

TENANT SELECTION PLAN COTMAN VISTAS

PREFACE

Cotman Vistas, a 36 -unit apartment community located in Cleveland, OH is owned by New Circle Vistas, L.P. and managed by Maximum Accessible Housing – Circle, a Non-Profit Corporation.

This project was financed through either the Department of Housing and Urban Development (HUD) or a state agency, with either a Direct Loan or a Federally Insured Loan and receives rental assistance through the Housing Assistance Payments (HAP).

Marketing will be done in accordance with the HUD approved Affirmative Fair Housing Marketing Plan (HUD Form 935.2). Management uses, as guidance, the admissions criteria specified by the United States Department of Housing and Urban Development (HUD) in the most current version of the HUD Handbook 4350.3 including all changes, but recognizes that it does not have the full force and effect of law. It is the policy of Management to comply with all applicable legislation protecting the individual rights of applicants and residents.

A. PROJECT ELIGIBILITY REQUIREMENTS

I. Project Specific Requirements

This project is designed to provide housing to persons with physical mobility disabilities. One hundred percent (100%) of the units have been architecturally altered for accessibility. The head of household must be at least 18 years old, have a long-term mobility disability, and must require an accessibly designed unit. The individual's mobility disability and need for an accessibly designed unit will be verified by a licensed medical professional.

II. Citizenship Requirements

The household must meet citizenship or immigration status requirements. Section 214 of the Housing and Community Development Act of 1980, as amended, prohibits the Secretary of HUD from making Section 8 financial assistance available to persons other than United States citizens, nationals, or certain categories of eligible non-citizens. Anyone receiving assistance is required to declare U.S. citizenship or submit evidence of eligible immigration status for each family member living in the household. Management will provide declaration forms for household members to complete. Failure to complete the required forms or providing false information may result in the rejection of the application or termination of HUD subsidy. Citizen/immigration status may be verified with the Department of Homeland Security.

III. Social Security Number Requirements

Each member of the household, with the exception of those individuals who do not contend eligible immigration status or those age 62 or older as of 1/31/2010 and whose initial determination of eligibility was begun prior to 1/31/2010, must provide a valid social security card or an original Federal or State document containing the social security number (SSN) along with other identifying information such as name, address, and date of birth. No person, with the exception of those individuals who do not contend eligible immigration status or those age 62 or older as of 1/31/2010 and whose initial determination of eligibility was begun prior to 1/31/2010, will be added to the household without providing SSN verification documentation. New household members, under the age of 6 with no assigned SSN or verification of SSN, may be added to the household, however, the household must provide evidence of the child's SSN within 90 days of move-in. An extension of an additional 90 days may be authorized if unforeseen circumstances beyond the head of household's control prevent him/her from obtaining the documentation. If all household members have not disclosed and/or provided verification of their SSN as outlined above, at the time a unit becomes available, the next eligible applicant will be offered the unit. The household will then have 90 days from the date the unit was offered to disclose and/or provide any missing SSN verification. If after 90 days, the household is unable to supply the required SSN and/or SSN verification, they will be determined ineligible and removed from the waiting list. Residents who receive a new SSN must provide the new number within 30 days of receipt. Only original documents will be accepted as valid. Households unable to comply with SSN requirements may be rejected, have their program assistance terminated, or be removed from the waiting list.

B. INCOME LIMIT REQUIREMENTS

I. Income Limits

Income limits are established by HUD and change from year to year. They may be different from housing project to housing project and from county to county. They are based on household size in relation to area median income. An applicant may obtain the current HUD income limits for this project from Management. A qualifying applicant must have very-low household income. Management gives preference to extremely-low income households as required through Income Targeting.

II. Changes in Income for Waiting List Applicants

If an applicant's income changes to an amount which is no longer eligible under the limitations of the assistance program by the time the application reaches the top of the waiting list, written notice will be given advising the applicant that: (1) they are not presently eligible for assistance under the program; (2) the applicant could become eligible if the household income decreases, the number of household members changes, the income limit changes, or HUD grants an exception to the income limits; and (3) asks whether or not the applicant wishes to remain on the waiting list.

III. Income Targeting

HUD has established income targeting requirements. These requirements apply to HUD projects receiving Section 8 funding through the Housing Assistance Payments (HAP) Contract. These requirements stipulate that 40% of units that become available each calendar year must be rented to extremely low-income households. Management is permitted and required to skip over higher-income applicants in an effort to meet these requirements.

