

Interim Recertification Policy Examples

Interim Recertification Policies Under Public and Indian Housing Programs

Under Public and Indian Housing (PIH) Public Housing and Section 8 Tenant-Based programs, interim recertification policies can differ between PHAs. Table 1 indicates the potential range of interim recertification policies.

Table 1, Interim Recertification Policies

Increases in Income Must Be Reported	Rental Assistance is Recalculated
No	No
Yes	No
Yes	Yes

The following examples demonstrate the impact of interim recertification policies on False Positive determinations for CMIV discrepancy resolution.

Situation:

- Tenant annual recertification month is November with an estimated annual income of \$6,000.
- Tenant is paying \$150 a month towards rent.
- Tenant receives a wage increase in April resulting in an annual income of \$12,000.
- Federal tax data - \$10,500

Interim Recertification Policy Example 1:

Tenant is not required to report increases in income until next annual recertification and increase effective 30 days after notice.

	Actual Income	Reported Income	Income for Rental Assistance
January - March	\$6,000	\$6,000	\$6,000
April - October	\$12,000	\$6,000	\$6,000
November - December	\$12,000	\$12,000	\$12,000

HUD Annualized Income $\$6,500 = (\$6,000 \times 11/12) + (\$12,000 \times 1/12)$
PHA Tenant Reported Income: $\$7,000 = (\$6,000 \times 10/12) + (\$12,000 \times 2/12)$
HUD CMIV Discrepancy Amount: $\$4,000$
Determination: False Positive – tenant not required to report

Interim Recertification Policy Example 2:

Tenant must report all increases in income and rental assistance is recalculated at next annual recertification effective after 30 day notice.

	Actual Income	Reported Income	Income for Rental Assistance
January - March	\$6,000	\$6,000	\$6,000
April - October	\$12,000	\$12,000	\$6,000
November - December	\$12,000	\$12,000	\$12,000

HUD Annualized Income (based on effective date of increase): $\$6,500 = (\$6,000 \times 11/12) + (\$12,000 \times 1/12)$
PHA Tenant Reported Income: $\$10,500 (\$6,000 \times 3/12) + (\$12,000 \times 9/12)$
HUD CMIV Discrepancy Amount: $\$4,000$
Determination: False Positive – tenant reported income

Interim Recertification Policy Example 3:

Tenant is not required to report all increases in income and rental assistance is recalculated effective 60 days after notification.

	Actual Income	Reported Income	Income for Rental Assistance
January - March	\$6,000	\$6,000	\$6,000
April - May	\$12,000	\$12,000	\$12,000
June - December	\$12,000	\$12,000	\$12,000

HUD Annualized Income (based on effective date of increase):

$$\$9,500 = (\$6,000 \times 5/12) + (\$12,000 \times 7/12)$$

PHA Tenant Reported Income: 10,500

HUD CMIV Discrepancy Amount: \$1,000

Determination: False Positive – tenant reported income

Interim Recertification Policy Example 4:

Tenant must report all increases in income and rental assistance is recalculated effective 60 days after notification – Tenant does not report increase

	Actual Income	Reported Income	Income for Rental Assistance
January - March	\$6,000	\$6,000	\$6,000
April - October	\$12,000	\$6,000	\$6,000
November - December	\$12,000	\$12,000	\$12,000

HUD Annualized Income: \$6,500 $(\$6,000 \times 11/12) + (\$12,000 \times 1/12)$

PHA Tenant Reported Income: \$7,000 $(\$6,000 \times 10/12) + (\$12,000 \times 2/12)$

HUD CMIV Discrepancy Amount: \$4,000

Determination: Valid Discrepancy – tenant did not report increase

As shown above, interim recertification policies can significantly affect the determination of whether a discrepancy is valid or a false positive. It is important to identify the PHA interim recertification policy effective for the tax year for which the match is being

conducted. Interim recertification policies are found in PHA's Administrative and Occupancy Plans.

Interim Recertification Policy Under Housing Programs

Under Housing's rental assistance programs, the interim recertification policies are uniform. Tenants must report income increases of \$40 or more per month. Tenants must report if any household member moves in/out and if any adult member of the household who was reported as unemployed on the most recent certification or recertification, obtains employment. Decreases in rental assistance are effective the first day of the month following the 30-day notification period. The standard policy significantly reduces the number of false positive results and reduces the time required to analyze income discrepancies.