

Chapter 11

REEXAMINATIONS

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INTRODUCTION

The GRHC is required to reexamine each family's income and composition at least annually, and to adjust the family's level of assistance accordingly. Interim reexaminations are also needed in certain situations. This chapter discusses both annual and interim reexaminations, and the recalculation of family share and subsidy that occurs as a result. HUD regulations and GRHC policies concerning reexaminations are presented in three parts:

Part I: Annual Reexaminations. This part discusses the process for conducting annual reexaminations.

Part II: Interim Reexaminations. This part details the requirements for families to report changes in family income and composition between annual reexaminations.

Part III: Recalculating Family Share and Subsidy Amount. This part discusses the recalculation of family share and subsidy amounts based on the results of annual and interim reexaminations.

Part IV: Non-Interim Reexamination Transaction. This part describes transactions that do not entail changes to the family's adjusted income.

Policies governing reasonable accommodation, family privacy, required family cooperation, and program abuse, as described elsewhere in this plan, apply to both annual and interim reexaminations.

PART I: ANNUAL REEXAMINATIONS [24 CFR 982.516]

11-I.A. OVERVIEW

The GRHC will conduct a reexamination of family income and composition at least annually. This includes gathering and verifying current information about family composition, income, and expenses. Based on this updated information, the family's income and rent must be recalculated. This part discusses the schedule for annual reexaminations, the information to be collected and verified, and annual reexamination effective dates.

Unlike when performing an interim reexamination or at intake, at annual reexamination, the GRHC will determine the income of the family for the previous 12-month period. Income from assets, however, is always anticipated, irrespective of the income examination type [Notice PIH 2023-27]. Chapter 7 contains the GRHC's policies related to streamlined income determinations and the use of safe harbor income verifications.

11-I.B. SCHEDULING ANNUAL REEXAMINATIONS

The GRHC will begin the annual reexamination process 120 days in advance of its scheduled effective date. Generally, the PHA will schedule annual reexamination effective dates to coincide with the family's anniversary date.

Anniversary date is defined as 12 months from the effective date of the family's last annual reexamination or, during a family's first year in the program, from the effective date of the family's initial examination (admission). If the family moves to a new unit, the GRHC will perform a new annual reexamination. The GRHC also may schedule an annual reexamination for completion prior to the anniversary date for administrative purposes.

GRHC MTW Flexibility

For HCV Programs, the GRHC will decrease the frequency of reexaminations from annual to biennial for all families in the HCV Program.

Notification of and Participation in the Annual Reexamination Process

Families are required to participate in an annual reexamination interview, which must be attended by the head of household, spouse, or cohead. Generally, the interview will be performed by phone or a virtual meeting but may be conducted in-person if preferred or with reasonable accommodation. (see Chapter 2).

Notification of annual reexamination interviews will be sent by email or USPS mail and will contain the date, time, and location (if applicable) of the interview. In addition, it will inform the family of the information and documentation that must be sent to the GRHC.

If the family cannot attend a scheduled interview, they should contact the GRHC before the interview to schedule a new interview. If a family does not attend the scheduled interview, the GRHC will send a second notification with a new interview date and appointment time.

If a family fails to attend two scheduled interviews without GRHC approval, or if the notice is returned by the post office with no forwarding address, and no response to phone calls, a notice

of termination (see Chapter 12) will be sent to the family's address of record, and to any alternate address provided in the family's file.

An advocate, interpreter, or other assistant may assist the family in the interview process.

11-I.C. CONDUCTING ANNUAL REEXAMINATIONS

As part of the annual reexamination process, families are required to provide updated information to the GRHC regarding the family's income, expenses, and composition [24 CFR 982.551(b)].

Families will be asked to provide all required information (as described in the reexamination notice) for the reexamination interview. The required information will include a GRHC-designated reexamination form, an Authorization for the Release of Information/Privacy Act Notice, as well as supporting documents or forms related to the family's income, expenses, and family composition.

Any required documents or information that the family is unable to provide at the time of the interview must be provided within 15 calendar days of the interview. If the family is unable to obtain the information or materials within the required time frame, the family may request an extension.

If the family does not provide the required documents or information within the required time period (plus any extensions), the family will be sent a notice of termination (See Chapter 12).

At the annual reexamination, the GRHC will ask whether the tenant, or any member of the tenant's household, is subject to a lifetime or any other sex offender registration requirement in any state. The GRHC will use the Dru Sjodin National Sex Offender database to verify the information provided by the tenant.

If the GRHC proposes to terminate assistance based on lifetime sex offender registration information, the GRHC will notify the household of the proposed action and must provide the subject of the record and the tenant a copy of the record and an opportunity to dispute the accuracy and relevance of the information prior to termination. [24 CFR 5.903(f) and 5.905(d)]. (See Chapter 12.)

