



# EZ-STEPS GUIDES

## HOW TO PROCESS PUBLIC HOUSING OVER-INCOME FAMILIES

### PREPARATION

Have available:

- PHA's Admissions and Continued Occupancy Policy (ACOP)
- PHA's Continued Occupancy Policy for Public Housing Over Income Families, may be included in the ACOP
- Form HUD-50058 (Family Report)
- Tenant file containing the following PHA approved documentations:
  - Household Composition:
    - Household composition and relationship to head of household
    - Citizenship status of all family members
    - Full-time student status of all family members
  - Assets and Income:
    - Documentation and verification of all assets and income included in annual income of all family members

### DETERMINATION

Determine if the family's income exceeds the over-income limit.

**Step 1:** Go to <https://www.huduser.gov/portal/datasets/il.html> to find the very low-income (VLI) amount for your jurisdiction.

The screenshot shows the HUD Office of Policy Development and Research (PD&R) website. The page title is "INCOME LIMITS" and it is categorized as a "DATASET". The main content area contains a paragraph about the availability of Fair Market Rents and Income Limits data via an API. Below this, there is a section for "Statement on FY 2023 Income Limits" with a navigation bar for years: 2022, 2021, 2020, 2019, 2018, and Earlier Years. There are also tabs for "Query Tool", "Documents", "Data", "FAQs", and "Puerto Rico FAQs". At the bottom, there is a button labeled "Click Here for FY 2022 IL Documentation" which is highlighted with a red callout box and the text "Click Here".



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### Step 2: Select a State

The screenshot shows the 'FY 2022 INCOME LIMITS DOCUMENTATION SYSTEM' interface. It features a dropdown menu for selecting a state, with options ranging from Alabama (AL) to District of Columbia (DC). Below this, there is a section for selecting a 'FY 2022 HUD Metropolitan Fair Market Rent/Income Limits Area (HMFA)', with 'Abilene, TX MSA' selected. A 'View HMFA Calculations' button is positioned below the dropdown. At the bottom, there is a note: 'Prepared by the Program Parameters and Research Division, HUD.' and a link: 'For more on area definitions, click here. Technical Problems or questions? Contact Us.'

### Step 3: Select a County

The screenshot shows the 'FY 2022 INCOME LIMITS DOCUMENTATION SYSTEM' interface. It features two dropdown menus: 'First select a state:' and 'Then select a county:'. The state dropdown is set to California (CA), and the county dropdown is set to Orange County, CA. A blue box with the text 'Click Here' has an arrow pointing to the 'View County Calculations' button. Below the county selection, there is a section for 'view FY 2022 statewide Income Limits for California:' with a 'View State Calculations' button. At the bottom, there is a section for selecting a 'FY 2022 HUD Metropolitan Fair Market Rent/Income Limits Area (HMFA)', with 'Abilene, TX MSA' selected and a 'View HMFA Calculations' button.



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**Step 4:** View the appropriate VLI limit based on the applicable number of persons in the family.

**FY 2022 INCOME LIMITS DOCUMENTATION SYSTEM**

[HUD.gov](#) [HUD User Home](#) [Data Sets](#) [Fair Market Rents](#) [Section 8 Income Limits](#) [MTSP Income Limits](#) [HUD LIHTC Database](#)

**FY 2022 Income Limits Summary**

Selecting any of the buttons labeled "Click for More Detail" will display detailed calculation steps for each of the various parameters.

