

CLARE TOWERS, INC.
TENANT SELECTION PLAN



PROJECT ELIGIBILITY REQUIREMENTS

A. Physical Disability Requirement

1. Applicant must be the head of household and a person with a physical disability that affects their mobility.
2. Head of the Household (HOH) - The adult member of the family who is the head of the household for the purpose of determining income eligibility and rent.
3. Physical Disability with Mobility Impairment – Is defined by HUD as a physical impairment which (a) is expected to be of long-continued and indefinite duration, (b) substantially impedes his/her ability to live independently, and (c) is of a nature that such disability could be improved by more accessible housing modifications.
4. The Federal Government requires the owner to verify that the applicant's disability results in a physical impairment which requires adaptive housing. All of our facilities are wheelchair accessible. It is NOT MANDATORY that the applicant use a wheelchair, but applicant's disability must affect their mobility in some way. Federal law authorizes aided housing for a person or family of a person who is physically handicapped and of legal age.

B. Income Requirements

1. Income Limits – Extremely low income applicants will be selected first from the waiting list to occupy 40% of the rental units expected to be filled during any fiscal year to comply with HUD requirements. Subsequently, applicants will be selected from any waiting, list regardless of income, as long as they meet the income requirements.
2. HUD establishes income limits and revises them annually to ensure that federal rental assistance is provided to only qualified families. Income limits are based on family size and the annual income the household receives.

TENANT SCREENING CRITERIA & ELIGIBILITY

YOU WILL BE DENIED RENTAL IF ANY OF THE FOLLOWING APPLY:

1. The disability for the Head of Household cannot be verified by a medical professional.
2. Household income exceeds the amount allowed by HUD.
3. You fail to provide complete & accurate information on the application.
4. You fail to provide your complete rental history and/or falsify any current or prior rental information.
5. If an eviction action has been filed against you for any reason regardless of the outcome within the past 7 years.
6. You fail to provide accurate information regarding any past termination of tenancy and/or eviction.
7. Your credit score is 500 or less. Note: A qualified applicant who has no credit score due to lack of credit history will be given all due considerations with two (2) personal references from persons other than a relative.
8. You owe a landlord for past due rent, damages or any other reason related to your tenancy.
9. A landlord has obtained a money judgment against you or put a past due amount owed to them in collections within the last 10 years that has not been satisfied.
10. You are unable to obtain electrical service in your name.
11. Your current or prior landlord reports rent being paid late two or more times in any 12 month period.

12. Your current or prior landlord reports that you violated provisions of your rental agreement and/or rules and regulations.
13. Your current or prior landlord reports that you had unauthorized persons residing in the rental unit or guests that exceeded the visitation policy.
14. If current or previous landlords would be unwilling to rent to you again for any reason pertaining to your behavior or that of your family members, guests, or invitees.
15. You have previously been evicted from or had your tenancy terminated at any rental property owned by Clare Towers, Inc. and/or managed by St. Clare Management, Inc.
16. You do not meet the Student Eligibility Guidelines set forth by HUD
17. If you have been convicted of illegally manufacturing or distributing a controlled substance as defined in section 102 of the Controlled Substance Act (21 U.S.C. 802)
18. If you or anyone in household is a state registered lifetime sex offender. HUD Notice PIH 2012-28 / H 2012-11 Prohibits admission to individuals subject to a lifetime registration requirement under a State sex offender registration program.
19. All properties located in Milwaukee are subject to MCO 106-51 residency restrictions.