The information provided by the family generally must be verified in accordance with the policies in Chapter 7. Unless the family reports a change, or the GRHC has reason to believe a change has occurred in information previously reported by the family, certain types of information that are verified at admission typically do not need to be re-verified on an annual basis. These include:

- Legal identity
- Age
- Social Security numbers
- A person's disability status
- Citizenship or immigration status

If adding a new family member to the unit causes overcrowding according to the housing quality standards (HQS) (see Chapter 8), the GRHC will issue the family a new voucher, and the family

will try to find an acceptable unit as soon as possible. If an acceptable unit is available for rental by the family, the GRHC will terminate the HAP contract in accordance with its terms [24 CFR 982.403].

11-I.D. DETERMINING ONGOING ELIGIBILITY OF CERTAIN STUDENTS [24 CFR 982.552(b)(5)]

Section 327 of Public Law 109-115 established new restrictions on the ongoing eligibility of certain students (both part- and full-time) who are enrolled in institutions of higher education.

If a student enrolled in an institution of higher education is under the age of 24, is not a veteran, is not married, does not have a dependent child, and is not a person with disabilities receiving HCV assistance as of November 30, 2005, the student's eligibility must be reexamined along with the income eligibility of the student's parents on an annual basis. In these cases, both the student and the student's parents must be income eligible for the student to continue to receive HCV assistance. If, however, a student in these circumstances is determined independent from his or her parents or is considered a *vulnerable youth* in accordance with PHA policy, the income of the student's parents will not be considered in determining the student's ongoing eligibility.

Students who reside with parents in an HCV assisted unit are not subject to this provision. It is limited to students who are receiving assistance on their own, separately from their parents.

During the annual reexamination process, the GRHC will determine the ongoing eligibility of each student who is subject to the eligibility restrictions in 24 CFR 5.612 by reviewing the student's individual income as well as the income of the student's parents. If the student has been determined "independent" from his/her parents or is considered a *vulnerable youth* based on the policies in Sections 3-II.E and 7-II.E, the parents' income will not be reviewed.

If the student is no longer income eligible based on his/her own income or the income of his/her parents, the student's assistance will be terminated in accordance with the policies in Section 12-I.D.

If the student continues to be income eligible based on his/her own income and the income of his/her parents (if applicable), the GRHC will process a reexamination in accordance with the policies in this chapter.

- If the GRHC chooses to schedule an annual reexamination for completion prior to the family's anniversary date for administrative purposes, the effective date will be determined by the GRHC.
- If the family causes a delay in processing the annual reexamination, *decreases* in the family share of the rent will be applied prospectively, from the first day of the month following completion of the reexamination processing.

Delays in reexamination processing are considered to be caused by the family if the family fails to provide information requested by the GRHC by the date specified, and this delay prevents the GRHC from completing the reexamination as scheduled.

GRHC MTW Flexibility

The effective date for HCV families will occur two (2) years after the initial certification (new admission).

11-I.E. CALCULATING ANNUAL INCOME AT ANNUAL REEXAMINATION [24 CFR 5.609(c)(2) and Notice PIH 2023-27]

The GRHC will determine the income of the family for the previous 12-month period and use this amount as the family income for annual reexaminations.

When determining the income of the family for the previous 12-month period, any change of income since the family's last annual reexamination, including those that did not meet the threshold to process an interim reexamination in accordance with GRHC policies and 24 CFR 5.657(c) or 960.257(b) must be considered.

Income from assets is always anticipated, irrespective of the income examination type.

A change in income may be a loss of income or the addition of a new source of income. Changing to a different employer in the prior year does not necessarily constitute a change if the income earned from either employer is substantially the same. The GRHC will look at the entirety of the family's unearned income and earned income from the prior year in which earned income may have been one constant job or many different jobs that start and stop.

Cost of Living Adjustments (COLA) to Social Security income and Social Security disability income are always considered changes to income because the COLA is an adjustment that automatically occurs annually by law. See Chapter 6 for GRHC policies on when the COLA is applied and Chapter 7 on streamlined determination of income for inflationary adjustments.

Notice PIH 2023-27 lists the following steps to calculate both earned and unearned income at annual reexamination.

Step 1: The GRHC determines annual income for the previous 12-month period by reviewing the following information:

- The EIV Income Report pulled within 120 days of the effective date of the annual reexamination;
- The income reported on the most recent HUD-50058; and
- The amount of prior-year income reported by the family on the GRHC's annual reexamination paperwork.

Step 2: The GRHC takes into consideration any interim reexamination of family income completed since the last annual reexamination.

- If there was an interim reexamination performed, the GRHC will use the annual income from the interim to determine the family's total annual income, provided there are no additional changes.
- If the GRHC did not perform an interim or there have been changes since the last reexamination, the GRHC moves to Step 3.

Step 3: If there were changes in annual income not processed by the GRHC since the last reexamination, the GRHC will use current income. The family will be required to report their income for the prior year and whether there have been permanent changes.

