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Prepared for Customers of Ross Business Development, Inc.

RBD FASTFACTS – STREAMLINING & THE FAST ACT

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Disclaimer

The material contained in this document is not comprehensive of the continually emerging issues surrounding policies in The Multifamily Housing industry. In addition, the handbook guidance is derived from The HUD Handbook 4350.3 Rev 1 Change 4 released in August 2013 and in December 2013 and subsequent notices and memos from HUD.

These materials were updated 1/2021.

The reader should understand that these materials are not designed for, nor should be relied upon, as a source of legal guidance or as a final authority with respect to any particular circumstance.

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Owners and management should seek competent legal advice in developing and carrying out housing policies and procedures.

We have been diligent in our efforts to provide comprehensive and accurate regulatory instruction; Ross Business Development shall not be responsible for errors or inaccuracies.

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INTRODUCTION



In 2016 HUD released the first Streamlining Final Rule which introduced Streamlined Verification of Fixed Income (e.g., Social Security, Veterans Benefits, pensions, etc.). The Final Rule was explained in HSG Notice 2016-09 [Streamlining Administrative Regulations for Multifamily Housing Programs](#).

This change, along with a few other announcements and clarifications, was effective April 7, 2016.

In December, 2017, HUD introduced a Proposed Final Rule [Streamlining Administrative Regulations for Multifamily Housing Programs and Implementing Family Income Reviews Under the Fixing America's Surface Transportation \(FAST\) Act](#) adding three additional changes for Multifamily Housing programs. These included:

- Streamlined Verification of Assets valued at \$5000 or less
- Streamlined Certification for Fixed Income Families (90% or more of all income is from a fixed income source); and
- New distribution rules for Utility Reimbursements (UR) when UR is \$45 or less per quarter

These changes became effective March 12, 2018.

On May 7, 2020, after receiving comments from the industry, HUD released the Final Rule [Streamlining Administrative Regulations for Multifamily Housing Programs and Implementing Family Income Reviews Under the Fixing America's Surface Transportation \(FAST\) Act](#).

In this Final Rule, HUD addresses comments from the industry related to the Proposed Final Rule described above.

Included is a change to the rules regarding Streamlined Certification for Fixed Income Families. When creating certifications in Year 2 and Year 3 of Streamlined Certification, HUD will allow owner/agents to use Streamlined Verification of Fixed Income and allow owner/agents to use previous year's values for income that is not fixed (e.g., gift income).

This change to the Interim Final Rule became effective June 8, 2020.

VERIFICATION OF ASSETS

The Streamlining Final Rule provides property managers with more flexibility when verifying assets and income from assets.



When total Cash Value of Assets is \$5,000.00 or less, third-party verification of asset values and income from assets can be simplified.

The December 2017 Interim Final Rule amends the regulations so that, when the Net Cash Value of All Assets is \$5,000.00 or less, the OA conducts traditional verification to determine the Cash Value of Assets/Income from Assets in Year 1.

At Annual Recertification or Interim Recertification – for three years - the OA may accept a family's declaration that it has net assets valued at is \$5,000.00 or less and may accept a family's self-certification of the Anticipated Income from that asset.



The OA is not required to take additional steps to verify the accuracy of the declaration.

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CREATING AN ASSET SELF-CERTIFICATION FORM

OAs are going to have to create a new form to obtain the self-certifications.



Some of you are already using a form for LIHTC purposes. If that is the case, you may continue to use the same form for both LIHTC and HUD programs.

CHANGES TO VERIFICATION OF FIXED INCOME

Verification of Income and Certification is now easier when families receive income from a Fixed Income Source.

FIXED INCOME SOURCE

“Family member with a fixed source of income” is defined as a family member whose income includes periodic payments at reasonably predictable levels from one or more of the following sources:

- Social Security, Supplemental Security Income, Supplemental Disability Insurance;
- Federal, state, local, or private pension plans;
- Annuities or other retirement benefit programs, insurance policies, disability or death benefits, or other similar types of periodic receipts; or
- Any other source of income subject to adjustment by a verifiable COLA or current rate of interest.”