ACCEPTING APPLICATIONS, WAITING LIST SELECTIONS & MOVING INTO A UNIT

A. Application Processing

1. Applications will be processed in the order in which they are received and without regard to age, race, color, religion, sex, sexual orientation, disability/handicap, family/familial status, marital status, lawful source of income, national origin/ancestry, victim of sexual abuse, domestic abuse or stalking, and any other protected class.
2. The agent for Clare Tower's, Inc. will explain all eligibility requirements to any interested person. If requested, an introductory letter, application, and Certification of Disability form (COD) will be mailed to applicant or can be picked up at the office.
3. The application will be date and time stamped when completed and returned to the office.
4. The application will be rejected if it is not complete.
5. If the application is complete, a Certification of Disability will then be faxed over to the professional health care provider specified for verification purposes. Three (3) attempts will be made to contact the health care provider specified to verify the applicant's disability. If no response is been received after three (3) attempts the application will be rejected. Applicant will be notified of rejection by letter sent to the address listed on their application.
6. When the applicant's name approaches the top of the waiting list, he/she will be contacted and offered the unit(s) for which he or she is eligible based on household size and composition.
7. It is the applicant's responsibility to ensure that we have the correct contact information on file.
8. Periodically we may review our waiting list by sending a letter to the applicant to ensure we have current information and that the applicant is still interested in the housing. If the applicant wishes to remain on the waiting list, he/she must call or write to us within 14 days of the date listed on the letter sent to them or we will assume the applicant is no longer interested and he/she will be removed from the waiting list.
9. Applicants will be contacted for available apartments according to the following procedure:
10. The first 10 applicants on the waiting list will be contacted by phone and in writing notifying them of the available unit and their position on the waiting list.
11. Each applicant will have 5 business days to respond to the inquiry, review and update their application, and complete a HUD form 9887/9887a. The applicant must review their application for changes and provide any updated information, including current and complete landlord contact information. Failure to provide correct and current information will result in the application being rejected.
12. If any applicant responds after 5 days the applicant will forfeit the eligibility to be offered the unit in the order that they appear on the waiting list. However, they will not lose their place on the waiting list for future offers.

13. If no response is received from the first 10 applicants within the 5 day time frame, the next 10 applicants on the waiting list will be contacted as set forth above.
14. Provided that the applicant responded by the requested date applicants will then be screened in the order the original applications were received according to the properties screening criteria.
15. If the application is approved the applicant will be invited view all available units at the location they applied for.
16. The applicant will have 2 business days after being shown the units to accept an available unit and schedule a move in date.
17. An applicant will be removed from the waiting list if he/she turns down an available unit on 2 separate occasions. If applicant wishes to still be considered after this, he/she must complete a new application.
18. If applicant turns out to be ineligible, the unit will be offered to the next person as set forth above.
19. Once the unit is filled, all applicants that were not rejected will be placed back on the waiting list in their original order.

MOVING INTO A UNIT

A. Accepting a unit

1. After being offered the unit applicant must be able to move into the unit no later than the 1st day of the month after providing their current landlord a 30 day notice to vacate.
2. Unit will not be held for more than 60 days from the date the offer was made.
3. If a unit was accepted by applicant and was held for more than 5 business days and subsequently turned down by the applicant or the applicant failed to move into the unit as agreed, the applicant will be removed from the waiting list. Applicant must reapply and will then be placed at the bottom of the waiting list in order to be considered for any future units.

APPLICATION REJECTION & APPEAL PROCESS

A. Application Rejection & Appeal Process

1. If the application was rejected at any time during the rental process the applicant will be notified in writing and an Appeal Request Form will be mailed specifying the reason for the rejection and notifying the applicant of the ability to Appeal the rejection within 14 days from the date that is listed on the letter.
2. The Appeal Request Form that is included with the letter of rejection will need to be completed and returned within 14 days of the date that is listed on the letter.
3. Management will call to schedule an appointment for an appeal for any Appeal Request Form that was submitted timely.
4. It is the applicant's responsibility to provide sufficient documentation specifying why the decision to deny the application was in error at or before the appeal meeting. If management needs additional documentation which was not provided at or before the appeal meeting, the applicant will be given an additional 14 days to provide the requested documentation.. If the documentation is not received within 14 days management will consider the appeal closed and the application denied.
5. Management will send the applicant a final decision in writing within 5 business days of the completion of the appeal meeting or the date on which the additional documentation was to be submitted.
6. A unit will not be held during the appeal process. If the application is accepted after the appeal, the applicant will be placed on the waiting list from the date the application was first received.
7. If Management does not receive the Appeal Request Form within the 14 days of the date listed on the initial letter, the application will be rejected and this decision will be final. No further notice will be sent.

