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Summary of Proposed Changes to the Admissions and Continued Occupancy Policy (ACOP)

MCHC is proposing to update its ACOP, effective July 01, 2025, to align with the HUD Model ACOP and regulatory changes resulting from the Housing Opportunities Through Modernization Act (HOTMA), as required by the Department of Housing and Urban Development (HUD). Published on February 14, 2023, the HOTMA Final Rule revising regulations related to income, assets, adjusted income, verification, and recertifications. HOTMA regulations apply to all current residents and new admissions. MCHC does not have the discretion to not adopt enforce or provide limited enforcement of HOTMA regulations. However, there is some discretion on how some rules are implemented.

While the new HOTMA regulations were effective January 1, 2024, HUD delayed compliance with rule changes until July 01, 2025. Compliance with HOTMA means not only applying HOTMA regulations to all transactions but also reporting in HUD's Housing Information Portal (HIP) system. Currently, public housing agencies remain unable to fully comply with HOTMA because HUD's HIP system is not in place. However, HUD has determined that some HOTMA regulations are not dependent on HIP and must be implemented and applied to all transactions dated July 01, 2025, and after. HOTMA policies that are "on hold" are indicated in the chart below and will not be applied to any transactions until further guidance from HUD is provided to MCHC.

Proposed Chapter Title	Summary of Proposed ACOP Chapter	Basis for Modification	HOTMA Rule Change – HUD enforcement effective July 01, 2025, or as noted	HOTMA Rule Change – HUD enforcement On-hold
Introduction and Statement of Local Objectives	Presents MCHC's legal authority to operate as a Public Housing Agency (PHA), its mission statement, objectives, organizational structure, customer service and conflict of interest policies.	No current information; updated to align with HUD Model ACOP	N/A	N/A
Chapter 1: Public Housing Program Background and Key Events	Explains the history of federal laws and HUD regulations authorizing the operation and funding of the low-income public housing program.	No current information; updated to align with HUD Model ACOP	N/A	N/A
Chapter 2: Relationship	Explains the basic terms and conditions of the Annual	No current information;	N/A	N/A

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between HUD, the PHA and the Family	Contributions Agreement (ACC) between HUD and MCHC, including funding to provide housing assistance to low-income households, (2) the roles and responsibilities of HUD and MCHC for program management and administration, and (3) resident and applicant obligations under the program.	updated to align with HUD Model ACOP		
Chapter 3: The Admissions and Continued Occupancy Policy	Explains how formal written statements and explanations of policies as an essential management tool to establish and implement internal controls that facilitate: (1) regulatory compliance, (2) employee training and performance, (3) guidance for all decisions and actions employees need to take when conducting themselves on behalf of MCHC, and (4) high standards of professionalism is adhered to at all times and conducted in accordance with Federal laws, regulations, and HUD requirements regarding the public housing program occupancy cycle, including Preliminary Application, Waiting List Placement and	No current information; updated to align with HUD Model ACOP	N/A	N/A

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	Selection, Final Eligibility, Unit Offer, Lease Up, Orientation, Continued Occupancy, and End of Participation.			
Chapter 4: Nondiscrimination and Equal Housing Opportunities	Explains specific Federal laws, including the Fair Housing Act of 1988, Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Title II and III of the Americans with Disabilities Act of 1990, Age Discrimination Act of 1975, Executive Order 11063, Equal Housing Opportunity in Housing, and other rules MCHC must comply with when making decisions and taking specific actions, including reasonable modifications and accommodations, concerning admissions and continued occupancy of dwelling units to make the public housing program available and accessible to all eligible families.	Updated to align with HUD Model ACOP, comply with regulatory requirements, and improve clarity and efficiency of existing practices.	N/A	N/A
Chapter 5: Violence Against Women Reauthorization Act of 2013	Explains specific federal laws and HUD regulatory guidance MCHC must follow when making decisions regarding resident and applicant	Updated to align with HUD Model ACOP, comply with regulatory requirements, and	N/A	N/A