STREAMLINED VERIFICATION OF FIXED INCOME

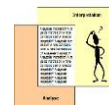


Streamlined Income Determination - AKA Streamlined Verification of Fixed Income - applies to Section 8 (not Mod Rehab), HCV/PBV, 202/811 and PH programs. It does not apply to 236, Rent Supp, or 221(d)(3) or (d)(5) programs.



The Streamlining Final Rule requires that third-party verification of all income amounts must be obtained for all family members in accordance with HUD requirements outlined in Chapter 5 of HH 4350.3 or subsequent Notices.

Third-party verification of all Fixed Income can be obtained for all family members every three years instead of annually. This is true for any family with a Fixed Income source.



In lieu of third-party verification, a new Streamlined Verification allows OAs to apply:

- A verified Cost of Living Adjustment (COLA) or
- Interest rate adjustment specific to that income

The verification of the COLA or current interest rate applicable to each source of Fixed Income must be obtained either from a public source (e.g., SSA.gov web site) or from resident-provided, third-party generated document. (e.g., an annuity policy providing a fixed percentage annual increase).



Example Streamlined Calculation of Fixed Income: Senior family – One household member (HUD Only – no LIHTC)

100% of annual income is fixed – \$585.00 SS \$1200.00 VA Pension

Direct Express = \$700

Checking Account Average Balance = \$1200

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Year 1 - 2020

- ✧ Resident completes questionnaire/certification of income sources – indicates SSA and VA are only source of income
- ✧ Use EIV to Verify SSA
- ✧ Use Medicare premium from printout
- ✧ Use Medical expense receipts for any other medical expenses (proof of prior year expenses does not have to be less than 120 days old – residents may collect receipts throughout the year)
- ✧ Obtain a VA Award Letter that is not more than 120 days old
- ✧ Verify Assets (Checking Account/Direct Express)
- ✧ Complete AR

Year 2 – 2021

- ✧ Resident completes questionnaire/certification of income sources – nothing has changed
- ✧ Use EIV to Verify SSA
- ✧ Use Medicare premium from EIV if Buyout Indicator is set to N
- ✧ Use Medical expense receipts for any other medical expenses (proof of prior year expenses does not have to be less than 120 days old – residents may collect receipts throughout the year)
- ✧ Copy 2020 VA Award Letter
- ✧ Visit <https://militarybenefits.info/cola-cost-of-living-adjustments/>
- ✧ Print out information re: 2021 COLA
- ✧ Calculate new VA Benefit
- ✧ Resident Self Certifies Assets
- ✧ Complete AR

Year 3 – 2022

- ✧ Resident completes questionnaire/certification of income sources – nothing has changed
- ✧ Use EIV to Verify SSA
- ✧ Use Medicare premium from EIV if Buyout Indicator is set to N
- ✧ Use Medical expense receipts for any other medical expenses (proof of prior year expenses does not have to be less than 120 days old – residents may collect receipts throughout the year)
- ✧ Copy 2021 VA Calculation Information
- ✧ Visit <https://militarybenefits.info/cola-cost-of-living-adjustments/>
- ✧ Print out information re: 2022 COLA
- ✧ Calculate new VA Benefit
- ✧ Resident Self Certifies Assets
- ✧ Complete AR

Year 1 – 2023

- ✧ Resident completes questionnaire/certification of income sources – indicates SSA and VA are only source of income
- ✧ Use EIV to Verify SSA
- ✧ Use Medicare premium from EIV if Buyout Indicator is set to N
- ✧ Use Medical expense receipts for any other medical expenses (proof of prior year expenses does not have to be less than 120 days old – residents may collect receipts throughout the year)
- ✧ Obtain a VA Award Letter that is not more than 120 days old
- ✧ Verify Assets (Checking Account/Direct Express)
- ✧ Complete AR

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VERIFICATION OF INCOME THAT IS SIMPLIFIED DUE TO CHANGES TO FIXED INCOME VERIFICATION

Using the new methods to determine annual income from fixed income described in the Streamlining Final Rule is optional.



This works for Social Security income, but there are a lot of other fixed income sources.