REQUIREMENTS AS DETERMINED BY THE US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

A. Citizenship – Applicant must be a citizen of the United States or have paperwork from the Department of Homeland Security (DHS) which grants him/her residency in the United States. If such documentation is not available at the initial interview, applicant must provide the documentation within the next 30 days. A declaration of citizenship form must be completed for each household member regardless of age. Applicant must also obtain a U.S. birth certificate or U.S. passport to verify his/her citizenship along with a state issued photo identification card.

B. Social Security Number Requirements – Applicant must provide a social security number (SSN's), if applicable, for each member of the household, regardless of age, prior to being admitted into our housing.

C. Student Eligibility – If an applicant (or current resident) is a part or a full time student at an institution of higher education his/her eligibility will be determined at move in, at initial and annual recertification, and at the time of an interim recertification if one of the changes reported is that a household member is enrolled as a student at an institution of higher education.

Section 8 Assistance shall not be provided to any individual who:

1. Is enrolled as either a part-time or full-time student at an institution of higher education for the purpose of obtaining a degree, certificate or other program leading to a recognized educational credential
2. Is under the age of 24
3. Is not married
4. Is not a veteran of the United States Military
5. Does not have a dependent child
6. Is not a person with disabilities and was not receiving Section 8 assistance as of November 30, 2005
7. Is not living with his/her parents who are receiving Section 8 Assistance, and
8. Is not individually eligible to receive Section 8 assistance AND has parents (the parents individually or jointly) who are not income eligible to receive Section 8 assistance.

The student must meet ALL of the following criteria to be eligible:

1. Be of legal contract age under state law.
2. Have established a household separate from parents or legal guardians for at least one year prior to application for occupancy OR meet the U.S. Department of Education's definition of being an "independent student."
3. Not be claimed as a dependent by parents or legal guardians pursuant to I.R.S. regulations.
4. Obtain a certification of the amount of financial assistance that will be provided by parents which must be signed by the individual providing the support. (This certification is required even if no assistance will be provided.)

OPENING AND CLOSING OF WAITING LISTS

A. Closing - The waiting list will be closed and no further applications will be accepted once it is determined by management that there are applicants that have been on a waiting list for over ten years. Notice that the waiting list is being closed will be provided to the general public through advertising as required by HUD and our Affirmative Marketing Plan. (Copy available upon request). In addition, various community agencies such as Independence First, Community Advocates, United Cerebral Palsy and the Milwaukee Department of Aging may also be notified.

B. Opening - The waiting list will be opened when it is recognized that there are less than 50 people on the list. Notice that the waiting list is opening will be provided to the general public through advertising as required by HUD and our Affirmative Marketing Plan. (Copy available upon request). In addition, various community

agencies such as Independence First, Community Advocates, United Cerebral Palsy and the Milwaukee Department of Aging may be notified.

APPLYING / ORDER OF PREFERENCES

A. Clare Towers, Inc. tenants that require a transfer based on a reasonable accommodation will be placed first. If more than one tenant is in need of a unit based on a reasonable accommodation request, the tenant will be selected based on the time and date that the request was made.

B. A Tenant who already resides in an efficiency unit at Clare Towers – 1546 S. 29th Street and wish to transfer to a one or two bedroom unit within Clare Towers at 1546 S. 29th Street will be considered second provided they meet ALL of the requirements listed below:

1. Tenant must be current on his/her rent payments. This means that their rent is paid for the present month and there have not been more than one late rent payment in the last twelve months.
2. No 5-day notices for lease violations have been issued to tenant within the past 12 months.

C. Applicants that currently are without housing who are currently residing in a nursing home, hospital or skilled care facility who meet all other criteria will be considered third.

D. Applicants on the waitlist that meet the extremely low income guidelines will be considered forth.

1. HUD requires 40% of the rental number of units expected to be filled during the year to comply with HUD income requirements.
2. Subsequently, applicants will be selected from the waiting list, regardless of income, as long as they meet the income requirements.