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(VAWA)	eligibility and ineligibility for VAWA protections, requirements for notification of occupancy rights, HUD certification forms, resident and applicant file certification and documentation, limitations of VAWA protections, VAWA confidentiality, VAWA prohibition of retaliation, right to report crimes and emergencies, compliance process review, and VAWA FHEO (Fair Housing and Equal Opportunity) enforcement authority.	improve clarity and efficiency of existing practices.		
Chapter 6: Outreach	Explains marketing and outreach requirements in accordance with the Fair Housing Act of 1968 to assure the public housing program information and services is available to a sufficient number and variety of applicants without regard to race, color, sex, age, national origin, religion, disability, ethnic background, and familial status.	Updated to align with HUD Model ACOP, comply with regulatory requirements, and improve clarity and efficiency of existing practices.	N/A	N/A
Chapter 7: Waiting List and Tenant Selection Plan	Explains policies and procedures for announcing the opening and closing of the public housing program	Updated to align with HUD Model ACOP, comply with regulatory	N/A	N/A

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	waiting list, organization, and management of the waiting list, including application intake, local preference qualifications, ranking methodology, placement, and selection of applicants from waiting list.	requirements, and improve clarity and efficiency of existing practices.		
Chapter 8: Basic Eligibility Requirements	Explains HUD eligibility and suitability criteria for admission to the public housing program, including but not limited to income eligibility, citizenship and eligible immigration status, and requirements for the disclosure of SSNs.	<p>Updated to align with HUD Model ACOP, comply with regulatory requirements, and improve clarity and efficiency of existing practices.</p> <p>MCHC does not have the discretion to enforce or provide limited enforcement of this requirement.</p>	N/A	<ul style="list-style-type: none"> <u>Asset Limitation for New Admissions:</u> Asset limitations restrict applicants from being admitted to the program if their net family assets exceed \$100,000 or if the family owns real property deemed suitable for the family to live in. MCHC will verify the cash value of the family's assets and ownership of real property. <p>Regulation: 24 CFR § 5.618)</p> <p>Reference: Notice PIH</p>

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				<p>2023-27 (Attachment A)</p> <ul style="list-style-type: none"> <u>Restriction on Owning Real Property Suitable for Occupancy:</u> A family cannot receive benefits if they have “present ownership interest in, a legal right to reside in, and the effective legal authority to sell, based on state or local laws of the jurisdiction where the property is located, real property that is suitable for occupancy by the family as a residence.” The restriction on owning real property does not apply to: (1) A family that receives assistance for the

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				<p>property under the Housing Choice Voucher Program for manufactured home (24 CFR 982.620), homeownership option, (2) property jointly owned with someone else, and occupied by the other owner who is not a member of the household receiving benefits, (3) a victim of domestic violence, dating violence, sexual assault, or stalking, or (4) a family that is offering the property for sale.</p> <p>Regulation: 24 CFR 5.618(a)(ii)</p> <p>Reference: Notice PIH 2023-27 (Attachment A)</p>
Chapter 9:	Explains applicant screening	Updated to align	N/A	N/A

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Applicant Selection and Screening	criteria MCHC uses to evaluate suitability for admission to the public housing program, including attributes and behavior regarding prior rental history, past performance in meeting financial obligations, especially rent, utility payment history, drug, and criminal activity history.	with HUD Model ACOP, comply with regulatory requirements, and improve clarity and efficiency of existing practices.		
Chapter 10: Denial of Admission	Explains regulatory requirements, procedures, and standards for making decisions regarding the rejection of applications and denial of admission to applicants who exceed income and asset limits, failure to sign consent forms, submit verification of SSNs, citizenship or eligible immigration status, or who have been convicted of manufacturing methamphetamine on federally assisted property, anyone subject to lifetime registration for a sex offense, current users of illegal drugs, abusers of alcohol, or pattern interfering with health, safety, peaceful enjoyment, anyone who, within the last 3 years,	Updated to align with HUD Model ACOP, comply with regulatory requirements, and improve clarity and efficiency of existing practices. HOTMA: MCHC does not have the discretion to enforce or provide limited enforcement of this requirement.	<ul style="list-style-type: none"> <u>HUD-form 9886- A: Authorization for Release of Information:</u> On or after January 01, 2024, all applicants aged 18 and over must sign the consent form at admission and residents must sign the consent form no later than their next interim or regularly scheduled income reexamination. After an applicant or participant has signed and submitted a consent form on or after January 1, 2024, they do not need to sign and submit subsequent consent forms at the next interim or regularly scheduled income reexamination except 	N/A

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	has been evicted from federal housing for drug-related criminal activity unless drug rehabilitation or circumstances leading to eviction no longer exist.		<p>under the following circumstances:</p> <ul style="list-style-type: none"> • When any person 18 years or older becomes a member of the family; • When a member of the family turns 18 years of age; and • As required by HUD or the PHA in administrative instructions. <p>Effective: February 01, 2025</p> <p>Regulation: 24 CFR 5.230, 5.232</p> <p>Reference: Notice PIH 2024-38</p> <ul style="list-style-type: none"> • Revocation of Consent Form HUD-9886-A: The executed consent form will remain effective until the applicant/resident family is denied assistance, the assistance is terminated, or the family provides written notification to the PHA to revoke consent. MCHC will explain to families the consequences of revoking their consent. 	

