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**Training Action Plan**

**Improving Test-Taking Skills**

## **CHAPTER 1      Rent Calculation Overview**

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### **LEARNING OUTCOMES**

Develop advanced rent calculation skills and error resolution proficiency on a practical level.

Upon completion of Rent Calc II: Hands-on Workshop, you should be able to:

- Verify and calculate asset income of various types of assets
- Identify and calculate annual income at an advanced level
- Determine deductions for a family using advanced knowledge of adjusted income
- Identify and correct file errors
- Apply advanced rent calculation skills to solve hands-on case studies

Upon completion of this chapter, you should be able to:

- Read and interpret form HUD-50058
- Locate and distinguish between mandatory versus optional references for policy development
- Recognize the importance of calculating rent correctly
- Recognize the requirements for verification of income, allowances, and expenses, including:
  - Discussing HUD's verification hierarchy and how it relates to PHA practice
  - Recalling the importance of documentation in the verification process
  - Identifying the role of HUD's EIV system and when to use it in the verification process

## **Section 1.1      Form HUD-50058**

*CFR 908; HUD-50058 Instruction Booklet;  
[www.hud.gov/offices/pih/systems/pic/50058/pubs/](http://www.hud.gov/offices/pih/systems/pic/50058/pubs/)*

### **PURPOSE AND BACKGROUND OF HUD-50058**

- To collect and retrieve detailed information
- To make computer matching with Social Security possible
- To enable HUD to project program costs
- To provide information to HUD and Congress and other interested parties
- To enable HUD to monitor PHA performance
- PHAs experiencing problems with the revised 50058 or transmission should contact the PIC hotline:
  - 1-800-366-6827
- PHAs can also receive help via e-mail at:
  - [pichelp@hud.gov](mailto:pichelp@hud.gov)

### **PHA RESPONSIBILITIES**

- Complete HUD-50058
- Transmit data electronically
- Review HUD-50058 Error Analysis Reports
- Correct all Error Correction Reports

## **GENERAL RULES FOR COMPLETING FORM HUD-50058**

- Read instructions carefully
- Enter whole dollar amounts; standard rounding rules apply.
- No negative numbers; enter zero (0)
- Complete new HUD-50058 for each family:
  1. New admissions
  2. Annual reexamination
  3. Interim reexamination
  4. Portability move-in (Vouchers only)
  5. Portability move-out (Vouchers only)
  6. End participation
  7. Other change of unit
  8. FSS/WTW enrollment, progress update, exits for the Family Self-Sufficiency or Welfare to Work Voucher programs.
  9. Annual reexamination searching (Vouchers only)
  10. Issuance of Voucher (Vouchers only)
  11. Expiration of Voucher (Vouchers only)
  12. Flat Rent annual update (Public Housing only)
  13. Annual HQS inspection only (Section 8 only)
  14. Historical adjustment
  15. Void

# **U.S. Department of Housing and Urban Development**

## **Office of Public and Indian Housing**

# **Family Report**

Form HUD-50058, Family Report, applies to Public Housing, Housing Choice Voucher, and Section 8 Moderate Rehabilitation programs.

Additional instructions are contained in the Form HUD-50058 Instruction Booklet.  
Copies of the Instruction Booklet can be found on the PIC Web Site at  
<http://www.hud.gov/offices/pih/systems/pic/50058/pubs/>



Public reporting burden for this collection of information is estimated to average 30 minutes per response in the first year and 15 minutes per response in subsequent years. This estimate includes the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this Form, unless it displays a currently valid OMB control number.

Send the Form HUD-50058 data to the electronic address provided by HUD. Questions? Contact the PIC Help Hotline at 1-800-366-6827 or go to the PIC Web Site at: <http://www.hud.gov/pih/systems/pic/index.cfm>.

**Privacy Act Information.** This collection is authorized by the U. S. Housing Act of 1937 (42 U. S. C. 1437 et seq.), Title VI of the Civil Rights Act of 1964 (42 U. S. C. 2000d) and by the Fair Housing Act (42 U. S. C. 3601-19). Each affected agency must submit information to assist HUD in managing and monitoring HUD assisted housing programs, to protect the Government's interest, and to verify the accuracy of the information received. HUD will use the information to: (1) monitor program participants' compliance with requirements, (2) provide demographic information describing tenants' characteristics, (3) participate in income matching, detect fraud, and (4) plan for future use of the housing inventory with emphasis on the housing needs of special groups. The information requested is required to obtain or retain benefits. This collection is mandatory. The information requested is required to obtain and retain benefits. Failure to provide SSN could result in denial of eligibility and/or termination of assistance or tenancy participants. HUD is authorized to collect this information under the Housing and Community Development Act of 1987 42 U.S.C.3543 (a).

**Sensitive Information:** The information on these forms is sensitive and is protected by the Privacy Act. Keep the forms locked and confidential.

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#### Acronyms

FMR = Fair Market Rent	PIC = Public and Indian Housing Information Center
FSS = Family Self-Sufficiency program	SRO = Single Room Occupancy
HAP = Housing Assistance Payment	SSA = Social Security Administration
HOPE = Homeownership and Opportunity for People Everywhere	SSI = Supplemental Security Income
HQS = Housing Quality Standards	SSN = Social Security Number
HUD = U. S. Department of Housing and Urban Development	TANF = Temporary Assistance for Needy Families
ISA = Individual Savings Account	TIN = Taxpayer Identification Number
OMB = U. S. Office of Management and Budget	TTP = Total Tenant Payment
PHA = Public Housing Agency	WtW = Welfare to Work
PHRA = Public Housing Reform Act	

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#### Major Definitions (refer to the Form HUD-50058 Instruction Booklet for a more detailed definition of each field on the Form):

**Disabilities:** A person with disabilities has one or more of the following: (a) a disability as defined in Section 223 of the Social Security Act, (b) a physical, mental, or emotional impairment which is expected to be of long-continued and indefinite duration, substantially impedes his or her ability to live independently, and is of such a nature that such ability could be improved by more suitable housing conditions, or (c) a developmental disability as defined in Section 102 of the Developmental Disabilities Assistance and Bill of Rights Act. Note: Include persons who have the acquired immune deficiency syndrome (AIDS) or any condition that arises from the etiologic agent for AIDS.

**Effective Date of Action:** Date the reported action becomes effective. The effective date cannot be earlier than the date of admission to the program.

**Head of household:** The one adult member of the household, designated by the family or by PHA policy as the head of household, who is wholly or partly responsible for the rent payment.

**Mixed Family:** A family that contains some members that are eligible for assistance and some members that are ineligible for assistance. This family may be subject to prorated rent under the Noncitizens Rule.

**Portability:** Renting a dwelling unit with Housing Choice Voucher assistance outside the jurisdiction of the initial PHA.

#### Form Conventions:

1. All fields that require the entry of a date must include the 4-digit year. Enter the date in a standard format (i. e., "mm/dd/yyyy", "mm/yyyy"). Enter the year in its entirety.
2. "/" means "or" unless otherwise noted.
3. Monetary figures: enter only whole dollar amounts. Do not show cents, commas, or dollar signs.
4. Rounding: round each monetary amount up when a number is 0.50 or above; down when a number is 0.49 or below.
5. Calculation column is a scratch area where PHAs may perform manual calculations.
6. Leave blank any line(s) or item(s) that do not apply unless this Form instructs otherwise.

Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
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## Family Report

U.S. Department of Housing and Urban Development

OMB Approval Number 2577-0083

Office of Public and Indian Housing

### 1. Agency

1a. Agency name		1a.
1b. PHA code	[ ][ ][ ][ ][ ][ ]	1b.
1c. Program	P=Public Housing, CE= Sec. 8 Certificates, VO= Sec. 8 Vouchers, MR= Sec. 8 Mod Rehab [ ][ ]	1c.
1d. Project number (Public Housing only)	[ ][ ][ ][ ][ ][ ][ ][ ][ ] Suffix: [ ][ ][ ][ ]	1d.
1e. Building number (Public Housing only)	[ ][ ][ ][ ][ ][ ][ ][ ]	1e.
1f. Building entrance number (Public Housing only)	[ ][ ][ ][ ]	1f.
1g. Unit number (Public Housing only)	[ ][ ][ ][ ][ ][ ][ ][ ][ ][ ][ ][ ][ ]	1g.

### 2. Action

2a. Type of action		2a.
2b. Effective date (mm/dd/yyyy) of action		2b.
2c. Correction? (Y or N)		2c.
2d. If correction: (check primary reason)	<input type="checkbox"/> Family correction of income <input type="checkbox"/> Family correction (non-income)	<input type="checkbox"/> PHA correction of family income <input type="checkbox"/> PHA correction (non-income)
2h. Date (mm/dd/yyyy) of admission to program		2h.
2i. Projected effective date (mm/dd/yyyy) of next reexamination		2i.
2j. Projected date (mm/dd/yyyy) of next flat rent annual update (Public Housing flat rent only)		2j.
2k. FSS participation now or in the last year? (Y or N)		2k.
2m. Special program: (vouchers only) (check only one)	<input type="checkbox"/> Enhanced Voucher	<input type="checkbox"/> Welfare to Work Voucher
2n. Other special programs: Number 01		2n.
2n. Other special programs: Number 02		2n.
2q. PHA use only		2q.
2r. PHA use only		2r.
2s. PHA use only		2s.
2t. PHA use only		2t.
2u. PHA use only		2u.

#### 2a. Type of action codes

1 = New Admission  
 2 = Annual Reexamination  
 3 = Interim Reexamination  
 4 = Portability Move-in (VO only)  
 5 = Portability Move-out (VO only)

6 = End Participation  
 7 = Other Change of Unit  
 8 = FSS/WtW Addendum Only  
 9 = Annual Reexamination Searching (VO only)  
 10 = Issuance of Voucher (VO only)

11 = Expiration of Voucher (VO only)  
 12 = Flat Rent Annual Update (PH only)  
 13 = Annual HQS Inspection Only (S8 only)  
 14 = Historical Adjustment  
 15 = Void

	<b>Page Heading</b>
Note:	The fields in the page heading are provided for the convenience of PHA that maintain paper records of the Form HUD-50058.
Head of household name:	On every page, enter the head of household's last name (line 3b), first name (line 3c) and middle initial (line 3d). Use this field to identify the head of household if the pages of the Form separate.
Social Security Number	On every page, enter the head of household's Social Security Number (line 3n). Use this field to identify the head of household if the pages of the Form separate.
Date modified (mm/dd/yyyy)	On every page, enter the date the PHA representative fills out the Form or modified any Form page.
<b>1:</b>	<b>Agency</b>
Line 1a:	Name of the Public Housing Agency (PHA) that completes the family's Form HUD-50058.
Line 1b:	Five-character code composed of the 2-letter postal state code and 3-digit PHA number. The state code indicates the location of the reporting PHA and the number identifies each PHA within a particular state.
Note:	For help obtaining the PHA's identification number, contact the appropriate HUD field office, the HA Profiles Web Site within PIC or the PIC Help Hotline at 1-800-366-6827.
Line 1c:	Using the codes provided, indicate the housing assistance program in which the family participates.
Line 1d:	Public Housing only. The project number is composed of the 2-letter project state code, 3-digit PHA number, 3-digit development number, and 3-digit suffix (if applicable).
Line 1e:	Public Housing only. Six-character code to capture the tenant's building number.
Line 1f:	Public Housing only. Three-character code to capture the building's entrance number.
Line 1g:	Public Housing only. Ten-character code to capture the PHA designated tenant unit number.
<b>2:</b>	<b>Action</b>
Line 2a:	Use the codes provided at the bottom of the page to report the family's type of action.
Note:	When a family that receives flat rent requires a reexamination, use Annual Reexamination (2a= 2).
Line 2b:	Date the reported action becomes effective.
Note:	The effective date cannot be earlier than the date of admission to the program (line 2h).
Line 2c:	Allows PHAs to correct fields previously transmitted in error.
Note:	Use a correction for a minor change to a previously submitted record.
Line 2d:	Indicate the primary reason for the correction record.
Line 2h:	Date the PHA initially admitted the family into the program reported in line 1c.
Line 2i:	The projected effective date of the family's next reexamination.
Line 2j:	Public Housing flat rent only. Projected effective date of the next flat rent annual update.
Line 2k:	Indicate if the family currently participates or participated in the Family Self-Sufficiency program in the past year.
Line 2m:	Vouchers only. Indicate if the family receives an Enhanced Voucher or a Welfare to Work Voucher.
Line 2n:	Indicate if the family participates in a special program.
Note:	See Form HUD-50058 Instruction Booklet for a listing of special programs and their abbreviations.
Line 2q-2u:	PHAs may use these lines for any information they wish to collect.
Note:	HUD encourages PHAs to use lines 2q through 2u for local initiatives.

Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
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### 3. Household

3a. Head of Household Member number 01	3b. Last name & Sr., Jr. etc.			3c. First name	3d. MI	3e. Date of birth	3f. Age on effective date of action
	3g. Sex	3h. Relation <b>H</b>	3i. Citizenship	3j. Disability (Y or N)	3k. Race [ ] 1. [ ] 2. [ ] 3. [ ] 4. [ ] 5.		3m. Ethnicity
	3n. Social Security Number			3p. Alien Registration Number A-		3q. Meeting community service or self-sufficiency requirement? (PH only)	
3a. Member number 02	3b. Last name & Sr., Jr. etc.			3c. First name	3d. MI	3e. Date of birth	3f. Age on effective date of action
	3g. Sex	3h. Relation	3i. Citizenship	3j. Disability (Y or N)	3k. Race [ ] 1. [ ] 2. [ ] 3. [ ] 4. [ ] 5.		3m. Ethnicity
	3n. Social Security Number			3p. Alien Registration Number A-		3q. Meeting community service or self-sufficiency requirement? (PH only)	
3a. Member number 03	3b. Last name & Sr., Jr. etc.			3c. First name	3d. MI	3e. Date of birth	3f. Age on effective date of action
	3g. Sex	3h. Relation	3i. Citizenship	3j. Disability (Y or N)	3k. Race [ ] 1. [ ] 2. [ ] 3. [ ] 4. [ ] 5.		3m. Ethnicity
	3n. Social Security Number			3p. Alien Registration Number A-		3q. Meeting community service or self-sufficiency requirement? (PH only)	
3a. Member number 04	3b. Last name & Sr., Jr. etc.			3c. First name	3d. MI	3e. Date of birth	3f. Age on effective date of action
	3g. Sex	3h. Relation	3i. Citizenship	3j. Disability (Y or N)	3k. Race [ ] 1. [ ] 2. [ ] 3. [ ] 4. [ ] 5.		3m. Ethnicity
	3n. Social Security Number			3p. Alien Registration Number A-		3q. Meeting community service or self-sufficiency requirement? (PH only)	
3a. Member number 05	3b. Last name & Sr., Jr. etc.			3c. First name	3d. MI	3e. Date of birth	3f. Age on effective date of action
	3g. Sex	3h. Relation	3i. Citizenship	3j. Disability (Y or N)	3k. Race [ ] 1. [ ] 2. [ ] 3. [ ] 4. [ ] 5.		3m. Ethnicity
	3n. Social Security Number			3p. Alien Registration Number A-		3q. Meeting community service or self-sufficiency requirement? (PH only)	
3a. Member number 06	3b. Last name & Sr., Jr. etc.			3c. First name	3d. MI	3e. Date of birth	3f. Age on effective date of action
	3g. Sex	3h. Relation	3i. Citizenship	3j. Disability (Y or N)	3k. Race [ ] 1. [ ] 2. [ ] 3. [ ] 4. [ ] 5.		3m. Ethnicity
	3n. Social Security Number			3p. Alien Registration Number A-		3q. Meeting community service or self-sufficiency requirement? (PH only)	
3a. Member number 07	3b. Last name & Sr., Jr. etc.			3c. First name	3d. MI	3e. Date of birth	3f. Age on effective date of action
	3g. Sex	3h. Relation	3i. Citizenship	3j. Disability (Y or N)	3k. Race [ ] 1. [ ] 2. [ ] 3. [ ] 4. [ ] 5.		3m. Ethnicity
	3n. Social Security Number			3p. Alien Registration Number A-		3q. Meeting community service or self-sufficiency requirement? (PH only)	

3t. Total number in household	3t.
3u. Family subsidy status under Noncitizens Rule	3u.
3v. Eligibility effective date (mm/dd/yyyy) if qualified for continuation of full assistance (3u=C)	3v.
3w. If new head of household, former head of household's SSN	3w.

