

A DAY IN THE LIFE OF THE HOUSING CHOICE VOUCHER PROGRAM

PREPARING FOR ANNUAL REEXAMINATIONS

Presented by Kati Gray

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1

PREPARATION IS KEY

- Prepared interviewers are good interviewers
- Even if the interviewee is not prepared, if you are, then you will be able to gather the most amount of information possible
- This will lead to less administrative burden and more accurate subsidy payments
 - ✓ Also, less fraud

2

2

TOOLS

- File checklists
- Verification checklists
- Interview guides
- Checklists for missing documents for the family

3

3



CURRENT ANNUAL REEXAMINATIONS

4

4

ANNUAL REEXAMINATION

→ At least annually, the PHA must obtain and document

Third-party verification of:

- Annual Income
- Assets
- Expenses related to deductions from annual income
- Other factors that affect the determination of adjusted income

5

5

ANNUAL REEXAMINATION

→ Begin process 90 -120 days before the anniversary date of the lease

→ Prepare and send out reexamination letters and packets to families scheduled for reexamination

6

6

BASIC REEXAMINATION PACK

- Notice of Reexamination Interview;
- Personal Declaration Form or Application for Re-certification;
- Instructions for Re-certification (including a list of what constitutes income and deductions);
- Notice of Annual Inspection (if PHA schedule inspections at time of recertification);
- Form 9886-A Authorizations for Release of Information (if applicable);

7

7

BASIC REEXAMINATION PACK

- Child-Care Verification Form (If all adults in the household are working and paying for childcare);
- Medical Expenses and Worksheet (if elderly or disabled head of household or spouse);
- Employment Verification Form (if working);
- Welfare Verification (if receiving TANF);
- Unemployment or Self-Employment Form;
- Verification of Student Status (if anyone 18 or older attends school);

8

8

THE REEXAMINATION LETTER

- Sets a date and time for the appointment;
- Informs the participant to complete the application for Continued Occupancy or Personal Declaration and bring them to the appointment

Remember:

- Reasonable accommodations for persons with disabilities
 - Accessible format for persons with disabilities
 - LEP family requirements
- The appointment letter also warns the resident/participant that failure to keep the scheduled appointment or failure to contact the PHA could result in termination of housing assistance

9

9

ANNUAL REEXAMINATION APPOINTMENT

BE PREPARED

- Pull the family file to familiarize yourself with the family's information
- Prepare the Verification Checklist
- Gather all forms needed and generate the EIV Income/IVT Report

10

10

ANNUAL REEXAMINATION APPOINTMENT

- Review the reexamination documents completed and provided by the family
- Compare the information on the application or last reexam
 - ✓ Update Verification Checklist if necessary
- Ask all questions using the interview guide
- Make copies of originals

11

11

ANNUAL REEXAMINATION APPOINTMENT

- Annual Reexam Application/Personal Declaration form
- HUD-9886-A for those who have not signed before
- HUD-92006
- Applicable Consent and Release forms
- HUD-52675 for those who have not signed before

12

12

ANNUAL REEXAMINATION APPOINTMENT

→ Criminal background checks **MAY*** be conducted for all household members aged 18 and over

***NOT A HUD REQUIREMENT**

→ Go over the EIV Income and IVT Reports with the family

✓ Get signatures if required by your agency

13

13

STREAMLINED ANNUAL REEXAMINATIONS FOR FIXED INCOME

“Family member with a fixed source of income” is defined as a family member whose income includes periodic payments at reasonably predictable levels from one or more of the following sources:

- ✓ Social Security, SSI, SSDI
- ✓ Federal, State, Local, or private pension plans
- ✓ Annuities or other retirement benefit programs, insurance policies, disability or death benefits or other similar types of periodic receipts
- ✓ Any other source of income subject to an adjustment by a verifiable COLA or current rate of interest

14

14

STREAMLINED ANNUAL REEXAMINATIONS FOR FIXED INCOME

- A full reexamination and redetermination of income must be performed every 3 years
- In the interim 2 years, an income determination may be performed for a *family member* with a fixed source of income by applying to a previously determined or verified source of income a COLA adjustment or interest rate adjustment specific to each source of fixed income

