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The revised Occupancy Handbook (4350.3 Rev-1) represents a substantial reorganization of the material in the old Handbook and includes a number of new features. Specifically, the revised Handbook:

Civil Rights and Nondiscrimination Requirements

- Includes an expanded discussion of the fair housing responsibilities of owners and managers of HUD multifamily housing (Handbook Chapter 2). While the expanded discussion reflects few new policy changes, it clearly gives the subject more prominence than in the previous Handbook.
- Clarifies owners' responsibilities for making their housing accessible and for responding to requests for reasonable accommodations by persons with a disability throughout the tenancy.
- Provides guidance for owners and managers about compliance reviews by HUD's Office of Fair Housing and Equal Opportunity and describes how tenants file housing discrimination complaints.
- Provides numerous specific examples of real-life situations and how to handle them in accordance with nondiscrimination requirements.
- Incorporates relatively recent guidance on verifying an applicant's need for an assistance animal when an applicant requests permission to keep the animal as a reasonable accommodation for a person with disabilities.

Program and Project Eligibility

- Includes clarifying guidance from HUD Housing Notice 00-18 regarding HUD's ability to grant exceptions to the income limits in Section 8 properties.
- Includes guidance for obtaining HUD approval to lease Section 8 units to police officers or security personnel who are over the applicable income limits.
- Provides that unborn children and children who are in the process of being adopted should be counted in calculating family size for purposes of applying HUD's income limits to determine a family's program eligibility.

See Questions 3.6 and 3.8 and see Handbook 2-2.

See Questions 23.1 and 23.4 and see Handbook 2-4.

See Handbook 2-3.

See Question 24.6 and see Handbook 2-27(B).

See Questions 6.13 and 6.14 and see Handbook 3-7.

See Question 6.14 and see Handbook 3-8(D).

See Question 6.8 and 6.9, and see Handbook 3-6(E).

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Noncitizen Rule

See Questions 5.1 and 34.4 and see Handbook 3-12.

See Handbook 3-12.

See Handbook 4-9.

- Drawing on HUD Housing Notices 95-55 and 95-68, incorporates guidance on providing assistance to noncitizens. (This information was not included in the previous version of the Handbook.)
- The procedures used to determine eligibility based on citizenship/immigration status.
- The rejection of applicants based on citizenship status as well as denial of assistance to noncitizens.

Verifying Eligibility Factors

See Question 9.6 and see Handbook paragraph 3-30.

See Question 5.3 and see Handbook 3-31.

- Requires applicants to disclose Social Security numbers in order for the owner to make an eligibility determination.
- Includes new procedures for verifying immigration status.

Projects for the Elderly and Persons with Disabilities

See Questions 6.5, 36.4, and 36.5, and see Handbook 3-6(D) for information on income limits in all Section 202 and 811 properties.

See Question 4.6 and see Figures 3-5 and 3-6 of the Handbook.

See Question 15.5 and Handbook 3-17(A).

See Question 28.11 and Handbook 3-15.

- In general, provides significant additional guidance on Section 202 (income limits only), Section 202/8, Section 202 PAC, Section 202 PRAC and Section 811 PRAC properties, as well as subsidized cooperatives.
- Provides greater detail on the different definitions of “elderly” and “persons with disabilities” used in different HUD programs.
- Provides new guidance on the rules applicable to properties seeking to restrict occupancy to the elderly or give a preference to the elderly.
- Provides that owners of Section 202 and 811 properties must reconsider the eligibility status of the remaining family members when a family member leaves the household for reasons other than death.

Marketing, Preferences, and Waiting Lists

See Chapter 13 and Handbook 4-4.

See Questions 3.2, 4.1, 6.11, 6.12, and 15.4, and Handbook 4-5.

See Chapter 15 of this book, and Handbook 4-6.

See Questions 16.4 through 16.6, and Handbook 4-12(F).

- Provides substantial additional guidance on Tenant Selection Plans, including an expanded list of required and recommended plan topics.
- Incorporates new guidance on income-targeting requirements in the project-based Section 8 program, including potential approaches to meeting these requirements.
- Provides an updated and expanded discussion of the rules regarding admissions preferences.
- Requires Affirmative Fair Housing Marketing Plans to be reviewed every five years to ensure compliance.