OCCUPANCY STANDARDS

A. Generally occupancy will be limited to two (2) persons per bedroom, however specific factors may be considered to either increase or decrease that general rule. Factors that may be considered include, but are not limited to, the following:

1. Size of the unit
2. Configuration of the unit
3. Size of the bedroom(s)
4. Number of bedroom(s) in the unit
5. Number of persons in the family
6. The age, sex and relationship of family members
7. Other physical limitations of housing (i.e. capacity of the septic, sewer, or other building systems)
8. The family's need for a larger unit as a reasonable accommodation
9. Balancing the need to avoid overcrowding with the need to avoid underutilization of the space and unnecessary subsidy, and
10. State and local law.

B. Children over the age of one year will be counted as a separate person for the purpose of establishing the maximum number in the household.

C. Unborn children and children in the process of adoption will be counted as a household member when determining the number of bedrooms a potential tenant will be eligible to occupy.

D. Tenants who wish to be foster homes for children or adults must present documentation from a foster care placement agency verifying that the tenant is an approved foster placement and would get a placement in order

to be eligible to move into a two bedroom unit. Foster children or adults are considered when determining unit size. HUD 4350.3 pg 3-71

E. Live-in aides will be counted when determining unit size. HUD 4350.3 pg 3-71

LIVE-IN AIDES

A. Live -in aides are classified as a person who resides with one or more elderly persons, near elderly persons or persons with disabilities, and who:

1. Is determined to be essential to the care and well-being of the persons;
2. Is not obligated for the support of the persons; and
3. Would not be living in the unit except to provide the necessary supportive services.

B. The need for a live-in aide must be verified by a medical professional.

C. THE LIVE-IN AIDE MUST BE APPROVED FOR OCCUPANCY PRIOR TO MOVING INTO THE UNIT.

D. The live-in aide must provide valid forms of identification.

E. The live-in aide will be screened at move in and at the discretion of the management company for inappropriate activity that is prohibited by our Tenant Selection Plan or house rules. If the live-in aide or prospective live-in aide is found to be ineligible based on our eligibility criteria (See Applicant Screening) they will be denied or be asked to vacate the premises and that the tenant find a replacement. Please note, that tenant is responsible for the actions of all household members and eviction can result based on the actions of the live-in aide and failure to remove them from the property if required.

F. A single person is not permitted by HUD regulations to reside in a 2 bedroom unit without a documented need for the larger unit. If the tenant or applicant currently is residing or moving into a 2 bedroom unit based on the need for a live-in aide but does not have a live in aide, the tenant/applicant will have 3 months to fill this position. If after 3 months, they are still residing in a 2 bedroom unit without a live-in aide, they will be transferred to the next available 1 bedroom unit when a 2 bedroom is needed and verified by another applicant or tenant. Refusal to transfer to a size appropriate unit may result in the termination of assistance and or tenancy.

G. A relative may be considered as a live-in aide if he/she meets the criteria listed above and qualifies for occupancy as long as the individual needing supportive services requires the aide's services and remains a tenant. Live-in aides DO NOT qualify for continued occupancy as a remaining family member.

1. HUD Regulations PROHIBIT adult children of the tenant from moving into a unit after initial occupancy unless they are in the capacity of a live in aide.
2. HUD regulations PROHIBIT children of live-in aides from moving in the unit at any time.

H. Live-in aides do not qualify for continued occupancy after the tenant vacates the unit or is confined to a medical facility regardless of their relationship status.

UNIT TRANSFER POLICIES

Transfers between units are not allowed unless it is a reasonable accommodation verified by a medical professional except for those tenants living in an efficiency apartment at Clare Towers.

MOVING TO A DIFFERENT CLARE TOWERS, INC. LOCATION

- A. Tenants may place their name on the waiting list if they choose to move to another location.
- B. In order to be eligible to relocate the tenant must meet the following criteria:
 - 1. Must have completed their initial lease term; the only exception would be a Clare Towers tenant moving from an efficiency to a 1 bedroom.
 - 2. Must have not been given any 5 day notices for any lease violations within the preceding 12 months.
 - 3. Must be current on rent payments.
 - 4. Must not have been late on their rent more than 2 times in the preceding 12 months.
- C. If the tenant does not meet the requirements at the time a unit becomes available their name will remain on the list unit such time they are eligible to relocate.