Each calendar year, the first admission must be an extremely low-income household. After that, 1 out of the next 2 admissions must be extremely low-income households. Beginning with the 4th admission each calendar year, each admission must be an extremely low-income household only if that admission is necessary to meet the 40% minimum threshold for extremely low-income admissions. Admitting an extremely low-income household to comply with income targeting requirements may require skipping over higher-income applicants.

It is the intent of Management to put forth a reasonable effort into marketing to extremely low-income households. If, after a reasonable marketing period, Management is unable to fill units with extremely low-income households, Management is permitted to rent to other eligible families.

C. ACCEPTING APPLICATIONS AND SELECTING FROM THE WAITING LIST

I. Accepting Applications

Anyone who wishes to secure housing must fully complete an application form provided by Management. An application will only be initially accepted as complete if at least all of the following information is provided:

- Name, date of birth, and SSN of applicable household members
- Head of household address or phone number
- Yes/No answer to eviction/rental termination question and details if yes
- Yes/No answer to criminal conviction question and details if yes
- Yes/No answer to sex offender registration question and details if yes
- Yes/No answer to student status question and details if yes
- Amount/source listed for monthly household income
- Yes/No answer to long-term mobility disability question
- Name and address or fax number listed for a licensed medical professional who can verify the applicant's mobility disability and need for an accessibly designed unit
- Yes/No answer to accessibly designed unit need question
- Name and address or phone number listed for required references
- Signature and date of all adult applicants, excluding live-in aides, on the application and MAHO Consent to Release of Information page
- Completed HUD Form 92006

II. Applying Preferences

Management does not use any preferences in admissions other than those mandated by regulations such as Income Targeting.

III. Additional Applicant Screening Criteria

The following additional factors will be considered in screening applicants for occupancy: Ability to meet all obligations of tenancy, rental/residency history; credit history; and criminal history including lifetime sex offender registration.

- a. Ability to meet all obligations of tenancy: Applicants must acknowledge that they (or with assistance that they arrange) have the ability to ensure that rent is paid every month, not disturb the quiet and peaceful enjoyment of the premises, and meet all obligations as outlined in the Lease and House Rules. Applicants who cannot acknowledge this will be rejected.
- b. Rental/Residency history: Applicants must list the name and address or phone number of their current landlord as well as their previous two landlords if applicable. Management will request landlord references from any previous, listed landlord within the prior seven years or the current landlord if no previous landlords are listed. Management will also request professional and personal references. If landlord references are not obtainable, personal and/or professional references will be required. An applicant must have a minimum of two returned reference forms. They can be from a combination of landlord, professional, or personal references. Returned reference forms must indicate a positive rental/residency history. Reference forms indicating a negative rental/residency history may result in the applicant being rejected.
- c. Credit history: Credit reports will be ordered for each adult household member excluding live-in aides. Credit reports will be utilized to verify the applicant's current address as well as to determine whether the applicant has an acceptable credit history of meeting financial obligations. The credit report must indicate an acceptable credit history of meeting financial obligations. Credit reports listing an eviction, bankruptcy, judgement, or foreclosure within the prior five years or greater than \$3,000 in combined collection accounts, defaulted loans, repossessions, tax liens, bad debts, or profit/loss write offs will result in the applicant being rejected. It is the applicant's responsibility to contact the credit reporting agencies to resolve any items that may have been incorrectly reported. The lack of credit history will not be considered grounds for rejecting an applicant.
- d. Criminal history and lifetime sex offender registration: Local and/or State criminal court reports and Federal sex offender registry checks will be ordered for each adult household member for all states the individual has resided in. The criminal reports must indicate an acceptable criminal history. In addition,

applicants must certify that they have never been subject to a lifetime sex offender registration in any state. Registered sex offenders will be rejected. A criminal history which includes any convictions (except non-drug and non-alcohol related traffic convictions) or incarceration within the last 5 years will result in the applicant being rejected. Management will not utilize arrest records as the basis for rejecting applicants.

IV. Rejecting Ineligible Applicants

Applicants may be rejected for failure to meet any qualifying or screening criteria, an inability to meet all obligations of tenancy, unacceptable rental/residency history, negative references, unacceptable credit history, unacceptable criminal history or sex offender status, if an applicant has acted in a threatening or abusive way toward Management staff or other residents, failure to sign required verification consent forms, if this is not the household's only residence, and/or for providing false or incomplete information including SSN or citizenship documentation.