FY 2022 Income Limit Area	Median Family Income <a href="#">Click for More Detail</a>	FY 2022 Income Limit Category	Persons in Family							
			1	2	3	4	5	6	7	8
Santa Ana-Anaheim-Irvine, CA HUD Metro FMR Area	<div style="border: 1px solid gray; padding: 2px;">VLI</div> \$119,100	Very Low (50%) Income Limits (\$) <a href="#">Click for More Detail</a>	47,450	54,200	61,000	<b>67,750</b>	73,200	78,600	84,050	89,450
		Extremely Low Income Limits (\$)* <a href="#">Click for More Detail</a>	28,500	32,550	36,600	<b>40,650</b>	43,950	47,200	50,450	53,700
		Low (80%) Income Limits (\$) <a href="#">Click for More Detail</a>	75,900	86,750	97,600	<b>108,400</b>	117,100	125,750	134,450	143,100

**Step 5:** Use the following calculation to determine the over-income limit:

- Very low-income limit x 2.4 = Over-income limit

Example: For a family of 4, calculate the over-income limit as follows:

- \$67,750 x 2.4 = \$162,600

If the family's annual income is greater than the over-income limit, then the family exceeds the over-income limit, and must be notified of this determination.

### GRACE PERIOD

PHAs are required to begin tracking the 24 consecutive month grace period once a family's income exceeds the applicable over-income limit.

#### Uninterrupted Grace Period:

- If a family is determined to be over-income at an annual or interim reexamination, the 24 consecutive month grace period begins.
- The 24-month 'clock' continues to run if the family remains over-income as determined by another reexamination 12 months later.
- At the end of the 24th month of the grace period, if the family remains over-income the family will be subject to the over-income policy of the PHA (i.e., termination within 6 months or beginning to pay the alternative rent).



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### Interrupted Grace Period:

- If the family is determined to no longer be over-income at any point within the 24-month period, the grace period no longer applies.
- The family remains an income-eligible public housing program participant.
- If the family is determined to be over-income again in the future, the family would be entitled to a new 24 consecutive month grace period.

### NOTIFICATION

Once a PHA determines through an annual reexamination or an interim reexamination that a family's income exceeds the applicable over-income limit, the PHA must notify the family up to a total of 3 times that they have exceeded the over-income limit and make a note in the tenant file to calculate the family's income again 12 months later to see if the family remains over-income.

**Notice 1:** Provide written notice to the over-income family no later than 30 days after the PHA's initial determination, stating that the family has exceeded the over-income limit and continuing to do so for a total of 24 consecutive months will result in the family having their tenancy terminated.

The notice must state that if the family disputes this determination within the specified time frame, the family has the right to request an Informal Meeting pursuant to the PHA's Grievance Procedures.

**Notice 2:** If the PHA determines that the family's income has exceeded the over-income limit for 12 consecutive months, the over-income family must be provided written notice of this fact no later than 30 days after said determination.

This notice must state that the family has exceeded the over-income limit for 12 consecutive months and that continuing to exceed the over-income limit for the next 12 consecutive months will result in the family having their tenancy terminated.

The notice must state that if the family disputes this determination within the specified time frame, the family has the right to request an Informal Meeting pursuant to the PHA's Grievance Procedures.

**Notice 3:** If the PHA determined that the family's income has exceeded the over-income limit for 24 consecutive months, the over-income family must be provided written notice of this fact no later than 30 days after said determination.

This notice must state that the family has exceeded the over-income limit for 24 consecutive months. This notice must also inform the over-income family that, at next lease renewal or in no more than 60 days after the date the final notice, whichever is sooner, the family must be terminated from their unit in no more than 6 months.

The notice must state that if the family disputes this determination within the specified time frame, the family has the right to request an Informal Meeting pursuant to the PHA's Grievance Procedures.



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### LIMITATION

After the 24 consecutive month grace period the PHA will take the following action:

- Terminate the tenancy of the over-income family in public housing 30 days after the final notice confirming that the family has been over-income for 24 consecutive months.
  - Lease to convert to month-to-month term and PHAs must charge OI families, who continue to be public housing program participants, the family's choice of income-based, flat rent, or prorated rent for mixed families during the period before termination.

### QUALITY CONTROL

A supervisor will randomly review completed rent determinations, verifications, and applicable very-low-income limits to ensure HUD prescribed verification methods have been followed and correct calculations were performed.