- State SSI
- Survivor's Benefits
- Resident Not Verified or Failed Verification (EIV Summary Report)
- Veteran's Benefits including VA Disability
- Annuity Income
- Railroad Retirement or Other Retirement
- Welfare Payment or Other State Payments



These are just some examples of situations where the Streamlining Final Rule makes the verification process easier.

FIXED INCOME FAMILY

Fixed Income Family: Households with at least 90 percent of their income from fixed-income sources (53 percent of all households), or 2.5 million of 4.7 million households in the HCV, PH, and PBRA programs being eligible to benefit from this Interim Final Rule. For example:

- Single member household - Bethany Brevard
- Ms. Brevard receives \$950 per month from Social Security = \$11400/annual
- Ms. Brevard receives \$100 per month as gift income from her granddaughter = \$1200/annual
- Total household Annual Income = \$12600
- Income from Fixed Income Source = \$11400
- Income from Income Source that is Not Fixed = \$1200

To determine if 90% of household income is fixed, divide Fixed Income by Total Annual Income

$$\$11400/\$12600 = 90.4761$$

This is a Fixed Income Family because at least 90% of the household income is from a fixed income source.

STREAMLINED RECERTIFICATION PROCESS FOR FIXED INCOME FAMILIES



Fifty-three percent of households receiving HUD's housing assistance, are Fixed Income Families; at least 90 percent of the total income is from fixed-income sources. For Fixed Income Families, OAs are required to conduct full income recertification every 3 years instead of annually.

All families are still required to complete the Annual Recertification process every year.

Under the new rules, OAs will be able to reduce the burden of the Annual Income Review, in years 2 and 3:

- By applying a COLA or fixed percentage increase to Fixed Income sources
- By accepting self-certification of Income Amounts That Are Not Fixed or Using Last Year's Income



OAs may, but are not required to, verify Income that is Not Fixed in years where no Fixed Income review is required.

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NEW PROCESS WITH ALL CHANGES

When applying all of the new rules, many owner/agents are using 2020 as “Year 1”.

In 2020 (Year 1), you probably completed the certification process using traditional methods as follows:

Understanding that we have done our best to create suggestions for our clients and that HUD has not approved or endorsed the methodology outlined below, this is what we’re suggesting.

1. Send all required reminder notices including the 60 Day Notice until certification is signed by the resident – we recommend providing an AR Questionnaire for the resident to complete or, if possible, have residents use a resident portal.
2. Provide required documents, including an Acknowledgement of Receipt of Required documents.
 - a. 9887/9887A (must be signed and maintained in the resident file)
 - b. 9887/9887A Fact Sheet
 - c. Fact Sheet (How Your Rent is Determined)
 - d. EIV & You brochure
 - e. Resident’s Rights and Responsibilities brochure (be sure you are using the current version)
 - f. Is Fraud Worth It? (Optional)
3. Review EIV Reports as required and complete an EIV AR/IR Checklist. Use EIV for:
 - a. Verification of employment (not employment income),
 - b. Verification of SS Income,
 - c. Verification of the Medicare Part B Deduction for eligible families
4. Schedule a meeting.
5. Collect and verify information.
 - a. **Income that is not Fixed Income**
 - i. Obtain third party verification of income that is not fixed
 - ii. If that is not possible, document the file and accept resident self-certification.
 - b. **Termination of Employment**
 - i. If the resident reports termination of employment, attempt third-party verification and if that is not possible, document the file and accept resident self-certification.
 - c. **Unemployment**
 - i. Project regular unemployment for 52 weeks as specified in HH 4350.3 Paragraph 5-5 A1.
 - ii. Unemployment provided through the CARES Act
 1. Section 2102: Pandemic Unemployment Assistance (PUA). This is an unemployment benefit for individuals who are self-employed, seeking part-time employment, or whom otherwise would not qualify for regular unemployment insurance (UI). **HUD has determined that PUA benefits must be included as annual income.**
 2. Section 2104: Federal Pandemic Unemployment Compensation (FPUC) program. This program provides eligible individuals who are collecting certain UI benefits, including regular unemployment compensation to receive an additional \$600 in federal benefits per week for weeks of unemployment ending on or before July 31, 2020. HUD has determined that **FPUC benefits meet the definition of temporary income and must NOT be included in annual income.**
 3. Section 2107: Pandemic Emergency Unemployment Compensation (PEUC) program. This program provides an extension to regular unemployment insurance benefits for eligible individuals, allowing them to receive up to 13 weeks of