If an applicant is rejected, Management will notify the applicant of the reason for the rejection in writing. Applicants will be notified that they have 14 days to respond in writing to explain, dispute, or to request a meeting to discuss the rejection. Any appeals to a rejection will be reviewed by Management, and management will notify the applicant in writing of the appeal decision.

V. EIV Existing Tenant Search

Before admitting new residents, Management will run an EIV Existing Tenant Search for each adult household member. Search results which indicate that a member of the household is/has received rental assistance/subsidy will need to be addressed prior to the resident moving into the property. Management will contact the resident and the resident's prior landlord to verify the assistance. Management will coordinate move-out and move-in dates with the prior landlord to avoid a dual subsidy scenario. Residents will not be permitted to receive assistance until their prior assistance has been terminated.

D. OCCUPANCY STANDARDS

I. Determining Unit Size at Move-In

Management must balance the need to avoid overcrowding with the need to make the best use of available space and avoid unnecessary subsidy. To determine bedroom size, Management shall count all full-time members of the household; children who are away at school but live with family during recesses; children who are subject to a joint custody agreement but live in the unit at least 50% of the time; any unborn child(ren) or child(ren) in the process of being adopted or whose custody is being obtained by an adult; foster children who are temporarily absent due to placement in a foster home; and live-in aides. Management shall not provide bedroom space for

persons who are not members of the household such as adult children on active military duty or permanently institutionalized family members. Management maintains a two persons per bedroom standard/limit. Two-bedroom units are typically reserved for applicants with minor children, live-in aides, or as a reasonable accommodation. If household composition is uncertain at the time the household is added to the waiting list, the household may be placed on both the one and two bedroom waiting lists. Composition and household size must be verified prior to move-in.

II. Overcrowded or Under-Utilized Units

Units which are smaller or larger than needed by the household may be assigned only if doing so will not cause overcrowding and no units of the appropriate size are available. In such cases, the household must agree to move to an appropriately sized unit, at the household's expense, when one becomes available. If a unit becomes overcrowded or under-utilized due to household composition changes after move-in, Management may require the household to move to an appropriately sized unit, at the household's expense, when one becomes available or remain in the current unit and pay HUD-approved contract rent.

E. VAWA

I. VAWA

The Violence Against Women Act (VAWA) provides protections for victims of domestic violence, dating violence, sexual assault, or stalking. VAWA protections are not only available to women, but are available equally to all individuals regardless of sex, gender identity, or sexual orientation. An applicant who otherwise qualifies for assistance cannot be denied admission or denied assistance because they are or have been a victim of domestic violence, dating violence, sexual assault, or stalking. A resident who is currently receiving assistance cannot be denied assistance, terminated from participation, or be evicted from their rental housing because they are or have been a victim of domestic violence, dating violence, sexual assault, or stalking. If a resident or an affiliated individual of theirs is or has been the victim of domestic violence, dating violence, sexual assault, or stalking by a member of their household or any guest, they may not be denied rental assistance or occupancy rights solely on the basis of criminal activity directly relating to that domestic violence, dating violence, sexual assault, or stalking. (Affiliated individual means spouse, parent, brother, sister, or child, or a person to whom you stand in the place of a parent or guardian [for example, the affiliated individual is in your care, custody, or control]; or any individual, resident, or lawful occupant living in your household.)

II. VAWA Emergency Transfers

Management maintains a VAWA Emergency Transfer Plan and makes this plan available for distribution or public view upon request. Specific requests for an emergency transfer must be made in writing. Requests for emergency transfers must also include a statement expressing that the resident reasonably believes that there is a threat of imminent harm from further violence by remaining within the same unit or a statement that the resident was a sexual assault victim and that the sexual assault occurred on the premises during the 90-calendar-day period preceding the request for an emergency transfer. To qualify for an emergency transfer, the resident must either be a victim of domestic violence, dating violence, sexual assault, or stalking; and expressly request an emergency transfer; and must reasonably believe they are threatened with imminent harm from further violence if they remain in the current unit, or be a victim of sexual assault and the assault occurred on the premises during the 90-calendar-day period before the requested transfer. Management will act as quickly as reasonably possible to review requests for an emergency transfer and, if applicable, move a resident to another unit within the same property. There is no waiting list priority available to non-resident applicants requesting VAWA protection. Any applicant, who is not a current resident, requesting VAWA protection will be added to the waiting list in chronological order based on the date/time their application was received by Management.