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			<p>Regulation: (24 CFR §§ 5.230(c)(5)(iii); 24 CFR 5.232(c); 891.105; 891.410(g)(3)(ii); and 891.610(g)(3)(ii))</p> <p>Reference: Notice PIH 2023-27 (Attachment A)</p> <ul style="list-style-type: none"> • Verification of SSNs: HUD permits MCHC to accept from an applicant/resident who is not able to provide documentation of SSN, a self-certification of SSN along with a third-party document displaying the name of the individual. <p>Regulation: 24 CFR 5.216(g)(1)</p> <p>Reference: PIH HOTMA Section 102 and 104 Implementation FAQs for PHAs February 22, 2024 (Attachment B)</p>	
Chapter 11: Determination of Income	Explains HUD's definition of income, mandatory income deductions and allowances, and procedures MCHC must follow when calculating gross and adjusted annual income during the income and rent	Updated to align with HUD Model ACOP, comply with regulatory requirements, and improve clarity and efficiency of	<ul style="list-style-type: none"> • Elimination of the Earned Income Disregard: The Earned Income Disregard (EID) will not apply to any family who is not eligible for and already participating in 	<ul style="list-style-type: none"> • Calculation of Income: For all annual reexaminations, the PHA must determine the family income for

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	determination process for initial, annual, and interim certifications.	existing practices. HOTMA: MCHC does not have the discretion to enforce or provide limited enforcement of this requirement.	<p>the disallowance as of December 31, 2023. Families receiving the benefit as of December 31, 2023, may continue to receive the full benefit until the remaining timeframe for an individual family's EID expires. Because the EID Last up to 24 consecutive months, no family will still be receiving the EID benefit a er December 31, 2025.</p> <p>Effective: January 01, 2024</p> <p>Regulation: (24 CFR § 5.611</p> <p>Reference: Notice PIH 2023-27 (Attachment A)</p> <ul style="list-style-type: none"> • <u>Income Exclusions:</u> For transactions, the PHA must exclude from income determinations, all sources of income specifically excluded in the regulations. Including but not limited to non-recurring income, lump sum additions, income 	<p>the previous 12 months unless using a streamlined income determination, considering any redetermination from an interim reexamination and any unaccounted-for income changes. Note: PHA must obtain at least two current and consecutive paystubs and a minimum of one statement that reflects the current balance of banking/financial accounts.</p> <p>Regulation: 24 CFR § 5.609(c))</p> <p>Reference: Notice PIH 2023-27 (Attachment A)</p> <ul style="list-style-type: none"> • <u>Hardship Exemptions for Health/Medical</u>

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			<p>earned on amounts placed in family self-sufficiency account, income of live-in aides, payments for foster care children or adults, earned income of dependent full-time students, home-based care for a family member, loan proceeds, student financial aid, and gross income from self-employment or operation of a business. _</p> <p>Regulation: 24 CFR § 5.609(a); 5.609 (b)(9)</p> <p>Reference: Notice PIH 2023-27 (Attachment A)</p> <ul style="list-style-type: none"> • Income Definitions: For all transactions, PHAs must use new definitions, including but not limited to family, foster child and foster adult, minor, independent contractor, health and medical expenses, and day laborer and dependent. • Health and Medical Care Expense: any costs 	<p>Care Expenses, Reasonable Attendant Care & Auxiliary Apparatus Expenses – General Relief and Phased-In Relief: The sum of unreimbursed health and medical care and reasonable attendant care and auxiliary expenses that exceed 10 percent of the family's annual income can be deducted from annual income. Prior to January 1, 2024, the threshold was 3 percent of the family's annual income.</p> <ul style="list-style-type: none"> • For families eligible for the hardship exemption, the threshold amount

