## PHA Public Housing Policy Concerning Over-Income Families [24 CFR 960.507; FR Notice 7/26/18; Notice PIH 2019-11; FR Notice 2/14/23]

In the public housing program, an *over-income family* is defined as a family whose income exceeds the over-income limit for 24 consecutive months. When this occurs, the PHA must either:

* Terminate the family’s tenancy within six months of the PHA’s final notification of the end of the 24-month grace period; or
* Within 60 days of the PHA’s final notification of the end of the 24-month grace period or the next lease renewal (whichever is sooner), have the family execute a new lease that is consistent with 24 CFR 960.509 and charge the family a monthly rent that is the higher of the applicable fair market rent (FMR) or the amount of monthly subsidy for the unit, including amounts from the operating and capital funds.

PHA Policy

It is the policy of the PHA for families whose income exceeds the over-income limit for 24 consecutive months, the PHA will terminate the tenancy of the family no more than six months after the final notification of the family’s over-income status in accordance with the continued occupancy policies below.

**Over-Income Limit [Notice PIH 2019-11]**

The PHA must publish over-income limits in their ACOP and update them no later than 60 days after HUD publishes new income limits each year. The over-income limit is calculated by multiplying the very low-income limit (VLI) by 2.4, as adjusted for family size.

PHA Policy

The PHA will rely on the following over-income limits. These numbers will be updated within 60 days of HUD publishing new income limits each year and will be effective for all annual and interim reexaminations once these policies have been adopted.

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| **Family Size** | **1** | **2** | **3** | **4** | **5** | **6** | **7** | **8** |
| **Over-Income Limit** | **$81,240** | **$92.880** | **$104,520** | **$116,040** | **$125,400** | **$134,640** | **$144,000** | **$153,240** |

The over-income limit is calculated by multiplying the very-low limit (VLI) by 2.4 as adjusted for family size. For families larger than eight persons, the over-income limit will be calculated by multiplying the applicable very low-income limit by 2.4.

**Decreases in Income [24 CFR 960.507(c)(4)]**

If, at any time during the consecutive 24-month period following the initial over-income determination, the PHA determines that the family’s income is below the over-income limit, the PHA’s over-income policies no longer apply to the family. If the PHA later determines that the family’s income exceeds the over-income limit at a subsequent annual or interim reexamination, the family is entitled to a new 24 consecutive month period and new notices under this section.

PHA Policy

If, at any time during the 24-month period following the initial over-income determination, an over-income family experiences a decrease in income, the family may request an interim redetermination of rent in accordance with PHA policy in Chapter 9.

If, as a result, the previously over-income family is now below the over-income limit, the family is no longer subject to over-income provisions as of the effective date of the recertification. The PHA will notify the family in writing within 14 business days of the determination that over-income policies no longer apply to them.

**Initial Notice of Over-Income Status [24 CFR 960.507(c)(1)]**

If the PHA determines the family has exceeded the over-income limit during an annual or interim reexamination, the PHA must provide written notice to the family of the over-income determination no later than 30 days after the income examination. The notice must state 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 PHA following its continued occupancy policy for over-income families. The PHA must afford the family an opportunity for a hearing if the family disputes within a reasonable time the PHA’s determination that the family has exceeded the over-income limit.

PHA Policy

At annual or interim reexamination, if a family’s income exceeds the applicable over-income limit, within 14 business days the PHA will notify the family in writing of the determination and that if the family continues to be over-income for 24 consecutive months, the family will be subject to the PHA’s over-income policies. The notice will state that the family may request a hearing if the family disputes the PHA’s determination in accordance with PHA policies in Chapter 14.**Second Notice of Over-Income Status [24 CFR 960.507(c)(2)]**

The PHA must conduct an income examination 12 months after the initial over-income determination, unless the PHA determined the family’s income fell below the over-income limit since the initial over-income determination. If the PHA determines the family continues to exceed the over-income limit for 12 consecutive months, the PHA must provide written notification of this 12-month over-income determination no later than 30 days after the income examination. The notice must state that the family has exceeded the over-income limit for 12 consecutive months and continuing to do so for a total of 24 consecutive months will result in the PHA following its continued occupancy policy for over-income families. Additionally, if applicable under PHA policy, the notice must include an estimate (based on current data) of the alternative non-public housing rent for the family’s unit. The PHA must afford the family an opportunity for a hearing if the family disputes within a reasonable time the PHA’s determination that the family has exceeded the over-income limit.

PHA Policy

If a family’s income exceeds the applicable over-income limit after 12 consecutive months, within 14 business days, the PHA will notify the family in writing of the determination and that if the family continues to be over-income for 24 consecutive months, the family will be subject to the PHA’s over-income policies. The notice will also state that the family may request a hearing if the family disputes the PHA’s determination in accordance with PHA policies in Chapter 14.

**Final Notice of Over-Income Status [24 CFR 960.507(c)(3) and 960.509]**

Unless the PHA determined the family’s income fell below the over-income limit since the second over-income determination, the PHA must conduct an income examination 24 months after the initial over income determination. If the family continues to be over-income based on this determination, the PHA must provide written notification of this determination no later than 30 days after the income examination. The notice must state that the family has exceeded the over-income limit for 24 consecutive months and that the PHA will follow its continued occupancy policies for over-income families. The PHA must afford the family an opportunity for a hearing if the family disputes within a reasonable time the PHA’s determination that the family has exceeded the over-income limit.

PHA Policy

For families whose income exceeds the over-income limit for 24 consecutive months, the PHA will terminate the tenancy of the family nor more than six months after the final notification of the family’s over-income status.

During the period before termination, the over-income family will continue to be a public housing program participant until their tenancy is terminated. The PHA will continue to charge the family rent in accordance with public housing regulations, will offer the family the choice between income-based and flat rent as required by the regulations, and will prorate rent for mixed families.

The PHA will give appropriate notice of lease tenancy termination (notice to vacate) in accordance with state and local laws.

The PHA will begin tracking over-income families once these policies have been adopted, but no later than June 14, 2023.