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Announcements

Schedule:

- The webinar will run from 9:00 am until approximately 12 pm
- We will take a break mid-morning
- Staff will be present to answer any questions

Housekeeping:

- Certificates **will not** be emailed but you will receive an email confirming your attendance, usually within 24-hours in an email from the GoTo Platform, please check your “junk” folders as we cannot reissue these emails
 - If you did not use your emailed link for the training from your registration you will not receive a follow-up email or show as having attended the webinar
- We suggest you silence your phones and put an “out of office” email response to help avoid distractions during the training
- Please pose questions and comments to the “Questions Box”

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Handouts

- This presentation
- HOTMA Final Rule
- Updated HUD Notice 2023-10
- HUD Notice 2025-03

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Move-In, Interim and Other Non-Interim Certifications

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Move-In and Initial Certifications

- Must continue to use anticipated income (current) for upcoming 12-month period
- This is how it is done for other programs



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Interim Certifications

- Must continue to use anticipated income (current) for upcoming 12-month period
- Must be conducted in a reasonable timeline, which is approximately 30 days from the date from the family requests or the Owner becomes aware of change
- HOTMA changes when Interim Recertifications must be conducted, codifies when processed and made effective, and requires related changes for Annual Recertifications

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Interim Certifications continued

- Must ask family to report changes in all aspects of adjusted income
- Must screen family for any potential changes, not just the specific change that triggered the recertification
- For example, if the family reports a decrease in annual adjusted income more than the 10% threshold and the screening indicates changes also in assets, must verify assets and not just the income changes

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Interim Certifications continued

- Must maintain in tenant files documentation to evidence attempted Interim Recertifications
- Keeping that documentation is necessary if subsequent Interim Recertifications, when combined with previous certifications do not meet the threshold, exceed the threshold
- For example, if a family reports a 5% change in March that is not sufficient to trigger an Interim Recertification; however, if a family reports an additional 6% change in June, the combined changes from March and June equal 11% and would trigger an Interim Recertification

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Interim Certifications continued

- Keeps Interim Recertifications
- Introduces a new time of Interim Recertification
- Called a Non-Interim Recertification or Other Non-Interim Recertification

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Interim Certifications – Decreases in Adjusted Income

- Families may request to begin the Interim Recertification process for any change since the last certification
- May deny if changes are less than 10% of the family's annual adjusted income
- May be elected by Owners to set a lower threshold, but must be reflected in written policies and procedures for the property
- Must conduct an Interim Recertification if changes are more than 10% of the family's annual adjusted income
- May not establish a dollar amount threshold instead of percentage

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Interim Certifications – Decreases in Adjusted Income continued

- Must process an Interim Recertification if:
 - There is a decrease in family size attributed to the death or permanent move-out from the unit of a family member since last certification AND
 - Removing that family member and their income results in a decrease in adjusted income of any amount (0% threshold)

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Interim Certifications – Decreases in Adjusted Income Examples

Scenario A: A family with an annual adjusted income of \$9,600 experiences a change in household composition and becomes eligible for two dependent deductions totaling \$960, resulting in a 10-percent decrease in the family's adjusted income. The \$960 decrease in the family's adjusted income would require an interim reexamination, because the income decrease meets the 10-percent threshold for an interim reexamination.

Scenario B: A family experiences an increase in deductible child-care expenses from \$0 to \$12,000 annually. Before the change, their annual adjusted income was \$40,000. Since the child-care expense deduction results in a greater than 10-percent reduction in annual adjusted income, an interim reexamination is required.

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Interim Certifications – Decreases in Adjusted Income Examples

Scenario C: A family with an adjusted income of \$9,600 adds a dependent family member with no income. This would result in an adjusted income decrease of \$480 due to the dependent deduction. The decrease does not meet the 10-percent threshold of the family's adjusted income, and because this is a family member joining the assisted unit (as opposed to a decrease a family size), the PHA/MFH Owner is not required to conduct an interim reexamination. However, the PHA/MFH Owner has adopted a policy that has decreased the threshold from a 10-percent change to a 5-percent change, therefore the decrease would meet the threshold, triggering an interim reexamination.

Scenario D: A family member moved out of the assisted unit. The family's adjusted income prior to the change in household composition was \$20,000, but that number decreased to \$18,000 when the family member moved out. Since HUD requires PHAs/MFH Owners to process decreases in adjusted income greater than 0 percent due to decreases in family size, the PHA/MFH Owner must process an interim reexamination.

Scenario E: A family member moves into the assisted unit who receives \$20,000 in pension income (which is more than 10% of the household's adjusted income). At the same time, the head of household got a new job that increases the household's income by \$15,000 per year. The PHA/MFH Owner will process the increase in pension income due to the new household member but will not include the head of household increase in earned income until the next annual reexamination.