If there are no reported changes to an income source, the GRHC may use documentation of prior-year income to calculate the annual income. For example, the GRHC may use the following documentation:

- EIV + self-certification (wages, Supplemental Security Income (SSI), Social Security, and unemployment)

- Current written third-party verification from the source verifying prior-year income that is dated within 120 days of receipt by the GRHC, for example:
 - Year-end statements
 - Paycheck with year-to-date amounts
 - Tax forms (Form 1040, W2, 1099, etc.)

If there are reported changes by the family or the GRHC notes discrepancies between EIV and what the family reports, the GRHC will follow the verification hierarchy (described in Chapter 7) to document and verify income. Exhibit 11-1 provides detailed examples of how the GRHC calculates income from different sources at annual reexamination using the above method.

11-I.F. EFFECTIVE DATES

The GRHC has established policies concerning the effective date of changes that result from an annual reexamination [24 CFR 982.516].

In general, an *increase* in the family share of the rent that results from an annual reexamination will take effect on the family’s anniversary date, and the family will be notified at least 30 calendar days in advance.

- If less than 30 calendar days remain before the scheduled effective date, the increase will take effect on the first of the month following the end of the 30-day notice period.
- If a family moves to a new unit, the increase will take effect on the effective date of the new lease and HAP contract, and no 30-day notice is required.
- If the GRHC chooses to schedule an annual reexamination for completion prior to the family’s anniversary date for administrative purposes, the effective date will be determined by the GRHC, but will always allow for the 30-day notice period.
- If the family causes a delay in processing the annual reexamination, increases in the family share of the rent will be applied retroactively, to the scheduled effective date of the annual reexamination. The family will be responsible for any overpaid subsidy and may be offered a repayment agreement in accordance with the policies in Chapter 16.

In general, a *decrease* in the family share of the rent that results from an annual reexamination will take effect on the family’s anniversary date.

- If a family moves to a new unit, the decrease will take effect on the effective date of the new lease and HAP contract.

PART II: INTERIM REEXAMINATIONS [24 CFR 982.516]

11-II.A. OVERVIEW

Family circumstances may change between annual reexaminations. HUD and GRHC policies dictate what kinds of information about changes in family circumstances must be reported, and under what circumstances the GRHC will process interim reexaminations to reflect those changes.

A family may request an interim determination of family income or composition because of any changes since the last determination. The GRHC will conduct any interim reexamination within a reasonable period of time after the family request or when the GRHC becomes aware of a change in the family's adjusted income that must be processed in accordance with HUD regulations. What qualifies as a "reasonable time" may vary based on the amount of time it takes to verify information, but the GRHC generally will conduct the interim reexamination not longer than 30 calendar days after the GRHC becomes aware of changes in income.

Notice PIH 2023-27 changes the conditions under which interim reexaminations must be conducted, codifies when interim reexaminations should be processed and made effective, and requires related changes for annual reexaminations and streamlined income determinations. When the GRHC determines that an interim reexamination of income is necessary, they must ask the family to report changes in all aspects of adjusted income.

11-II.B. CHANGES IN FAMILY AND HOUSEHOLD COMPOSITION

Reporting

All families must report all changes in family and household composition that occur between annual reexaminations within 15 calendar days of the change.

The GRHC will conduct interim reexaminations to account for any changes in household composition that occur between annual reexaminations.

New Family Members Not Requiring GRHC Approval

The addition of a family member as a result of birth, adoption, or court-awarded custody does not require GRHC approval. However, the family is required to promptly notify the GRHC of the addition [24 CFR 982.551(h)(2)].

New Family and Household Members Requiring Approval

Families must request GRHC approval to add a new family member, live-in aide, foster child, or foster adult. This includes any person not on the lease who is expected to stay in the unit for more than 30 consecutive calendar days or 90 cumulative days within a 12-month period and therefore no longer qualifies as a "guest." Requests must be made in writing and approved by the GRHC prior to the individual moving into the unit.

The GRHC will not approve the addition of a new family or household member unless the individual meets the PHA's eligibility criteria (see Chapter 3) and documentation requirements (see Chapter 7, Part II).

The GRHC will not approve the addition of a foster child or foster adult if it will cause a violation of HQS space standards.

If the GRHC determines an individual meets the GRHC's eligibility criteria and documentation requirements, the GRHC will provide written approval to the family. If the approval of a new family member or live-in aide will cause overcrowding according to HQS standards, the approval letter will explain that the family will be issued a voucher and will be required to move.

If the GRHC determines that an individual does not meet the GRHC's eligibility criteria or documentation requirements, the GRHC will notify the family in writing of its decision to deny approval of the new family or household member and the reasons for the denial.

The GRHC will make its determination within 15 calendar days of receiving all information required to verify the individual's eligibility.

Departure of a Family or Household Member

If a household member ceases to reside in the unit, the family must inform the GRHC within 15 calendar days. This requirement also applies to a family member who has been considered temporarily absent at the point that the family concludes the individual is permanently absent.

