Triennial Recertification Interim Final Rule

On December 12, HUD released for publication an interim final rule that implements triennial recertifications for fixed-income residents of Public Housing (PH), the Housing Choice Voucher (HCV) program, including Project-Based Vouchers (PBV), and various multifamily housing programs. Language permitting triennial recertifications was a hard-earned and significant win for PHAs across that country that are currently facing historically low levels of federal funding. This interim final rule resulted from language that permitted triennial recertifications for families with 90 percent or more of their income coming from fixed sources included in the Fixing America’s Surface Transportation (FAST) Act, signed into law by President Obama on December 4, 2015. The interim final rule goes into effect on March 12, 2018.

NAHRO has long advocated for efforts to allow PHAs to reduce the frequency of reexaminations for fixed-income families. The interim final rule expands the Streamlining Final Rule, issued in 2016, that streamlined income determination for any fixed source of income. The streamlining rule does not have a requirement that fixed income be a certain percentage of total income, however it required non-fixed income sources to be recertified each year. FAST Act language allows any family with at least 90 percent of their income coming from a fixed-source to recertify all of their income every three years. This interim final rule not only implements the statutory provisions of the FAST Act, but it also modifies the earlier streamlining regulations so that the procedures for families meeting the 90 percent fixed-income threshold of the FAST Act are as similar as possible to those for families who receive some, but less than 90 percent, of their income from fixed-income sources.

Under this interim rule, PHAs and owners in the HCV, PBV, PH, and Project-Based Rental Assistance (PBRA) programs may determine a family’s fixed income by using a verified Cost of Living Adjustment (COLA) or rate of interest on the individual sources of fixed income for each of the two years after a full income review, however they are not required to undertake a full recertification. Furthermore, in the case of a family where 90 percent or more of the family’s unadjusted income comes from a fixed income, a PHA or owner using streamlined income verification may, but is not required to, adjust the non-fixed income. PHAs and owners must still verify and adjust non-fixed sources annually for families if less than 90 percent of their income stems from a fixed-source. PHAs or owners are also still required to undertake a full recertification for the family every three years, and families must continue to certify that all the information they submit for income verification, including the sources of income, is accurate at these recertifications.

The interim final rule also includes language specifically for PBRA owners. This includes clarifying that owners of PBRA properties are allowed to make utility reimbursements to tenants quarterly, if the utility reimbursement is less than $45 per quarter, and that residents of the PBRA program are allowed to self-certify assets equal to or less than $5,000 during year 2 and 3 of recertification.

ADDITIONAL RESOURCES:

For up-to-date information on this issue and other affordable housing issues go to www.nahro.org/resource-center and follow the NAHRO blog at www.nahroblog.org