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See Question 16.2 and Handbook 4-12(D) and 4-12(G).

- Includes guidance on the fair housing requirements applicable to advertising and the requirement for posting the fair housing poster.

See Chapter 17 of this book, and Handbook 4-16.

- Provides new guidance on the use of electronic waiting lists and recommendations for managing waiting lists to help ensure that applicants are selected in the appropriate order. Clarifies that waiting lists must be maintained in a form that will enable an auditor to track changes to the lists and determine whether they have been maintained correctly.

Screening and Evictions Rule

See Questions 14.4 through 14.6 of this book and Appendix 4 of the Handbook for copies of the four model leases. Also see Handbook 4-7 and 4-27(E).

- Incorporates the recent “one strike” provisions requiring owners to screen for certain drug-related and other criminal activity and authorizing them to screen for other drug-related and criminal activity. The revised Handbook also includes new versions of the Model Leases that expand the grounds for terminating tenancy based on drug and alcohol abuse and criminal activity.

Calculating Income

See Question 7.9 and see Handbook 5-6.

- Provides guidance on several additional elements of annual income that were not included in the previous version of the Handbook, such as resident services stipends and income from job training programs.

See Question 7.1 and see Handbook 5-5.

- Authorizes use of two alternative methods for calculating income: (a) annualization of current income (i.e., using the current month's income to project the income for the coming year) and (b) anticipation of changes in income (particularly useful for seasonal workers and employees who are only paid for part of the year, such as teachers).

Calculating Income from Assets

See Questions 8.4 through 8.11, and Handbook 5-7(G).

- Provides expanded guidance on calculating income from assets to help respond to the different types of assets that tenants may hold, such as special types of trusts, annuities, and retirement accounts.

See Question 8.4 and Exhibit 5-2 of the Handbook.

- Clarifies that managers may value stocks, bonds, and similar assets once, at the beginning of the year. Unless the resident requests an interim recertification to account for declines in value, there is no need to keep track of changes in value during the year.

See Questions 8.13 and 8.14 and Handbook 5-7(G)(6).

- Requires applicants and residents to sign self-certification forms regarding the disposal of assets in the past two years. Owners must verify this information only if they note discrepancies between the information provided by the resident and other information available to them.

See Question 8.4 and Handbook 5-7(G)(4).

- Clarifies that withdrawals from investment accounts are not considered income until the original amount invested has been completely paid out.

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Verifying Income

See Questions 9.1 and 9.2.

- Provides new guidance on acceptable sources for verifying income and expenses. In particular, Handbook Appendix 3 provides an excellent resource for determining the appropriate verification procedures.

See Question 9.1 and see Handbook 5-13(C)(1)(b).

- Allows documents provided by the resident to be used for verification purposes if third-party verification is delayed by two weeks (previously, the period was longer).

See Question 9.3 and Handbook 5-16.

- Provides new information on how the income data match for Social Security and supplemental security income is performed through TRACS using the tenant assessment system (TASS). Also discusses the owner's responsibility when a discrepancy is identified.

See Question 28.13 and Handbook 8-17(E)(4).

- Permits owners to keep up to 20% of the funds recovered from residents who provide inaccurate or incomplete information on their income, leading to underpayment of rent.

See Question 22.1 and Handbook 3-6(E)(3).

- Clarifies that owners must screen live-in aides for all required screening factors, but may not screen them for ability to pay rent. Specifies that live-in aides have no right of continued occupancy once the person they are assisting leaves the unit. (To be safe, a lease addendum should be entered into clearly stating this principle.)

Deductions

See Chapter 10 of this book, and Handbook 5-10(D).

- Allows one-time nonrecurring medical expenses to be included within the medical expense deduction. Similarly, one-time nonrecurring expenses for an auxiliary apparatus may be included as part of the disability assistance expense deduction.

- Nonrecurring expense can be deducted in an interim recertification when it occurs or at the next annual recertification (in which case the rent reduction will last longer).

See Exhibit 5-3 of the Handbook.