15

15

IRREGULAR OR SEASONAL INCOME

- If a family member works irregularly and is not employed at the time of the annual examination, their income may be anticipated based on past employment history for the same type of work
- Seasonal or part-time employees must have their employment verified by a third-party

16

16

COMPLETION OF ANNUAL REEXAMINATION

- When all required verifications are received, finalize the reexamination
 - ✓ No later than 45 days before the effective date
- Carefully proof your data entry on the computer screen
- Review the HUD-50058 for accuracy
- Generate the Notice of Rent Adjustment
 - ✓ File copy, participant copy, and landlord copy

17

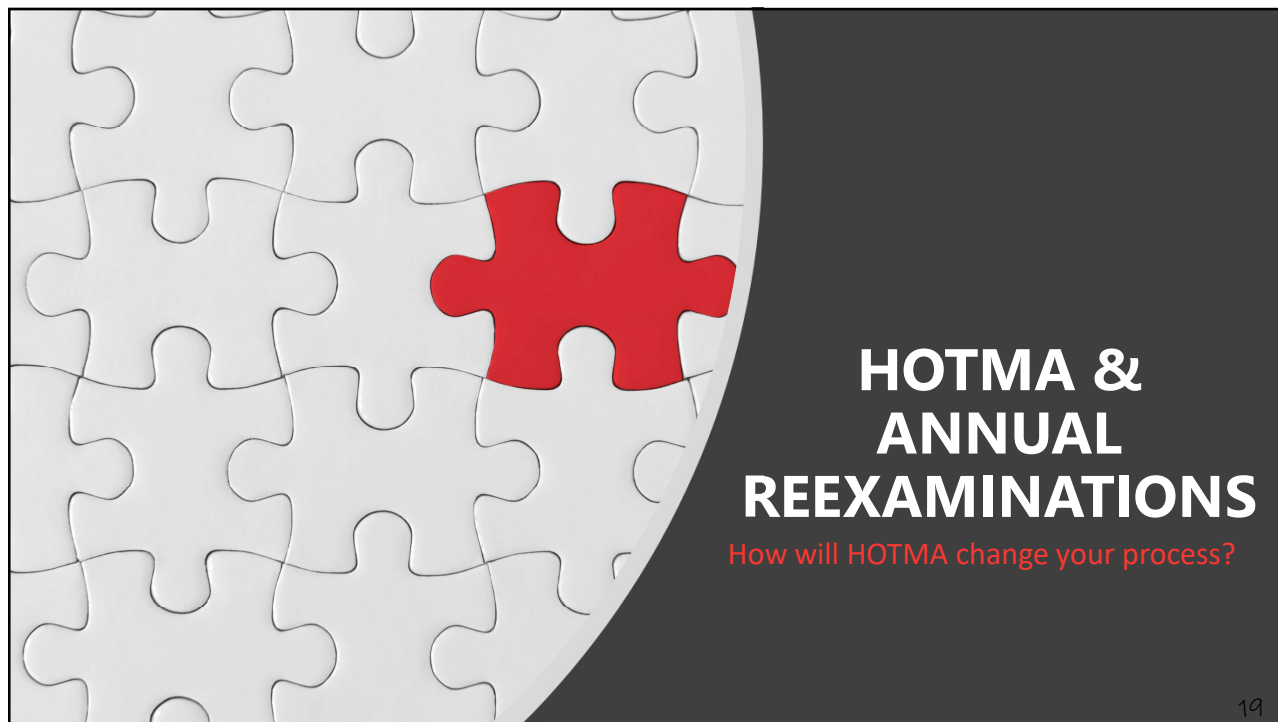
17

ANNUAL REEXAMINATION

- Follow up with the families who did not keep the initial reexamination appointment or failed to reschedule the appointment
- Families who fail to keep their appointments or do not contact the PHA prior to the scheduled appointment are in violation of their Family Obligations and may be terminated

18

18



19

HOTMA INCOME MAJOR CHANGES

- New definitions
 - ✓ Income Inclusions
 - ✓ Income Exclusions
- Elimination of EID

20

20

HOTMA INCOME HIGHLIGHTS

- Streamlined verification processes
 - ✓ Sign consent form only once (HUD-9886-A)
 - ✓ Use of income determinations from other federal programs
 - ✓ Reduced use of EIV
- Additional income exclusions

