

Multifamily Housing News

Asset Management

U.S. Department of Housing and Urban Development



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Tenant Recertification Flexibilities

Owners and Operators,

HUD would like to remind owners/agents participating in HUD Multifamily project-based rental assistance programs of flexibilities using recertifications to help support residents who are in rent arrears, and accompanying requirements:

1. Interim recertifications. Tenants may request an interim recertification due to any change in family income that may affect their Total Tenant Payment (TTP) or tenant rent and assistance payment that occurred since their last income recertification. Owners **must** conduct the interim recertification within a reasonable time period after the family's request, generally not to exceed 30 days from the date a family reports changes in income to the owner.

2. Obligation to apply adjusted rent. When a tenant complies with the owner's interim reporting requirements, the owner/agent **must** retroactively apply any reduction in rent starting with the first day of the month after the date of the action that caused the decrease in income.

3. Retroactive recertification. If a tenant does not comply with the owner's interim reporting requirements and the owner discovers the tenant has failed to report the decrease in income and subsequently recertifies, any resulting rent decrease must be implemented effective the first rent period following completion of the recertification. **Rent decreases may be applied retroactively at the discretion of the owner**, in accordance with the owner's conditions as established in written policy. Retroactive rent decreases may not be applied by the owner prior to the later of the first of the month following:

- a. The date of the change leading to the interim recertification of family income; or
- b. The effective date of the family's most recent previous interim or annual recertification (or initial recertification if that was the family's last examination).

Owners must establish as part of written policy that they will implement retroactive rent decreases in order to exercise this flexibility.

While owners/agents are responsible for setting policies prescribing when and under what conditions a family must report a change in family income or composition, HUD encourages owners to be as flexible as possible when creating such policies.

Lastly, certain hardship exceptions (e.g., minimum rent, child care expenses, etc.) may be applicable to families who fall behind on their rent obligations. In such cases, we encourage owners to review and apply their hardship exemptions towards affected families when possible.