27]</b></p> <p><u>PHA Policy</u></p> <p>When a family reports an increase in their earned income between annual reexaminations, the PHA will not conduct an interim reexamination, regardless of the amount of the increase, and regardless of whether there was a previous decrease since the family's last annual reexamination.</p> <p>The PHA will process an interim reexamination for any increases in unearned income of 10 percent or more in adjusted income.</p> <p>The PHA will not perform an interim reexamination when a family reports an increase in income (whether earned or unearned income) within three months of their annual reexamination effective date. However, families who delay reporting income increases until the last three months of their certification period may be subject to retroactive rent increases in accordance with the PHA policies in Chapter 14.</p>
12	<p>12-II.B. Types of PHA Required Transfers</p> <p>(Public Housing Only)</p>	<p><b>Added:</b></p> <p><b>PHA Policy</b></p> <p>The family will be given 15 days to vacate the unit after receipt of written notice.</p>

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13	13-II.J. Over Income Families  (Public Housing Only)	<p><b><u>Added:</u></b>  <b>Final Notice of Over-Income Status</b>                      When a PHA makes an initial determination that a family is over-income during an interim reexamination, the PHA must conduct an interim reexamination 12 months after the over-income determination, and then again 12 months after the second over-income determination, unless the family’s income falls below the over-income limit during the 24-month period.</p>
15	15-VII.C. Selection of Families (Special Housing Types)  (Homeownership)	<p><b><u>Added:</u></b>  <u>PHA Policy</u>                      The PHA will administer up to five new homeownership units per year. The PHA may exceed the number of units planned per year if it is necessary as a reasonable accommodation for a person with a disability. If this occurs, the PHA may reduce the number of homeownership units offered in subsequent years.                      Families who have been participating in an economic self-sufficiency program for at least six months, or have graduated from such a program, will be given preference over other families. Elderly and disabled families will automatically be given this preference.                      Within preference and non-preference categories, families will be selected according to the date and time their application for participation in the homeownership option is submitted to the PHA.                      All families must meet eligibility requirements as defined in Section 15-VII.B. of this plan.</p>
15	15-VII.E. Additional PHA Requirements for Search and Purpose [24 CFR 982.629]  (Homeownership)	<p><b><u>Added:</u></b>  <u>PHA Policy</u>                      The family will be allowed 120 days to identify a unit and submit a sales contract to the PHA for review. The family will be allowed an additional 120 days to close on the home. PHAs may grant extensions to either of these periods for good cause. The length of the extension(s) will be determined on a case-by-case, but in no case will an extension exceed a total of 125 days. The maximum amount of time a family</p>

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Administrative Plan Section	Heading	Revision
		will be given to locate and complete the purchase of a home under the homeownership option is 365 days.
16	16-IV.B. Repayment Policy  (Both Plans	<p><b>Added:</b>  <b>Payment Threshold</b>            PHA Policy</p> <p>The PHA has established the following (additional) threshold for repayment of debts to the PHA: The PHA will retain the requirement that amount under \$200 be paid in full within 3 days and are not eligible for a repayment agreement</p>