21

21

INCLUDED INCOME NEW SOURCES

Include as income even if the source, date, or amount varies from:

- ✓ Day laborers
- ✓ Independent contractors
- ✓ Seasonal workers

22

22

DAY LABORER

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

23

23

INDEPENDENT CONTRACTOR

An individual who qualifies as an independent contractor instead of an employee in accordance with the IRS Federal Income Tax requirements and whose earnings are consequently subject to the self-employment tax

24

24

SEASONAL WORKER

- An individual who is hired into a short-term position
- The employment begins about the same time each year
- Typically hired to address seasonal demands

25

25

OTHER HOTMA ANNUAL REEXAM CONSIDERATIONS

New asset thresholds

- ✓ The combined value of all non-necessary items of personal property if the combined total value does not exceed \$51,600 (which amount will be adjusted by HUD for inflation);
 - When the combined value of all non-necessary personal property does not exceed \$51,600, as adjusted by inflation, all non-necessary personal property is excluded from net family assets.
 - Non-necessary personal property with a combined value greater than \$51,600, as adjusted by inflation, is considered part of net family assets

26

26

OTHER HOTMA ANNUAL REEXAM CONSIDERATIONS

New asset thresholds (continued)

- ✓ Asset limitation (discretionary at annual)
 - Net family assets exceed \$103,200; or
 - Family has a present ownership in, a legal right to reside in, and the effective legal authority to sell real property that is suitable for occupancy as a residence

27

27

OTHER HOTMA ANNUAL REEXAM CONSIDERATIONS

- Financial Assistance for Students of Higher Education
- Disability Assistance Expense and Medical Expense threshold increasing to 10%
 - ✓ Phase-in and potential requested hardship exemptions available
- Childcare expense hardship exemption
- Dependent allowance will stay at \$480 for now
- Elderly/disabled allowance will be \$525

28

28

HOTMA CALCULATION OF INCOME

Annual Reexamination

→ Must use the income from the previous 12-month period

- ✓ Must make adjustments to reflect current income if a change occurred that was not accounted for in an interim reexam

Exceptions:

- ✓ Streamlined income determination for fixed income
- ✓ Must take into consideration any interim reexams performed during the previous 12-month period

29

29

CALCULATION OF INCOME: ANNUAL REEXAMINATIONS – (3) STEP PROCESS

Step 1: Determine Annual Income for the previous 12-month period.

- ✓ Review the following info to make determination
 - EIV Income Report
 - Income reported on most recent HUD-50058
 - Family certification of prior-year income on AR paperwork
- ✓ If there have been no changes – **STOP** – this is amount used to determine Total Tenant Payment (TTP)

30

30

CALCULATION OF INCOME: ANNUAL REEXAMINATIONS – (3) STEP PROCESS

Step 2: Consider any Interim of family income since last Annual Reexam

- ✓ If Interim was conducted within reexam cycle and no additional changes, use the Annual Income from the Interim to determine TTP
- ✓ If no Interim was conducted, or if family reports changes since last reexam, continue to Step 3

31

31

CALCULATION OF INCOME: ANNUAL REEXAMINATIONS – (3) STEP PROCESS

Step 3: Changes in Annual Income not processed since last reexam, use Current Income

- ✓ No reported changes to an income source, use documentation of prior-year income to calculate TTP
- ✓ No reported changes by family, or if discrepancies between EIV and family reported income, follow Verification Hierarchy to document and verify

32

32

CALCULATION OF INCOME

ANNUAL REEXAMINATIONS

MUST determine income of family for the previous 12-month period and use this amount as family income

Exception: PHA has adopted streamlined income determination

MUST consider any interim reexamination conducted during this time frame

MUST make adjustments to reflect current income if a change in income occurred during this time frame that was not accounted for

33

33

CALCULATION OF INCOME

ANNUAL REEXAMINATIONS (SAFE HARBOR)

MAY use annual income-based income determinations made within the previous 12-month period by the following federal assistance programs:

- TANF
- Medicaid
- SNAP
- Earned Income Tax Credit
- Low-income Housing Credit
- WIC
- SSI