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additional benefits (this extends UI from 26 weeks to 39 weeks in total). **HUD has determined that PEUC benefits must be included in annual income.**

- d. Social Security Income**
 - i. If the resident receives Social Security, owner/agents use EIV whenever possible.
 - ii. If resident's information is not in EIV, obtain award letter that is not more than 120 days old (SSA Survivor's Benefits)
- e. Fixed Income**
 - i. If resident receives other fixed income (e.g., Veterans benefits), obtain award letter or other third-party verification that is not more than 120 days old
- f. Assets**
 - i. If the resident has assets, the cash value of the assets is verified as indicated in HH 4350.3 (e.g., six bank statements for checking accounts, ATM print out for Direct Express cards, etc.)
- g. Medical Expenses & Disability Assistance Expenses**
 - i. If appropriate, use Medicare Premium information provided in EIV
 - ii. Resident provides documents required to verify out-of-pocket medical expenses.
- h. Childcare Expense**
 - i. If appropriate, verify child care expenses for anyone who is working, looking for work or attending school.
- i. Students**
 - i. If a member is a student enrolled in an institute of higher education, obtain information directly from the educator (including from a student portal) and verify full-time or part-time status and any educational financial assistance.
- j. Citizenship Eligibility**
 - i. If there is no change to citizenship eligibility status for any member, no action is required.
 - ii. If citizenship eligibility status changed for any member, owner/agents collect new documents and a new Declaration, Citizenship Consent, a new Family/Owner Summary and SAVE verification.
 - iii. If any member's citizenship eligibility was Pending, the owner/agent must obtain verification of eligibility

6. Complete 50059
7. Obtain signatures for all adult household members
8. Provide Initial Notice – Requirement to Meet Annually
9. Transmit to TRACS
10. Check for errors

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Not a Fixed Income Family

One member gets VA

Not an elderly or disabled family so no medical expense

In 2021 (Year 2), in response to sheltering-in-place orders due to the COVID-19 pandemic, many owner/agents have changed their process and have implemented Streamlined Verification processes in order to complete certifications.

Decide how certifications should be completed and sent when there is no way to complete verification or obtain required signatures. Our suggested process, including implementation of Streamlined Verification and Streamlined Certification when the family is NOT a Fixed Income Family is outlined below:

1. **Analyze last year's certification** to see what documentation needs to be provided
 - a. Can you use Streamlined Verification of Assets?
 - b. Can you use Streamlined Verification of Fixed Income?
 - c. Can you use Streamlined Certification for Fixed Income Family?
2. **Provide a 120-Day Reminder Notice** (60-Day and 90-Day Notices will also be issued based on HUD requirements) Do not stop sending AR Notices.
3. **Provide required forms** and obtain signatures and/or acknowledgement of receipt.
 - a. 9887/9887A (must be signed and maintained in the resident file)
 - i. OAs may accept electronic signature.
 - ii. If the resident cannot provide any signature, OAs may document the resident file explaining why there is no signed 9887 in the file and original signatures will be collected later
 - b. 9887/9887A Fact Sheet
 - c. Fact Sheet (How Your Rent is Determined)
 - d. EIV & You brochure
 - e. Resident's Rights and Responsibilities brochure (use the current version MFH)
 - f. Is Fraud Worth It? (Optional)
4. **Run & Review EIV Reports**
5. **Meet with the residents** (in person or via conference call or web meeting).
 - a. If the resident does not report by the AR effective date, the OA may terminate assistance (or tenancy if PRAC)
 - b. If the resident is completely unavailable due to restraints caused by COVID-19, the OA:
 - i. May create the certification using available information and send the certification using an Extenuating Circumstance Code (discussed below)

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- ii. If the OA submits the certification using the Extenuating Circumstance Code (without tenant signature) the OA:
 - Must document the file explaining why the certification is sent without signature and when the signature will be obtained
 - Should advise the resident that the certification will be completed later and any changes will be retroactive to the original AR effective date