<b>3h. Relation codes:</b> <b>H</b> = head <b>S</b> = spouse <b>K</b> = co-head <b>F</b> = foster child/foster Adult <b>Y</b> = other youth under 18 <b>E</b> = full-time student 18+ <b>L</b> = live-in aide <b>A</b> = other adult  <b>3i. Citizenship codes:</b> <b>EC</b> = eligible citizen <b>EN</b> = eligible noncitizen <b>IN</b> = ineligible noncitizen <b>PV</b> = pending verification	<b>3k. Race codes:</b> <b>1</b> = White <b>2</b> = Black/African American <b>3</b> = American Indian/Alaska Native <b>4</b> = Asian <b>5</b> = Native Hawaiian/Other Pacific Islander  <b>3m. Ethnicity codes:</b> <b>1</b> = Hispanic or Latino <b>2</b> = not Hispanic or Latino	<b>3q. Community service or self-sufficiency codes:</b> <b>1</b> = yes <b>2</b> = no <b>3</b> = pending <b>4</b> = exempt <b>5</b> = n/a  <b>3u. Family subsidy status codes:</b> <b>C</b> = qualified for continuation of full assistance <b>E</b> = eligible for full assistance <b>F</b> = eligible for full assistance pending verification of status <b>P</b> = prorated assistance
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<b>3.</b>	<b>Household</b>
Note:	Complete for each household member.
Note:	The first family member (member number 01) must be the head of household.
Note:	The household includes everyone who lives in the unit. Household members are used to determine unit size. The family includes all household members except live-in aides and foster children and foster adults. Family members are used to calculate subsidies and payments.
Line 3a:	The member number identifies the individual listed on that line of the Form.
Line 3b:	The last name of each household member. Include name suffixes, such as Jr., and separate with a comma. Do not include name prefixes, such as Ms. or Mr.
Line 3c:	The first name of each household member. Do not include name prefixes, such as Ms. or Mr.
Line 3d:	The middle initial of each household member. If no middle initial, leave blank. If more than one middle initial, only enter one.
Line 3e:	The date of birth for each household member.
Line 3f:	The age in years of each household member on the effective date of action (line 2b).
Line 3g:	Indicate the gender of each household member (M= Male, F= Female).
Line 3h:	Select the code at bottom of the page that best categorizes the relation or role of each household member.
Line 3i:	Select the code at the bottom of page that indicates each household member's United States citizenship status.
Line 3j:	Indicate whether or not the household member has a disability.
Line 3k:	Select the code or codes at the bottom of the page that the family says best indicates each household member's race. Select as many codes as appropriate.
Line 3m:	Select the code at bottom of page and check the box next to the code the family says best indicates each household member's ethnicity.
Line 3n:	Enter the 9-digit Social Security Number (SSN) issued to each household member by the Social Security Administration (SSA).
Note:	If a head of household does not have a SSN, see the Form HUD-50058 Instruction Booklet.
Line 3p:	Enter the Alien Registration Number or A-number issued to each noncitizen household member, if applicable.
Note:	The A-number contains seven, eight or nine numerical digits preceded by the letter A, e. g., A72 735 827. If the A-number has seven digits, enter two zeros before the numbers. If the A-number has eight digits, enter one zero before the numbers. If the A-number has nine digits, enter the number without a leading zero. Do not enter the letter A in any case.
Line 3q:	Public Housing only. Select the code at the bottom of the page to indicate whether the family member met his or her community service or self-sufficiency requirement under PHRA.
Note:	The law requires an average of eight hours of community service per month during the year.
Note:	Use '5' if the community service requirement is not in effect for your particular PHA.
Line 3t:	The total number of people in the household.
Note:	Count all persons. Include foster children or adults, live-in aides, and other unrelated individuals (who reside with the family as part of the household). Also include persons who are members of the household but temporarily absent from the home.
Line 3u:	Select the code on the bottom of the page that indicates the housing assistance eligibility for family members based on the Noncitizens Rule. The Noncitizens Rule allows PHAs to provide financial assistance to U. S. citizens, nationals, and non-U. S. citizens with eligible immigration status.
Note:	If the family's status under the Noncitizens Rule is prorated assistance (3u= P), the family should fill out the applicable prorated rent calculation when determining rent burden.
Line 3v:	Date the family originally qualified for the continuation of full assistance (3u= C).
Line 3w:	If the designated head of household changed due to discontinued occupancy or other cause such as death, marriage, or remarriage and there are family members who remain in the household, enter the former head of household's Social Security Number (SSN).

Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
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#### 4. Background at Admission

4a. Date (mm/dd/yyyy) entered waiting list	4a.
4b. ZIP code before admission	4b.
4c. Homeless at admission? (Y or N)	4c.
4d. Does family qualify for admission over the very low-income limit? (vouchers only) (Y or N)	4d.
4e. Continuously assisted under the 1937 Housing Act? (Y or N)	4e.
4f. Is there a HUD approved income targeting disregard? (Y or N)	4f.

#### 5. Unit to be Occupied on Effective Date of Action

5a. Unit address			
Number and street			Apt.
City	State	ZIP code (+4)	
5b. Is mailing address same as unit address? (Y or N) (if yes, skip to 5d)			5b.
5c. Family's mailing address			
Number and street			Apt.
City	State	ZIP code (+4)	
5d. Number of bedrooms in unit			5d.
5e. Has the PHA identified this unit as an accessible unit? (Public Housing only) (Y or N)			5e.
5f. Has the family requested accessibility features? (Public Housing only) (Y or N) (if no, skip to next section)			5f.
5g. Has the family received requested accessibility features? (Public Housing only)			
[ ] a. Yes, fully [ ] b. Yes, partially [ ] c. No, not at all [ ] d. Action pending (can be checked in combination with b. or c.)			
5h. Date (mm/dd/yyyy) unit last passed HQS inspection (Section 8 only, except Homeownership and Project-based Vouchers)			5h.
5i. Date (mm/dd/yyyy) of last annual HQS inspection (Section 8 only, except Homeownership and Project-based Vouchers)			5i.
5j. Year (yyyy) unit was built (Section 8 only)			5j.
5k. Structure type (check only one) (Section 8 only)			
[ ] Single family detached		[ ] Semi-detached	
[ ] Low-rise		[ ] High rise with elevator	
		[ ] Rowhouse/townhouse	
		[ ] Manufactured home	

<b>4:</b>	<b>Background at Admission</b>
Line 4a:	Date the PHA placed the family on the waiting list for the program under which they currently receive housing assistance.
Note:	This date must not be later than effective date of action (line 2b).
Line 4b:	The 5-digit ZIP code (+ 4, if applicable) where the family lived before admission to an assistance program.
Line 4c:	Indicate whether or not the family was homeless at the time the PHA admitted the family to a housing assistance program.
Line 4d:	Vouchers only. Indicate whether or not the family qualified for program admission even though their income exceeds the very low-income limit (50% of the area's median income).
Line 4e:	Indicate whether or not the family is continuously assisted under or currently enrolled in any 1937 Housing Act program at the time of admission.
Line 4f:	Welfare to Work families only. Indicate if the family is disregarded for income targeting under a HUD approved disregard of a portion of welfare to work families.
<b>5:</b>	<b>Unit to be Occupied on Effective Date of Action</b>
Line 5a:	The complete address of the housing unit that the household occupies on the effective date of action (line 2b).
Line 5b:	Indicate whether the mailing address is different from the unit address.
Line 5c:	The complete address where the family receives mail, if other than the unit address provided in line 5a.
Note:	Leave this field blank if the mailing address is the same as the unit address.
Line 5d:	Total number of bedrooms in the unit that the household will occupy on the effective date of action (line 2b).
Line 5e:	Public Housing only. Indicate whether or not the unit that the family occupies on the effective date of action (line 2b) is a PHA designated handicapped accessible unit.
Line 5f:	Public Housing only. Indicate whether or not the family requested disability amenities or accessibility features.
Line 5g:	Public Housing only. Indicate the status of the family's request for disability amenities and/or accessibility features (line 5f) on the effective date of action (line 2b).
Line 5h:	Section 8 only, except Homeownership and Project-based Vouchers. The last date the unit passed a full housing quality standards (HQS) inspection.
Line 5i:	Section 8 only, except Homeownership and Project-based Vouchers. The last date a PHA inspector performed a full annual housing quality standards (HQS) inspection of the unit that the household occupies.
Note:	This date may be different from the date unit last passed HQS inspection (line 5h) if the unit failed the last HQS inspection.
Line 5j:	Section 8 only. The year that the unit was built.
Note:	This date is found on the request for tenancy approval form.
Line 5k:	Section 8 only. The building structure type.
Note:	See the Instruction Booklet for descriptions of each housing type.

Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
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## 6. Assets

6a. Family member name	No.	6b. Type of asset	6c. Calculation (PHA use)	6d. Cash value of asset	6e. Anticipated Income
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
6f, 6g. Column totals				\$	6f. \$ 6g.
6h. Passbook rate (written as decimal)					0. 6h.
6i. Imputed asset income: 6f X 6h (if 6f is \$5,000 or less, put 0)				\$	6i.
6j. Final asset income: larger of 6g or 6i				\$	6j.

## 7. Income

7a. Family member name	No.	7b. Income Code	7c. Calculation (PHA use)	7d. Dollars per year	7e. Income exclusions	7f. Income after exclusions (7d minus 7e)
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
7g. Column total						\$ 7g.
7h. Reserved						
7i. Total annual income: 6j + 7g						\$ 7i.

<b>7b: Income Codes</b> <b>Wages:</b> B = own business F = federal wage HA = PHA wage M = military pay W = other wage	<b>Welfare:</b> G = general assistance IW = annual imputed welfare income T = TANF assistance  <b>SS/SSI/Pensions:</b> P = pension S = SSI SS = Social Security	<b>Other Income Sources:</b> C = child support E = medical reimbursement I = Indian trust/per capita N = other nonwage sources U = unemployment benefits
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<b>6:</b>	<b>Assets</b>
Note:	Use a separate line for each family member and asset type.
Line 6a:	The name of each family member in the household that has assets and their Member number (line(s) 3a) that corresponds to the asset information reported.
Line 6b:	List any asset that has a dollar value or provides a source of income to the person listed in column 6a.
Note:	See the Form HUD-50058 Instruction Booklet for an explanation of allowable assets.
Line 6c:	Use this column to perform asset calculations.
Line 6d:	Estimated, known or calculated dollar value of the asset listed.
Line 6e:	Total amount of income the family member expects to receive in the next 12-month period from the asset listed.
Line 6f:	Total of the values listed in column 6d.
Line 6g:	Total of the values listed in column 6e.
Line 6h:	Enter the passbook rate as a decimal.
Note:	The HUD field office determines the Passbook rate of interest for the project locality based on the average interest rate received on a Passbook Savings Account at several banks in the local area.
Line 6i:	Imputed income from assets based on the total dollar value of the asset listed and the Passbook rate of interest.
Note:	If the total cash value of assets is \$5,000 or less, enter 0.
Line 6j:	Total amount of household income derived from assets.
<b>7:</b>	<b>Income</b>
Note:	If the family members do not have any income from sources other than assets and do not expect any other income in the next 12-month period, leave 7a through 7g blank. Fill in total annual income (line 7i), which would be the total of the asset income.
Line 7a:	The name of each family member in the household that has income and their Member number (line(s) 3a) that corresponds to the income information reported.
Line 7b:	Use one or two letter code at bottom of page that represents the type of income for a family member.
Note:	See the Form HUD-50058 Instruction Booklet for a detailed description of each income code.
Line 7c:	Use this column to perform income calculations.
Line 7d:	Yearly income amount the family member receives from the income source(s) listed.
Note:	See the Form HUD-50058 Instruction Booklet for a description of each income source.
Line 7e:	Income excluded from annual income calculations.
Note:	Includes income disallowance and individual savings accounts (ISA) for Public Housing.
Note:	See the Form HUD-50058 Instruction Booklet for a description of each income exclusion.
Line 7f:	The family's total income minus any exclusions. Take dollars per year (line 7d) minus income exclusions (line 7e).
Line 7g:	The total of the dollar amounts listed in column 7f.
Line 7h:	Reserved for future HUD use.
Line 7i:	The family's total annual income. Add the final asset income (line 6j) and the total income after income exclusions (line 7g).

Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
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## 8. Expected Income Per Year

8a.	Total annual income: copy from 7i	\$	8a.	
<b>Permissible Deductions (Public Housing Only. If Section 8, Skip to 8f or 8q)</b>				
8b.	Family member name	No.	8c. Type of permissible deduction	8d. Amount
				\$
				\$
				\$
				\$
				\$
				\$
8e.	Total permissible deductions (sum of column 8d)			\$ 8e.
<b>If head/spouse/co-head is under 62 and no family member is disabled, skip to 8q</b>				
8f.	Medical/disability threshold: 8a X 0.03			\$ 8f.
8g.	Total annual unreimbursed disability assistance expense (if no disability expenses, skip to 8k)			\$ 8g.
8h.	Maximum disability allowance: If 8g minus 8f is positive or zero, put amount			\$ 8h.
		If negative and head/spouse/co-head is under 62 and not disabled, put 0		\$ 8h.
		If negative and head/spouse/co-head is elderly or disabled, copy from 8g		\$ 8h.
8i.	Earnings in 7d made possible by disability assistance expense			\$ 8i.
8j.	Allowable disability assistance expense: lower of 8h or 8i (if 8g is less than 8f and head/spouse/co-head elderly or disabled, copy from 8h)			\$ 8j.
8k.	Total annual unreimbursed medical expenses (if head/spouse/co-head under 62 and not disabled, put 0)			\$ 8k.
8m.	Total annual disability assistance and medical expense: 8j + 8k (if no disability expenses, copy from 8k)			\$ 8m.
8n.	Medical/disability assistance allowance:	If no disability assistance expenses or if 8g is less than 8f, put 8m minus 8f (if 8m minus 8f is negative, put zero)		\$ 8n.
		If disability assistance expenses and 8g is greater than or equal to 8f, copy from 8m		\$ 8n.
8p.	Elderly/disability allowance (default = \$400)			\$ 8p.
8q.	Number of dependents (people under 18, or with disability, or full-time student. Do not count head of household, spouse, co-head, foster child/adult, or live-in aide.)			\$ 8q.
8r.	Allowance per dependent (default = \$480)			\$ 8r.
8s.	Dependent allowance: 8q X 8r			\$ 8s.
8t.	Total annual unreimbursed childcare costs			\$ 8t.
8x.	Total allowances: 8e + 8n + 8p + 8s + 8t			\$ 8x.
8y.	Adjusted annual income: 8a minus 8x (if 8x is larger, put 0)			\$ 8y.

