additional applications for admission are being considered for that reason.

(f) Ineligibility determination. If the Owner determines that an applicant is ineligible for admission or the Owner is not selecting the applicant for other reasons, the Owner will promptly notify the applicant in writing of the determination, the reasons for the determination, and the applicant's right to request a meeting to review the rejection, in accordance with HUD requirements. The review, if requested, may not be conducted by a member of the Owner's staff who made the initial decision to reject the applicant. The applicant may also exercise other rights (e.g., rights granted under Federal, State, or local civil rights laws) if the applicant believes he or she is being discriminated against on a prohibited basis.

(g) Records. Records on applicants and approved eligible families, which provide racial, ethnic, gender and place of previous residency data required by HUD, must be retained for three years.

See § 889.610(a).

(h) Reexamination of family income and composition. (1) Regular reexaminations. The Owner must reexamine the income and composition of the family at least every 12 months. Upon verification of the information, the Owner must make appropriate adjustments in the total tenant payment in accordance with part 813, as modified by § 889.105, and must determine whether the family's unit size is still appropriate. The Owner must adjust tenant payment and the project rental assistance payment, and must carry out any unit transfer in accordance with HUD standards. At the time of reexamination under paragraph (h)(1) of this section, the Owner must require the family to meet the disclosure and verification requirements for Social Security Numbers, as provided by 24 CFR part 750. For requirements regarding the signing and submitting of consent forms by families for obtaining of wage and claim information from State Wage Information Collection Agencies, see 24 CFR part 760.

(2) Interim reexaminations. The family must comply with the provisions in its lease regarding interim reporting of changes in income. If the Owner receives information concerning a change in the family's income or other circumstances between regularly scheduled reexaminations, the Owner must consult with the family and make any adjustments determined to be appropriate. See 24 CFR 750.10(d)(2)(i) for the requirements for the disclosure and verification of Social Security Number at interim reexaminations involving new family members. For

requirements regarding the signing and submitting of consent forms by families for the obtaining of wage and claim information from State Wage Information Collection Agencies, see 24 CFR part 760. Any change in the family's income or other circumstances that result in an adjustment in the total tenant payment, tenant payment, and project rental assistance payment must be verified.

- (3) Continuation of project rental assistance payment. (i) A family shall remain eligible for project rental assistance payment until the total tenant payment equals or exceeds the gross rent. The termination of subsidy eligibility will not affect the family's other rights under its lease. Project rental assistance payment may be resumed if, as a result of changes in income, rent or other relevant circumstances during the term of the PRAC, the family meets the income eligibility requirements of part 813 of this chapter (as modified in § 889.105) and project rental assistance is available for the unit under the terms of the PRAC. The family will not be required to establish its eligibility for admission to the project under the remaining requirements of paragraph (d) of this section.
- (ii) A family's eligibility for project rental assistance payment may be terminated in accordance with HUD requirements for such reasons as failure to submit requested verification information, including information related to disclosure and verification of Social Security Numbers (as provided by 24 CFR part 750) or failure to sign and submit consent forms for the obtaining of wage and claim information from State Wage Information Collection Agencies (as provided by 24 CFR part 760).

§ 889.620 Obligations of the family.

- (a) Requirements. The family shall:
- (1) Pay amounts due under the lease directly to the Owner;
- (2) Supply such certification, release of information, consent, completed forms or documentation as the Owner or HUD determines necessary, including information and documentation relating to the disclosure and verification of Social Security Numbers, as provided by 24 CFR part 750, and the signing and submission of consent forms for the obtaining of wage and claim information from State Wage Information Collection Agencies, as provided by 24 CFR part 760;
- (3) Allow the Owner to inspect the dwelling unit or residential space at

reasonable times and after reasonable notice:

- (4) Notify the Owner before vacating the dwelling unit; and
- (5) Use the dwelling unit solely for residence by the family and as the family's principal place of residence.
 - (b) Prohibitions. The family shall not:
- (1) Assign the lease or transfer the unit; or
- (2) Occupy, or receive assistance for the occupancy of, a unit governed under this part while occupying, or receiving assistance for occupancy of, another unit assisted under any Federal housing assistance program, including any section 8 program.

(Approved by the Office of Management and Budget under control number 2502–0470)

§ 889.625 Overcrowded and underoccupied units.

If the Owner determines that because of change in family size, a unit is smaller than appropriate for the eligible family to which it is leased, or that the unit is larger than appropriate, project rental assistance payment with respect to the unit will not be reduced or terminated until the eligible family has been relocated to an appropriate alternate unit. If possible, the Owner will, as promptly as possible, offer the family an appropriate alternate unit. The Owner may receive vacancy payments for the vacated unit if the Owner complies with the requirements of § 889.650.

§889.630 Lease requirements.

- (a) *Term of lease*. The term of the lease may not be less than one year. Unless the lease has been terminated by appropriate action, upon expiration of the lease term, the family and Owner may execute a new lease for a term not less than one year or may take no action. If no action is taken, the lease will automatically be renewed for successive terms of one month.
- (b) Termination by the family. All leases may contain a provision that permits the family to terminate the lease upon 30 days advance notice. A lease for a term that exceeds one year must contain such provision.
- (c) Form. The Owner shall use the lease form prescribed by HUD. In addition to required provisions of the lease form, the Owner may include a provision in the lease permitting the Owner to enter the leased premises, at any time, without advance notice where there is reasonable cause to believe that an emergency exists or that health or safety of a family member is endangered.