

(I) TABLE 1.—LATE SUBMISSION FOR EITHER UNAUDITED FINANCIAL INFORMATION OR MANAGEMENT OPERATIONS CERTIFICATION

If a PHA submits either its unaudited financial information or management operations certification * * *	Then * * *
(A) more than 7 days, but no more than 21 days after the submission due date.	the PHA's grade will be lowered one letter grade for the indicator submitted late.
(B) more than 21 days, but no more than 35 days, after the submission due date.	the PHA's grade will be lowered two letter grades for the indicator submitted late.
(C) more than 35 days, but no more than 49 days, after the submission due date.	the PHA's grade will be lowered three letter grades for the indicator submitted late.
(D) more than 49 days after the submission due date	the PHA will receive a late presumptive rating of zero and its grade for the indicator submitted late will be an F.

(II) TABLE 2.—LATE SUBMISSION FOR BOTH UNAUDITED FINANCIAL INFORMATION AND MANAGEMENT OPERATIONS CERTIFICATION

If a PHA submits both its unaudited financial information and management operations certification * * *	Then * * *
(A) more than 7 days, but no more than 21 days after the submission due date.	one letter grade will be deducted from each indicator submitted during this time period.
(B) more than 21 days, but no more than 35 days after the submission due date.	two letter grades will be deducted from each indicator submitted during this time period.
(C) more than 35 days, but no more than 49 days, after the submission due date.	three letter grades will be deducted from each indicator submitted during this time period.
(D) more than 49 days after the submission due date	the PHA will receive a late presumptive rating of zero and its grade for both indicators will be an F.

(3) The PHA shall receive a presumptive rating of zero and a grade of F for the Financial Condition Indicator, if a PHA, without a finding of good cause, submits its audited financial information after the due date.

(I) TABLE 3.—LATE SUBMISSION FOR AUDITED FINANCIAL INFORMATION

If a PHA submits its audited financial information * * *	Then * * *
(A) more than 9 months after the PHA's fiscal year end	the PHA will receive a late presumptive rating of zero and its financial condition indicator grade will be an F.
(B) [Reserved].	

(b) *Presumptive rating of zero and grade of F.* If the PHA receives a presumptive rating of zero and grade of F for any PHAS indicator due to failure to submit a certification, year-end financial information, or audited financial information by the due date, including any applicable extension of the due date, the PHA shall be designated a Grade F PHA or Capital Fund Grade F PHA pursuant to § 902.10.

(c) *Rejected submissions.* When HUD rejects a PHA's year-end unaudited financial information or management operations certifications after the due date, a PHA shall have 15 days from the date of the rejection to resubmit the information without a penalty being applied.

§ 902.63 PHAS grade adjustments.

(a) *Issuance of grade by HUD.* HUD will issue an overall PHAS grade for each PHA after the later of one month after the submission due date for financial information and the other required certifications, or one month after submission by the PHA of its

financial information and the other required information certifications. The overall PHAS grade becomes the PHA's final grade upon issuance by HUD.

(b) *Adjustments to the PHAS grade.* Adjustments may be made to a PHA's final overall PHAS grade as a result of:

- (1) The IPA or CPA audit, as provided in subpart C;
- (2) Property reinspections;
- (3) The appeal process provided in § 902.69;
- (4) Determinations as a result of HUD's Office of Inspector General (OIG) investigation and/or audit;
- (5) Investigations by HUD's Office of Fair Housing and Equal Opportunity;
- (6) A HUD conducted compliance review or quality assurance review;
- (7) A HUD conducted certification review;
- (8) A Field Office on-site review; and/or

(9) An investigation by any appropriate legal authority.

(c) *Record retention and verification of information submitted.* (1) A PHA shall maintain documentation for three years verifying information on all

indicators, sub-indicators, and components for HUD on-site review.

(2) A PHA's certifications, year-end financial information, and all supporting documentation are subject to verification by HUD at any time, including review by an independent auditor as authorized by section 6(j)(6) of the Act (42 U.S.C. 1437d(j)(6)). Appropriate sanctions for false certification shall be imposed, including civil penalties, limited denial of participation, suspension, or debarment of the signatories, the loss of Grade A PHA designation pursuant to § 902.67, and a lower grade under the PHAS indicators that shall result in a lower overall PHAS grade.

(3) A PHA that cannot provide supporting documentation to HUD, or to the PHA's IPA or CPA for the assessment under any indicator(s), sub-indicator(s), and/or component(s) shall receive a zero and a grade of F for that indicator(s), sub-indicator(s), and/or component(s), and its overall PHAS grade shall be lowered.