ALREADY EFFECTIVE IF IN YOUR ADMIN PLAN

34

34

CASE STUDY 1

ANNUAL REEXAMINATION

Family	
Derek (HoH)	Amy (Spouse)
	\$20.40 per hr. – 30 hrs. per week (Derek)
Income Reported at Annual Reexam:	\$915 per month SSI (Amy – Gross Monthly Benefits)
<p>→ The Family is currently at their Annual Reexamination Appointment (Information listed above is what the family reported on their reexam application)</p> <p>→ EIV Reports were ran on 12/15/2024</p> <p>→ No Interim or Reported Changes since the 03/01/2024 Annual Reexam</p> <p>→ The Family does not dispute the information shown on the EIV Report</p>	

35

35

CASE STUDY 1

(continued)

ANNUAL REEXAMINATION

Annual Reexam Effective Date:	03/01/2025		
No Interim or Reported Changes since the 03/01/2024 AR			
SSA Published 2025 COLA:	3.2%		
Income Reported at Last Reexam	\$30,000 (wages)	\$10,980 (SSI)	
EIV Report pulled 12/15/2024			
Wages Total:	\$33,651	SSI Total:	\$10,980
Qtr. 3 of 2024	\$8,859	2024 benefit \$915 monthly	
Qtr. 2 of 2024	\$8,616		
Qtr. 1 of 2024	\$8,823		
Qtr. 4 of 2023	\$7,353		
Income Reported on Reexam Application:			
Wages:	\$31,824	SSI:	\$10,980

36

36

7. Income

7a. Family Member Name	No.	7b. Income Code	7c. Calculation (PHA use)	7d. Dollars per year	7e. Income exclusions	7f. Income after exclusions (7d minus 7e)
			7353 + 8823 + 8616 + 8859	33651	\$	\$ 33651
			COLA: 29.28 (915 X .032) 915 + 29.28 = 944.28 944.28 x 12	11331	\$	\$ 11331
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
7g. Column total						\$ 44982 7g.
7h. Reserved						
7i. Total annual income: 6k + 7g						7i.
Over-Income Status (Public Housing Only)						
7j. What is the applicable over-income limit for families of this size?						\$ 7j.
7k. Is the family's annual income greater than the over-income limit? <input type="checkbox"/> Y <input type="checkbox"/> N						7k.
7l. If the family is over-income, note the start date of the 24 consecutive month grace period						7l.

37

37

CASE STUDY 1 *(continued)*
FILE DOCUMENTATION – NO DISPUTE

- Copies of the reports
- Tenant Self-Certification OR Tenant-Provided Verification
- HUD-50058

38

38

CASE STUDY 2

ANNUAL REEXAMINATION

Household	
John (HoH)	
Income Reported on Reexamination Form:	Currently Unemployed
Interim Reexamination Conducted Effective:	06/01/2025
Annual Reexamination Effective Date:	10/01/2025
<ul style="list-style-type: none"> • John is currently at the Annual Reexamination Appointment (Information listed above is what the family reported on their reexam application) • EIV Reports were ran on 07/15/2025 • No Interim or Reported Changes since the 06/01/2025 Interim Reexam 	

39

39

CASE STUDY 2

(continued)

ANNUAL REEXAMINATION

Annual Reexam Effective Date:		10/01/2025	
Interim Reduction Processed Effective 06/01/2025			
Income Reported at Last Reexam		\$7,500 (wages)	
EIV Report pulled 07/15/2025			
Wages Total:	\$14,681	SSI Total:	-
Qtr. 2 of 2025	\$2,500 (Viking bakery)	No Benefit History	
Qtr. 2 of 2025	\$796 (Sweet Tooth)	Qtr. 1 of 2025	\$2,401 (Viking bakery)
Qtr. 1 of 2025	\$1,300 (Sasha's)	Qtr. 4 of 2024	\$6,500 (Sasha's)
Qtr. 1 of 2025	\$584 (Larry's)	Qtr. 3 of 2024	\$600 (Sasha's)

40

40

CASE STUDY 2 *(continued)*

ANNUAL REEXAMINATION

Household	
John (HoH)	
Income Reported on Reexamination Form:	Currently Unemployed
Interim Reexamination Conducted Effective:	06/01/2025
Annual Reexamination Effective Date:	10/01/2025
<ul style="list-style-type: none"> At the Annual Reexam interview, John states he does not agree with the annual wages of \$14,681 reported in EIV because he is currently unemployed. John provides a Benefit Award Letter from SSA dated 07/03/2025 which states he will begin receiving a monthly benefit of \$1,200 effective 08/20/2025. 	