11-II.C. CHANGES AFFECTING INCOME OR EXPENSES

Interim Decreases [24 CFR 982.516(c)(2) and Notice PIH 2023-27]

The GRHC will conduct an interim reexamination any time the family's adjusted income has decreased by any amount.

Interim Increases [24 CFR 982.516(c)(3) and Notice PIH 2023-27]

Increases Less than 10 Percent

The GRHC will not process interim reexaminations for income increases that result in less than a 10 percent increase in annual adjusted income.

Increases 10 Percent or Greater

The GRHC will conduct an interim reexamination of family income when the GRHC becomes aware that the family's adjusted income has changed by an amount that the GRHC estimates will result in an increase of 10 percent or more in adjusted income, only when the family has previously received an interim reduction during the same reexamination cycle; and

The GRHC will not conduct an interim reexamination during the last three months of a certification period if a family reports an increase in income within three months of the next annual reexamination effective date.

When the family previously received an interim reexamination for a decrease to adjusted income during the same annual reexamination cycle, a PHA has the discretion whether to consider a subsequent increase in earned income.

Concurrent Increases in Earned and Unearned Income [Notice PIH 2023-27]

When the family reports an increase in both earned and unearned income at the same time, the GRHC will look at the earned and unearned income changes independently of each other to determine if an interim reexamination is performed. The GRHC will only conduct an interim reexamination when the increase independently meets the 10 percent threshold and all other requirements for performing interim reexaminations. For example, if a family reported increases in both earned and unearned income that overall resulted in a 12 percent increase in their adjusted income, but the change in earned income represented a 7 percent increase and the

change in unearned income represented a 5 percent increase, the GRHC will not perform an interim for either change since neither change meets the 10 percent threshold amount independently. If the change in unearned income met the 10 percent threshold in this case, the GRHC will perform an interim. If the change in earned income met the 10 percent threshold in this case, the GRHC would refer to GRHC policy to determine whether an interim was required.

Cumulative Increases [Notice PIH 2023-27]

A series of smaller reported increases in adjusted income may cumulatively meet or exceed the 10-percent increase threshold, at which point the GRHC will conduct an interim reexamination in accordance with GRHC policy.

Family Reporting

The family will be required to report all changes in income regardless of the amount of the change, whether the change is to earned or unearned income, or if the change occurred during the last three months of the certification period. Families must report changes in income within 15 calendar days of the date the change takes effect. The family may notify the GRHC of changes either orally or in writing. If the family provides oral notice, the GRHC will also require the family to submit the changes in writing.

Within 15 calendar days of the family reporting the change, the GRHC will determine whether the change will require an interim reexamination.

If the change will not result in an interim reexamination, the GRHC will note the information in the tenant file but will not conduct an interim reexamination. The GRHC will send the family written notification within 15 calendar days of making this determination informing the family that the GRHC will not conduct an interim reexamination.

If the change will result in an interim reexamination, the GRHC will determine the documentation the family will be required to submit based on the type of change reported and GRHC policies in Chapter 7. The GRHC will ask the family to report changes in all aspects of adjusted income at this time. The family must submit any required information or documents within 15 calendar days of receiving a request from the GRHC. This time frame may be extended for good cause with GRHC approval. The GRHC will accept required documentation by mail, email, or in person. The GRHC will conduct the interim within 30calendar days based on the amount of time it takes to verify the information.

Generally, the family will not be required to attend an interview for an interim reexamination. However, if the GRHC determines that an interview is warranted, the family may be required to attend.

11-II.C. EFFECTIVE DATES [24 CFR 982.516(e) and Notice 2023-27]

Changes Reported Timely [Notice PIH 2023-27]

If the family reports a change in family income or composition timely in accordance with GRHC policies:

- For tenant portion increases, the GRHC will provide the family with 30 days advance written notice. The increase is effective the first of the month after the end of that 30-day notice period.

- Tenant portion decreases are effective on the first of the month after the date of the actual change leading to the interim reexamination of family income. This means the decrease will be applied retroactively.

Changes Not Reported Timely [Notice PIH 2023-27]

If the family failed to report a change in family income or composition timely in accordance with GRHC policies:

- For tenant portion increases, the GRHC will implement any resulting increases retroactively to the first of the month following the date of the change leading to the interim reexamination of family income.
- For rent decreases, the GRHC will implement the change no later than the first rent period following completion of the interim reexamination.

However, the GRHC will apply the results of the interim reexamination retroactively where a family's ability to report a change in income promptly may have been hampered due to extenuating circumstances such as a natural disaster or disruptions to GRHC management operations. The GRHC will decide to apply decreases retroactively on a case-by-case basis.

When the GRHC applies the results of interim decreases retroactively, the GRHC will clearly communicate the effect of the retroactive adjustment to the family and may enter into a repayment agreement in accordance with GRHC policies. The GRHC will also clearly communicate the effect of the retroactive adjustment to the owner.