F. UNIT TRANSFERS

I. In-Place Unit Transfers

In-place unit transfers are only permitted for a resident who establishes a need for a unit sized different from the one they currently occupy. Any resident requesting an in-place unit transfer must complete a new application indicating the reason they need a different size unit. Supporting documentation must be submitted or obtained by a third party. Medical need must be verified by a licensed medical professional. Once adequate documentation is received, the resident will be placed on the appropriate waiting list for the unit size required. In-place transfers will be made in chronological order based on the date/time the application was received by Management and will take priority over other waiting list applicants with the exception of current residents requesting a VAWA emergency transfer.

II. Other Unit Transfers

Current residents requesting a transfer to another MAHO property must apply and go through the same process as any other applicant except they do not need a landlord reference and may not need other references or an in-person interview. However, residents requesting a transfer to another MAHO property must be current on their rent and have been current for a period of at least three months prior to being placed on the waiting list or offered a unit.

G. SECTION 504 AND FAIR HOUSING

I. Reasonable Accommodation/Modification

Throughout the resident selection process, an applicant with a disability is entitled to reasonable accommodations in rules, policies, practices or services and/or reasonable modifications of existing premises to afford equal opportunity to use and enjoy a dwelling. This entitlement continues once a disabled applicant becomes a resident. Requested accommodations and modifications to premises are not reasonable if they would result in an undue administrative and financial burden or result in the fundamental alteration in the nature of a program. The need for requested accommodations or modifications may need to be verified by a licensed medical professional if the need is not readily-apparent.

II. Language Assistance

If at any point in the application process, an applicant indicates they have limited English proficiency, Management will offer to provide an oral or written interpretation of vital documents for the specific language needed in compliance with HUD regulations for Limited English Proficiency.

III. Discrimination

This project is an Equal Opportunity Employer and Housing Provider. Management does not discriminate based on race, color, creed, religion, sex, national origin, familial status, disability, or socio-economic status in the employment of staff, accepting and processing of applications, selection of residents, assigning of units, or the certifying and recertification of eligibility for assistance and all other aspects of continued residency.

H. WAITING LIST

I. Placing on the Waiting List and Filling Vacancies

An application being submitted to Management or an applicant being on a waiting list in no way certifies that the applicant qualifies for housing. This can only be confirmed after the screening and verification process has been completed and at the time of final screening. Once an application has been processed, applicants will be selected for residency on a “first-come, first-served” basis subject to income targeting, occupancy standards, and any applicable priority. Applicants for whom no appropriate type/size unit is available may be placed on a waiting list(s) in chronological order based on the date/time the completed application was received by Management. When an appropriate type/size unit becomes available, Management will contact the next available applicant on the waiting list and will proceed with final screening of the household. Any individual(s) not previously screened will be

screened at this time. Applicants are responsible for notifying Management of any changes in address and/or telephone number.

II. Maintaining the Waiting List/Removal

Management maintains separate bedroom-size waiting lists for each property. An applicant will be allowed two refusals to accept a unit without impacting their place on that waiting list. Upon refusal of a unit offer at any given property, the applicant will not be eligible for a unit at that same property for six months. A third refusal will cause them to be removed from the waiting list. Refusals due to medical reasons will not impact the applicant's place on the waiting list. Applicants may be considered to have refused an offer, or may be removed from the waiting list, if they fail to respond to written notices regarding unit offers or waiting list updates, or mail sent to their address is returned as undeliverable. Applicants may also be removed from the waiting list if they no longer meet the eligibility requirements, the unit size needed changes, or at the applicant's request. If Management subsequently determines that the applicant was removed due to Management error, or because the applicant did not respond due to their disability, the applicant will be reinstated to their original place on the waiting list.

III. Updating the Waiting List

Management will update each waiting list at least two times each year. This will typically occur at some point after each round of applicant interviews. Newly added applicants will be notified of their position on the waiting list(s) in writing. Existing waiting list members may contact Management at any time to be notified of their position on the waiting list(s).

IV. Opening/Closing the Waiting List

Management has never closed any waiting list and has no plans to do so.