6. Collect as much information as possible.

a. Income that is not Fixed Income

- i. Obtain third party verification of income that is not fixed
- ii. If the resident is receiving “hazard pay”, include that income when calculating annual income
- iii. If collecting third-party verification is not possible, document the file and accept resident self-certification. OAs are not required to “go back” and verify later. In compliance with HH 4350.3 R1, Paragraph 5-13, as long as the file is documented correctly, this completes the verification process.

b. Termination of Employment

- i. If the resident reports termination of employment attempt third party verification and if that is not possible, document the file and accept resident self-certification. OAs are not required to “go back” and verify later. In compliance with HH 4350.3 R1, Paragraph 5-13, as long as the file is documented correctly, this completes the verification process.

c. Unemployment

- i. Conduct third-party verification including asking the resident to provide document, that is not more than 120 days old, showing proof of regular unemployment
- ii. Project regular unemployment for 52 weeks as specified in HH 4350.3 Paragraph 5-5 A1 even if the verification indicates an end date.
- iii. Advise resident to notify if they become employed or if unemployment stops
- iv. Unemployment provided through the CARES Act
 - Section 2102: Pandemic Unemployment Assistance (PUA). This is an unemployment benefit for individuals who are self-employed, seeking part-time employment, or whom otherwise would not qualify for regular unemployment insurance (UI). **HUD has determined that PUA benefits must be included as annual income.**
 - Section 2104: Federal Pandemic Unemployment Compensation (FPUC) program. This program provides eligible individuals who are collecting certain UI benefits, including regular unemployment compensation to receive an additional \$600 in federal benefits per week for weeks of unemployment ending on or before July 31, 2020. HUD has determined that **FPUC benefits meet the definition of temporary income and must NOT be included in annual income.**
 - Section 2107: Pandemic Emergency Unemployment Compensation (PEUC) program. This program provides an extension to regular unemployment insurance benefits for eligible individuals, allowing them to receive up to 13 weeks of additional benefits (this extends UI from 26 weeks to 39 weeks in total). **HUD has determined that PEUC benefits must be included in annual income.**

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d. Other Fixed Income

- i. If a resident receives other fixed income (e.g. Veterans benefits), and the OA will use Streamlined Verification of Fixed Income
 - Ask the resident to provide an award letter or other documentation showing income including the 2021 COLA/percentage increase. Use the income illustrated on the award letter or other documentation. If the letter is more than 120 days old, document the resident file explaining why verification was conducted using an outdated letter. Make sure there is some kind of note to go back and obtain this information; or
 - Go to the appropriate web site illustrating the 2021 increase. Print the information about any 2021 increase and calculate the new income. Include the Fact Sheet in the resident file.

e. Assets

- i. If last year's verified assets were \$5000 or less, and the OA will use Streamlined Verification of Assets, the resident provides Self-Certification Of Assets which is necessary to conduct Streamlined Verification. If the OA cannot obtain tenant signatures or cannot witness these signatures, make a note to the file and obtain signatures later. OAs may accept electronic signature
- ii. If the resident cannot meet due to COVID restrictions and the OA plans to send the certification using the Extenuating Circumstances Code, OAs may choose to use last year's asset information. The OA:
 - Must document the file explaining why the asset information was not verified
 - Should advise the resident that the verification will be completed later and any changes will be retroactive to the original AR effective date
- iii. If last year's verified assets totaled more than \$5000, request verification documentation from the third-party or from the resident. If that is not possible, document the file and accept resident self-certification. OAs are not required to "go back" and verify later. In compliance with HH 4350.3 R1, Paragraph 5-13, as long as the file is documented correctly, this completes the verification process. OAs may accept electronic signature.

f. Medical Expenses & Disability Assistance Expenses

- i. If appropriate, use Medicare Premium information provided in EIV
- ii. If the resident cannot meet at all due to COVID restrictions or if the OA cannot verify medical expenses and the OA plans to send the certification using the Extenuating Circumstances Code, OAs may choose to use last year's recurring medical expense information. Do not include one-time non-recurring expenses on the new AR. The OA:
 - Must document the file explaining why the medical expense information was not verified
 - Should advise the resident that the verification will be completed later and any changes will be retroactive to the original AR effective date
- iii. If the OA and resident can meet, the OA can conduct third-party verification and/or ask the resident to provide documents required to verify out-of-pocket medical expenses.

g. Childcare Expense

- i. If appropriate, verify child care expenses for anyone who is working, looking for work or attending school.