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			<p>incurred in the diagnosis, cure, mitigation, treatment, or prevention of disease or payments for treatments affecting any structure or function of the body. Health and medical care expenses include medical insurance premiums and long-term care premiums that are paid or anticipated during the period for which annual income is computed. This expense deduction is applicable when the head of household or spouse is aged 62 or older, or is a person with disabilities.</p> <p>Regulation: 24 CFR 5.100, 5.403, 5.603</p> <p>Reference: Notice PIH 2023-27 (Attachment A)</p> <ul style="list-style-type: none"> <u>De Minimis Errors in Income Determinations:</u> De minimis errors occur when a PHAs determination of a family's income deviates from the correct income 	<p>is phased-in as follows: (1) The family is eligible for a deduction totaling the sum of expenses that exceeds 5 percent of annual income for the first 12 months. (2) At the conclusion of 12 months, the family is eligible for a deduction totaling the sum of their expenses that exceed 7.5 percent of annual income for another 12 months. (3) At the conclusion of 24 months, the standard threshold amount of 10 percent would be used, unless the family qualifies for relief under the general hardship relief category. Eligibility is</p>

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			<p>determination by no more than \$30 per month in monthly adjusted income (or \$360 in annual adjusted income). MCHC will process resident account adjustments to correct this type of error.</p> <p>Regulation: 24 CFR §§ 5.609(c) (4); 960.257(f); 982.516(f); 882.515(f); 882.808(i)(5))</p> <p>Reference: Notice PIH 2023-27 (Attachment A)</p>	<p>subject to verification of circumstances.</p> <ul style="list-style-type: none"> • <u>Hardship Exemption to Continue Child Care Expense</u> <u>Hardship:</u> A family whose eligibility for the childcare expense deduction is ending may request a financial hardship exemption to continue the deduction. or a family to qualify, they must demonstrate that their inability to pay rent would be as a result of the loss of this deduction. Eligibility is subject to verification of circumstances. <p>Regulation: (24 CFR §</p>

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				<p>5.611(d))</p> <p>Reference: Notice PIH 2023-27 (Attachment A)</p> <ul style="list-style-type: none"> <u>Mandatory Deductions:</u> (1) The dependent deduction amount is currently \$480 (amount will be adjusted annually for inflation), (2) the elderly/disabled deduction increases from \$400 to \$525 (amount will be adjusted annually for inflation), (3) health and medical expense deduction on increases the threshold for the deduction of unreimbursed health and medical care expenses plus unreimbursed reasonable attendant care

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				<p>and auxiliary apparatus expenses that enable employment from 3% to 10% of annual income.</p> <p>Regulation: (24 CFR § 5.611(a)(1) - (a)(2))</p> <p>Reference: Notice PIH 2023-27 (Attachment A); (Notice PIH-2024-12 (Attachment B)</p> <p>* HUD's new Housing Information Portal (HIP) is not ready for use. MCHC will continue using pre- HOTMA HUD-form 50058 to submit certifications until HUD provides additional details regarding the HIP rollout schedule. MCHC will apply the new deduction amounts to a family's next annual or interim reexamination, whichever is sooner, after HIP is implemented.</p>

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				<ul style="list-style-type: none"> <u>Self-Certification of Net Family Assets Equal to or Less Than \$50,000 (adjusted annually for inflation):</u> Net family assets threshold changed from \$5,000 to \$50,000. MCHC will accept the family's self-certification of the value of family assets and anticipated asset income. MCHC will require all adult household members aged 18 and older to complete and sign self-certification forms. <p>Regulation: 24 CFR §§ 5.603; 5.609; 5.618; 882.515(a); 882.808(i)(1); 960.259(c)(2); 982.516(a)(3)</p>

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				<p>Reference: Notice PIH 2023-27 (Attachment A)</p> <ul style="list-style-type: none"> • <u>Income from Assets:</u> Income from assets is considered income, if it is possible to calculate actual returns from an asset, the PHA should use that amount. If it is not possible to calculate an actual return from an asset, the PHA must impute income from assets based on the current passbook savings rate as determined by HUD when the family has net assets over \$50,000 (adjusted annually for inflation). <p>Regulation: 24 CFR §</p>

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				<p>5.609(a))</p> <p>Reference: Notice PIH 2023-27 / Attachment A</p> <ul style="list-style-type: none"> • <u>Exclusion from Assets:</u> There are new exclusions from assets, including related to necessary items of personal property, non-necessary items of personal property when the total value does not exceed \$50,000 (adjusted annually for inflation), and real property that the family does not have the legal authority to sell. <p>Regulation: (24 CFR § 5.603(b)(3))</p> <p>Reference: Notice PIH 2023-27 (Attachment A)</p>