I. ELIGIBILITY OF STUDENTS

I. Section 8 Student Eligibility

A student, enrolled full or part time in an Institute of Higher Education as defined by the Higher Education Act of 1965-Amended 1998, will be deemed ineligible for assistance unless the student meets all other eligibility requirements, passes screening criteria, and is at least 24 years of age, or is married, or is a veteran of the US military, or has a dependent child, or is a person with a disability receiving Section 8 assistance as of 11/30/2005, or is living with his/her parents who are receiving or are eligible to receive Section 8 assistance, or is independent from his/her parents. Any financial assistance a student receives under the Higher Education Act of 1965, from private sources, or from an institution of higher education that is in excess of amounts received for tuition is included in annual income, except if the student is at least 24

years of age with dependent children or if the student is living with his or her parents who are receiving Section 8 assistance. If an ineligible student is a member of a household, the household must be rejected or the assistance terminated.

II. Low Income Housing Tax Credit Student Eligibility

A household comprised solely of students, enrolled full time in an Institute of Higher Education as defined by the Higher Education Act of 1965-Amended 1998, will be deemed ineligible for assistance unless the household meets all other eligibility requirements, passes screening criteria, and the household is a single-parent household where neither the parent nor child(ren) are dependents of another party, or at least one member of the household receives assistance under Title IV of the Social Security Act (Temporary Assistance for Needy Families), or at least one member of the household is enrolled in a job training program, or all household members are married and file a joint tax return, or at least one member of the household was previously in foster care/placement responsibility of a State agency.

J. APPLICATION PROCESSING STEPS

Application forms will be sent to anyone who requests one. The following processing steps will be followed when an application is received by Management.

- I. Received applications will immediately be date/time stamped and checked for completion. If an application is missing information, or is incomplete at any point in the process, the applicant is sent a letter of incompleteness. The applicant must submit the missing information within 14 days or a second attempt (with a copy of the first incomplete letter) is sent to the applicant. The applicant then has an additional 14 days to provide the missing information or the application is deactivated (Class D).
- II. If requested, the applicant will be sent a list of disability service agencies.
- III. The listed amount of the applicant's monthly household income will be reviewed.
- IV. The applicant's answers to disability-related questions, and need for an accessibly designed unit, will be reviewed, and a Verification of Disability (VOD) form will be sent to the licensed medical professional identified by the applicant. The VOD form must be completed by the licensed medical professional and returned within one month or a second attempt (with a copy of the first VOD form) is sent to the licensed medical professional. If the VOD is not received within another month, the application is deactivated (Class D).
- V. Criminal history reports, sex offender registration reports, and credit reports will be reviewed for all adult household members (credit reports are not reviewed for live-in aides).

- VI. Once an application has been reviewed and appears to meet all criteria, the application is reviewed by a Director. If the application is acceptable, the applicant is invited to participate in an interview and additional required forms are sent to the applicant for completion and submission.
- VII. Required reference letters will be sent. Required references must be received within one month or a second letter (with a copy of the first reference letter) is sent. If required references are not received within another month, the application is deactivated (Class D).
- VIII. Applicant interviews are held approximately three times each year. Applicants must complete an interview prior to being placed on the waiting list, though applicants may be rescheduled for a later round of interviews if the round they are invited to is inconvenient. The Admissions Representatives will use the interview to verify that the applicant still meets screening criteria and to clarify any items from the application. If necessary, the Admissions Representatives may request additional documentation, verification, or information from the applicant or others at or after the interview and prior to accepting the applicant onto the waiting list.
- IX. Applicants that appear to meet all criteria are approved by the Admissions Representatives who conducted the interview. The applicant is then sent a letter of acceptance to the waiting list which also lists their spot on the waiting list.

Applicants that fail to meet screening criteria at any point in the process, including after the interview, are rejected (Class F). Rejected applicants are sent a rejection letter stating the reason for rejection and advising of the opportunity to appeal.

K. OWNER'S DISCRETIONARY POLICIES per HOTMA

I. Self-Certification of Net Household Assets

MaxHousing will determine net household assets and anticipated income earned from assets at new admission based solely on a household self-certification that their net household assets are equal to or less than \$50,000.

MaxHousing will fully verify net household assets and anticipated income earned from assets at all annual recertifications with an effective date in 2026 and then every three years (2029, 2032, etc.). MaxHousing will resume accepting self-certification in other years. If net household assets are greater than \$50,000, assets will be fully verified.