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h. Students

- i. If a member is a student enrolled in an institute of higher education, obtain information directly from the educator (including from a student portal) and verify full-time or part-time status and any educational financial assistance.

i. Citizenship Eligibility

- i. If there is no change to citizenship eligibility status for any member, no action is required.
- ii. If citizenship eligibility status changed for any member, owner/agents collect new documents and a new Declaration, Citizenship Consent, a new Family/Owner Summary and SAVE verification.
- iii. If any member's citizenship eligibility was Pending, the owner/agent must obtain verification of eligibility

7. Create Annual Certification for all Families

8. Obtain Signatures (electronic or original signature)

- a. If OA cannot get a signature or if OA cannot complete the certification (cannot get appropriate verification) then:
 - i. Send the certification using the Extenuating Circumstance Code *1- Medical, 2 – Late AR Due to Reasonable Accommodation or Extenuating Circumstance or 10 – Other*
 - ii. Document the file explaining why the certification is not signed and when OA expect to get signatures.

9. Transmit AR to TRACS

10. If OA sent the certification using Extenuating Circumstance Process

- a. Send a notice to the resident when OA is ready for the resident to provide signatures
- b. Correct certification if necessary
- c. Obtain required resident signatures
- d. Send corrected certification to TRACS

11. Provide residents with the Initial Notice of Requirement to Report (*must be signed by resident and owner/agent*)



Fixed Income Family

For those of you with properties serving seniors or properties serving people with disabilities, you will be able to implement Streamlined Certification of Fixed Income Families for most of your residents. In 2021 (Year 2), in response to sheltering-in-place orders due to the COVID-19 pandemic, many owner/agents have changed their process and have implemented Streamlined Verification/Certification processes in order to complete certifications.

Decide how certifications should be completed and sent when there is no way to complete verification or obtain required signatures. Our suggested process when working with a Fixed Income Family, including implementation of Streamlined Verification and Streamlined Certification is outlined below:

1. Analyze last year's certification to see what documentation needs to be provided
 - a. Can you use Streamlined Verification of Assets?
 - b. Can you use Streamlined Verification of Fixed Income?
 - c. Can you use Streamlined Certification for Fixed Income Family?
2. Provide a 120-Day Reminder Notice (60-Day and 90-Day Notices will also be issued based on HUD requirements) Do not stop sending AR Notices.
3. Provide required forms and obtain signatures and/or acknowledgement of receipt.
 - a. 9887/9887A (must be signed and maintained in the resident file)
 - i. OAs may accept electronic signature.
 - ii. If the resident cannot provide any signature, OAs may document the resident file explaining why there is no signed 9887 in the file and original signatures will be collected later
 - b. 9887/9887A Fact Sheet
 - c. Fact Sheet (How Your Rent is Determined)
 - d. EIV & You brochure
 - e. Resident's Rights and Responsibilities brochure (use the current version - MFH)
 - f. Is Fraud Worth It? (Optional)
4. Run EIV Reports
5. Meet with the residents (in person or via conference call or web meeting).
 - a. If the resident does not report by the AR effective date, the OA may terminate assistance (or tenancy if PRAC)
 - b. If the resident is completely unavailable due to restraints caused by COVID-19, the OA:
 - i. May create the certification using available information and send the certification using an Extenuating Circumstance Code (discussed below)
 - ii. If the OA submits the certification using the Extenuating Circumstance Code (without tenant signature) the OA
 - Must document the file explaining why the certification is sent without signature and when the signature will be obtained