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Chapter 12: Verification Requirements	<p>Addresses procedures and techniques to accurately verify and document applicant and resident reported information including but not limited to annual income, assets, expenses, deductions, legal identity, citizenship, SSN, and other factors that determine waiting list placement, final eligibility, and continuing occupancy.</p> <p>Covers HUD mandated use the Enterprise Income Verification (EIV) System for new admission certifications and annual and interim recertifications. The EIV System provides MCHC with information regarding employment, wage, unemployment compensation, and social security benefit information for families who participate in the public housing program.</p> <p>Covers procedures to verify information include HUD mandated use of six (6) verification hierarchy levels, which require MCHC to start at the highest level and move</p>	Updated to align with HUD Model ACOP, comply with regulatory requirements, and improve clarity and efficiency of existing practices. HOTMA: MCHC does not have the discretion to enforce or provide limited enforcement of this requirement.	<ul style="list-style-type: none"> <u>Enterprise Income Verification (EIV) Usage:</u> PHAs must use HUD's EIV system in its entirety, including but not limited to the generation of the following EIV System reports: Income Report, Multiple Subsidy Report, Existing Tenant Search, Debts Owed to Public Housing Authorities & Terminations Report, No Income Reported By Health And Human Services Report, Summary Report, Income Validation Tool, Immigration Report, Deceased Tenants Report, and New Hires Report <p>Regulation: (24 CFR § 5.233); 24 CFR 5.609(c)(3))</p> <p>Reference: Notice PIH 2023-27: Attachment A</p> <ul style="list-style-type: none"> <u>Streamlined Income Determinations:</u> Adjustments of non-fixed income sources at annual 	<ul style="list-style-type: none"> <u>Enterprise Income Verification (EIV) plus self-certification:</u> PHA may use EIV plus self-certification (1) if there are no changes reported to an income source, the documentation from the previous year may be used with EIV and self-certification of wages, SSI, , Social Security and Unemployment, or (2) If the family agrees with the information in the EIV Report it can be used to calculate income.

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	to the next level of verification if the information cannot be obtained at the higher level.		<p>reexamine using third-party verification must follow the HOTMA income calculation rules. Safe Harbor Income Verifications allow MCHC to use income determinations from other means-tested federal public assistance programs to verify annual income.</p> <p>Regulation: 24 CFR § 960.257(c), 24 CFR 5.609(c)(3), 24 CFR § 5.611(a)(3),</p> <p>Reference: Notice PIH 2023-27: (Attachment A)</p> <ul style="list-style-type: none"> • <u>Third-Party Verifications:</u> PHA will accept current original and authentic documentation/verification generated by a third-party source dated within the 120-day period preceding the reexamination or PHA request date. Income verifications will remain valid for 120 calendar days from receipt (previously 60-days). 	

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			<p>Regulations: 24 CFR §§ 5.609(c)(2); 882.808; 891.410(g)(1); and 891.610(g)(1) 960.257; and 982.516</p> <p>Reference: PIH HOTMA Section 102 and 104 Implementation FAQs for PHAs February 22, 2024</p> <ul style="list-style-type: none"> • <u>SSA Benefit Statements:</u> Acceptance of statements dated within the appropriate benefit year from the Social Security Administration for SS and SSI. • <u>Verification of SSN:</u> Acceptance of self-certification of SSN along with a third-party document with the applicant or participant's name printed on it, if all other attempts to verify information have been exhausted. 	
Chapter 13: Notification of	Addresses procedures to notify applicants who have	Updated to align with HUD Model	N/A	N/A

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Eligibility	been selected from the waiting list and completed a final eligibility application of their eligibility or ineligibility for admission to the public housing program.	ACOP, comply with regulatory requirements, and improve clarity and efficiency of existing practices.		
Chapter 14: Pre-Occupancy Orientation	Addresses procedures and topics covered at pre-occupancy training individual or group sessions after eligible applicants have been notified of their eligibility for admission to the public housing program. Topics include but are not limited to MCHC policies, payment of rent, dwelling lease, requesting maintenance services, maintenance charges, and housekeeping standards.	Updated to align with HUD Model ACOP, comply with regulatory requirements, and improve clarity and efficiency of existing practices.	N/A	N/A
Chapter 15: Types of Developments and Requirements	Addresses admission requirements for general occupancy, elderly developments and units designated for people with disabilities.	Updated to align with HUD Model ACOP, comply with regulatory requirements, and improve clarity and efficiency of existing practices.	N/A	N/A
Chapter 16: Occupancy Standards	Addresses the specifications regarding unit assignments based on the minimum and	Updated to align with HUD Model ACOP, comply with	N/A	N/A

