Mr. Mark J. Cardosi
Attorney at Law
Legal Services of Eastern Missouri, Inc.
P. O. Box 4999A, Field Station
625 N. Euclid Avenue
St. Louis, MO 63108

Dear Mr. Cardosi:

This responds to your letter of June 2, 1987, and further clarifies previous communications between you and this Office, regarding rent calculations and certifications when a tenant experiences a decrease in income that lasts for less than one month.

HUD Handbook 4350.3, Chapter 5, covers "Recertifications, Interim Adjustments and Termination of Assistance" for tenants receiving terant assistance payments or interest reduction subsidies, as prescribed. A copy of this Handbook Chapter is enclosed for your information, with applicable paragraphs highlighted.

In response to your specific questions:

1. Owners verify/re-verify tenants' incomes, through tenant certification/recertification, annually. Based on these verifications, the tenants' rents and HUD's assistance payments are adjusted (increased or decreased), if necessary, on a prospective basis for the upcoming year. Tenants must report any change in income or household composition between these regular annual recertifications.

2. The owner does not have to process an interim recertification when a tenant reports a decrease in income that will last less than one month. This has nothing to do with avoiding paperwork.

3. HUD is responsible for making HUD's assistance payment to the owner and is not responsible for paying or reimbursing the owner for any loss of rent not paid by the tenant. The owner has recourse through the eviction process for nonpayment of rent.

I trust that this response fully clarifies the Department's position and satisfies your concerns with respect to these issues.

Sincerely yours,

Morris Bourne
Director
Office of Multifamily
Housing Management

Enclosure