REASONABLE ACCOMMODATION/MODIFICATION POLICY/FAIR HOUSING/SECTION 504

- A. Management will not discriminate against applicants based on age, race, color, religion, sex, sexual orientation, disability/handicap, family/familial status, marital status, lawful source of income, national origin/ancestry, or victim of sexual abuse, domestic abuse or stalking, or any other protected class.
- B. Screening criteria will be uniformly applied to all applicants.
- C. Application materials will be made available in alternate languages or forms at the request of the applicant.
- D. Auxiliary devices/aids as well as an interpreter will be made available at the request of the applicant as necessary to complete the application process.
- E. Exceptions to the rules, policies, and/or procedures may be made verbally, in writing, or by completing a Resident's Request for Accommodation Form. A Verification of Need for Reasonable Accommodation Form needs to be completed by a medical professional, unless the disability related need is obvious to a reasonable person. If the request is made verbally, staff will document the request for the file. The request will be approved if the need is verified and does not cause an undue financial or administrative burden on the project. If the request is denied the tenant will be notified in writing and can request an appeal.

UNIT INSPECTIONS

- A. Move in inspection – Will be performed with the tenant and owner during the day of the initial move in to ensure that the unit is in a livable condition and free of damages. It is also an opportunity to explain the tenant's responsibility for damages caused to the unit by tenant, family, guests and invitees by discussing the house rules and demonstrating how to operate the appliances and equipment in the unit. Both the management and the tenant must sign and date the inspection form. The tenant has 30 days to report any additional deficiencies to management to be noted on the move in inspection form.
- B. Move out inspections – Upon the unit being vacated by the tenant, management will perform a move out inspection to ensure that there are no damages to the unit. Management will list damages on the move-out form and compare it with the move-in form to determine what is reasonable wear and tear and what is damage caused by the tenant's negligence. The tenant will be given prior notice of the move out inspection and will be allowed to attend the inspection if he/she wants.
- C. Unit inspections – Annual unit inspections are performed by management and physical inspections are performed by HUD and/or HUD contractors. Management will perform unit inspections at least annually to determine whether the appliances and equipment in the unit are functioning properly and to assess whether a component needs to be repaired or replaced. This is also done to determine any damage to the unit caused by the tenant's abuse and negligence and, if so, make the necessary repairs, and bill the tenant for the cost of the repairs. HUD or its authorized contractors have the right to inspect the units and the entire property to ensure that the property is being physically well maintained. These inspections assure HUD that owners are

fulfilling their obligations under the regulatory agreements and/or subsidy contracts and that tenants are provided with decent, safe, and sanitary housing.

NOTE: Management reserves the right to inspect any unit at any time after serving the proper notice, if we suspect that the tenant is non-compliant with lease requirements including, but not limited to, unsanitary or unsafe living conditions, unreported household composition, and/or criminal activity.

*Management will comply with state regulations regarding the proper notice for entry to the tenants unit.

SECURITY DEPOSIT REQUIREMENTS

Security Deposit should be equal to the Total Tenant Payment (TTP) or a minimum of \$50, whichever amount is greater.

*Pet owners will be required to submit a pet application for each pet prior to the pet being allowed in the unit.. Upon approval of the pet application, a one-time refundable pet deposit of \$300.00 will be required. This can be paid at once or may be paid monthly with \$50 down and \$10 per month until the full deposit is paid.

VIOLENCE, DATING VIOLENCE or STALKING (VAWA of 2005)

- A. The Landlord may not consider incidents of domestic violence, dating violence or stalking as serious or repeated violations of the lease or “other good cause” for termination of assistance, tenancy or occupancy rights of the victim of abuse.
- B. The Landlord may not consider criminal activity directly relating to abuse, engaged in by a member of a tenant’s household or any guest or other person under the tenants control, cause for termination of assistance, tenancy, or occupancy rights if the tenant or an immediate member of the tenant’s family is the victim, or threatened victim of that abuse.
- C. The Landlord may request in writing that the victim, or a family member on the victim’s behalf, certify that the individual is a victim of abuse and that the Certification of Domestic Violence, Dating Violence or Stalking Form, HUD-91066, or other documentation as noted on the certification form, be completed and submitted within 14 business days, or an agreed upon extension date, to receive protection under the VAWA. Failure to provide the certification or other supporting documentation within the specified timeframe may result in eviction