<b>8:</b>	<b>Expected Income Per Year</b>
Line 8a:	The family's total annual family income. Copy from 7i.
Line 8b:	Public Housing only. The name of each family member in the household, and their individual Member number as provided in line(s) 3a that corresponds to the income information reported.
Line 8c:	Public Housing only. The type of permissible deduction as determined by the PHA.
Line 8d:	Public Housing only. The amount of the permissible deduction.
Line 8e:	Public Housing only. The total of the dollar amounts (permissible deductions) listed in column 8d.
Note:	If the head of household and spouse or co-head are under age 62, and there are no family members with a disability, skip to line 8q. Otherwise, enter all medical expense information for the entire family in lines 8f through 8n.
Line 8f:	Amount of unreimbursed medical and disability expenses that the family must pay before the PHA can deduct an allowance for such expenses from their income. Multiply 0.03 by total annual income (line 8a).
Line 8g:	The family's total annual unreimbursed disability expenses.
Line 8h:	The amount the PHA may potentially deduct for the family's disability expenses. Subtract the medical/disability threshold (line 8f) from the total unreimbursed disability assistance expenses (line 8g).
Note:	If the maximum disability allowance is negative and head/spouse/co-head is under 62 and not disabled, enter 0.
Note:	If the maximum disability allowance is negative and head/spouse/co-head is elderly or disabled, copy the total unreimbursed disability assistance expenses (line 8g).
Line 8i:	Of a family's dollars per year listed in line 7d, determine the earned amount made possible by the unreimbursed disability expenses the family incurs.
Line 8j:	The total disability assistance expense amount the family may deduct. Lower of the maximum disability allowance (line 8h) or the earnings made possible by disability assistance expense (line 8i).
Note:	If the total unreimbursed disability assistance expense (line 8g) is less than the medical/disability threshold (line 8f), and head/spouse/co-head is elderly or disabled, copy the maximum disability allowance (line 8h).
Line 8k:	The total annual amount of the family's medical expenses that another source does not reimburse (e. g., co-payments for medical insurance).
Note:	If the head/spouse/co-head is under 62 and not disabled, enter 0.
Line 8m:	The amount of the family's total disability assistance (line 8j) and medical expenses (line 8k).
Note:	If no disability expenses, copy the total unreimbursed medical expenses (line 8k).
Line 8n:	The amount of the family's allowance for medical expenses and disability assistance expenses.
Note:	If the family does not have any disability assistance expenses or if the total unreimbursed disability assistance expenses (line 8g) is less than the medical/disability threshold (line 8f), enter the total disability assistance and medical expenses (line 8m) minus the medical/disability threshold (line 8f). If the difference is negative, put zero.
Note:	If disability assistance expense and the total unreimbursed disability assistance expense (line 8g) are greater than or equal to the medical/disability threshold (line 8f), copy the total disability assistance and medical expenses (line 8m).
Line 8p:	The family's standard allowance amount if the head of household or spouse or co-head is elderly (age 62 or over), or disabled. The current allowance is \$400.
Line 8q:	The total number of dependents who live in the household and are under 18 years of age, or have a disability, or are full-time students of any age.
Line 8r:	Standard allowance amount for each dependent in the household.
Note:	The current allowance per dependent is \$480.
Line 8s:	The amount of the family's dependent allowance. Multiply the number of dependents (line 8q) in the household by the standard allowance per dependent amount (line 8r).
Line 8t:	The household's total yearly unreimbursed childcare expenses.
Note:	This is the estimated amount a family expects to pay for childcare during the annual income period.
Line 8x:	The total amount of all of the family's allowances. Enter the sum of lines 8e, 8n, 8p, 8s, and 8t.
Line 8y:	The family's adjusted annual income. Subtract total allowances (line 8x) from total annual income (line 8a).
Note:	If 8x is larger, put 0.

Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
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## 9. Total Tenant Payment (TTP)

9a.	Total monthly income: $8a \div 12$	\$	9a.
9c.	TTP if based on annual income: $9a \times 0.10$	\$	9c.
9d.	Adjusted monthly income: $8y \div 12$	\$	9d.
9e.	Percentage of adjusted monthly income: use 30% for Section 8		9e.
9f.	TTP if based on adjusted annual income: $(9d \times 9e) \div 100$	\$	9f.
9g.	Welfare rent per month (if none, put 0)	\$	9g.
9h.	Minimum rent (if waived, put 0)	\$	9h.
9i.	Enhanced Voucher minimum rent	\$	9i.
9j.	TTP, highest of lines 9c, 9f, 9g, 9h, or 9i	\$	9j.
9k.	Most recent TTP	\$	9k.
9m.	Qualify for minimum rent hardship exemption? (Y or N)	\$	9m.

<b>9:</b>	<b>Total Tenant Payment (TTP)</b>
Line 9a:	Divide total annual income (line 8a) by 12 to get total monthly income.
Line 9c:	Multiply total monthly income (line 9a) by 0.10 to get total tenant payment (TTP) based on annual income.
Line 9d:	Divide adjusted annual income (line 8y) by 12 to get adjusted monthly income.
Line 9e:	Percentage of adjusted monthly income used to determine total tenant payment (TTP).
Note:	Use 30% for Section 8.
Line 9f:	Multiply the adjusted monthly income (line 9d) by percentage of adjusted monthly income (line 9e) and divide by 100 to get total tenant payment (TTP) based on adjusted monthly income.
Line 9g:	The amount the welfare assistance agency specifically designates for shelter and utilities if the family receives welfare assistance. The welfare assistance agency may adjust this amount in accordance with the actual cost of shelter and utilities.
Note:	If no welfare rent, put 0.
Line 9h:	Enter the PHA established monthly minimum rent amount. The PHA may require the tenant to pay a minimum rent amount up to \$50.
Note:	If the PHA waived this payment because of financial hardship, enter 0.
Line 9i:	Enhanced Vouchers only. Enter the monthly rent that the family was paying on the date of the 'eligibility event' for the project.
Line 9j:	The total tenant payment (TTP). The highest amount listed in the lines 9c, 9f, 9g, 9h, or 9i.
Line 9k:	The most recent total tenant payment (TTP) amount for the family.
Note:	This amount is only available if the family previously lived in subsidized housing.
Line 9m:	Indicate if the family qualifies for a minimum rent hardship exemption.
Note:	Under PHRA, a family does not have to pay the PHA established minimum rent if they qualify for a financial hardship exemption.

Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
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## 10. Public Housing and Turnkey III

10a.	TTP: copy from 9j	\$	10a.
10b.	Unit's flat rent (see Instruction Booklet for prorated flat rent calculation)	\$	10b.

### Income Based Rent Calculation (if prorated rent, skip to 10h)

10c.	Income based ceiling rent, if any	\$	10c.
10d.	Lower of TTP or income based ceiling rent (if no income based ceiling rent, put 10a)	\$	10d.
10e.	Utility allowance, if any	\$	10e.
10f.	Tenant rent: 10d minus 10e	If positive or 0, put tenant rent	\$ 10f.
		If negative, credit tenant	\$ 10f.

### Income Based Prorated Rent Calculation (if not prorated, skip to 10u)

10h.	Public Housing maximum rent	\$	10h.
10i.	Family maximum subsidy: 10h minus 10a	\$	10i.
10j.	Total number eligible		10j.
10k.	Total number in family		10k.
10n.	Eligible subsidy $(10i \div 10k) \times 10j$	\$	10n.
10p.	Mixed family TTP: 10h minus 10n	\$	10p.
10r.	Utility allowance, if any	\$	10r.
10s.	Mixed family tenant rent: 10p minus 10r	If positive or 0, put tenant rent	\$ 10s.
		If negative, credit tenant	\$ 10s.

### Type of Rent

10u.	Type of rent selected:	<input type="checkbox"/> Income based	<input type="checkbox"/> Flat
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<b>10:</b>	<b>Public Housing</b>
Note:	Complete if the family participates in the Public Housing program (line 1c=P) or the Turnkey III program (line 1c=P) and the type of action is New Admission (2a= 1), Annual Reexamination (2a= 2), Interim Reexamination (2a= 3), or Other Change of Unit (2a= 7).
Line 10a:	The total tenant payment (TTP). Copy from 9j.
Line 10b:	Flat rent dollar amount.
Note:	Flat rent is set by the unit size and building.
Note:	If a PHA uses the income based ceiling rent amount for flat rent, input the income based ceiling rent amount in this line.
Note:	See the Instruction Booklet for the prorated flat rent calculation.
Line 10c:	The highest rent amount the PHA will require a family to pay for a particular unit size.
Note:	If no income based ceiling rent, enter 0.
Line 10d:	The lesser amount of either the total tenant payment (TTP) (line 10a) or income based ceiling rent (line 10c).
Note:	If there is no income based ceiling rent, enter the TTP (line 10a).
Line 10e:	If the payment does not include all utilities, the monthly allowance amount for tenant supplied utilities that apply to the family occupied unit.
Note:	If there is no utility allowance, enter 0.
Line 10f:	The rent amount the family pays to the owner after deducting the utility allowance (line 10e) from the lower rent (line 10d) or the total credit amount the family receives to pay utilities.
Line 10h:	The maximum rent. To calculate the maximum rent, list the total tenant payments (TTP) paid by all tenants in this size unit in the PHA's jurisdiction from largest to smallest, then take the TTP that falls at the 95th percentile.
Line 10i:	Maximum amount of rent subsidy available to the family. Subtract total tenant payment (TTP) (line 10a) from the Public Housing maximum rent (line 10h).
Line 10j:	The total number of family members eligible for rent subsidy based on the Noncitizens Rule.
Line 10k:	The total number of family members in the household.
Note:	Include all family members, including ineligible noncitizen family members (3i= IN). Do not include live-in aides or foster children/adults.
Line 10n:	The total amount of rent subsidy for which the family is eligible. Divide family maximum subsidy (line 10i) by the total number in the family (line 10k) and multiply the product by the total number eligible (line 10j).
Line 10p:	The mixed family total tenant payment (TTP) for the unit based on the proration calculation. Public Housing maximum rent (line 10h) minus eligible subsidy (line 10n).
Line 10r:	If the payment does not include all utilities, the monthly allowance amount for tenant supplied utilities that apply to the family occupied unit.
Note:	If there is no utility allowance, enter 0.
Line 10s:	The rent amount the family pays to the owner after deducting the utility allowance (line 10r) from the mixed family total tenant payment (TTP) (line 10p), or the total credit amount the family receives to pay for utilities.
Line 10u:	Indicate whether the family selected an income based rent or a flat rent.

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## 11. Section 8: Project Based Certificates and Vouchers

11b.	Is family now moving to this unit? (Y or N)		11b.
11d.	Did family move into your PHA jurisdiction under portability? (Y or N) (if no, skip to 11g)		11c.
11e.	Cost billed per month (put 0 if absorbed)	\$	11e.
11f.	PHA code billed		11f.
11g.	Housing type: <input type="checkbox"/> Group Home (prorate gross rent) <input type="checkbox"/> SRO: 1 room occupied by 1 person		
11h.	Owner name		11h.
11i.	Owner TIN/SSN		11i.
11k.	Contract rent to owner (if unit has other subsidy, put subsidized rent)	\$	11k.
11m.	Utility allowance, if any	\$	11m.
11n.	Gross rent of unit: 11k + 11m	\$	11n.
11q.	TTP: copy from 9j	\$	11q.

### Rent Calculation (if prorated rent, skip to 11aa)

11r.	Total HAP: 11n minus 11q. If 11q is larger, put 0	\$	11r.
11s.	Tenant rent: 11k minus 11r	If positive or 0, put tenant rent	\$ 11s.
		If negative, credit tenant	\$ 11s.
11t.	HAP to owner: lower of 11k or 11r	\$	11t.

### Prorated Rent Calculation

11aa.	Normal total HAP: 11n minus 11q	\$	11aa.
11ae.	Total number eligible		11ae.
11af.	Total number in family		11af.
11ag.	Proration percentage: 11ae ÷ 11af		11ag.
11ah.	Prorated total HAP: 11aa X 11ag	\$	11ah.
11ai.	Mixed family TTP: 11n minus 11ah	\$	11ai.
11aj.	Utility allowance: copy from 11m	\$	11aj.
11ak.	Mixed family tenant rent: 11ai minus 11aj	If positive or 0, put tenant rent	\$ 11ak.
		If negative, credit tenant	\$ 11ak.
11an.	Prorated HAP to owner: 11k minus 11ak (if 11ak is negative, put 11k)	\$	11an.



<b>11:</b>	<b>Section 8: Project Based Certificates and Vouchers</b>
Note:	Complete if the family participates in the Project Based Certificates program (1c= CE) or the Project Based Voucher program (1c= VO) and the type of action is New Admission (2a= 1), Annual Reexamination (2a= 2), Interim Reexamination (2a= 3), Portability Move-in (2a= 4), or Other Change of Unit (2a= 7).
Line 11b:	Indicate if the family is now moving into the unit.
Line 11d:	Indicate whether or not the household will move or has moved into the PHA's jurisdiction under portability.
Line 11e:	Monthly amount billed to the initial PHA for the family's housing assistance payment (HAP), on-going administrative fee, and any utility reimbursement to the family.
Note:	Enter 0 if the family was absorbed by the receiving PHA.
Line 11f:	The initial PHA's 2-letter state code and 3-digit identification number.
Note:	For help obtaining the initial PHA's identification number, contact the appropriate HUD field office, the HA Profiles Web Site within PIC or the PIC Help Hotline at 1-800-366-6827.
Line 11g:	Check the housing type that applies to the family's housing unit.
Line 11h:	The Section 8 unit owner's legal name.
Line 11i:	Tax identification number (TIN) or Social Security Number (SSN) of the legal unit owner.
Line 11k:	Total monthly rent amount paid to the unit owner under the lease, or other subsidized rent amount.
Line 11m:	If the payment does not include all utilities, the monthly allowance amount for tenant supplied utilities that apply to the family occupied unit.
Line 11n:	To get the unit's total monthly rent amount, or gross rent, add the contract rent to owner (line 11k) and the utility allowance (line 11m).
Line 11q:	The total tenant payment (TTP). Copy from 9j.
Line 11r:	Total housing assistance payment (HAP), which is composed of the gross rent of unit (line 11n) minus total tenant payment (TTP) (line 11q).
Line 11s:	The rent amount the family pays to the owner after deducting the total housing assistance payment (HAP) (line 11r) from the contract rent to owner (line 11k), or the total credit amount the family receives to pay utilities.
Line 11t:	The amount of the housing assistance payment (HAP) to the unit owner. The lower amount of the contract rent to owner (line 11k) or total HAP (line 11r).
Line 11aa:	Amount of the normal total housing assistance payment. Subtract total tenant payment (TTP) (line 11q) from gross rent (line 11n).
Line 11ae:	Total number of family members eligible for a rent subsidy based on the Noncitizens Rule.
Line 11af:	Total number of family members in household.
Note:	Include all family members, including ineligible noncitizen family members (3i= IN). Do not include live-in aides or foster children/adults.
Line 11ag:	Percentage of family eligible for rent subsidy. Divide total number eligible (line 11ae) by total number in family (line 11af).
Line 11ah:	Total prorated housing assistance payment (HAP). Multiply normal total HAP (line 11aa) by proration percentage (line 11ag).
Line 11ai:	Total tenant payment (TTP) for the unit based on the proration calculation. Gross rent of unit (line 11n) minus prorated total housing assistance payment (HAP) (line 11ah).
Line 11aj:	Monthly allowance amount for tenant supplied utilities if the payment does not include all utilities. Copy from line 11m.
Line 11ak:	The rent amount the family pays to the owner after deducting the utility allowance (line 11aj) from the mixed family total tenant payment (TTP) (line 11ai), or the total credit amount the family receives to pay utilities.
Line 11an:	The total prorated housing assistance payment (HAP) to the unit owner. Subtract the mixed family tenant rent (line 11ak) from the contract rent to owner (line 11k).
Note:	If the mixed family tenant rent (line 11ak) is negative, enter the contract rent to owner (line 11k).