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- Should advise the resident that the certification will be completed later and any changes will be retroactive to the original AR effective date
6. Collect as much information as possible.
- a. Income**
- i. Ask the resident to complete a Self-Certification of Income. Make sure fixed income is 90% or more of all family income.
 - **Social Security Income**
 - a. If the resident receives Social Security, OAs use EIV whenever possible.
 - b. If a resident's information is not in EIV and the OA will use Streamlined Verification of Fixed Income
 - i. Ask the resident to provide an award letter showing income including the 2020 COLA increase. Use the income illustrated on the award letter (including cents even if the resident does not receive cents) Since SSA offices are currently closed, OAs may accept a letter that is less than 120 days old but will need to obtain a current letter later. If the letter is more than 120 days old, document the resident file explaining why verification was conducted using an outdated letter. Make sure there is some kind of note to go back and obtain this information; or
 - ii. Go to the SSA web site illustrating the 2020 COLA increase. <https://www.ssa.gov/news/press/factsheets/colafacts2020.pdf> Print the 2020 COLA Fact Sheet and calculate the new income. Include the Fact Sheet in the resident file.
 - **Fixed Income**
 - a. If a resident receives other fixed income (e.g. Veterans benefits), and the OA will use Streamlined Verification of Fixed Income
 - i. Ask the resident to provide an award letter or other documentation showing income including the 2021 COLA/percentage increase. Use the income illustrated on the award letter or other documentation. If the letter is more than 120 days old, document the resident file explaining why verification was conducted using an outdated letter. Make sure there is some kind of note to go back and obtain this information; or
 - ii. Go to the appropriate web site illustrating the 2021 increase. Print the information about any 2021 increase and calculate the new income. Include the Fact Sheet in the resident file.
 - **Income That is Not Fixed**
 - a. Accept self-certification; or
 - b. Use last year's income number
- b. Assets**
 - i. If last year's verified assets were \$5000 or less, and the OA will use Streamlined Verification of Assets, the resident provides Self-Certification Of Assets which is necessary to conduct Streamlined Verification. If the OA cannot obtain tenant signatures or cannot witness these signatures, make a note to the file and obtain signatures later. OAs may accept electronic signature.

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- ii. If the resident cannot meet at all due to COVID restrictions and the OA plans to send the certification using the Extenuating Circumstances Code, OAs may choose to use last year's asset information. The OA:
 - Must document the file explaining why the asset information was not verified
 - Should advise the resident that the verification will be completed later and any changes will be retroactive to the original AR effective date
- iii. If last year's verified assets totaled more than \$5000, request verification documentation from the third-part or from the resident. If that is not possible, document the file and accept resident self-certification. OAs are not required to "go back" and verify later. In compliance with HH 4350.3 R1, Paragraph 5-13, as long as the file is documented correctly, this completes the verification process. OA may accept electronic signature.

c. Medical Expenses & Disability Assistance Expenses

- i. If appropriate, use Medicare Premium information provided in EIV
- ii. If the resident cannot meet at all due to COVID restrictions or if the OA cannot verify medical expenses and the OA plans to send the certification using the Extenuating Circumstances Code, OAs may choose to use last year's recurring medical expense information. Do not include one-time non-recurring expenses on the new AR. The OA:
 - Must document the file explaining why the medical expense information was not verified
 - Should advise the resident that the verification will be completed later and any changes will be retroactive to the original AR effective date
- iii. If the OA and resident can meet, the OA can conduct third-party verification and/or ask the resident to provide documents required to verify out-of-pocket medical expenses.

7. Create Annual Certification for all Families

8. Obtain Signatures (electronic or original signature)

- a. If OA cannot get a signature or if OA cannot complete the certification (cannot get appropriate verification) then:
 - i. Send the certification using the Extenuating Circumstance Code *1- Medical, 2 – Late AR Due to Reasonable Accommodation or Extenuating Circumstance or 10 – Other*
 - ii. Document the file explaining why the certification is not signed and when OA expects to get signatures.

9. Transmit AR to TRACS

10. If OA sent the certification using Extenuating Circumstance Process

- a. Send a notice to the resident when ready for the resident to provide signatures
- b. Correct certification if necessary
- c. Obtain required resident signatures
- d. Send corrected certification to TRACS

11. Provide residents with the Initial Notice of Requirement to Report