ENTERPRISE INCOME VERIFICATION (EIV)

Effective January 31, 2010 the use of EIV became mandatory for all Owner/Agents (O/As)

- 1. At the time of recertification (annual & interim) of family composition and income.
- 2. As specified in the most current housing notice Enterprise Income Verification (EIV) System.
- 3. As specified in the O/A’s Tenant Selection Plan and Policies and Procedures.
- 4. All recertification with an effective date of June 1, 2010 and beyond must reflect use of the EIV system.
- 5. The EIV system must be used in its entirety.
- 6. All reports must be run monthly unless otherwise specified.

EIV Data will only be disclosed to:

- 1. Private Owners
- 2. Management Agents
- 3. Service Bureaus
- 4. Contract Administrators
- 5. HUD Staff
- 6. HUD Office of Inspector General (OIG) for investigative purposes

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7. Individual to whom the record pertains

Clare Towers, Inc. will keep a written record in the tenants file as to who reviewed the EIV Data reports & to who reports were released to, including the residents

EIV Data is to be used for Verification of employment and income at recertification and as a tool to reduce subsidy errors

EIV Data Can be used at other times as described in the policies and procedures of Clare Towers, Inc. &/or St. Clare Management, Inc.

EIV Data will not be used to “Police” tenants

EIV Data Retention & Destruction

1. EIV Data will be retained in accordance with HUD regulations .
2. EIV Data will be destroyed as soon as its purpose has been fulfilled according to HUD Regulations by shredding, burning or pulverizing.
3. All EIV Data and any documentation showing discrepancy resolution will be retained in the tenant file for the length of tenancy plus 3 years.
4. All other documentation related to income verifications will be kept in the tenant file for the length of tenancy plus 3 years including 3rd party verifications and tenant supplied documents.
5. Security Awareness Training.
6. Training must be taken at initial access to EIV and at least annually thereafter within the EIV system
7. Additionally Clare Towers, Inc. &/or St. Clare Management, Inc. requires the Security Awareness Training to be completed a the time of each annual performance review.

EIV Reports and Usage Criteria

The system allows access to the following reports:

1. Identity Verification Report.
2. Existing Tenant Search.
3. Multiple Subsidy Report.
4. Deceased Tenant Report.
5. Income Report.
6. No Income Report.
7. New Hire’s Report.
8. Income Discrepancy Report.

Identity Verification Report

1. Identifies tenants who failed EIV pre-screening test due to invalid or missing personal identifiers.
2. Tenants listed on this report EIV data will not be available.
3. Report be reviewed and acted upon monthly.
4. The Agent for Clare Towers, Inc. will review this information and correct any errors.
5. A 50059 will be transmitted through TRACS once the errors have been identified and corrected.

Existing Tenant Search

1. Report shows whether an individual may be receiving subsidy in another Multi-Family Program.
2. Report will be run before admitting new applicants.
3. Any matches will be followed up prior to admittance.

Multiple Subsidy Report

1. Report shows whether individuals are or might be receiving other subsidies.

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2. Report will be ran no less than quarterly or at the request of HUD or WHEDA.
3. All possible matches will be followed up until cleared.

Deceased Subsidy Report

1. Report identifies persons who have been reported by Social Security Administration as being deceased. Report will be run no less than quarterly and at any time at the request of HUD or WHEDA.
2. Errors found on the report (ie. Date of death) will be corrected immediately and a corrected 50059 will be transmitted immediately.

Income Reports: There are five sections of the EIV income report

1. Tracs certification information.
2. Employment information.
3. Wages.
4. Unemployment Benefits.
5. Social Security Benefits.

Income reports

1. Must be used at annual, initial, and interim recertification's.
2. Must be used for verifying employment and income of tenants
3. Serves as 3rd party verification unless tenant disputes the information reported.
4. Documentation must be provided when using other verifications in place of EIV.
5. Must be printed and retained in the tenant file until 3 years after the tenant moves out.

Disputed information: When a tenant disputes the information obtained The Agent for Clare Towers, Inc. will

1. Note on the income report that the tenant has disputed the information.
2. Obtain 3rd party information directly from the income source.