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## 12. Housing Choice Vouchers: Tenant Based Vouchers

12a.	Number of bedrooms on Voucher		12a.
12b.	Is family now moving to this unit? (Y or N)		12b.
12c.	Does the family qualify as a Hard to House family? (Y or N)		12c.
12d.	Did family move into your PHA jurisdiction under portability? (Y or N) (if no, skip to 12g)		12d.
12e.	Cost billed per month (put 0 if absorbed)	\$	12e.
12f.	PHA code billed		12f.
12g.	Housing type:	<input type="checkbox"/> Group Home (prorate gross rent) <input type="checkbox"/> Own manufactured home, lease space <input type="checkbox"/> SRO: 1 room occupied by 1 person	
12h.	Owner name		12h.
12i.	Owner TIN/SSN		12i.
12j.	Payment standard for the family	\$	12j.
12k.	Rent to owner	\$	12k.
12m.	Utility allowance, if any	\$	12m.
12p.	Gross rent of unit: 12k + 12m (or Space Rent)	\$	12p.
12q.	Lower of 12j or 12p	\$	12q.
12r.	TTP: copy from 9j	\$	12r.
12s.	Total HAP: 12q minus 12r	\$	12s.

### Rent Calculation (if prorated rent, skip to 12ab)

12t.	Total family share: 12p minus 12s	\$	12t.
12u.	HAP to owner: lower of 12k or 12s	\$	12u.
12v.	Tenant rent to owner: 12k minus 12u	\$	12v.
12w.	Utility reimbursement to family: 12s minus 12u, but do not exceed 12m	\$	12w.

### Prorated Rent Calculation

12ab.	Normal total HAP: copy from 12s, but do not exceed 12p	\$	12ab.
12ac.	Total number eligible		12ac.
12ad.	Total number in family		12ad.
12ae.	Proration percentage: 12ac ÷ 12ad	\$	12ae.
12af.	Prorated total HAP: 12ab X 12ae	\$	12af.
12ag.	Mixed family total family contribution: 12p minus 12af	\$	12ag.
12ah.	Utility allowance: copy from 12m	\$	12ah.
12ai.	Mixed family tenant rent to owner: 12ag minus 12ah	If positive or 0, put tenant rent If negative, credit tenant	12ai.
			12ai.
12aj.	Prorated HAP to owner: 12k minus 12ai. If 12ai is negative, put 12k	\$	12aj.

<b>12:</b>	<b>Housing Choice Vouchers: Tenant Based Vouchers</b>
Note:	Complete if the family participates in the Tenant-based Voucher program (1c= VO) and type of action is New Admission (2a= 1), Annual Reexamination (2a= 2), Interim Reexamination (2a= 3), Portability Move-in (2a= 4), or Other Change of Unit (2a= 7).
Line 12a:	Unit size (number of bedrooms) listed on the family's Voucher.
Line 12b:	Indicate if the family is now moving into the unit.
Line 12c:	Indicate whether or not the family qualifies as Hard to House. A family qualifies as Hard to House if there are three or more minors or if there is a disabled family member and the family is moving to a different unit.
Line 12d:	Indicate whether or not the household will move or has moved into the PHA's jurisdiction under portability.
Line 12e:	Monthly amount billed to the initial PHA for the family's housing assistance payment (HAP) amount, on-going administrative fee, and any utility reimbursement to the family.
Note:	Enter 0 if the family was absorbed by the receiving PHA.
Line 12f:	The initial PHA's 2-letter state code and 3-digit identification number.
Note:	For help obtaining the initial PHA's identification number, contact the appropriate HUD field office, the HA Profiles Web Site within PIC or the PIC Help Hotline at 1-800-366-6827.
Line 12g:	Check the housing type that applies to the family's housing unit.
Line 12h:	The unit owner's legal name.
Line 12i:	Tax identification number (TIN) or Social Security Number (SSN) of the legal unit owner.
Line 12j:	Enter maximum monthly assistance payment for a family assisted in the Voucher program.
Line 12k:	Total monthly rent payable to the unit owner under the lease for the contract unit.
Line 12m:	If the payment does not include all utilities, the monthly allowance amount for tenant supplied utilities that apply to the family occupied unit.
Line 12p:	Gross rent of unit or space rent. Add rent to owner (line 12k) to the utility allowance (line 12m).
Line 12q:	Lower of Voucher payment standard for family (line 12j) or gross rent of unit (line 12p).
Line 12r:	Total tenant payment (TTP). Copy from 9j.
Line 12s:	Total housing assistance payment (HAP), which is composed of the lower of the payment standard for the family or gross rent (line 12q) minus total tenant payment (TTP) (line 12r).
Line 12t:	Amount the family contributes toward rent and utilities. Subtract total housing assistance payment (HAP) (line 12s) from gross rent of unit (line 12p).
Line 12u:	The amount of the housing assistance payment (HAP) to the unit owner. The lower of the rent to owner (line 12k) or total HAP (line 12s).
Line 12v:	Rent amount the family pays to the owner after deducting the housing assistance payment (HAP) to owner (line 12u) from the rent to owner (line 12k).
Line 12w:	The utility reimbursement to the family from the PHA. Subtract housing assistance payment (HAP) to owner (line 12u) from total HAP (line 12s), but do not exceed the utility allowance (line 12m).
Line 12ab:	The amount of the normal total housing assistance payment (HAP).
Line 12ac:	Total number of family members eligible for rent subsidy based on the Noncitizens Rule.
Line 12ad:	Total number of family members in household.
Note:	Include all family members, including ineligible noncitizen family members (3i= IN). Do not include live-in aides or foster children/adults.
Line 12ae:	Percentage of family eligible for rent subsidy. Divide total number eligible (line 12ac) by total number in the family (12ad).
Line 12af:	Multiply total normal housing assistance payment (HAP) (line 12ab) by the proration percentage (line 12ae).
Line 12ag:	The mixed family total family contribution based on the proration calculation. Take the gross rent of unit (line 12p) minus prorated total housing assistance payment (HAP) (line 12af).
Line 12ah:	If the payment does not include all utilities, the monthly allowance amount for tenant supplied utilities that apply to the family occupied unit.
Line 12ai:	The rent amount the family pays to the owner after subtracting the utility allowance (line 12ah) from the mixed family total family contribution (line 12ag); or the total credit amount the family receives to pay for utilities.
Line 12aj:	The total prorated amount of the housing assistance payment (HAP) to the unit owner. Subtract the mixed family tenant rent to owner (line 12ai) from the rent to owner (line 12k).
Note:	If the mixed family tenant rent to owner (line 12ai) is negative, enter the rent to owner (line 12k).

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### 13. Section 8: Moderate Rehabilitation (Mod Rehab)

13a.	HAP contract number [ ] [ ] - [ ] [ ] [ ] - [ ] R [ ] [ ] [ ] [ ] - [ ] [ ] [ ] [ ]	13a.
13b.	Mod Rehab SRO Program for homeless? (Y or N)	13b.
13c.	Mod Rehab SRO unit (not homeless program)? (Y or N)	13c.
13d.	Owner name	13d.
13e.	Owner TIN/SSN	13e.
13f.	Current base rent	\$ 13f.
13g.	Rehabilitation debt service	\$ 13g.
13h.	Contract rent to owner: 13f + 13g	\$ 13h.
13i.	Utility allowance, if any	\$ 13i.
13j.	TTP: copy from 9j	\$ 13j.

#### Rent Calculation (if prorated, skip to 13p)

13k.	Tenant rent: 13j minus 13i (if 13j is greater than 13h + 13i, put 13h)	If positive or 0, put tenant rent	\$	13k.	
		If negative, credit tenant	\$	13k.	
13m.	HAP to owner: 13h minus 13k (if 13k is negative, put 13h)			\$	13m.

#### Prorated Rent Calculation

13p.	Gross rent: 13h + 13i		\$	13p.
13q.	Normal total HAP: 13p minus 13j		\$	13q.
13r.	Total number eligible			13r.
13s.	Total number in family			13s.
13t.	Proration percentage: 13r ÷ 13s			13t.
13u.	Prorated total HAP: 13q X 13t		\$	13u.
13v.	Mixed family TTP: 13p minus 13u		\$	13v.
13w.	Utility allowance: copy from 13i		\$	13w.
13x.	Mixed family tenant rent: 13v minus 13w	If positive or 0, put tenant rent	\$	13x.
		If negative, credit tenant	\$	13x.
13z.	Prorated HAP to owner: 13h minus 13x (if 13x is negative, put 13h)		\$	13z.

<b>13:</b>	<b>Section 8: Moderate Rehabilitation (Mod Rehab)</b>
Note:	Complete if the family participates in the Moderate Rehabilitation program (1c= MR) and type of action is New Admission (2a= 1), Annual Reexamination (2a= 2), Interim Reexamination (2a= 3), or Other Change of Unit (2a= 7).
Line 13a:	The housing assistance payment (HAP) contract number. Include the sequence number for each HAP contract. Note: The HAP contract sequence number identifies the particular HAP contract as under the project (funding increment).
Line 13b:	Indicate whether the family's unit is in a Single-Room Occupancy (SRO) project under the SRO Program for Homeless Individuals.
Line 13c:	Indicate whether the family's unit is a Single-Room Occupancy (SRO) unit, but not under the SRO Program for Homeless Individuals.
Line 13d:	The Section 8 unit owner's legal name.
Line 13e:	Tax identification number (TIN) or Social Security Number (SSN) of the legal unit owner.
Line 13f:	The current base rent for the unit that reflects the most recent rent adjustment.
Line 13g:	The owner's current monthly rehabilitation debt service payments for the unit.
Line 13h:	The monthly rent amount paid to the Mod Rehab unit owner as specified in the housing assistance payment (HAP) contract. Add the current base rent (line 13f) to any monthly rehabilitation debt service (line 13g).
Line 13i:	If the payment does not include all utilities, the monthly allowance amount for tenant supplied utilities that apply to the family occupied unit.
Line 13j:	The total tenant payment (TTP). Copy from 9j.
Line 13k:	The rent amount the family pays to the owner after deducting the utility allowance (line 13i) from the total tenant payment (TTP) (line 13j); or the total credit amount the family receives to pay for utilities.
Line 13m:	The amount of the housing assistance payment (HAP) to the unit owner. Subtract the tenant rent (line 13k) from the contract rent to owner (line 13h).
Note:	If the tenant rent (line 13k) is negative, enter the contract rent to owner (line 13h).
Line 13p:	The unit's total monthly rent amount. Add the contract rent to owner (line 13h) to the utility allowance (line 13i).
Line 13q:	The amount of the normal total housing assistance payment (HAP). Subtract total tenant payment (TTP) (line 13j) from the gross rent (line 13p).
Line 13r:	Total number of family members eligible for rent subsidy based on the Noncitizens Rule.
Line 13s:	Total number of family members in household.
Note:	Include all family members, including ineligible noncitizen family members (3i= IN). Do not include live-in aides or foster children/adults.
Line 13t:	Percentage of family eligible for rent subsidy. Divide the total number eligible (line 13r) by the total number in family (line 13s).
Line 13u:	The prorated housing assistance payment (HAP). Multiply the normal total HAP (line 13q) by the proration percentage (line 13t).
Line 13v:	The mixed family total tenant payment (TTP). Subtract the prorated total housing assistance payment (HAP) (line 13u) from the gross rent (line 13p).
Line 13w:	If the payment does not include all utilities, the monthly allowance amount for tenant supplied utilities that apply to the family occupied unit.
Line 13x:	The rent amount the family pays to the owner after deducting the utility allowance (line 13w) from the mixed family total tenant payment (TTP) (line 13v); or the total credit amount the family receives to pay for utilities.
Line 13z:	The total prorated amount of the housing assistance payment (HAP) to the unit owner. Subtract the mixed family tenant rent (line 13x) from the contract rent to owner (line 13h).

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## 15. Homeownership Vouchers

15a.	Is family now moving to this home? (Y or N)		15a.
15b.	Date (mm/dd/yyyy) of initial HQS inspection		15b.
15c.	Did family move into your PHA jurisdiction under portability? (Y or N) (if no, skip to 15f)		15c.
15d.	Cost billed per month (put 0 if absorbed)	\$	15d.
15e.	PHA code billed		15e.
15f.	Monthly homeownership payment (PITI & MIP if applicable)	\$	15f.
15g.	Utility allowance	\$	15g.
15h.	Monthly maintenance allowance	\$	15h.
15i.	Monthly major repair/replacement allowance	\$	15i.
15j.	Monthly Co-op/Condominium assessments	\$	15j.
15k.	Monthly principal and interest on debt for improvements, if any	\$	15k.
15m.	Gross homeownership expense: 15f + 15g + 15h + 15i + 15j + 15k	\$	15m.
15n.	Payment standard for family	\$	15n.
15p.	Lower of 15m and 15n	\$	15p.
15q.	TTP: copy from 9j	\$	15q.
15r.	HAP: 15p minus 15q (if 15q is larger, put 0)	\$	15r.

### Subsidy Calculation (if prorated, skip to 15aa)

15s.	Total family share: 15m minus 15r	\$	15s.
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### Prorated Subsidy Calculation

15aa.	Normal total HAP: copy from 15r	\$	15aa.
15ab.	Total number eligible		15ab.
15ac.	Total number in family		15ac.
15ad.	Proration percentage: 15ab ÷ 15ac		15ad.
15ae.	Prorated HAP: 15aa X 15ad	\$	15ae.
15af.	Mixed family total family share: 15m minus 15ae	\$	15af.