11-II.D. PROCESSING THE INTERIM REEXAMINATION

Method of Reporting

The family may notify the GRHC of changes either orally, mail, or electronically. If the family provides oral notice, the GRHC may also require the family to submit the changes in writing.

Generally, the family will not be required to attend an interview for an interim reexamination. However, if the GRHC determines that an interview is warranted, the family may be required to attend.

Based on the type of change reported, the GRHC will determine the documentation the family will be required to submit. The family must submit any required information or documents within 15 calendar days of receiving a request from the GRHC. This time frame may be extended for good cause with GRHC approval. The GRHC will accept required documentation by mail, by portal, email or in person.

Effective Dates

If the family share of the rent is to increase:

- The increase generally will be effective on the first of the month following 30 calendar days' notice to the family.
- If a family fails to report a change within the required time frames or fails to provide all required information within the required time frames, the increase will be applied retroactively to the date it would have been effective had the information been provided on a timely basis. The family will be responsible for any overpaid subsidy and will be offered a repayment agreement in accordance with the policies in Chapter 16, if unable to pay in full.

If the family share of the rent is to decrease:

- The decrease will be effective on the first day of the month following the month in which the change was reported and all required documentation was submitted. In cases where the change cannot be verified until after the date the change would have become effective, the change will be made retroactively.

PART III: RECALCULATING FAMILY SHARE AND SUBSIDY AMOUNT

11-III.A. OVERVIEW

After gathering and verifying required information for an annual or interim reexamination, the GRHC will recalculate the family share of the rent and the subsidy amount, and notify the family and owner of the changes [24 CFR 982.516(d)(2), HCV 12-6 and 12-10]. While the basic policies that govern these calculations are provided in Chapter 6, this part lays out policies that affect these calculations during a reexamination.

11-III.B. CHANGES IN PAYMENT STANDARDS AND UTILITY ALLOWANCES

Payment Standards [24 CFR 982.505]

The family share of the rent and HAP calculations must use the correct payment standard for the family, taking into consideration the family unit size, the size of unit, and the area in which the unit is located [HCV GB, p. 12-5]. See Chapter 6 for information on how to select the appropriate payment standard.

When the GRHC changes its payment standards or the family's situation changes, new payment standards are applied at the following times:

- If the GRHC's payment standard amount changes during the term of the HAP contract, the date on which the new standard is applied depends on whether the standard has increased or decreased:
 - If the payment standard amount has *increased*, the increased payment standard will be applied at the *first annual* reexamination following the effective date of the increase in the payment standard.
 - If the payment standard amount has *decreased*, during the term of a HAP contract, the GRHC will not reduce the payment standard. At the family's *second annual* reexamination, the GRHC may, but is not required to, apply the decreased payment standard or may gradually implement the reduced payment standard (See Chapter 6 for the GRHC's policy on decreases in the payment standard).
- If the family moves to a new unit, or a new HAP contract is executed due to changes in the lease (even if the family remains in place) the current payment standard applicable to the family will be used when the new HAP contract is processed.

Subsidy Standards [24 CFR 982.505(c)(4)]

If there is a change in the family unit size that would apply to a family during the HAP contract term, either due to a change in family composition, or a change in the GRHC's subsidy standards (see Chapter 5), the new family unit size must be used to determine the payment standard amount for the family at the family's *first annual* reexamination following the change in family unit size.

Utility Allowances [24 CFR 982.517(d)]

The family share of the rent and HAP calculations must reflect any changes in the family's utility arrangement with the owner, or in the GRHC's utility allowance schedule [HCV GB, p. 12-5]. Chapter 16 discusses how utility allowance schedules are established.

When there are changes in the utility arrangement with the owner, the GRHC will use the utility allowances in effect at the time the new lease and HAP contract are executed.

At reexamination, the GRHC will use the GRHC current utility allowance schedule [HCV GB, p. 18-8].

11-III.C. NOTIFICATION OF NEW FAMILY SHARE AND HAP AMOUNT

The GRHC will notify the owner and family of any changes in the amount of the HAP payment [HUD-52641, HAP Contract]. The notice will include the following information [HCV GB, p. 12-6]:

- The amount and effective date of the new HAP payment
- The amount and effective date of the new family share of the rent
- The amount and effective date of the new tenant rent to owner
- The annual and adjusted income amounts utilized to determine the family share and HAP subsidy amount.

The family will be given an opportunity for an informal hearing regarding the GRHC's determination of their annual or adjusted income, and the use of such income to compute the housing assistance payment [24 CFR 982.555(a)(1)(i)] (see Chapter 16).

11-III.D. DISCREPANCIES

During an annual or interim reexamination, the GRHC may discover that information previously reported by the family was in error, or that the family intentionally misrepresented information. In addition, the GRHC may discover errors made by the GRHC. When errors resulting in the overpayment or underpayment of subsidy are discovered, corrections will be made in accordance with the policies in Chapter 13.