All applicable income and Medicare premiums are calculated in accordance to the HUD 4350.3 Handbook

No Income Reports

1. Tenants listed on this report have passed the SSA Identity Match but have no reported income by SSA, HHS or NDNH however they still may have income.
2. Report is run at every recertification.
3. Report is run every 30 days.
4. Zero income review is also performed every 90 days.
5. Report is used to determine if any income has been earned since the last certification.

New Hires Report provides information on households who have started new jobs within the last six months:

1. In an effort to avoid collection of past owed subsidies by tenants who have failed to report employment income, The Agent for Clare Towers, Inc. will run the New Hire Report every 30 days.
2. If employment income is found, The Agent for Clare Towers, Inc. will discuss the information with the tenant and proper verification will be obtained and a interim certification will be processed.
3. Reports will be placed in the file with the employment verification and kept for a period of 3 years after the date of move out.

Income Discrepancy Report: Income discrepancies occur when the tenant income reported in TRACS difference from income reported by SSA and HHS by \$2,400:

1. Report will be run at the time of recertification.
2. Report will also be run every 30 days.
3. The Agent for Clare Towers, Inc. will review and resolve any income discrepancies in the tenant household.

When a discrepancy occurs or when a tenant disputes the information obtained by EIV The Agent for Clare Towers, Inc. will:

1. Complete a 3rd party verification.
2. Notify the tenant of the results and request a meeting with the tenant to discuss the results.
3. Arrange for repayment of the over/under subsidy, if applicable.
4. Subsidy cannot be denied, terminated or suspended based solely on information obtained from EIV.

Unreported or Underreported Income:

1. When unreported or underreported income occurs a correction 50059 will be processed back to the time the unreported or underreported income occurs but not to exceed 5 years as agreed to on the most recent HUD-9887.
2. Maintain on file the form HUD-50059 and supporting documentation during the time when the unreported/underreported occurred.

Tenants Obligation to Repay

1. Tenants are obligated by their lease to repay the difference if they are charges less rent due to unreporting or underreporting their income.
2. Tenants are not required to pay if it was an owner or agent error.
3. Tenants are subject to termination of tenancy for non-compliance with the income reporting requirements.

Repayment options & Repayment agreements

1. Lump sum payment.
2. Repayment Agreement.
3. Combination of lump sum and a repayment agreement.
4. Monthly payments must be what tenants can afford and should not exceed 40% of their income in combination with the total rental payment.
5. Lease will be referenced in all repayment agreements.
6. Payment agreement will be recalculated based on increased income.
7. All repayment agreements must be signed & dated by the Owner/Agent and the tenant.
8. Monthly rent payments cannot be applied to subsidy repayments.
9. All subsidy repayments by the tenants will be returned to HUD either in a lump sum transmittal or as payments are made by the tenant.
10. Clare Towers, Inc. reserves the right to collect up to 20% for actual collection costs associated with retrieval of the funds or the amount collected for any of the HUD Subsidy contracts they service, whichever is less. All amounts collected will be deposited into the projects operating account.
11. Clare Towers, Inc. will keep all appropriate documentation for receipts of all amounts collected from the tenant, all expenses incurred, amount retained by the owner/agent, and voucher adjustments for the repayment.

Over-Reported Income

1. Tenants are responsible through their lease agreements to report any decreases in income.
2. Owners will discuss over-reported income with tenants.
3. Tenants must agree with the income reduction and provide a reason for the reduction.
4. The Agent for Clare Towers, Inc. must complete corrections to the prior certifications affected by the income change.
5. The amount repaid is the difference between the amount of rent paid and the rent the tenant should have paid.
6. Tenants will be reimbursed according to Chapter 8 of the HUD 4350.3 Handbook.

EIV Policy is a separate use policy. In addition, the EIV policy has been made part of the Tenant Selection Plan and will be distributed with any Tenant Selection Plan's in which St. Clare Management, Inc. performs EIV services.

A copy of Clare Towers, Inc. 's Tenant Selection Plan (TSP) and any amendments are available at our office and upon request.

This property is professionally managed by St. Clare Management Inc. – Agent for Clare Towers, Inc.