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	maximum number of household members who will be permitted to occupy units of various sizes in consideration of factors including but not limited to family size and other factors, exceptions, and circumstances that will and will not be considered by MCHC.	regulatory requirements, and improve clarity and efficiency of existing practices.		
Chapter 17: Offering the Units (Tenant Selection and Assignment Plan)	Addresses procedures for offering vacant units to applicants on the waiting list who have completed a final eligibility application and have been determined to be eligible and suitable for an offer of housing, including but not limited to the number of unit offers MCHC will make to applicants, notification requirements, deadline for applicants to accept or refuse unit offers, circumstances under which applicants may refuse a unit offer for good cause, removal of applicants from waiting list when unit offers are refused without good cause and .	Updated to align with HUD Model ACOP, comply with regulatory requirements, and improve clarity and efficiency of existing practices.	N/A	N/A
Chapter 18: Use and Occupancy	Addresses primary residence requirements for family's leasing public housing units,	Updated to align with HUD Model ACOP, comply with	N/A	N/A

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	factors used by MCHC to determine whether the public housing unit leased by the family is the primary residence, time limits for families and individual family members who are absent from the unit due to reasons such as but not limited to hospitalization, imprisonment, military leave, requirements to maintain rent and utilities during absence, abandonment of the public housing unit, and circumstances under which termination of housing assistance is appropriate for absence and/or abandonment of a unit.	regulatory requirements, and improve clarity and efficiency of existing practices.		
Chapter 19: Choice of Rent	Addresses procedures to provide information to residents about their choice of rent options, which include flat rent, income-based rent, and switching the type of rent in circumstances of financial hardship, tenant -paid utilities, utility allowances, annual flat rent compliance, flat rent exceptions, flat rent updates, and prorated rent for mixed families (families who are citizens, eligible immigrants,	Updated to align with HUD Model ACOP, comply with regulatory requirements, and improve clarity and efficiency of existing practices.	N/A	N/A

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	and those who do not have eligible immigration status or elect not to declare their citizenship status).			
Chapter 20: Tenant Rent and Other Charges	Addresses policies for calculating and charging rental fees and other charges such as tenant rent payment determined by MCHC in accordance with HUD regulatory and other requirements, specification of initial rent in the lease agreement, written notice of any changes in monthly rent with effective date of change, date monthly rent is due and payable, late payments, NSF check charges, security deposits, charges for maintenance repairs beyond normal wear and tear, pet security deposits, forms of payments, no cash payments policy, acceptable methods of payment, late fees, and delinquent charges, calculating TTP, minimum rent, minimum rent hardships, and special reexaminations.	Updated to align with HUD Model ACOP, comply with regulatory requirements, and improve clarity and efficiency of existing practices.	N/A	N/A
Chapter 21: Security Deposits	Addresses requirements for all residents to pay a security deposit, specifies security deposit amount, security	Updated to align with HUD Model ACOP, comply with regulatory	N/A	N/A

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	deposit accounting requirements, and circumstances under which MCHC will either refund or use security deposit for reimbursement of tenant caused damage after the family has vacated the unit.	requirements, and improve clarity and efficiency of existing practices.		
Chapter 22: Utilities and Utility Allowance	Addresses requirements that MCHC maintain adequate utility service in order to provide, safe, decent and sanitary units, includes identifying in the lease which utilities the resident is responsible for paying, procedures for terminating the lease for failure to pay utilities, utility services such as electricity, gas, heating fuel, water, sewerage services, excluded utilities services such as cable television and internet service, resident purchases utilities, MCHC furnished utilities in units where MCHC pays for the entire building's utility consumption, surcharges for excessive consumptions of PHA -funded utilities, review and revision of utility allowances, utility reimbursement payments	Updated to align with HUD Model ACOP, comply with regulatory requirements, and improve clarity and efficiency of existing practices.	N/A	N/A

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	made directly to utility companies, reasonable accommodations and general utility policies regarding utility payments for vacant units and interim recertifications for updates to utility allowances.			
Chapter 23: The Dwelling Lease	Addresses initial and renewal terms, occupancy policies, and lease enforcement to public housing residents, including HUD regulations establishing required and prohibited lease provisions and specific language, adding provisions to lease that are considered reasonable, satisfy HUD requirements, and conform to the requirements of state and local laws, handling conflicts between PHA lease and state and local laws, MCHC lease requirements, lease term (initial lease 12-months), automatic renewals, prohibition of month to-month leases and renewals, lead based paint notifications and records, and procedures for lease revisions, modifications and termination of lease.	Updated to align with HUD Model ACOP, comply with regulatory requirements, and improve clarity and efficiency of existing practices.	N/A	N/A
Chapter 24: Reexaminations	Addresses policies and procedures for conducting	Updated to comply with regulatory	<ul style="list-style-type: none"> • <u>Enterprise Income Verification (EIV) Usage</u> 	<ul style="list-style-type: none"> • <u>Asset Limitation at Annual and</u>

