

OVERVIEW OF ANNUAL RECERTIFICATION PROCEDURES

(06/07)

It is the owner's responsibility to process all recertifications in a timely manner. HUD Headquarters will terminate assistance payments if a new recertification is not submitted within 15 months of the previous year's recertification anniversary date. HUD has instructed Contract Administrators to terminate assistance payments to an owner if a new annual recertification has not been completed and submitted through TRACS within 15 months after the previous year's anniversary date. **Owners must follow the guidance in paragraph 7-8 for determining the effective date for changes in the TTP, tenant rent and assistance payment when the recertification is delayed. **

EXAMPLE – TIMELY RECERTIFICATION OF A TENANT

- Recertification anniversary date is 9/1.
- Owner sends tenant First Reminder Notice on 5/1.
- **Owner sends tenant Second Reminder Notice on 6/1
- Tenant reports for recertification interview on 6/25.
- Owner completes processing of recertification and provides 30-day notice of rent increase to the tenant on 7/25.
- Assistance payment, TTP, and tenant rent change on 9/1.

EXAMPLE – TIMELY TENANT RESPONSE, BUT DELAYED VERIFICATION PROCESSING

- Recertification anniversary date is 9/1.
- Owner sends out all notices in compliance with the requirements on 5/1, 6/1 and 7/1.
- Tenant responds on 7/8.
- Owner completes processing on 8/3.
- Assistance payment changes on 9/1.
- Rent increase is effective on 10/1.

EXAMPLE – TENANT DELAYS RECERTIFICATION PROCESS

- Recertification anniversary date is 9/1.
- Owner provides all three recertification reminder notices per HUD requirements.
- Tenant reports for recertification interview on 8/28.
- Owner finishes processing recertification and notifies the tenant on 9/20.
- New assistance payment, TTP, and tenant rent are retroactive to 9/1.
- The owner does not provide the tenant with a 30-day rent increase notice.

EXAMPLE – OWNER OR THIRD-PARTY CAUSES DELAYS IN RECERTIFICATION PROCEDURES

- Recertification anniversary date is 9/1.
- Owner sends First Reminder Notice on 8/1.
- Tenant reports for recertification interview on 8/15.
- Owner finishes processing recertification and provides the tenant with rent increase notice on 9/15.
- Assistance payment changes take effect on 9/1.
- TTP and tenant rent changes take effect on 11/1.

EXAMPLE – TENANT OUT OF COMPLIANCE

- Recertification anniversary date is 9/1.
- Owner provides all three recertification notices per HUD requirements.
- Tenant does not respond to notices. Rent raised to market rate effective 9/1.
- Tenant responds 9/10.
- Owner completes processing of income certification on 9/30.
- New rent TTP/tenant rent effective 10/1 (reduced from market rent if assistance reinstated).

EXAMPLE – TENANT OUT OF COMPLIANCE AND RECERTIFICATION COMPLETED IN SECOND MONTH FOLLOWING TENANT RESPONSE

- Recertification anniversary date is 9/1.
- Owner provides all three recertification notices per HUD requirements.
- Tenant does not respond to notices. Rent raised to market rate effective 9/1.
- Tenant responds on 9/30.
- Recertification not complete 10/1.
- Owner completes recertification on 10/20.
- New TTP/tenant rent retroactive to 10/1.