<b>15.</b>	<b>Homeownership Vouchers</b>
Note:	Complete if program type is Homeownership (line 1c= VO) and type of action is New Admission (2a= 1), Annual Reexamination (2a= 2), Interim Reexamination (2a= 3), Portability Move-in (2a= 4), or Other Change of Unit (2a= 7).
Line 15a:	Indicate if the family is now moving into the home.
Line 15b:	Date of the initial housing quality standards (HQS) inspection.
Line 15c:	Indicate whether or not the household will move or has moved into the PHA's jurisdiction under portability.
Line 15d:	Monthly amount billed to the initial PHA for the family's housing assistance payment (HAP) amount, on-going administrative fee, and any utility reimbursement to the family.
Note:	Enter 0 if the family was absorbed by the receiving PHA.
Line 15e:	The initial PHA's 2-letter state code and 3-digit identification number.
Note:	For help obtaining the initial PHA's identification number, contact the appropriate HUD field office, the HA Profiles Web Site within PIC or the PIC Help Hotline at 1-800-366-6827.
Line 15f:	The monthly homeownership cost.
Note:	Includes principal and interest on initial mortgage debt, taxes and insurance (PITI) and any mortgage insurance premium (MIP), if applicable.
Line 15g:	The PHA's utility allowance for the unit.
Line 15h:	The amount of PHA's allowance for the homeowner's monthly routine maintenance costs.
Line 15i:	The amount of the PHA's allowance for the homeowner's major home repairs and replacements.
Line 15j:	If applicable, enter co-op occupancy charges or condominium association assessments.
Line 15k:	The amount of principal and interest for debt associated with home improvements on the unit.
Line 15m:	Calculation of tenant's total cost of homeownership. Sum of 15f through 15k.
Line 15n:	Enter the lower of the payment standard for the unit size as indicated on the family's Voucher or the payment standard for the unit size that the family actually owns.
Line 15p:	The lower of gross homeownership expense (line 15m) and the payment standard for the family (line 15n).
Line 15q:	Total tenant payment (TTP). Copy from 9j.
Line 15r:	The amount of monthly homeownership assistance payment (HAP). Subtract total tenant payment (TTP) (line 15q) from the lower of 15m and 15n (line 15p).
Note:	If the TTP (line 15q) is larger, enter 0.
Line 15s:	Total amount the family contributes toward homeownership. Subtract housing assistance payment (HAP) (line 15r) from gross homeownership expense (line 15m).
Line 15aa:	The amount of the normal total housing assistance payment.
Line 15ab:	Total number of family members eligible for homeownership subsidy based on the Noncitizens Rule.
Line 15ac:	Total number of family members in the household.
Note:	Include all family members, including ineligible noncitizen family members (3i= IN). Do not include live-in aides or foster children/adults.
Line 15ad:	Percentage of family eligible for homeownership subsidy. Divide the total number eligible (line 15ab) by the total number in family (line 15ac).
Note:	Do not include live-in aides or foster children and adults. Include ineligible noncitizen family members as part of the total family number.
Line 15ae:	The total prorated amount of the homeownership assistance payment (HAP) to the homeowner. Multiply normal total HAP (line 15aa) by the proration percentage (line 15ad).
Line 15af:	The mixed family total family contribution based on the proration calculation. Subtract the prorated housing assistance payment (HAP) (line 15ae) from the gross homeownership expense (line 15m).

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## 17. Family Self-Sufficiency (FSS)/ Welfare to Work (WtW) Voucher Addendum

17a.	Participate in special programs? (check all that apply) <input type="checkbox"/> FSS <input type="checkbox"/> Welfare to Work Voucher		
17b.	FSS report category: (check no more than one) <input type="checkbox"/> Enrollment <input type="checkbox"/> Progress <input type="checkbox"/> Exit		
17c.	FSS effective date (mm/dd/yyyy) of action	17c.	
17d.	PHA code of PHA administering FSS contract	17d.	
17e.	WtW report category: (check no more than one) <input type="checkbox"/> Enrollment <input type="checkbox"/> Progress <input type="checkbox"/> Exit		
17f.	WtW effective date (mm/dd/yyyy) of action	17f.	
17g.	(1) PHA code of PHA that issued the WtW Voucher	17g(1).	
	(2) PHA code of PHA counting the family as enrolled in its WtW Voucher program (if different from 17g(1))	17g(2).	
17h.	General information		
	(1) Current employment status of head of household. Check the box to indicate the head of household's employment status at the time addendum completed. <input type="checkbox"/> Full-time (32 hours per week or more) <input type="checkbox"/> Part-time <input type="checkbox"/> Not employed		
	(2) Date (mm/dd/yyyy) current employment began	17h(2).	
	(3) Benefits in current employment: (check all that apply) <input type="checkbox"/> Health <input type="checkbox"/> Retirement account <input type="checkbox"/> Other		
	(4) Years of school completed by the head of household. Enter the highest grade of education or years of formal schooling the head of household completed at the time Addendum is submitted. (0-25)	17h(4).	
	(5) Assistance received by the family: (check all that apply) <input type="checkbox"/> TANF Income Assistance <input type="checkbox"/> General Assistance <input type="checkbox"/> Food Stamps <input type="checkbox"/> Medicaid/Children's Health Insurance Program <input type="checkbox"/> Earned Income Tax Credit		
	(6) Number of children receiving childcare services	17h(6).	
17i.	Family services table (optional for WtW Voucher)		
	(1) Need (Y or N)	(2) Need Met During Participation in Program (Y or N)	(3) Service Provider
Education/Training			
GED			
High school			
Post secondary			
Vocational/Job training			
Job search/job placement			
Job retention			
Transportation			
Health services			
Alcohol and other drug abuse prevention services			
Mentoring			
Homeownership counseling			
Individual Development Account (IDA)			
Child care			
None			
17i (3) Service provider codes:			
P = PHA	D = DOL grantee	PR = For profit entity	E = Employer
T = TANF agency	V = Voluntary organization	N = Nonprofit agency	C = Community college



<b>17:</b>	<b>Family Self-Sufficiency (FSS)/ Welfare to Work (WtW) Voucher Addendum</b>
Note:	Complete this section if the family participates in the Family Self-Sufficiency or Welfare to Work Programs.
Line 17a:	Identify if the family participates in a Family Self-Sufficiency (FSS) program, a Welfare to Work (WtW) Voucher program, or both.
Line 17b:	Check one category to indicate the purpose of the FSS Addendum.
Line 17c:	The effective date of the FSS action.
Line 17d:	The PHA code associated with the PHA that provides the FSS services.
Note:	For help obtaining the PHA's identification number, contact the appropriate HUD field office, the HA Profiles Web Site within PIC or the PIC Help Hotline at 1-800-366-6827.
Line 17e:	Check one category to indicate the purpose of the WtW Addendum.
Line 17f:	The effective date of the WtW action.
Line 17g(1):	The PHA code associated with the PHA that issued the WtW Voucher. For unknown issuing PHAs, enter own PHA code.
Line 17g(2):	The PHA code of the PHA counting the family as enrolled.
Note:	Only complete if this PHA code differs from 17g(1).
Line 17h(1):	Indicate the head of household's current employment status.
Line 17h(2):	The date the head of household began his/her current job.
Line 17h(3):	Indicate the head of household's current employment benefits. Check all that apply.
Line 17h(4):	Enter the highest <i>grade</i> or the <i>full years</i> of formal schooling that the head of household <u>completed</u> (0-25).
Note:	Years of schooling begin with first grade (do not count kindergarten or pre-school).
Line 17h(5):	Indicate whether or not the family receives additional assistance, such as food stamps, Medicaid, TANF assistance, or the earned income tax credit.
Line 17h(6):	The number of children in the household who receive childcare services.
Line 17i(1):	Indicate whether or not the PHA identified individual training and service needs of the family members.
Line 17i(2):	If the PHA identified certain needs for family members, indicate whether or not these needs were met during participation in the FSS program.
Line 17i(3):	Using the codes provided at bottom of page, indicate the type of service provider that meets the participant's need.

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**Family Self-Sufficiency Program (if not in FSS program, skip to 17n)**

17j. FSS Contract Information	
(1) Initial start date (mm/yyyy) of contract of participation (FSS enrollment report only)	17j(1).
(2) Initial end date (mm/yyyy) of contract of participation (FSS enrollment report only)	17j(2).
(3) Contract date extended to (mm/yyyy) (if applicable)	17j(3).
(4) Number of family members with Individual Training and Services Plan	17j(4).
(5) Did the family receive selection preference because of a FSS related service program participation? (FSS enrollment report only) (Y or N)	17j(5).
17k. FSS account information	
(1) Current FSS account monthly credit	17k(1).
(2) Current FSS account balance	17k(2).
(3) FSS account amount disbursed to the family (cumulative as of end of reporting period)	17k(3).
17m. FSS exit information (FSS Exit Report only)	
(1) Did family complete contract of participation? (Y or N)	17m(1).
(2) If (1) is Yes, did family move to homeownership? (Y or N)	17m(2).
(3) If (1) is No, primary reason for exit:	
<input type="checkbox"/> Left voluntarily <input type="checkbox"/> Portability move-out <input type="checkbox"/> Contract expired but family did not fulfill obligations <input type="checkbox"/> Asked to leave program <input type="checkbox"/> Left because essential service was unavailable	

**Welfare to Work Voucher Program**

17n. WtW program information	
(1) Date (mm/dd/yyyy) Voucher issued (WtW enrollment report only)	17n(1).
(2) Date (mm/dd/yyyy) of request for lease approval (RFLA) for a unit leased	17n(2).
17q. Welfare to Work exit information (WtW exit report only)	
(1) Is the family moving to homeownership? (Y or N)	17q(1).
(2) Primary reason for leaving the WtW Voucher program:	
<input type="checkbox"/> Portability move-out <input type="checkbox"/> Family no longer needs subsidy <input type="checkbox"/> Subsidy terminated for Housing Choice Voucher program violation, other than WtW obligations <input type="checkbox"/> Subsidy terminated for violation of WtW obligations <input type="checkbox"/> Family voluntarily withdrew from Housing Choice Voucher program <input type="checkbox"/> Other	

<b>17:</b>	<b>Family Self-Sufficiency (FSS)/ Welfare to Work (WtW) Voucher Addendum (continued)</b>
Line 17j(1):	FSS enrollment report only. The effective date of the family's FSS contract of participation; the date the family <i>initially</i> enrolled in the FSS program.
Line 17j(2):	FSS enrollment report only. The expiration date of the family's FSS contract of participation; the date the family is <i>initially</i> expected to exit the FSS program. The contract term is for a period of 5 years.
Line 17j(3):	If applicable, the date to which the PHA has extended the family's FSS contract of participation.
Line 17j(4):	The number of family members in the household who have current Individual Training and Services Plans under the FSS contract of participation.
Line 17j(5):	For new FSS enrollment, indicate whether or not the family received an FSS selection preference due to participation in a related service program.
Line 17k(1):	The current dollar amount credited to the family's FSS account due to increases in earned income by the family.
Line 17k(2):	The current dollar amount of the family's FSS account based on the most recent report of account funds and activity.
Line 17k(3):	Total dollar cumulative amount, if any, of all FSS escrow disbursements ever made to the family.
Line 17m(1):	Indicate if the family fulfilled all of its obligations under the contract during the contract term, or when 30% of the family's monthly adjusted income equals or exceeds the existing housing fair market rent (FMR) for the unit size for which the family qualifies.
Line 17m(2):	Indicate if the family completed the contract and is moving to homeownership.
Line 17m(3):	Indicate why the family is not moving to homeownership.
Line 17n(1):	The date the PHA issued the Welfare to Work Voucher.
Line 17n(2):	The date the family submitted a request for lease approval (RFLA) to the PHA.
Line 17q(1):	Indicate whether or not the family withdrew from the WtW program to buy a home.
Line 17q(2):	Identify the reasons why the family is leaving the WtW program.

## **Section 1.2      Policies**

- PHA policy provides staff with agency-specific rules on how to handle family situations.
- Without current and complete policies, PHA staff cannot accurately calculate family rents. Outcomes may also be inconsistent between staff.
- In the Housing Choice Voucher Program, PHA policy can be found in the PHA's Administrative Plan. In the Public Housing Program, PHA policy can be found in the PHA's Admissions and Continued Occupancy Policy (ACOP).
- It is important for PHAs to maintain policies current with HUD requirements and guidance.
- Best practice is for PHAs to provide regular policy training for staff.

## **Section 1.3      Where Do You Find the Rules?**

- Statutes (written by Congress)
- Code of Federal Regulations (CFR)
  - For public housing
    - Part 5: General HUD Program Requirements
    - Part 8: Nondiscrimination Based on Handicap
    - Part 100: Fair Housing Act
    - Part 902: Public Housing Assessment System (PHAS)
    - Part 903: Public Housing Agency Plans
    - Part 908: Electronic Transmission
    - Part 960: Admission To, and Occupancy Of, Public Housing
    - Part 966: Public Housing Lease and Grievance Procedure
  - For HCV
    - Parts 5: General HUD Program Requirements
    - Part 8: Nondiscrimination Based on Handicap
    - Part 35: Lead-Based Paint
    - Part 100: Fair Housing Act
    - Part 908: Electronic Transmission
    - Part 982: Section 8 Tenant-Based Assistance: Housing Choice Voucher Program
    - Part 983: Project-Based Voucher (PBV) program
    - Part 985: Section 8 Management Assessment Program (SEMAP)
- Current notices
  - Have an expiration date
  - May be extended
- Handbooks
- HUD forms and instructions
- Opinions or rulings by HUD's Office of General Counsel (OGC)

## OPTIONAL REFERENCES

- Guidebooks
  - Public Housing Occupancy Guidebook
  - Housing Choice Voucher Guidebook
    - If instructions are supported by federal law, CFR, notices or forms, then the instructions are mandatory
    - If not supported by federal law, CFR, notices or forms, then instructions are discretionary
- Notices that have expired (unless canceled by newer mandatory reference)
- Handbooks that have expired (unless canceled by newer mandatory reference)
- Occupancy Requirements of Subsidized Multifamily Housing Programs (4350.3)
- Recommendations from individual HUD staff

## **Section 1.4      Why Does Calculating Rent Correctly Matter?**

### **SECTION 8 MANAGEMENT ASSESSMENT PROGRAM (SEMAP)**

#### **INDICATOR 3: DETERMINATION OF ADJUSTED INCOME**

- The PHA can earn 20, 15, or zero points under this indicator.
- At admission and reexamination, the PHA must properly:
  - Obtain third party verification of income
  - Use the verified information
  - Properly attribute allowances for expenses
  - Where the family is responsible for utilities under the lease, use the appropriate utility allowances

#### **MOST LIKELY ERROR POINTS**

- Market/cash value of assets
- Asset income
- Employment income
- Mandatory earned income disallowance
- Disability assistance and medical expenses
- Conflict between utilities in lease and worksheet
- Lack of proper verifications

#### **INDICATOR 10: CORRECT TENANT RENT CALCULATIONS**

- PHA correctly calculates the family's share of rent to owner in voucher program
- The score for this indicator is based on records accepted by IMS/PIC

Section 1.4: Why Does Calculating Rent Correctly Matter?