When fully verifying assets, MaxHousing will obtain a minimum of one (1) account statement to verify the balance and any interest on accounts, including any checking and savings accounts.

II. Hardship Exemption: Medical Care Expenses, Attendant Care, Auxiliary Apparatus

A. Phased In Relief

All households 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 examination prior to January 1, 2024, will begin receiving the 24-month phased-in relief at their next annual or interim reexamination, whichever occurs first after the site implements HOTMA (this date will be publicly announced when available).

Households who receive this phased-in relief will have eligible expenses deducted as follows:

- 1st 12 months—in excess of 5% of annual income.
- 2nd 12 months—in excess of 7.5% of annual income.
- After 24 months—in excess of 10% threshold will phase in and remain in effect unless the family qualifies for general hardship relief.

Once a household chooses to obtain General Relief, a family may no longer receive the phased-in relief.

B. General Relief

A household may request a hardship exemption for health or medical care expenses, reasonable attendant care, or auxiliary apparatus expenses.

Eligibility: A household must demonstrate that their applicable expenses increased, or they experienced a change in circumstances that resulted in a financial hardship, as defined below, that would not otherwise trigger an interim reexamination. This relief is available regardless of whether the household previously received health and medical deductions or is currently receiving, or previously received, a phased-in hardship exemption under 5.611(c)(1).

A change in circumstances includes the need for new, qualifying, health/medical, reasonable attendant care, and auxiliary apparatus expenses or an increase in the cost of qualifying expenses so that qualifying expenses exceed 5% of the household's annual income.

The exemption ends when the circumstances that made the household eligible for the exemption no longer apply or after 90 days, whichever comes earlier.

If the household wishes to request a successive 90-day period for the exemption, they must make that request within 5 days of the end of the current eligibility period and must demonstrate to the site why an additional period of exemption is warranted.

If MaxHousing determines that the expense giving rise to the hardship exemption will not end within 90 days, MaxHousing may grant one or more 90-day extensions in advance.

MaxHousing will not consider more than two (2) consecutive requests for this hardship extension.

Verification: MaxHousing must obtain third-party verification of the household's inability to pay rent or must document in the file the reason third-party verification was not available. MaxHousing must attempt to obtain third-party verification prior to the end of the 90-day period.

MaxHousing must comply with the Health Insurance Portability and Accountability Act (HIPAA) and the Privacy Act of 1974 when requesting documentation to determine eligibility for a financial hardship exemption for unreimbursed health and medical care expenses.

MaxHousing may not request documentation beyond what is sufficient to determine anticipated health and medical care and/or reasonable attendant care and auxiliary apparatus costs or when a change in circumstances took place. Before placing bills and documentation in the household file, MaxHousing will redact all personally identifiable information.

III. Hardship Exemption: Continued Childcare Expense Deduction

It is the policy of MaxHousing to offer general hardship relief for childcare deduction. A household is considered to have a hardship when:

- The household's share of total housing costs exceeds 35 percent of adjusted household income; or
- When the family would be evicted because it is unable to pay the tenant portion of the rent.

Childcare hardship includes the following situations:

- **A death has occurred in the family.** To qualify under this provision, a household must describe how the death has created a need for childcare.
- **A health/medical issue in the household which has created the need for childcare.** To qualify under this provision, a household must describe how the health or medical issues have created a need for childcare.

It is the policy of MaxHousing to extend the childcare expense deduction for additional 90-day periods if the family demonstrates that they are unable to pay their rent because of loss of the childcare expense deduction, and the childcare expense is still necessary even though the family member is no longer employed, looking for work, or furthering his or her education.

- MaxHousing may extend the hardship exemption for additional 90-day periods based on household circumstances.
- MaxHousing may terminate the hardship exemption if it is determined that the family no longer needs the exemption.
- The childcare deduction may continue to be necessary when the family has a hardship such that they continue to need childcare.

Households must report if the circumstances that made the family eligible for the hardship exemption are no longer applicable. If the family reports the change in

circumstances in a timely manner (within 7 days), MaxHousing will provide the household with 30-days advance notice of any rent increase, and such rent increase will be effective the first day of the month beginning after the end of that 30-day notice period.

If the family does not report the change in a timely manner, the adjustment will be made retroactive to the date it would have been effective had the information been provided on a timely basis. The family will be responsible for any underpaid rent and may be offered a repayment agreement.