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Interim Certifications – Increases in Adjusted Income

- Must conduct an Interim Recertification when Owner becomes aware of 10% or more increase in adjusted income for a family
- Do not consider increases in earned income (unless property established in writing a policy to do so after a decrease in earned income at an Interim Recertification since the last Annual Recertification)
- May choose not to conduct an Interim Recertification during the last three months prior to the due date of the next Annual Recertification
- Must not conduct an Interim Recertification for income increases that result in less than a 10% increase in annual adjusted income
- If a series of smaller reported increases in adjusted income cumulatively meet or exceed the 10% threshold, must conduct an Interim Recertification (which is why you keep the documentation for Interim Recertifications that do not meet the threshold)

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Interim Certifications – Increases in Adjusted Income Scenario A

Scenario A: The Martinez family's annual reexamination is due on 11/1/2024. The family no longer has child-care expenses for their three children. The family stopped paying for daycare as of 8/31/2024 and reported the change (and certified no other changes to annual household income or expenses) to the PHA/MFH Owner on 9/7/2024, resulting in an estimated 15-percent increase in the family's annual adjusted income. Although 15 percent is well above the 10-percent threshold, the PHA/MFH Owner does not process an interim reexamination, because they have a policy to not process changes reported within three months of the next annual reexamination.

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Interim Certifications – Increases in Adjusted Income Scenario B

Scenario B: The Allen family had an annual adjusted income of \$29,000 as of their last annual reexamination effective 5/1/2024. The family experienced the following changes to income and household composition since 5/1/2024:

- In July, the Allen family's eldest child, Kristina Allen (age 20), starts going to college full-time on a Pell Grant. Kristina is not employed, nor does she receive any other type of student financial assistance. The family now qualifies for a \$480 dependent deduction, because full-time students are considered dependents.
- The family reports Kristina's student status to the PHA/MFH Owner, which noted the change in the family's file. The PHA/MFH Owner is not allowed to perform an interim reexamination, because the dependent deduction represents a 1.7-percent decrease in the family's annual adjusted income, and the PHA/MFH Owner did not establish a threshold lower than 10 percent for interim decreases in income.
- In October, the family added an adult family member, Tom Smith, to the household. The new adult family member receives a pension of \$275 monthly, or \$3,300 annually.

The PHA/MFH Owner determined that the Allen family's new annual adjusted income is \$31,820, accounting for both the addition of Tom's pension income and the deduction of the full-time student dependent allowance for Kristina. The Allen family's annual adjusted income increased a total of \$2,820, or only 9.7 percent. Since this decrease is below the 10-percent threshold, the PHA/MFH Owner will not conduct an interim reexamination. Instead, they will process a non-interim transaction to add Tom to the family without changing the family's annual adjusted income effective 10/1/2024.

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Interim Certifications – Increases in Adjusted Income Scenario C

Scenario C: The Nguyen family's last annual reexamination was 4/1/2024. In June 2024, Patrick Nguyen lost his job, and the family's adjusted income fell from \$25,000 to \$13,000. The PHA/MFH Owner conducted an interim reexamination for the decrease in income. In November 2024, Kelly Nguyen finds a job, and the family's adjusted income rises to \$18,000. The PHA/MFH Owner has a policy of considering increases in earned income when an interim reexamination has been performed for a decrease in income. Since the family's adjusted income has increased by more than 10 percent when including earned income, and the family previously received an interim reduction during the same reexamination cycle, the PHA/MFH Owner will conduct an interim reexamination for the increase.

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Interim Certifications – Increases in Adjusted Income Scenario D

Scenario D: The Mosberg family had an annual adjusted income of \$35,909 based on earned income (and two dependent deductions) as of the last annual reexamination effective 6/1/2024. The family experienced the following changes to income since 6/1/2024:

- In August, Libby reported she received a raise at work, increasing her annual earned income by \$2,650. She also recently started receiving monthly child support payments of \$150, or \$1,800 annually. She reported no other changes to the PHA/MFH Owner. While the **combined** increase of earned income (wages) and unearned income (child support) is a 12.3-percent increase in annual adjusted income since the 6/1/2024 annual reexamination, the PHA/MFH Owner must look at the earned and unearned income changes independently to determine if an interim reexamination should be performed. The earned income is about 7 percent of the increase, and the unearned income is approximately 5 percent of the total 12.3-percent increase.

The PHA/MFH Owner documented in the tenant file that the family reported the change, but an interim reexamination was **not** performed, because the 5-percent increase in annual adjusted income based on **unearned** income does not meet the 10-percent threshold. Further, the PHA/MFH Owner may not perform an interim reexamination for Libby's 7-percent increase in annual adjusted income based on **earned** income, because an interim reexamination for an income decrease during the reexamination cycle was not completed **and** it does not meet the 10-percent threshold to perform an interim. Note: Even if Libby's change in earned income had exceeded 10 percent of her annual income, the PHA/MFH Owner may not perform an interim reexamination, because there was no prior interim reexamination for a decrease in income.

In November, Libby reported that her monthly child support payments increased again, from \$150 to \$325. She certified no other changes to income or deductions. Libby's annual **unearned** income from child support of \$3,900 is now a 10.8-percent increase in annual adjusted income (based on the effective 6/1/2024 annual reexamination), so the PHA/MFH Owner **must** perform an interim reexamination, but only for the **unearned** child support income. The PHA/MFH Owner will continue to disregard the increased **earned** income reported by the family until the Mosberg's next annual reexamination.

