



November 10, 2022

Rural Development

Joaquin Altoro
Administrator

Rural Housing Service
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Room 5011-S
Washington, D.C. 20250

TO: All RHS MFH National Office Directors
Field Office Staff
Rural Development

ATTN: Leadership Designees
Field Operations Division Program Staff
Rural Development

FROM: Joaquin Altoro /s/ *Cathy Glover*
Administrator
Rural Housing Service

SUBJECT: Multifamily Housing Temporary Exception to Tenant Recertification
Requirements (7 CFR 3560.152(e))

PURPOSE

The purpose of this Unnumbered Letter (UL) is to inform Multifamily Housing (MFH) staff of a temporary exception to certain tenant recertifications requirements in 7 CFR 3560.152(e) and to require notification of the exception to borrowers, project managers, and tenants. This exception is authorized under the Administrator’s exception authority found at 7 CFR 3560.8.

BACKGROUND

On October 13, 2022, the Social Security Administration announced there will be an 8.7% increase in Social Security and Supplemental Security Income (SSI) benefits in 2023. According to the Social Security Administration, Social Security benefits will increase by an average of more than \$140 per month starting in January. This increase is due in part to the current inflationary pressures on the economy and a demanding labor market that has dramatically increased salaries, also seen in HUD’s average increase of 11-12% in Area Median Income this year.

The regulation at 7 CFR 3560.152(e) requires, among other things, that tenant households must be recertified and must execute a tenant certification form at least annually or whenever a change in household income of \$100 or more per month occurs.

EXPIRATION DATE:
November 30, 2023

FILING INSTRUCTIONS:
Housing Programs

The 8.7% cost-of-living adjustment (COLA) will begin with benefits payable in January 2023. As this would require recertifications for most Social Security recipients, **the Agency is temporarily waiving the recertification requirement for tenants whose household income, regardless of income type, has increased by more than \$100 but less than \$200. Accordingly, during the Exception period, tenants will not be required to execute a tenant certification form unless their household income changes by \$200 or more per month.** This temporary change also aligns the MFH program with the current HUD regulatory requirement. This is a temporary waiver that will be in place through calendar year 2023, expiring on December 31, 2023.

IMPLEMENTATION

To alleviate the burden of unnecessary work for management agents and tenants, the following guidance is being provided for interim tenant certifications:

- 7 CFR 3560.152(e) – The Agency is temporarily waiving the recertification requirement for tenants whose household income has changed by more than \$100 but less than \$200 per month. During the period of the waiver, tenant households must be recertified and must execute a tenant certification form at least annually *or whenever a change in household income of \$200 or more per month occurs*. This exception is effective immediately and will expire on December 31, 2023.
- The requirement that borrowers must recertify for changes of \$50 per month, if the tenant requests that such change be made, is still in effect.

This exception does not apply to, or change the requirements for, annual renewal certifications.

Stakeholders will be informed of this change through GovDelivery and a Federal Register notice.

MFH Field staff will take the following steps:

1. A copy of the GovDelivery notice and Federal Register notice must be provided to all property owners and management agents assigned to your portfolio.
2. Field staff must instruct owners and management agents to post the notices in a conspicuous location at their property(s) as well as provide a copy of the notices to all tenants.
3. This UL can be referenced on the USDA Rural Development – Resources site under Directives – Unnumbered Letters – Housing Programs.

If you have any questions regarding the guidance in this UL, please contact Michael Resnik, Acting Director, Multi-Family Housing, Asset Management Division, RHS (Michael.Resnik@usda.gov) or telephone 202-430-3114.