PART IV: NON-INTERIM REEXAMINATION TRANSACTIONS [Notice PIH 2023-27]

Families may experience changes within the household that do not trigger an interim reexamination under GRHC policy and HUD regulations but which HUD still requires the GRHC to report to HUD via Form HUD-50058. These are known as *non-interim reexamination transactions*. In these cases, the GRHC will submit a separate, new action code on Form HUD-50058. The following is a list of non-interim reexamination transactions:

- Adding or removing a hardship exemption for the child care expense deduction;
- Updating or removing the phased-in hardship relief for the health and medical care expense deduction and/or reasonable attendant care and auxiliary apparatus expense deduction (the phased-in relief will begin at an eligible family's first annual or interim reexamination, whichever is sooner, after January 1, 2024);
- Adding or removing general hardship relief for the health and medical care expense deduction and/or reasonable attendant care and auxiliary apparatus expense deduction;
- Adding or removing a minimum rent hardship;
- Adding or removing a non-family member (i.e., live-in aide, foster child, foster adult);
- Ending a family's EID or excluding 50 percent (decreased from 100 percent) of a family member's increase in employment income at the start of the second 12-month EID period.
- Adding a family member and the increase in adjusted income does not trigger an interim reexamination under the final rule;
- Removing a family member and the increase in adjusted income does not trigger an interim reexamination under the final rule;
- Adding/Updating a family or household member's Social Security number; and
- Updating a family member's citizenship status from eligible to ineligible or vice versa, resulting in a change to the family's rent and/or utility reimbursement, if applicable (i.e., family begins receiving prorated assistance or previously prorated assistance becomes full assistance), or updating the prorated rent calculation due to the addition or removal of family members in household with an ineligible noncitizen(s).

The GRHC will make all other changes to assets, income, and deductions at the next annual or interim reexamination of income, whichever is sooner.

EXHIBIT 11-1: CALCULATING Income AT ANNUAL REEXAMINATION

Example 1: Calculating Annual Income at Annual Reexamination Using EIV

Staff are processing the 3/1/2024 annual reexamination for Ruby Myers and her minor daughter, Georgia. No interim reexaminations have been processed, and Ruby has not reported any changes to annual income to the GRHC since the 3/1/2023 annual reexamination. The SSA published 2024 COLA is 7 percent.

Last reexamination – 3/1/2023 Annual Reexamination

Ruby:	Georgia:
Wages: \$30,000	SSI: \$10,980 (\$915 monthly)s

The EIV report pulled on 12/15/2023

Ruby:	Georgia:
Wages Total: \$33,651	SSI Total: \$10,980
Quarter 3 of 2023: \$8,859 (City Public School)	2023 benefit \$915 monthly
Quarter 2 of 2023: \$8,616 (City Public School)	
Quarter 1 of 2023: \$8,823 (City Public School)	
Quarter 4 of 2022: \$7,353 (City Public School)	

Income Reported on Reexamination Application

Ruby:	Georgia:
Wages at City Public School: \$32,000 (switched jobs but no permanent change to amount)	SSI benefits: \$10,980 (no changes)

<p>Calculating Ruby’s wages:</p> <p>Step 1: Determine prior annual income from EIV (i.e., Q4 2022 through Q3 of 2023: \$33,651).</p> <p>Step 2: Take into consideration any interim reexamination of family income completed since the last annual reexamination (in this case, there have been no interim reexaminations processed since the last annual reexamination).</p> <p>Step 3: Ruby certifies that the \$33,651 of wages in EIV is accurate and reflects her</p>	<p>Calculating Georgia’s SSI benefit:</p> <p>Step 1: Determine the prior annual income from EIV (i.e., \$915 x 12 months: \$10,980).</p> <p>Step 2: Take into consideration any interim reexamination of family income completed since the last annual reexamination (in this case, there have been no interim reexaminations processed since the last annual reexamination).</p> <p>Step 3: Ruby certifies the SSI income in EIV is accurate and reflects Georgia’s current annual income. The PHA must adjust the</p>
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current annual income, so the PHA will use \$33,651 for annual wages for the 3/1/2024 annual reexamination given there have been no additional changes to annual income.	prior-year income (2023 SSI benefit) by the 7- percent COLA and will use this amount to calculate annual SSI income for the 3/1/2024 annual reexamination: COLA: \$64.05 (\$915 x 0.07) New gross SSI benefit: \$11,748.60 (\$979.05 x 12 months)
If Ruby did not agree with the annual wages reported in EIV, the PHA/MFH Owner would be required to verify her current income in accordance with HUD’s verification hierarchy.	
Summary of Annual Income (as reported on the HUD-50058)	
Ruby (Head of Household): Other Wage: \$33,651 Myers Family Total Annual Income: \$45,399	Georgia (Other Youth Under 18): SSI: \$11,748