IV. De Minimis Errors in Income Determinations

Once MaxHousing becomes aware of the existence of an income calculation error, the error(s) will be corrected retroactive to the effective date of the action resulting in an error regardless of the dollar amount associated with the error.

Households will not be required to repay MaxHousing in instances where MaxHousing miscalculated income resulting in a household being undercharged for rent. Once MaxHousing becomes aware of the error the family will be provided with a 30-day notice of the increase to their rent portion.

MaxHousing will take corrective action to credit or repay a household if the household was overcharged tenant rent, including de minimis errors, in the income determination. MaxHousing will provide an immediate rent credit.

V. Interim Reexaminations

A. Timely Reporting of Changes

Households must report all changes in household income or composition within 15 calendar days from the effective date of the change to be considered “timely.”

Timely reporting related to an increase in rent: When a household reports a change in family income or composition that will result in an increase in tenant rent, the household must be provided a minimum of 30 calendar days’ notice of the rent increase. The rent increase will be effective on the first of the month following the end of the 30-day notice.

Timely reporting related to a decrease in rent: For families that report changes in family income or composition within 15 calendar days from the effective date of the change that results in a decrease in tenant rent, the decrease will be effective the first day of the month after the date of the actual change leading to the interim reexamination of family income.

Untimely reporting related to an increase in rent: Households that do not report changes in household income or composition within 15 calendar days from the effective date of the change that will result in an increase to tenant rent will have the rent increase implemented retroactively to the first of the month following the date of the change leading to the interim reexamination. The household will owe a one-time payment equal to the difference in the rent paid and the new increased rent for each monthly rental period from the time of the change in circumstances through the date of the interim reexamination.

Untimely reporting related to a decrease in rent: When a family does not report a change in a timely manner that will result in a decrease in tenant rent, MaxHousing will implement the decrease no later than the first of the month following completion of the reexamination.

- However, MaxHousing may make a determination that the late report was due to circumstances outside of the household's control and that the decrease will be implemented retroactively. Situations that may warrant a retroactive rent decrease might include late reporting due to (but not limited to):
 - Medical emergency.
 - Natural disaster.
 - Wage theft by the employer.
 - Disruptions to site operations.
- When the determination is made that the late report was outside of the household's control, then a retroactive decrease may be applied beginning on the later of the first of the month following the date of the actual decrease in income or the effective date of the most recent admission, interim, or annual income examination. A rent adjustment cannot be retroactive to a date prior to the last income examination.

In case of any rent adjustment, the household will be provided with clear, written communication after the interim reexamination that shows:

- Any one-time charge or credit due to a retroactive adjustment.
- The new monthly rent due.
- The date that rent is due; and
- The date of the household's next annual income reexamination.

B. Decrease in adjusted income

An interim reexamination will be conducted when MaxHousing becomes aware that the family's adjusted income has changed by an amount that is estimated to result in a decrease of at least 10 percent or more of the household's annual adjusted income. Calculated percentage decreases less than 10 percent will not be rounded up to the nearest whole number.

C. Increase in adjusted income

MaxHousing will not consider any increases in earned income when estimating or calculating whether the household's adjusted income has increased, regardless of whether the family had an interim decrease in income since the last annual reexamination. All households are required to report any changes in household income that will result in an increase of 10 percent or more in annual adjusted income, with the exception that households are not required to report any increase in income during the last three months before their regular annual examination.

No interim reexaminations will be conducted due to increases in annual adjusted income in the three months before the next regular annual examination.

VI. Revocation of Consent Form

The executed consent form (Form HUD-9887) will remain effective until the household is denied assistance, the assistance is terminated, or if the household provides written notification to MaxHousing to revoke consent.

Households have the right to revoke consent by notice to MaxHousing; however, revoking consent will result in termination or denial of assistance.

VII. Safe Harbor: Income Determination Using Other Public Assistance

MaxHousing does not intend to accept or use income determinations from other federal means-tested forms of assistance.

VIII. HUD's Enterprise Income Verification (EIV) System

MaxHousing will not require the use of EIV during interim reexaminations.

EIV New Hires reports are not required between annual reexaminations because we have adopted policies to not include earned income in determining whether the ten percent threshold is met for increases in adjusted income. (See Section V (C) above.

MaxHousing will be required to use EIV income reports, New Hires Reports, and Income Discrepancy Reports at annual reexamination.