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Other Non-Interim Recertifications

- If have to conduct an Interim Recertification, report these changes with that certification
- If an Interim Recertification is not triggered, must report using this new certification type
- Reported on HUD-50059
- Must conduct if:
 - There is a decrease in family size attributed to the death or permanent move-out from the unit of a family member since last recertification **AND**
 - Removing that family member would have resulted in an increase in annual adjusted income
- The Other Non-Interim Recertification removes the family member, but does not result in any changes to the family's annual adjusted income (keep income, but not member)
 - Waiting until next recertification to consider the increase

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Other Non-Interim Recertifications continued

- Reports also the following changes:
 - Adding or removing a hardship exemption for the childcare 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
 - 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 non-family member (live-in aides, foster children, foster adults)
 - Adding a family member and the increase in adjusted income does not trigger an Interim Recertification
 - Removing a family member and the increase in adjusted income does not trigger an Interim Recertification
 - Adding or updating a family or household member's Social Security Number

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Effective Dates for Interim and Other Non-Interim Recertifications

- Must process within approximately 30 days of changes known
- For changes reported timely by family
 - And increase in Tenant Rent, goes into effect on the first day of the month after a 30-day advance notice (after 30-day notice)
 - And decreases in Tenant, goes into effect the first day of the month after the date the actual change leading to the Interim Recertification (retroactive)
- For changes not reported timely by family
 - And increase in Tenant Rent, goes into effect the first day of the month after the date the actual change leading to the Interim Recertification (retroactive)
 - And decreases in Tenant rent, goes into effect the first day of the month after completing the Interim Recertification (after recertifying)
- May establish in written policy that will apply retroactively decreases in Tenant Rent even if family fails to report timely (optional)
 - May further establish criteria to trigger
 - May not go further back than the first day of the month after the date the actual change leading the Interim Recertification

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Effective Dates – Examples

Scenario A: The Miller family had a decrease in family income that met the threshold due to the loss of a job on 6/2/2024. They reported the decrease to the PHA/MFH Owner in accordance with the PHA/MFH Owner's policies on 6/15/2024. The interim reexamination must be effective 7/1/2024, regardless of when the PHA/MFH Owner processes the interim reexamination.

Scenario B: The Leon family had an increase of 10 percent or more in annual adjusted income on 6/1/2024 due to receiving a new type of benefit income. The increased income meets the threshold to require an interim. They reported the increase to the PHA/MFH Owner in accordance with local policies

on 6/20/2024. The PHA/MFH Owner did not process the interim reexamination until 7/11/2024, so the effective date of the interim reexamination is 9/1/2024 to give the family the required 30-day notice of the increase in total tenant portion.

Scenario C: The Nguyen family had a family member join the household, thereby increasing the annual adjusted income by 10 percent or more due to the new member's Social Security income starting on 8/1/2024. The increased income meets the threshold to require an interim. However, the change in income was not reported to the PHA/MFH Owner until 9/15/2024. The PHA/MFH Owner has a policy requiring a family to report changes in family income within 30 days. Because the family failed to alert the PHA/MFH Owner of the increase in income in accordance with the PHA/MFH Owner's policy, the increased income is effective retroactive to 9/1/2024, the first of the month following the date of the income change.

Scenario D: The Housseini family's current annual reexamination is effective on 2/1/2024. A member of the Housseini family lost their job on 1/2/2024, but the family failed to report the change until 4/5/2024. If the PHA/MFH Owner has a written policy allowing for retroactive rent decreases even when the family does not report changes timely, the retroactive rent decrease could be applied on 3/1/2024 (the first of the month following the family's most recent previous income examination).

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Learning Point 1

What is considered a reasonable timeline to complete an Interim Recertification?

- a) Approximately 3 days
- b) Approximately 30 days
- c) Approximately 60 days
- d) Approximately 90 days

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Learning Point 2

Which of the following would trigger an Interim Recertification?

- a) Decrease of 12% of Annual Adjusted Income
- b) Decrease of 3% of Annual Adjusted Income
- c) Increase of 10% of Annual Adjusted Income due to earned income
- d) Increase of 3% of Annual Adjusted Income due to unearned income

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Learning Point 3

Which if the following would not trigger an Other Non-Interim Recertification?

- a) Adding or removing general hardship relief for the:
 - a) Health and medical care expense deduction and/or
 - b) Reasonable attendant care and auxiliary apparatus expense deduction
- b) Adding or removing a non-family member (live-in aides, foster children, foster adults)
- c) Adding a family member and the increase in adjusted income does not trigger an Interim Recertification
- d) Removing a family member and the increase in adjusted income does not trigger an Interim Recertification
- e) Adding or updating a family or household member's shoe size

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Learning Point 4

When can you retroactively apply a Tenant Rent increase?

- a) When a family timely reports a change
- b) When a family fails to timely report a change



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Thank you!

Section 811 – Training 2

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