**Example 2: Calculating Annual Income at Annual Reexamination Using EIV:
Family Disagrees with EIV**

Staff are processing Paul Hewson’s 5/1/2024 annual reexamination. Since the last annual reexamination, Paul reported a decrease in annual income that exceeded 10 percent. Last year, Paul reported a decrease in earned income because he transferred from a full-time job at Sasha’s Sweets to a part-time job at Viking Bakery. Following HUD’s EIV verification hierarchy, staff confirmed Paul was no longer employed at Sasha’s Sweets and decreased his anticipated annual income from \$28,000 to \$7,500 resulting from his new part-time employment at Viking Bakery; an interim reexamination was processed effective 7/1/2023. After the 7/1/2023 interim, Paul worked briefly at two different jobs, but he says he is no longer working and is not planning to work.
5/1/2023 Annual Reexamination
Wages: \$28,000

The EIV report pulled on 1/15/2024

- Wages Total: \$18,271
- Quarter 3 of 2023: \$2,500 (Viking Bakery)
- Quarter 3 of 2023: \$796 (Sweet Tooth Candy Bar)
- Quarter 2 of 2023: \$1,300 (Sasha’s Sweets)
- Quarter 2 of 2023: \$584 (Larry’s Concessions)
- Quarter 2 of 2023: \$2,401 (Viking Bakery)
- Quarter 1 of 2023: \$6,500 (Sasha’s Sweets)

Quarter 4 of 2022: \$600 (Sasha’s Sweets)

SS/SSI: No history of benefits

Income Reported on Reexamination Application	
Wages: \$0 (permanent change; no longer receiving)	
Social Security: \$14,400 (\$1,200 monthly)	
Paul certified on the GRHC’s annual reexamination paperwork that he does not agree with the annual wages of \$18,271 reported in EIV and it is not reflective of his current anticipated annual income. He reported he is currently unemployed, and provided a copy of an award letter from the Social Security Administration to document that he will begin receiving a monthly disability benefit of \$1,200 effective 3/1/2024.	
Calculating Wages and SS Benefit	
Step 1: Determine prior annual income taking into consideration the 8/1/2023 interim reexamination (i.e., EIV wages reflected Q4 2022 through Q3 2023: \$18,271)	
Step 2: Take into consideration any interim reexamination of family income completed since the last annual reexamination. In this case, there was a 7/1/2023 interim that reduced wages to \$7,500.	
Step 3: Obtain documentation to verify current income and confirm Paul is no longer employed at Viking Bakery or The Sweet Tooth Candy Bar (the employers reported in the most recent quarter of EIV). This step is necessary, because Paul did not agree with the EIV income report or income reported on the last interim reexamination. Paul reported that he is no longer working at all.	
Process the annual reexamination effective 5/1/2024 using annual SS income of \$14,400 and \$0 wages.	
Summary of Annual Income (as reported on the HUD-50058)	
Paul (Head of Household): \$14,400 (SS)	
Hewson Family Total Annual Income: \$14,400	

Example 3: Calculating Annual Income at Annual Reexamination

Staff are processing the 11/1/2024 annual reexamination for Samantha and Fergus Pool, head of household and spouse. On 2/14/2024 Samantha reported her monthly child support payment was reduced from \$200 to \$100 per month, but an interim reexamination was not processed because the reduction in child support income for Samantha’s daughter, Hailey, did not result in a decrease of 10 percent or more in annual adjusted income, and the GRHC did not establish a lower threshold. Samantha did not report any additional changes to the GRHC.	
Last reexamination – 11/1/2023 Annual Reexamination	
Samantha:	Fergus:

Business income: \$28,000	Wages: \$8,250
VA disability pension: \$12,000	Other non-wage income: \$3,000 (Go Fund Me online fundraiser)
Child support: \$2,400	

The EIV report pulled on 9/16/2024

Samantha:	Fergus:
Wages Total: \$0 (no wage data reported since Q1 2023)	Wages Total: \$8,600
	Quarter 1 of 2024: \$2,100 (Ian’s Fish ‘n’ Chips)
	Quarter 1 of 2024: \$500 (Claire’s Healthcare Supplies)
	Quarter 4 of 2023: \$1,000 (Claire’s Healthcare Supplies)
	Quarter 3 of 2023: \$1,800 (The Onion Garden Shop)
	Quarter 2 of 2023: \$3,200 (Ivar’s Fish Haus)

Current Family Circumstances: Income Reported on Reexamination Application	
Samantha and Fergus reported how much income was earned/received in the previous 12-month period and noted permanent changes, where applicable, for each source of their income on GRHC’s annual reexamination form. However, no information was reported by the family concerning other non-wage income. Fergus reported only wages and his current employment at Ian’s Fish ‘n’ Chips for the annual reexamination. The family supplied the supporting documentation noted below to the GRHC for the 11/1/2024 annual reexamination.	
Samantha:	Fergus:
Business income: \$28,750 (last year); has decreased to \$18,000 (permanent change)	Wages: \$6,000
VA disability benefit: \$12,000 (last year); has increased to \$12,300 (permanent change)	
Child support: \$2,400 (last year); has decreased to \$1,200 (permanent change)	

Calculating Samantha’s Net Business Income
Step 1: Determine prior annual net business income (i.e., \$28,000 on last HUD–50058.
Step 2: Take into consideration any interim reexamination of family income completed since the last annual reexamination. In this case, there have been no interim reexaminations processed since the last annual reexamination.