- Provides that costs for nonprescription medicines cannot be included within the medical deduction unless a doctor has prescribed them for a particular medical condition.

See Handbook 5-10(B).

- Includes new information on child care deductions.

Rent and Assistance Payments

See Question 11.6 and Handbook 5-26(D).

- Provides expanded guidance on minimum rents and hardship exemptions.

See Question 6.14 and Handbook 5-27.

- Describes how to calculate assistance payments for authorized police/security personnel.

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Leases and Day-to-Day Operations

See Questions 19.2 through 19.6, and see Appendix 4 of the Handbook.

See Question 19.1 and Handbook 6-7.

See Question 19.2 and Handbook 6-4(B).

See Questions 24.3 through 24.6, and Handbook 6-10.

See Questions 24.1 and 24.2 and Handbook 6-9.

See Questions 33.9 and 34.9, and Handbook 6-9(B)(2).

See Question 19.1 and Handbook 6-27 and 6-30.

- Includes revised Model Leases.
- Describes common documents that need to be attached to the lease and when these documents are required or used.
- Clarifies that owners are not required to use a Model Lease for tenants paying contract or market rent (or in BMIR properties, 110% of BMIR rent).
- Greatly expands the discussion of pet ownership in housing for the elderly or persons with a disability.
- Provides expanded guidance on setting house rules.
- Provides new guidance on allowable absences from a unit and how to handle abandonment.
- Includes new information on briefing tenants and documents owners should provide to tenants.

Annual Recertifications

See Questions 25.1 and , and Handbook 7-7.

See Question 25.4 and Handbook 7-4.

See Question 25.4 and Figure 7-2 of the Handbook.

See Question 9.3 and Handbook 8-18.

See Chapter 26 of this book.

See Handbook 7-10.

- Changes the recertification time line to start the process one month earlier: 120 days before the recertification anniversary, rather than 90 days. This will increase the chances that the recertification process is completed in time to give residents 30 days notice of any increase in rent before the recertification anniversary date. It also means the timing of recertification notices has changed.
- Includes a new requirement that residents be given certain information related to the recertification process, including new fact sheets that describe how rent is calculated.
- Requires the head, co-head, spouse, and all adult members of the household to sign the 50059 data requirements (The previous policy required a signature only from the head of household.) All adult household members must also sign the verification/consent forms.
- Describes the procedures for identifying and resolving discrepancies between information on income provided by the resident and information obtained from other sources, including state wage information collection agencies.

Interim Recertifications

- Changes the rules for how much of an increase in income is required to trigger an interim recertification. Under the new procedures, income increases

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- of less than \$200 per month (on a cumulative basis, since the last recertification) do not require an interim recertification.
- See Handbook 7-12(B).*
- Clarifies HUD's policy on what must be done if a tenant does not respond to a request to submit updated income information for an interim recertification.
- See Handbook 7-11.*
- Requires interim recertification to be processed if a resident advises the owner of a change in citizenship or immigration status of any family member.
- See Handbook 7-17 and 7-18.*
- Clarifies that gross rent changes do not require interim recertifications. New 50059 facsimiles must be circulated, however. Facsimiles must be signed if the Total Tenant Payment (TTP) or tenant rent to owner changes (for example, because of change in the utility allowance).
- See Chapter 32 of this book.*
- TRACS**
- Includes a new section on TRACS procedures summarizing useful information from HUD's TRACS Web sites and user's guides.
 - Summarizes the procedures for submitting data and vouchers through TRACS and receiving payments.
 - Provides that partial months of occupancy should be calculated by dividing by actual days in the month, rather than simply 30.
 - Includes extensive revisions and updates to reflect the important changes in TRACS and the structure of 50059 data requirements.
- Special Claims**
- Incorporates key information and procedures regarding special claims from HUD's new *Special Claims Processing Guide*.
 - Provides that claims for (a) unpaid rent and tenancy damages and (b) vacancy losses during rent-up must be submitted within 180 days after the unit becomes available for occupancy.
- See Handbook 9-14.*
- See Chapter 31 of this book, and see Handbook 9-14(B)(4), 9-14(C)(4), and 9-14(D-4).*