41

41

7. Income							
7a. Family Member Name	No.	7b. Income Code	7c. Calculation (PHA use)	7d. Dollars per year	7e. Income exclusions	7f. Income after exclusions (7d minus 7e)	
			1200 x 12	\$ 14400	\$	\$ 14400	
				\$	\$	\$	
				\$	\$	\$	
				\$	\$	\$	
				\$	\$	\$	
				\$	\$	\$	
				\$	\$	\$	
				\$	\$	\$	
				\$	\$	\$	
				\$	\$	\$	
				\$	\$	\$	
				\$	\$	\$	
7g. Column total						\$ 14400	7g.
7h. Reserved							
7i. Total annual income: 6k + 7g							7i.
Over-Income Status (Public Housing Only)							
7j. What is the applicable over-income limit for families of this size?						\$	7j.
7k. Is the family's annual income greater than the over-income limit? [] Y [] N							7k.
7l. If the family is over-income, note the start date of the 24 consecutive month grace period							7l.

42

42

CASE STUDY 2 *(continued)*

FILE DOCUMENTATION – DISPUTE OF EIV

- Copies of the reports
- Tenant-Provided Verification
- Written or Oral Third-Party Verification Form, if Tenant-Provided Documentation is not available or rejected by PHA
- HUD-50058

43

43

PROCESS CHANGES DUE TO HOTMA

- Your annual reexamination packet will not change
 - ✓ Except be sure you are using the 9886-**A** now
- Your notification will need to be sent out at least 90 days in advance and let the family know that you will be determining income based on the HOTMA guidelines

44

44

PROCESS CHANGES DUE TO HOTMA

- Your interview process will now strongly depend on those EIV and IVT reports
 - ✓ If there are no disputes and have been no interim changes, the PHA will simply keep the reports and have the family sign a self-certification indicating the EIV information is correct.
 - ✓ If there is a dispute, the EIV information will be kept along with tenant-provided verification or subsequent verification (written 3rd party, oral 3rd party, etc.)
 - ✓ If there were interim reports that were not used, those must be considered along with the EIV information

45

45

PROCESS CHANGES DUE TO HOTMA

- Verifications will be for past 12 months unless there was an interim
 - ✓ Including those for all new definitions
- If your agency allows for self-certification of assets, that threshold will be \$51,600 instead of \$5,000

46

46

PROCESS CHANGES DUE TO HOTMA

- If your agency will be using the asset limitation for termination of assistance at the time of annual, you will need to verify the assets don't exceed \$103,200 and there is no ownership of real property suitable for occupancy
- Verification of actual covered costs and financial assistance for students of higher education

47

47

PROCESS CHANGES DUE TO HOTMA

- Your interview and verifications won't necessarily change much, but what you are using for the calculation is changing
- Keep **ALL** interim reports, even those that don't require a change to be performed at the time of submission. They will likely get figured into the annual reexam

48

48

PROCESS CHANGES DUE TO HOTMA

→ You might have to spend more time on questions from the family. Be sure they understand the difference in how their income will be calculated now, especially for those whom you will be including income that was previously considered "sporadic" and not included.

49

49



FILE ORGANIZATION

Best practices to avoid findings on SEMAP and Comprehensive Compliance Monitoring Reviews

50

50

USE OF A FILE CHECKLIST

- A file checklist is a best practice
 - ✓ Even better if it lists document organization flap-by-flap
 - ✓ All staff required to place items in the file should follow the list

51

51

USE OF A FILE CHECKLIST

- Annual reexam file requirement reminders (leading to common findings)
 - ✓ Use current Payment Standards
 - ✓ Use current and appropriate Utility Allowances
 - ✓ Only use what can be verified!

52

52

SEMAP REVIEW FINDINGS

- Determination of Adjusted Income (DAI) is the most common issue pertaining to annual reexams
- Many had points changed or removed
- These usually lead to CAPs, but at minimum require the PHA to submit written notice as to how they intend to fix the issue
- Changes in scores, especially those changed to zeros, can easily lead to a PHA being moved to a Troubled status

53

53

DAI EXAMPLES

"The quality control samples did not include tenant files with accompanying verifications for HUD to determine whether adjusted income was calculated correctly nor was there documentation whether the appropriate utility allowance were used in determining gross rent."