- The IMS/PIC SEMAP Indicators Report shows the percent of all families with tenant rent discrepancies
  - Must be 2 percent or less discrepancies for the PHA to earn the maximum possible 5 points
- The IMS/PIC Tenant Rent Discrepancy Report will list families with rent discrepancies
- HUD Field Offices may score a PHA zero points under this indicator if the PHA fails Indicator 3: Determination of Adjusted Income

**PUBLIC HOUSING ASSESSMENT SYSTEM (PHAS)**

- Form HUD-5834
- Consolidated reviews of performance and compliance

**RENTAL INTEGRITY MONITORING (RIM) REVIEWS**

- RIM review activities may include:
  - Reviewing sample tenant files
  - Identifying and recording income and rent errors, both systemic and isolated
  - Assessing PHA policies, procedures, and forms for systemic weaknesses
  - Interviewing PHA staff regarding income and rent policies, procedures, and practices
  - Identifying findings and concerns/observations
  - Requiring corrective actions as appropriate

**TENANT FILE SAMPLE REVIEW**

- In examining tenant files, reviewers will be looking for the answers to these questions:
  - Do the files contain all of the necessary documentation, data, forms, etc.?
  - Do they provide a complete picture of income and rent determination?
  - Is the information contained in the files supported by third-party verifications?



Section 1.4: Why Does Calculating Rent Correctly Matter?

- Are the calculations accurate?
- Is the interpretation of information clear?
- Is the interpretation of information consistent with the regulations and with PHA policy?

## FILE REVIEWS

- PHAs should conduct regular reviews of family files. This promotes accuracy and consistency, and assists in the identification of problem areas. File reviews should include:
  - Under family composition, a review of basic family information (cross-referenced to HUD-50058 Section 3):
    - The status of the head of household (e.g., elderly, disabled)
    - The age and status of other family members (e.g., dependent, full-time student, disabled)
    - The disclosure of Social Security numbers
    - Evidence of citizenship or eligible immigration status
  - Under annual income and assets, a review of basic income information (cross-referenced to HUD-50058 Sections 6 and 7):
    - Anticipated or imputed income from assets
    - Other income in four broad categories:
      - Wages and earned income (including the earned income disallowance)
      - Public assistance
      - Social security (SS), supplemental security income (SSI), and pensions
      - Other income
    - Income exclusions

Section 1.4: Why Does Calculating Rent Correctly Matter?

- Under dwelling unit/utility allowance, an analysis of basic unit information (cross-referenced to HUD-50058 Sections 1, 4, and 12):
  - Utility allowance schedule
  - Unit size
  - Unit type (apartment, row house, single-family detached, etc.)
  - Utility category (heating, cooking, water heating, water, sewer, etc.)
  - Utility type (gas, electric, oil, etc.)
- Under adjusted income, a review of allowable deductions from annual income (cross-referenced to HUD-50058 Section 8):
  - Dependent deduction
  - Elderly/disabled family deduction
  - Medical expenses deduction
  - Disability assistance expenses deduction
  - Child care expenses deduction
- Under family rent and HAP (HCV), a review of rent calculation (cross-referenced to HUD-50058 Sections 9, 10 (public housing) and 12 (HCV)):
  - Total tenant payment (TTP)
  - Payment standard (HCV)
  - Gross rent (HCV)
  - Total HAP (HCV)
  - Total family share (HCV)
  - HAP to owner (HCV)
  - Rent to owner (HCV)
  - Utility reimbursement
  - Prorated rent and HAP for “mixed” families

## **Section 1.5      Verification**

### **REGULATORY VERIFICATION REQUIREMENT**

- The regulations governing verification are located at 24 CFR 960.259(c) and 982.516(a).
- The regulations state that PHAs either must obtain and document in family files third-party verification of the following factors or must document in the files why third-party verification was not available:
  - Reported family annual income
  - The value of assets
  - Expenses related to deductions from annual income
  - Other factors that affect the determination of adjusted income

### **HIERARCHY OF VERIFICATION METHODS**

- On October 26, 2018, HUD issued Notice PIH 2018-18, Administrative Guidance for Effective and Mandated Use of the Enterprise Income Verification (EIV) System.
- The notice added information incorporating the Income Validation Tool (IVT) to existing verification requirements.
- HUD has established a hierarchy of six verification levels.
- Using this hierarchy, PHAs should adopt verification policies as to what qualifies as adequate verification.
- Policies must be consistent with the regulatory requirements.

## LEVELS OF VERIFICATION

*24 CFR 5.233(a)(2);  
Notice PIH 2018-18;*

- Level Six – Up-Front Income Verification (UIV) using HUD’s Enterprise Income Verification (EIV) System and the Income Validation Tool (IVT)
- Level Five – UIV using other sources
- Level Four – Written third-party documents provided by the family
- Level Three – Written third-party verification form
- Level Two – Third-party oral verification
- Level One – Tenant declaration

## UP-FRONT INCOME VERIFICATION (UIV) USING EIV AND IVT (LEVEL SIX)

- UIV is the verification of income, before or during a reexamination, through an independent source that systematically and uniformly maintains income information in computerized form for a large number of individuals.
- HUD’s Enterprise Income Verification (EIV) System is a type of UIV system that is a mandatory resource that must be used by every PHA to verify income of assisted families.
- The EIV system is a web-based application which provides PHAs with employment, wage, unemployment, and social security benefit information of participants in the public housing and housing choice voucher programs.
  - Information in EIV is derived from computer matching programs with the Social Security Administration (SSA) and the Department of Health and Human Services.

- Within the EIV system, the Income Validation Tool (IVT) provides a comparison between tenant-reported income and previously reported income on the form HUD-50058, and includes any discrepant income information from data sharing with HUD partners. The IVT replaces the income discrepancy report. Data in the tool is updated monthly.

#### **USING EIV AND IVT FOR VERIFICATION**

- The EIV Income Report and Income Validation Tool (IVT) are mandatory for annual and interim reexaminations.
- They are not available for applicant families or new members added to a currently assisted household.
- For information that is verifiable through EIV, the PHA:
  - Reviews the EIV income and IVT reports
  - Prints and maintains the reports in the tenant file
  - Obtains current tenant-provided documents to supplement EIV information
  - Uses tenant-provided documents and/or third-party verification to calculate income
    - EIV quarterly wages are not to be used to project annual income at an annual or interim reexamination since income information in EIV is up to six months old, but can be used to calculate repayment agreements.
- The PHA **must** obtain additional third-party verification:
  - To supplement EIV-reported income sources
  - When EIV has no data
  - When the family disputes EIV income data and is unable to provide acceptable documentation

- The PHA **must** obtain additional third-party verification when additional information is required and is not available in EIV, or when the family does not have acceptable tenant-provided documents. For example, to verify:
  - Effective dates of employment
  - Pay rate, number of hours worked, pay frequency for new jobs
  - Confirmation of change in circumstances (reduced hours, reduced rate of pay, etc.)
- The EIV printout is sufficient verification of social security and SSI benefits unless the family disputes the EIV data for verification.

#### **FILE DOCUMENTATION**

- File documentation requirements differ under Notice PIH 2018-18
- For new admissions (form HUD-50058 action type 1), the PHA:
  - Reviews the EIV income and IVT reports to confirm or validate family-reported income within 120 days of the PIC submission date
  - Prints and maintains copies of the reports in the family file
  - Resolves any income discrepancy with the family within 60 days of the report dates
- For each historical adjustment (form HUD-50058 action type 14), the PHA:
  - Reviews the EIV income and IVT reports to confirm or validate family-reported income within 120 days of the PIC submission date
  - Prints and maintains copies of the reports in the family file
  - Resolves any income discrepancy with the family within 60 days of the report dates

- For each interim reexamination (form HUD-50058 action type 3):
  - If no income discrepancy is found, the PHA has the discretion to print the EIV income and IVT reports to document the tenant file
  - If an income discrepancy is identified, the PHA must follow up with the family and resolve the differences between the reported information in accordance with Notice PIH 2018-18
- For annual reexaminations, the PHA is required to document the following in the tenant file:
  - If the family does not dispute the EIV employer data and the PHA determines that additional information is not necessary:
    - EIV income details and IVT report
    - Tenant-provided documents
  - If the family disputes or the PHA requires additional information:
    - EIV printout
    - Tenant-provided documents
    - Third-party written verification

## **INCOME DISCREPANCIES**

- PHAs must compare income information in EIV with family-reported information.
- If a substantial difference in income is found, the PHA must take actions outlined in Notice PIH 2018-18:
  - Discuss the income discrepancy with the tenant
  - Request the tenant to provide any documentation to confirm or dispute the unreported or underreported income and income sources
  - If the tenant is unable to provide acceptable documentation to resolve the discrepancy, the PHA must request from the third-party source any information necessary to resolve the income discrepancy

Section 1.5: Verification

- If applicable, determine the tenant's underpayment of rent due to unreported or underreported income retroactively
  - Take any other appropriate action as directed by HUD or PHA policy
- A substantial difference is \$2,400 annually.
- The family must be provided an opportunity to dispute the information.
  - The PHA must promptly notify tenants in writing of any adverse findings made based on information verified through the discrepancy resolution process
  - The tenant may contest the findings in accordance with the PHA's grievance procedures
  - The PHA may not terminate, deny, suspend, or reduce the family's assistance until the expiration of any notice or grievance period

### **UIV USING OTHER SOURCES (LEVEL FIVE)**

- UIV using other sources is the second most preferable form of verification.
- While EIV is mandatory, UIV using other sources is optional.
- UIV using other sources is used to validate tenant-reported income.
- Current UIV resources include the following:
  - State government databases/SWICA
  - State Temporary Assistance for Needy Families (TANF) systems
  - Credit Bureau Association (CBA) credit reports
  - Internal Revenue Service (IRS) tax transcript (request with IRS form 4506-T)
  - Private sector databases (e.g., The Work Number)



### **WRITTEN THIRD-PARTY DOCUMENTS PROVIDED BY THE FAMILY (LEVEL FOUR)**

- An original or authentic document generated by a third-party source, dated within 60 days prior to the reexamination or PHA request date.
  - PHAs must have third-party written verification to project annual income from earnings.
  - Includes documents provided by the family
- For written third-party verification, documents must be original and authentic and may be supplied by the family or received from a third-party source.
  - Examples of acceptable tenant-provided documents include, but are not limited to: pay stubs, payroll summary reports, employer notice/letters of hire/termination, SSA benefit verification letters, bank statements, child support payment stubs, welfare benefit letters and/or printouts, and unemployment monetary benefit notices.
- The PHA is required to obtain, at minimum, two current and consecutive pay stubs for determining annual income from wages.
- For new sources of income where pay stubs are not available, the PHA should use the traditional third-party verification form.
- The PHA may reject documentation provided by the family if the document is not an original, if the document appears to be forged, or if the document is altered, mutilated or illegible.
  - The PHA must explain this to the family and request additional documentation.

### **WRITTEN THIRD-PARTY VERIFICATION FORM (LEVEL THREE)**

- This form of verification is also known as traditional third-party written verification. A written third-party verification form is a standardized form used to collect information from a third-party source.

- Tenant-provided documents generated by a third-party now rank higher than third-party forms.
- HUD states that there are administrative burdens and risks associated with this verification method.
  - Incomplete or falsified information
- Documents from computerized systems or databases are considered more reliable.
- This form of verification is mandatory if there is no EIV information available and the participant has no written third-party documentation to support their reported income.
- A written third-party verification form is mandatory when there is an unreported source of income or a substantial difference in reported income (\$2400 annually or more) and there is no UIV or tenant-provided documentation to support the income discrepancy.
- PHAs may mail, fax, or e-mail third-party written verification form requests to third-party sources.

### **THIRD PARTY ORAL VERIFICATION (LEVEL TWO)**

- For third-party oral verification, PHAs contact sources, identified by UIV techniques or by the family, by telephone or in person.
- Third-party oral verification may be used when requests for written third-party verification form have not been returned within a reasonable time—e.g., 10 business days.
  - PHAs should document in the file the date and time of the telephone call or visit, the name of the person contacted, the telephone number, as well as the information confirmed.

## **TENANT DECLARATION (LEVEL ONE)**

- With this method of verification, an applicant or participant submits an affidavit or notarized statement to certify income or expenses that she or he has reported.
- This method should be used as a last resort when no other verification method is possible.
  - When the PHA relies on this form of verification, the PHA must document in the participant's file why third-party verification was not available.
  - Note that under HUD's current verification hierarchy, a tenant declaration is the only form of verification that is NOT considered to be third-party.

## **DOCUMENTING THE ABSENCE OF THIRD-PARTY VERIFICATION**

- There are acceptable reasons for not having third-party verification of an income or expense item in an applicant's or participant's file.
  - For income, assets and expenses:
    1. No documentation is available through UIV techniques or written third party.
    2. PHA staff has made efforts to obtain written third-party verification form in accordance with PHA policy, and the source of verification has not responded.
    3. A third-party source that has been asked to provide written third-party verification form does not have the capability of sending such verification directly to the PHA or of facilitating oral third-party verification.

- When written third-party verification form is requested and not received, an applicant's or participant's file should contain documentation of PHA efforts.
  - The documentation should include the following information:
    - Date and time of the initial request and all follow-ups
    - The name of the company and the person to whom the request was sent
    - A notation that no response was received and an explanation of the reason, if known.
- All file notations made by staff members should be:
  - Complete
  - Dated
  - Limited to facts (not opinions)
  - Signed or initialed

#### **VERIFYING INCOME EXCLUSIONS**

*Notice PIH 2013-04*

- For fully excluded income, the PHA is **not** required to:
  - Follow the verification hierarchy
  - Document why third-party verification is not available
  - Report the income on the 50058
- Fully excluded income is defined as income that is entirely excluded from the annual income determination, such as food stamps.
- PHAs may accept a family's signed application or reexamination form as self-certification of fully excluded income. They do not have to require additional documentation. However, if there is any doubt that a source of income qualifies for full exclusion, PHAs have the option of requiring additional verification.

- For partially excluded income, the PHA **is** required to:
  - Follow the verification hierarchy and all applicable regulations
  - Report the income on the 50058
- Partially excluded income is defined as income where only a certain portion of what is reported by the family qualifies to be excluded and the remainder is included in annual income, such as the income of an adult full-time student.

### **Verification Standards**

- To manage the verification process effectively, PHAs should establish a schedule for requesting higher levels of verification before accepting lower levels.
  - Example:
    - Family signs release forms and provides requested documents at interview (at least 75 days prior to reexamination date) and PHA runs EIV income report, using tenant-provided documents to project annual income.
    - If no UIV or tenant-provided documentation is available, staff sends out written third-party verification forms within five business days after interview.
    - If no response after ten business days, staff sends second request.
    - If no response to second request within five business days, staff attempts to contact source by phone.
    - A tenant declaration would be accepted as a last resort if third-party verification is not available.
- For the voucher program, the PHA must receive information verifying that applicant is eligible within 60 days of voucher issuance.

- PHA policy should address verification time limits for reexaminations.
  - 120 days is the time limit most often used.
- Do not include time limits for information not requiring reverification, such as age.

### **Streamlined Verification at Annual Recertifications**

- The PHA may establish policies for streamlining the verification process for assets and/or for fixed sources of income.
  - For families with assets valued at \$5,000 or less, the PHA may accept self-certification of the value of and expected income from assets.
  - For fixed sources of income, such as Social Security benefits and pensions, PHAs opting for streamlining verification policies would use a published cost of living adjustment (COLA) to determine income.
  - In both cases, third-party verification must be obtained at admission and at least once every three years thereafter.
  - Streamlining policies are optional. PHAs may instead require third-party verification at each annual reexamination.

