

XII. REQUIRED TERMINATION OF FAMILIES EXCEEDING THE OVER INCOME LIMIT

The Housing Opportunity Through Modernization Act of 2016 requires that Public Housing Authorities establish income limits for continued occupancy. The law sets the limit at 120 percent of the area median income.

Families with a valid Family Self-Sufficiency (FSS) contract are exempt from this Regulation.

A. Over Income Limit:

The over income limit is determined by multiplying the current HUD published Very-Low Income Limit for the family size by 2.4. Families are provided with a two-year grace period before any actions are taken in regards to an over income status.

B. Timing

1. At every annual or interim reexamination of income (on or after March 24, 2019) the HA will determine if the family's **adjusted** income exceeds the over-income limit. The HA shall document and track any over-income findings in the resident's file.
2. For over-income families, the HA will schedule an income reexamination (annual or interim) 12 months from the reexamination that identified the family as over income.

NOTE: The Flat Rent annual update does not require an over-income determination, only the income reexamination that must be performed at least once every three years for families on flat rents. If a Flat Rent family is over income at the reexamination, an interim reexamination must be conducted in 12 months.

C. Actions

1. If one year after the initial over-income finding by the HA, the family's income continues to exceed the over-income limit, the HA will provide written notification to the family.
2. This notification must inform the family that their income has exceeded the over-income limit for one year, and if the family's income continues to exceed the over-income limit for the next 12 consecutive months, the family will be subject to a higher rent (based on HUD guidelines to be provided and will be posted in the development office).

PHA Option: Terminate assistance within six months (remove this line and/or replace higher rent option in above paragraph)

NOTE: If the HA discovers through an annual or interim reexamination that a previously over-income family has income that is now below the over-income limit, the family is no longer subject to these provisions. A previously over-income family would be entitled to a new two-year grace period if the family's income once again exceeds the over-income limit.

Exception: The over-income limit does not apply to families with income exceeding the over-income limit if they are housed by a PHA renting to over-income families under Section XXIV, Occupancy by over Income Families in Certain Public Housing.