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	<p>annual recertifications to determine the continued eligibility of families on an annual and interim basis. Annual reexaminations determine on an annual basis whether a family's income, assets, unit size, and other factors support their continued eligibility for the program. Interim reexams are resident or management-initiated changes between annuals that may affect the determination of annual income, eligibility for deductions, and unit size.</p> <p>Covers procedures for scheduling and notification of appointments, notice requirements, interview formats, verification of family reported information, when MCHC will conduct and will not conduct an interim reexam, streamlined income determination for fixed income sources, effective date of annual and interim reexams, guidelines for termination of housing assistance and tenancy for failure to recertify, and community service and</p>	<p>requirements and clarity of existing practices.</p> <p>MCHC does not have the discretion to enforce or provide limited enforcement of this requirement.</p>	<p>for Interims: An EIV Report, including IVT (Income Validation Tool) will be used in its entirety for all transactions, including interims.</p>	<p><u>Interim Reexaminations:</u> Asset limitations restrict current residents from continuing to receive housing assistance if their net family assets exceed \$100,000 or if the family owns real property deemed suitable for the family to live in.</p> <p>Regulation: (24 CFR § 5.618)</p> <p>Reference: Notice PIH 2023-27 (Attachment A)</p> <ul style="list-style-type: none"> • <u>Interim Reexaminations - Decreases in Adjusted Income:</u> An interim reexamination must be conducted when a family's adjusted income decreases by

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	self-sufficiency requirements.			<p>10% or more or if a family member permanently moves out of the unit.</p> <p>Regulation: 24 CFR §§ 960.257(b)(2); 982.516(c)(2); 882.515(b)(2); 891.410) Reference: Notice PIH 2023-27 (Attachment A)</p> <ul style="list-style-type: none"> • <u>Interim Reexaminations: Increases in Adjusted Income:</u> An interim reexamination must be conducted when a family's adjusted income increases by 10% or more. <p>Regulation: (24 CFR §§ 960.257(b)(3); 982.516(c)(3); 882.515(b)(3))</p> <p>Reference: Notice PIH 2023-27/ Attachment A</p>

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				<ul style="list-style-type: none"> • <u>Interim Reexaminations - Reporting Changes & Effective Date:</u> Families must report all changes in income and household composition, and staff will subsequently determine if the change requires an interim reexamination. <p>Regulation: (24 CFR §§ 960.257(b)(4); 982.516(d); 882.515(b)(1) - (4); 882.808(i)(4); 891.410)</p> <p>Reference: Notice PIH 2023-27 (Attachment A)</p> <ul style="list-style-type: none"> • <u>Non-Interim Transactions:</u> Families may experience changes within

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				the household that do not trigger a interim reexamination but still need to be reported to in a non-interim reexamination submission to HUD, including but not limited to adding or removing a hardship exemption for the child-care 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 hardship relief for

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				the health and medical care expense deduction, or reasonable attendant care and auxiliary apparatus expense deduction, adding or removing minimum rent hardship, or adding or removing a non-family member such as a live-in aide, or adding or updating a household member's SSN.
Chapter 25: Zero Income	Addresses procedures for interviewing and investigating information provided by families who claim zero and no regular monetary and non-monetary contributions and gifts during new admission and reexamination to determine how the family pays for necessary living expense, including conducting zero income reviews every 90 days and performing third-	Updated to align with HUD Model ACOP, comply with regulatory requirements, and improve clarity and efficiency of existing practices.	N/A	N/A

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	party verification of information reported by applicants and residents claiming zero or no income, including a check of the EIV system.			
Chapter 26: Continuing Occupancy Policy of Public Housing Over-Income Families	Addresses HUD mandated procedures for identifying over-income families, and establishes income limits based on family size as determined annually by HUD.	Updated to align with HUD Model ACOP, comply with regulatory requirements, and improve clarity and efficiency of existing practices.	N/A	<ul style="list-style-type: none"> <u>Families exceeding the income limit:</u> New limitations on program participation for families residing in public housing that remain over-income (OI) for 24 consecutive months. After a 24-month grace period, PHA policy may allow OI families to continue to live in a public housing unit paying an alternative rent. If the PHA does not adopt such a policy, the PHA must terminate tenancy of the OI family within six months of the final notification.