54

54

DAI EXAMPLES

"All client files had discrepancies relating to adjusted income. The files also had several instances of incomplete forms and forms not signed/dated...If there is more than one file, the initial eligibility verifications and documents should be kept in the most recent tenant file, including SSN, birth certificates, initial application, income verification, and waiting list documentation."

55

55

DAI EXAMPLES

"HUD's review revealed tenant files with incorrect determinations of adjusted annual income and responsibility for utilities. The agency referenced incorrect utility allowance schedules and payment standards when determining gross rent."

56

56

CCMR

- Many issues with file information not matching policy listed in the Admin Plan
- VAWA – while not necessarily something necessary to know about with annual reexams, be sure that the HUD-5380 and HUD-5382 are being sent at all required times!

57

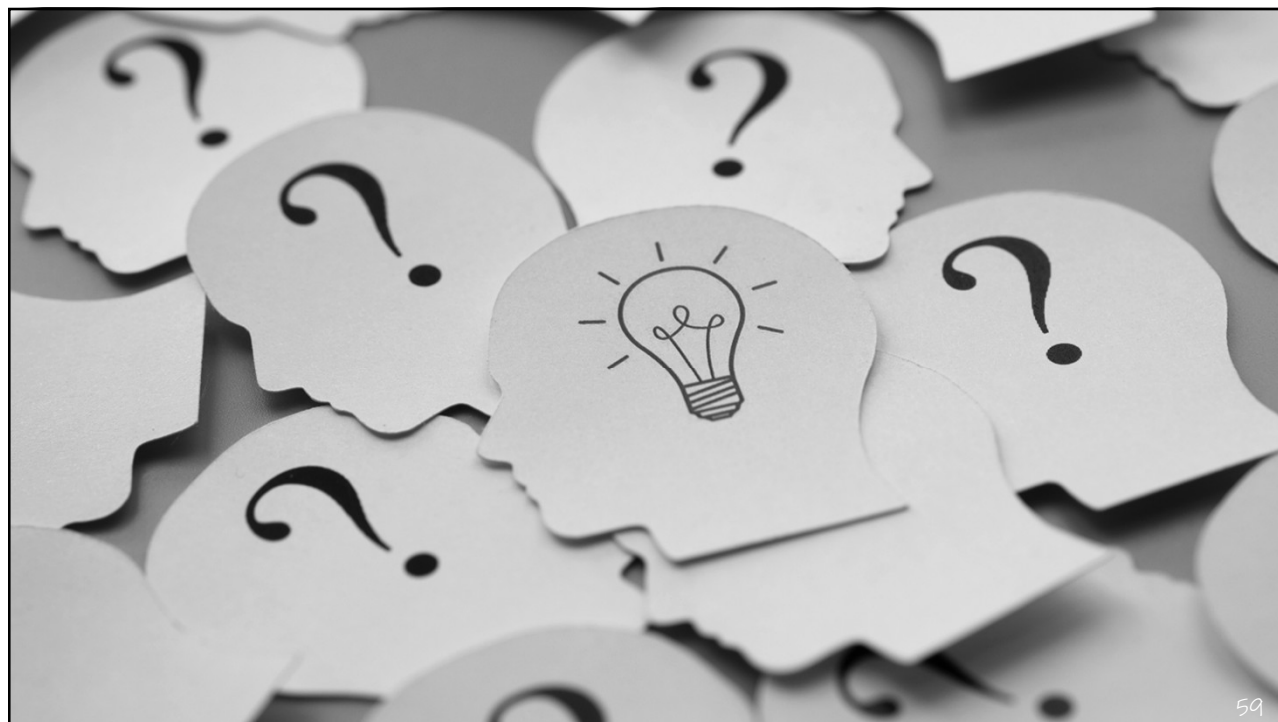
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CCMR

- Criminal records **CANNOT** be kept in the tenant files
- Be sure that utility allowance schedules are updated annually when necessary and that the correct ones (effective dates, type of unit, smaller of unit vs voucher size) are being used

58

58



59

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60