Step 3: Adjust to reflect current net business income. Samantha reported on the annual reexamination application that business income permanently decreased to \$18,000. The GRHC will obtain supporting documentation from Samantha that demonstrates current net business income. Samantha provided documentation that supported the current annual net business income is \$18,000. Process the annual reexamination effective 11/1/2024 using annual net business income determined in Step 3.

Calculating Samantha's VA Pension Income

Step 1: Determine prior annual VA pension income (i.e., \$12,000 supported by a VA award letter Samantha supplied that documents the prior year monthly VA pension was \$1,000).

Step 2: Take into consideration any interim reexamination of family income completed since the last annual reexamination. In this case, there have been no interim reexaminations processed since the last annual reexamination.

Step 3: The GRHC will adjust to reflect current VA pension income. Samantha supplies a VA award letter showing a monthly pension of \$1,025, or \$12,300 annually. Process the annual reexamination effective 11/1/2024 using annual VA pension income determined in Step 3 (\$12,300 in this example).

Calculating Samantha's Child Support Income

Step 1: Determine prior annual child support income (i.e., \$2,400 on the last HUD-50058).

Step 2: Take into consideration any interim reexamination of family income completed since the last annual reexamination. In this case, there have been no interim reexaminations processed since the last annual reexamination. The family reported a decrease from \$200 to \$100 monthly, but the change was not processed because it did not meet the threshold.

Step 3: The family reported changes, so the GRHC will adjust to reflect current child support income. In this example, the family submitted a child support history report from the local child support office that documents regular \$100 monthly child supports payments beginning 3/1/2024 through the current month. Process the annual reexamination effective 11/1/2024 using current annual child support income determined in Step 3 (\$1,200 in this example).

Calculating Fergus' Wages

Step 1: Determine prior annual income from wages in EIV (i.e., Q2 2023 through Q1 of 2024: \$8,600).

Step 2: Take into consideration any interim reexamination of family income completed since the last annual reexamination. In this case, there have been no interim reexaminations processed since the last annual reexamination.

Step 3: There is a discrepancy between what the family reported and EIV, so the GRHC will verify and adjust to reflect current annual income from wages. Fergus reported \$6,000 in annual income from wages on the annual reexamination from a single employer, Ian's Fish 'n' Chips.

The GRHC projected annual income of \$7,800 based on the two paystubs for this employer, and EIV shows \$8,600 earned in the most recent four quarters in EIV. To complete Step 3, the

GRHC will do the following:

- Resolve the discrepancy between EIV wages, the \$6,000 annual income Fergus reported, and the \$7,800 projected based on the paystubs he provided, and
- Verify he is no longer employed at Claire’s Healthcare Supplies in accordance with HUD’s verification hierarchy and local policies.

The GRHC determined that Fergus reported his net vs. gross annual income from wages, which he corrected on the annual reexamination form to reflect his current gross annual income of \$9,000. The GRHC verified Fergus was no longer employed at Claire’s Healthcare Supplies and obtained two additional paystubs. Based on four current and consecutive paystubs, Fergus is now projected to earn \$9,360 annually. Process the annual reexamination effective 11/1/2024 using income from wages determined in Step 3 (\$9,360 in this example).

Calculating Fergus’ Other Non-Wage Income	
Step 1: Determine prior annual income from other non-wage income (i.e., \$3,000 on the last HUD– 50058).	
Step 2: Take into consideration any interim reexamination of family income completed since the last annual reexamination. In this case, there have been no interim reexaminations processed since the last annual reexamination.	
Step 3: The family did not report any non-wage income on the annual reexamination form, but it was included on the last HUD–50058. The GRHC will verify and adjust to reflect current non-wage income. The GRHC will verify no income was received through a “Go Fund Me” online fundraiser so that it may be excluded. Fergus provided a self-certification that he hasn’t solicited funds online and doesn’t plan to in the following year; he also provided records from the account that documented no fundraising activity in the prior 12-month period. Process the annual reexamination effective 11/1/2024 using annual non-wage income of \$0 determined in Step 3.	
Summary of Annual Income (as reported on the HUD-50058)	
Samantha (Head of Household):	Fergus (Co-head):
Own business: \$18,000	Wages: \$9,360
Pension: \$12,300	
Child support: \$1,200	
Poole Family Total Annual Income: \$40,860	