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				<p>There are no exceptions to the income limitation on public housing program participation.</p> <p>Regulation: 24 CFR 960.507; Regulation: 24 CFR 960.507</p> <p>Reference: PIH-2023-03 (Attachment C)</p>
Chapter 27: Inspections	Explains National Standards for Physical Inspection of Real Estate (NSPIRE) physical inspection standards which will focus on three areas: the housing units where HUD-assisted residents live, elements of their building's non-residential interiors, and the outside of buildings, ensuring that components of these three areas are "functionally adequate, operable, and free of health and safety hazards."	Updated to align with HUD Model ACOP, comply with regulatory requirements, and improve clarity and efficiency of existing practices.	<ul style="list-style-type: none"> The NSPIRE final rule defines the inspectable areas for inspection as inside, outside, and units of HUD housing: Inside. Inside HUD housing (or "inside areas") refers to the common areas and building systems that can be generally found within the building interior and are not inside a unit. Examples of "inside" common areas may include basements, interior or attached garages, enclosed carports, restrooms, closets, utility rooms, mechanical rooms, 	

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			<p>community rooms, day care rooms, halls, corridors, stairs, shared kitchens, laundry rooms, offices, enclosed porches, enclosed patios, enclosed balconies, and trash collection areas. Examples of building systems include those components that provide domestic water such as pipes, electricity, elevators, emergency power, fire protection, HVAC, and sanitary services.</p> <ul style="list-style-type: none"> • Outside. Outside of HUD housing (or “outside areas”) refers to the building site, building exterior components, and any building systems located outside of the building or unit. Examples of “outside” components may include fencing, retaining walls, grounds, lighting, mailboxes, project signs, parking lots, detached garage or carport, driveways, play areas and equipment, refuse disposal, roads, 	

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			<p>storm drainage, non-dwelling buildings, and walkways. Components found on the exterior of the building are also considered outside areas, and examples may include doors, attached porches, attached patios, balconies, car ports, fire escapes, foundations, lighting, roofs, walls, and windows.</p> <ul style="list-style-type: none"> Units. A unit (or “dwelling unit”) of HUD housing refers to the interior components of an individual unit. Examples of components included in the interior of a unit may include the balcony, bathroom, call-for-aid (if applicable), carbon monoxide devices, ceiling, doors, electrical systems, enclosed patio, floors, HVAC (where individual units are provided), kitchen, lighting, outlets, smoke detectors, stairs, switches, walls, water heater, and windows. 	

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			Regulation: 24 CFR 5.703 <i>Effective: July 1, 2023</i>	
Chapter 28: Program Integrity	Establishes procedures to identify and investigate allegations of applicant and resident program abuse and fraud.	Updated to align with HUD Model ACOP, comply with regulatory requirements, and improve clarity and efficiency of existing practices.	N/A	
Chapter 29: Debt Owed to the PHA	Establishes procedures to identify, investigate and resolve cases (e.g., repayment agreements) of underpayment of tenant rent and other charges to the PHA and mandatory reporting of specific information to HUD regarding debt owed to the PHA.	Updated to align with HUD Model ACOP, comply with regulatory requirements, and improve clarity and efficiency of existing practices.	N/A	
Chapter 30: Records Management	Establishes applicant and resident records retention procedures, including safeguards for the storage, access and use of EIV Reports, criminal reports, law enforcement reports in decision making.	Updated to align with HUD Model ACOP, comply with regulatory requirements, and improve clarity and efficiency of existing practices.	N/A	N/A

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Chapter 31: Other Matters	Provides guidance on admission and occupancy matters including but not limited to smoke-free living environment, pet ownership, transfers, emergency transfers, rent collections, termination of lease, community service, housekeeping standards, resident initiatives, occupancy of police officers, heating standards and grievances		N/A	N/A
Appendix A: HUD Verification Hierarchy and Techniques	Outlines levels 6-1 (highest to lowest) of hierarchy.	Added to supplement HOTMA rule changes	N/A	N/A
Appendix B: Income Inclusions and Exclusions Charts	Full list of income inclusions and exclusions from regulations.	Added to supplement HOTMA rule changes	Effective July 01, 2025	N/A
Appendix C: HUD Inflationary Adjustment Items		Added to supplement HOTMA rule changes	N/A	On-hold