## CHAPTER 2     Calculating Multiple Assets

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### LEARNING OUTCOMES

Upon completion of this chapter, you should be able to:

- Verify and calculate asset income using both new skills and existing rent calculation knowledge
- Calculate cash value, market value and anticipated annual income of different types of assets
- Calculate imputed asset income when the total cash value of assets exceeds \$5,000

### Section 2.1     Annual Income

#### DEFINITION

*CFR 5.609(a)*

- *Annual Income* means all amounts, monetary or not:
  - Which go to or on behalf of the family head or spouse or to any other family member, or
  - That are anticipated to be received from a source outside the family during the 12-month period following admission or the annual reexamination effective date, and
  - Which are not specifically excluded in 24 CFR 5.609(c), and
  - Also includes amounts derived from assets to which any family member has access.

### ASSET INCLUSIONS AND EXCLUSIONS

<b>Inclusions</b>	<b>Notes</b>
Savings and checking accounts	PHA must establish policy for determining cash value (current balance, average balance for preceding 6 months, or other alternative) Certain exceptions apply for ABLE accounts
Stocks, bonds	Probably a broker's fee
Savings certificates, money market funds, other investments	Penalty for early withdrawal Income on market value Withdrawals from ABLE accounts are excluded
Equity in real property	Must get to cash value
Trusts available to family	If unavailable and irrevocable, don't count
IRA, Keogh, retirement accounts	Penalty for early withdrawal
Company retirement pensions	Only count if funds can be withdrawn before retirement
Assets which allow unrestricted access (or savings accounts)	May be owned by more than one person
Lump-sum receipts such as inheritances, capital gains, lottery winnings, cash from sale of assets, insurance settlements, Social Security, SSI lump sums, and lump-sum or prospective monthly amounts for any deferred disability benefits from the Department of Veterans Affairs (VA)	Lump sums are included only if they are "retained and verifiable"
Personal property held as an investment	Examples: gems, jewelry, coin collections, antique cars
Cash value of life insurance policies	Cash surrender value—ordinary, whole, universal (not term)
Imputed assets—assets disposed of for less than fair market value within prior 2 years	Exceptions: foreclosure, bankruptcy, and separation/divorce where court determines value



**Exclusions**

Personal property	Car, clothes, etc.
Assets not accessible by family	Example: irrevocable trusts
Assets part of business	Example: Avon products prepurchased with intent to sell
Interest and distributions from ABLE accounts	
Interest in Indian trust lands	
Equity in a home being purchased through the HCV Homeownership program	

## **Section 2.2      Income From Assets**

- Determining the amount of asset income to include in annual income requires PHAs to calculate two values for each asset:
  - Cash value
  - Actual anticipated income
- This is because the amount of asset income to include may be different depending on the total cash value of all family assets.
- In order to comply with regulations and requirements, PHA must identify and verify:
  - Assets
  - Market value of assets
  - Expenses involved to convert assets to cash
  - Actual anticipated income from each asset

### **WHAT IS MARKET VALUE?**

- Market value is the worth of an asset, such as:
  - Amount in a Certificate of Deposit (CD)
  - What a buyer would pay for real property
- PHAs must consider ownership of the asset.
  - If an asset is owned by more than one person and any family member has unrestricted access, the PHA will normally count the full value of the asset.
  - If an asset is owned by more than one person, including a family member, but the family member does not have unrestricted access, the PHA prorates the asset according to ownership percentage
  - If no percentage is specified or provided by state/local law, PHA prorates asset evenly among all owners

### WHAT IS CASH VALUE?

*CFR 5.603(b)*

- Cash value of an asset is the market value less reasonable expenses that would be incurred by the family to sell or convert the asset to cash, such as:
  - Penalties for early withdrawal
  - Broker fees
  - Legal fees
  - Settlement costs for real estate
- In other words, the cash value of an asset is the amount the family would actually receive if the asset were converted to cash.
- Formula: Market value - expenses to convert to cash = net cash value
- Determining the cash value of an asset is a step the PHA must complete in calculating income from assets, even though the family is not converting the asset to cash.

### ACTUAL INCOME FROM ASSETS

- PHAs must anticipate income from assets. This is the actual amount of income the asset is expected to generate to the family over the coming 12 months.
- Some assets generate no income, such as:
  - Non-interest bearing checking accounts
  - Coin collections
- Many assets do generate income, such as:
  - Interest from investments
  - Rents from rental property
  - Dividends
- The market value of an asset is used when anticipating income from interest-bearing accounts.
  - Market value x interest rate = actual anticipated income

## **ASSETS COMMON ERRORS**

- Common errors made by PHAs when working with assets include:
  - Using the cash value of the asset to calculate annual anticipated income rather than the market value.
    - Interest is earned on the market value of the asset, not the cash amount the individual would receive if they sold the asset.
  - Overlooking assets disposed of for less than fair market value.
    - Special rules apply for assets disposed of for less than fair market value during the previous two years.
    - PHAs should develop certification forms for verification.
  - Excluding assets worth less than \$5,000.
    - There is no minimum value under which assets should not be listed. For example, an interest-bearing savings account with a balance of \$200 must still be listed on the 50058 because any anticipated income from the balance is included in annual income.
  - Using the current balance of checking or savings accounts as the anticipated income.
    - Anticipated income is the amount of new income the asset will generate over the next twelve months.
  - Reporting the market value as the cash value.
    - Market value refers to what the asset is worth. Cash value refers to the market value of the asset minus reasonable costs that would be incurred to convert the asset to cash.

- Inconsistency in determining the cash value of checking accounts and savings accounts.
  - Each PHA establishes policies for determining the value of these accounts. Staff must know and follow PHA policy. For example, if PHA policy calls for the most current month's balance to be used as the market/cash value for checking accounts, and some staff instead use the average 3-month balance as the market/cash values, the PHA is being inconsistent in its treatment of families.

## Learning Activity 2-1: Calculating Assets

### Task

- This PHA's policy is to use the current value of savings accounts as the market/cash value.

### Family Information:

Relation	Name	Age	Disabled
Head	John	45	N
Spouse	Sue	43	N
Youth	Clive	11	N

- John and Sue Long have a \$10,000 life insurance policy with a cash surrender value of \$8,000. The policy pays an annual dividend of \$125. John has a savings account with a current balance of \$4,575 that pays an annual interest rate of .05 percent. The six month average balance of the savings account is \$700. Son Clive has an irrevocable college trust fund in the amount of \$5,000 that he may not access until he turns 18 years old.
- PHA-approved passbook rate is 0.0075.

#### 1. Life Insurance Policy

- Market Value: \_\_\_\_\_
- Cash Value: \_\_\_\_\_
- Anticipated income: \_\_\_\_\_

#### 2. Savings

- Market Value: \_\_\_\_\_
- Cash Value: \_\_\_\_\_
- Anticipated income: \_\_\_\_\_

#### 3. College trust fund

- Market Value: \_\_\_\_\_
- Cash Value: \_\_\_\_\_
- Anticipated income: \_\_\_\_\_

## **Learning Activity 2-2: Calculating Assets Using Verification**

### **Task**

- Using the verifications provided, calculate the market value, cash value, and anticipated income for each asset.

### ***Scenario***

- You are conducting an annual recertification for the Pepper family. Head of household Sally Pepper completes a declaration showing the following assets: a CD, a savings account, and a home which she does not rent to anyone.
- Sally provides third-party verification for these assets. Documentation is provided to show the home is a three-bedroom, two-bath, single-family dwelling of 1,750 square feet.

### ***Relevant PHA Policy***

- The market/cash value of a savings account is the current balance.
- The market value of real property is determined by averaging recent sales of at least three properties in the surrounding or similar neighborhood that possess comparable factors affecting market value.
- For the purposes of calculating expenses to convert to cash for real property, the PHA will use three percent of the market value of the home.
- Information from an online home listing service shows three similar units in the neighborhood that sold recently as follows:
  - 7654 Glinda Ct., 3-br, 2-ba, 1,711 sq. ft. sold last month for \$211,500
  - 5421 Baum Bl., 3-br, 2-ba, 1,735 sq. ft. sold a month and a half ago for \$209,000
  - 4398 Em St., 3-br, 2-ba, 1,722 sq. ft. sold two months ago for \$179,500

1. CD

- a) Market Value: \_\_\_\_\_
- b) Cash Value: \_\_\_\_\_
- c) Anticipated income: \_\_\_\_\_

2. Home

- a) Market Value: \_\_\_\_\_
- b) Cash Value: \_\_\_\_\_
- c) Anticipated income: \_\_\_\_\_

3. Savings

- a) Market Value: \_\_\_\_\_
- b) Cash Value: \_\_\_\_\_
- c) Anticipated income: \_\_\_\_\_





# Towncity Bank

1234 Main Street, Towncity, CZ 12345

*We treat your money like our own*

Sally Pepper  
5678 Ford Rd  
Towncity, Cz 12345

## CERTIFICATE OF DEPOSIT – Annual Statement

Account GL987654

Term: 96-months

Date of Initial Deposit: Dec 1, 20XX  
Date CD reaches maturity: Nov 30, 20XX  
Amount of original deposit: \$4,500  
Rate of return: 1.5%

### STATEMENT PERIOD

Period starting: January 1, 20XX ending December 31, 20XX

Starting Balance	Ending Balance	Change
\$4,750	\$4,821.25 *	+ \$71.5

\* 2.25% Penalty for early withdrawal



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### OBJECTIVE

To make you more money



# Towncity Bank

4321 Main Street, Towncity, CZ 12345

*Your hometown mortgage source*

Sally Pepper  
5678 Ford Rd  
Towncity, Cz 12346

## MORTGAGE STATEMENT

Account ZMA987873

Term: 30 years

Original Loan Date: Dec 1, 2018  
Amount originally financed: \$154,500  
APR: 4.5%

## STATEMENT PERIOD

Period starting: January 1, 20XX ending December 31, 20XX

Next Payment Due	Monthly Amount Due	Current Loan Balance
1/1/20XX	\$1,567.25	\$89,000.01



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# Towncity Bank

1234 Main Street, Towncity, CZ 12345

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Sally Pepper  
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TownCity, Cz 12346

## SAVINGS ACCOUNT – Monthly Statement

Account TO9859874

Interest rate: 1.62%



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### STATEMENT PERIOD

From November 1, 20XX to November 30, 20XX

Starting Balance	Total Withdrawals	Total Deposits	Ending Balance
\$3,782.11	\$100.00	\$200.00	\$3,882.11

### TRANSACTIONS

November 12, 20XX	Withdrawal ATM	\$ 60.00
November 13, 20XX	Deposit	\$200.00
November 25, 20XX	Withdrawal ATM	\$ 40.00

Not FDIC Insured

## IMPUTED ASSET INCOME

- Income from assets when assets total \$5,000 or less:
  - When the total cash value of *all* family assets is \$5,000 or less the *actual income* the family receives from assets is included in annual income
- Income from assets when assets exceed \$5,000:
  - When the total cash value of *all* family assets *exceed* \$5,000, include in annual income the greater of
    - Actual income from assets, or
    - Imputed asset income (total cash value of assets X PHA passbook rate)
- ***Imputed Asset Income*** is income that *would be* received from an asset if it were converted to cash and placed in a savings account earning an average passbook rate as determined by the PHA.
  - The PHA establishes a passbook rate within 0.75 percent of a national average
    - 0.75 percent is three-quarters of one percent
  - Example: if the national passbook rate is 0.09 percent, the PHA passbook rate could range from zero to 0.84 percent (84 one-hundredths of one percent)
  - Note that currently the highest allowable passbook rate is less than one percent
  - The PHA must review its passbook rate annually to ensure that it is still within 0.75 percent of the national average
- The PHA must find the total cash value of all assets to determine which to include in annual income:
  - Actual income from assets, or
  - Imputed asset income

*Notice PIH 2012-29*

Section 2.2: Income From Assets

- This is why the PHA must identify the expenses involved in converting an asset to cash, such as:
  - Penalties for early withdrawal
  - Broker or legal fees
  - Closing costs (for real estate)
- Imputed asset income only comes into play when the total cash value of all assets exceeds \$5,000.
- When total cash value of all assets exceeds \$5,000:
  1. Find the cash value of each asset (market value minus expenses)
  2. Total the cash value of all assets
  3. If total exceeds \$5,000, multiply the cash value of all asset by the PHA passbook rate
    - This is imputed asset income
  4. Total the actual income from all assets
  5. Compare imputed asset income to actual asset income. Include the greater amount in annual income

**ASSETS DISPOSED OF FOR LESS THAN MARKET VALUE**

*CFR 5.603(b)(3) and  
HCV Program GB 5-27*

- The value of any business or family assets disposed of by an applicant or tenant for less than fair market value during the two years preceding the date of initial certification or reexamination, in excess of the consideration received.
  - Example: Applicant “sold” home to daughter for \$150,000. The home was valued at \$225,000 and had no loans secured against it. The applicant paid broker fees of \$5,000 and settlement costs of \$2,000. The amount to be included in family assets for two years from date of sale is \$68,000.
  - Assets disposed of for less than fair market value include a disposition in trust but not in a foreclosure or bankruptcy.
  - A disposition that is part of a separation or divorce settlement is not considered to be for less than fair market value if the applicant or tenant receives important consideration not measurable in dollar terms.
  - HUD does not specify a minimum threshold for counting assets disposed of for less than fair market value. A PHA may establish a threshold that will enable the PHA to ignore small amounts, such as charitable contributions.
- HUD Handbook 4350.3 (for multifamily subsidized housing) uses \$1,000 as a threshold.
  - Verification of assets disposed of for less than fair market value is generally done by applicant certification. PHAs need to verify only those certifications that warrant documentation.

### **CALCULATING RENTAL INCOME**

- It is possible for a family to own real property and rent it out. The income from this single rental would be reported in part 6 of the form HUD-50058. Only net rental income would be reported.
  - Net rental income is the gross rental income minus allowable expenses, such as property taxes, property management fees, mortgage interest, insurance, repairs, etc.

### **Learning Activity 2-3: Assets Disposed of for Less than Fair Market Value**

#### **Task**

- Using the verifications provided, calculate final asset income in 6j for the Martin family.

#### ***Scenario***

- At Miranda Martin's annual recertification in May, she informs the PHA that she no longer owns the home that she has had for the last several years. The PHA previously verified that the home was worth \$185,000. Miranda says that she decided to sell the home to her son Michael two months ago because she could no longer maintain it.
- Miranda's only other asset is a savings account. PHA policy states to count the current balance of a savings account as its cash value.
- For real property currently owned by the family, PHA policy is to determine the market value of real property by examining recent sales of at least three properties in the surrounding or similar neighborhood that possess comparable factors that affect market value, and use an average of the value of these three properties.
- For purposes of calculating expenses to convert to cash for real property, the PHA will use three percent of the market value of the home.
- For real property disposed of, the PHA will obtain an assessment of the property value from a qualified professional.
- The PHA collected the following verifications from Miranda.
- PHA-approved passbook rate is 0.0075.



Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
------------------------	------------------------	----------------------------

## 6. Assets

6a. Family member name	No.	6b. Type of asset	6c. Calculation (PHA use)	6d. Cash value of asset	6e. Anticipated Income
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
6f, 6g. Column totals				\$	6f. \$ 6g.
6h. Passbook rate (written as decimal)					0. 6h.
6i. Imputed asset income: 6f X 6h (if 6f is \$5,000 or less, put 0)					\$ 6i.
6j. Final asset income: larger of 6g or 6i					\$ 6j.

## 7. Income

7a. Family member name	No.	7b. Income Code	7c. Calculation (PHA use)	7d. Dollars per year	7e. Income exclusions	7f. Income after exclusions (7d minus 7e)
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
7g. Column total						\$ 7g.

7h. Reserved

7i. Total annual income: 6j + 7g

\$ 7i.

<b>7b: Income Codes</b> <b>Wages:</b> B = own business F = federal wage HA = PHA wage M = military pay W = other wage	<b>Welfare:</b> G = general assistance IW = annual imputed welfare income T = TANF assistance  <b>SS/SSI/Pensions:</b> P = pension S = SSI SS = Social Security	<b>Other Income Sources:</b> C = child support E = medical reimbursement I = Indian trust/per capita N = other nonwage sources U = unemployment benefits
---	---	---



# Towncity Bank

4321 Main Street, Towncity, CZ 12345

*Your hometown mortgage source*

Miranda Martin  
4751 Green Rd  
Towncity, Cz 12346

## MORTGAGE STATEMENT

Account MA9939373

Term: 30 years

Original Loan Date: Dec 1, 2018  
Amount originally financed: \$102,500  
APR: 4.5%

## STATEMENT PERIOD

Period starting: January 1, 20XX ending December 31, 20XX

Next Payment Due	Monthly Amount Due	Current Loan Balance
1/1/20XX	\$875.25	\$15,000.01



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Miranda Martin  
4751 Green Rd  
Towncity, Cz 12346



HASELLERS@EMOZ.COM



555-555-5558



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# Homesellers Association

1945 Main Street, Towncity, CZ 12345

*Your hometown mortgage source*

## CLOSING SETTLEMENT STATEMENT

Account MA9939373

Property Address: 17 Tin Rd, Towncity, Cz 12346

Date of Sale: Mar 15, 20XX

Appraised value at time of sale: \$185,000

Sale Price: \$10,000

### CLOSING COSTS

Realtor fees: \$8,000

Settlement costs: \$1,000

Transaction fees: \$ 500

Loan Origination fees: \$ 150

Total \$9,650



# Towncity Bank

1234 Main Street, Towncity, CZ 12345

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Miranda Martin  
4751 Green Rd  
Towncity, Cz 12346

## SAVINGS ACCOUNT – Monthly Statement

Account TIN9333874

Interest rate: 1.62%



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### STATEMENT PERIOD

From April 1, 20XX to April 30, 20XX

Starting Balance	Total Withdrawals	Total Deposits	Ending Balance
\$2,732.10	\$100.00	\$10,000.00	\$12,632.10

### TRANSACTIONS

April 12, 20XX	Withdrawal ATM	\$ 60.00
April 13, 20XX	Deposit	\$10,000.00
April 25, 20XX	Withdrawal ATM	\$ 40.00

Not FDIC Insured

**Learning Activity 2-4: Rental Income on the 50058****Task**

- Using the verifications provided, record the family's assets on the 50058 and calculate the final asset income for the Vickers family.

***Family Information:***

Relation	Name	Age	Disabled
Head	D'Angelo	52	N
Spouse	Caroline	50	N

***Scenario***

- The Vickers family's annual reexamination is due July 1st.
- Mr. Vickers owns a rental unit. He pays gas and electric monthly for the unit, taxes twice a year, trash monthly, and a monthly mortgage payment for the unit of \$500, of which \$200 is principal and \$300 is interest.
- The PHA's policy is to use the current balance for checking and savings accounts.
- The PHA-approved passbook rate is 0.0075.
- PHA procedure is to use a three-month average of utility costs.
- PHA policy is to determine the market value of real property by averaging recent sales of at least three properties in the surrounding or similar neighborhoods that possess comparable factors that affect market value.
- For the purposes of calculating expenses to convert to cash for real property, the PHA will use three percent of the market value of the home.
- Information from an online home listing service shows three similar units in the neighborhood that sold recently as follows:
  - 7613 Dorothy Ct. sold last month for \$398,000
  - 2323 Frank Bl. sold two months ago for \$389,255
  - 4398 Elm St. sold two months ago for \$399,229

Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
------------------------	------------------------	----------------------------

## 6. Assets

6a. Family member name	No.	6b. Type of asset	6c. Calculation (PHA use)	6d. Cash value of asset	6e. Anticipated Income
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
6f, 6g. Column totals				\$ 6f.	\$ 6g.
6h. Passbook rate (written as decimal)					0. 6h.
6i. Imputed asset income: 6f X 6h (if 6f is \$5,000 or less, put 0)					\$ 6i.
6j. Final asset income: larger of 6g or 6i					\$ 6j.

## 7. Income

7a. Family member name	No.	7b. Income Code	7c. Calculation (PHA use)	7d. Dollars per year	7e. Income exclusions	7f. Income after exclusions (7d minus 7e)
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
7g. Column total						\$ 7g.

7h. Reserved

7i. Total annual income: 6j + 7g

\$ 7i.

<b>7b: Income Codes</b> <b>Wages:</b> B = own business F = federal wage HA = PHA wage M = military pay W = other wage	<b>Welfare:</b> G = general assistance IW = annual imputed welfare income T = TANF assistance  <b>SS/SSI/Pensions:</b> P = pension S = SSI SS = Social Security	<b>Other Income Sources:</b> C = child support E = medical reimbursement I = Indian trust/per capita N = other nonwage sources U = unemployment benefits
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# Towncity Bank

1234 Main Street, Towncity, CZ 12345

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D'Angelo Vickers  
1871 Brick Rd  
Towncity, Cz 12346

## SAVINGS ACCOUNT – Monthly Statement

Account LON9222874

### STATEMENT PERIOD

From April 1, 20XX to April 30, 20XX

Starting Balance	Total Withdrawals	Total Deposits	Ending Balance
\$10,100.47	\$200.00	\$1,000.00	\$10,900.47

Interest rate: 1.5%

### TRANSACTIONS

April 4, 20XX	Withdrawal ATM	\$ 30.00
April 13, 20XX	Deposit	\$ 500.00
April 14, 20XX	Withdrawal ATM	\$ 100.00
April 25, 20XX	Withdrawal ATM	\$ 40.00
April 27, 20XX	Deposit	\$ 500.00
April 29, 20XX	Withdrawal ATM	\$ 30.00



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Not FDIC Insured

## NON-INTEREST CHECKING ACCOUNT – Monthly Statement

Account SCA9877774

### STATEMENT PERIOD

From April 1, 20XX to April 30, 20XX

Starting Balance	Total Withdrawals	Total Deposits	Ending Balance
\$759.86	\$1,100.74	\$1,109.00	\$768.12

### TRANSACTIONS

April 4, 20XX	Check 874	\$ 730.00
April 13, 20XX	Deposit	\$ 554.50
April 17, 20XX	Check 875	\$ 90.00
April 20, 20XX	Withdrawal ATM	\$ 200.00
April 27, 20XX	Deposit	\$ 554.50
April 28, 20XX	Check 876	\$ 80.74



# Towncity Bank

4321 Main Street, Towncity, CZ 12345

*Your hometown mortgage source*

D'Angelo Vickers  
1871 Brick Rd  
Towncity, Cz 12346

## MORTGAGE STATEMENT

Account MA99110087

Term: 30 years

Original Loan Date: March 1, 2018  
Amount originally financed: \$102,500  
APR: 4.5%

### STATEMENT PERIOD

Period starting: May 1, 20XX ending May 31, 20XX

Loan Balance as of May 31, 20XX \$200,000.01

Last Payment Received	Amount Received	Amount to Principal	Next Payment Due	Monthly Amount Due
5/1/XX	\$500.00	\$200.00	6/1/XX	\$500.00

Property: 1572 Marsh St, Towncity, CZ 12345



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# City Treasurer, Towncity

321 Main Street, Towncity, OZ 12345

*Protecting public resources since 1872*

D'Angelo Vickers  
1871 Brick Rd  
Towncity, Cz 12346

## PROPERTY TAX STATEMENT

Parcel Number 991-18337

Property: 1572 Marsh St, Towncity, CZ 12345  
Property Type: Single Family Dwelling

Owner: D'Angelo Vickers

Property Transfer Date: March 1, 2018

Purchase Price: \$310,000  
Assessed Property Value: \$310,000

### STATEMENT PERIOD

Period starting: December 1, 20XX ending May 31, 20XX

Two Installment Billing Annually

Last Payment Received	Amount Received	Method of Payment	2 <sup>nd</sup> Installment Due	Amount Due
5/5/XX	\$47.19	Credit Card	11/1/XX	\$47.19

Rebate applied for owner occupied dwelling: NO



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**May 1, 20XX**

## **Towncity Gas & Electric**

To

**D'Angelo Vickers  
1871 Brick Rd  
Towncity, Cz 12346**

Due and payable upon receipt. Failure to pay by due date will result in late fees. Failure to pay may result in services being cut off.

Services at

**1572 Marsh St,  
Towncity, CZ 12345**

Account

**67654-0988**

Date Due	Amount Due	Date Received	Amount Received
3/31/XX	\$65.50	3/31/XX	\$65.50
4/30/XX	\$59.87	4/29/XX	\$59.87
5/31/XX	\$57.03		

Due upon receipt

Thank you for your business!

## **Towncity Gas & Electric**

**Tel 555-555-1009  
Fax 555-555-9871**

**767 Main Street  
Towncity, CZ 12345**

**PO Box 8**



May 4, 20XX

## City Waste Management

To

D'Angelo Vickers  
1871 Brick Rd  
Towncity, CZ 12346

Due and payable upon receipt. Failure to pay by due date will result in late fees. Failure to pay may result in services being cut off.

Services at

1572 Marsh St,  
Towncity, CZ 12345

Account

67004-5412

Date Due	Amount Due	Date Received	Amount Received
3/25/XX	\$60.00	3/15/XX	\$60.00
4/25/XX	\$60.00	4/15/XX	\$60.00
5/25/XX	\$60.00		

Due upon receipt

Thank you for your business!

## City Waste Management

Tel 555-555-5421  
Fax 555-5551235

7675 Main Street  
Towncity, CZ 12333

PO Box 8



## RENTAL AGREEMENT

**Landlord**

**Name:** D'Angelo Vickers

**PHONE:** 555-555-5121

**Address:** 1871 Brick Road, Towncity, CZ 12346

**E-MAIL:** DAV@none.org

**Tenant(s)**

**Name:** Ron Swanson

**SSN:** 123-45-6789

**Name:**

**SSN:**

**Rented Address:** 1572 Marsh Street, Towncity, CZ 12346

**Agreement Date:** 3/2/20XX

**Additional occupants that are to occupy the Rented Premises; Management must approve any others:**

	Name	Birth Date	SSN		Name	Birth Date	SSN
1	Miri Swanson	4/22/16	123456780	2			
3				4			

**LEASE TERM:** Tenant(s) agrees to rent beginning on 3/2/20XX and ending on 2/28/XX at 11:59 p.m. THE TERM OF THIS LEASE SHALL AUTOMATICALLY RENEW for additional periods of one year at each anniversary date. Either party may avoid renewal by giving the other party written notice of intent to vacate at least 60 days prior to the anniversary date.

In consideration of the mutual agreements and covenants set forth below, the payment of rent and the deposit of the amount specified to secure the premises from damage, Management hereby agrees to rent to Tenant(s) jointly and severally, the premises described above for the term stated. The rented premises shall be used as dwelling, and not otherwise, and shall not be sublet, assigned or transferred in any manner.

**RENT:** The Tenant(s) agrees to pay \$ 585.00 per month for rent, **on or before the 1st** day of each month in advance without notice or demand. If you do not pay all rent and utility charges (if applicable) on or before the 5<sup>th</sup> day of the month, you will pay a late charge of \$ 25.00 an additional \$ 5.00 will be added for each day until rent is paid in full. If you are delinquent, payments will be applied to late charges, utilities, and any other outstanding charges first, and then rent. If this results in a rent balance, (even a partial rent shortage for the month) late charges will continue to be assessed until all rent and other charges are paid in full. If rent is not received by the fifteenth (15<sup>th</sup>) of the month, tenant will forfeit his/her security deposit and steps will be taken to begin the process of eviction. Continuous late payments, (3 or more beyond 7 days, in one 12 month period) will also start eviction proceedings. If tenant is late 3 times over the period of the lease, the rent will automatically increase by \$25.00 without affecting any other terms of the lease.

At the discretion of management the tenant(s) may be allowed to stop the eviction process by paying all past and current months rent, and all assessed late fees, court costs and attorney fees.

**SECURITY DEPOSIT:** A security deposit of \$ 585.00 will be required to be paid in full be at the execution of this agreement.

**PAYMENT OF RENT:** The initial payment of rent and security deposit must be paid by cash, money order or certified check. Thereafter, monthly rent payments may be paid by personal check until the first is dishonored. All remaining payments will only be accepted in the form of cash, money orders, or certified checks. Returned checks are subject to a Thirty Dollars (\$30.00) fee, regardless of reason. Payment received date will be recorded as **U.S. Mail postmark stamped on envelope that payment is received**

### TERMS AND CONDITIONS OF THE LEASE:

1. The tenant undertakes to look after the Premises and return it in the same good order and condition as received. No material changes shall be made to the Premises or its contents without first getting written permission from the Landlord.
2. Any damages or unauthorized alterations to the Premises shall be repaired or restored at the cost of the Tenant. Pre-existing damages and normal wear and tear excepted.
3. Upon moving out the Tenant shall return all keys to the Premises to the Landlord and supply a forwarding address.
4. The Landlord shall return the Security Deposit less any charges for damages or cleaning of the Tenant within 30 days of the tenant moving out.
5. All parties undertake to abide by the residential tenancy law in the jurisdiction of the Premises and breach by either party shall entitle the other to applicable legal recourse.

*Ron Swanson*

Tenant Signature

3 / 2 / 20XX

*D'Angelo Vickers*

Management

3 / 2 / 20XX

## Learning Activity 2-5: Discrepancy Discovery

### Task

- Using the verifications provided, calculate the Champion family's final asset income on the blank 50058 provided.
- Next, review each asset item on the completed 50058. Note any discrepancies and highlight them on the PHA's 50058.

### Family Information:

Relation	Name	Age	Disabled
Head	Charles	72	N
Spouse	Cynthia	68	N
Other Adult	Clyde	23	Y

### Scenario

- The Champion family's annual reexamination is due July 1st.
- The PHA's policy is to count the current balance for checking and savings accounts.
- The PHA-approved passbook rate is 0.0075.
- For real property currently owned by the family, PHA policy is to determine the market value of real property by averaging recent sales of at least three properties in the surrounding or similar neighborhoods that possess comparable factors that affect market value.
- For the purposes of calculating expenses to convert to cash for real property still owned by a family, the PHA will use three percent of the market value of the property.
- For real property disposed of, the PHA will attempt to obtain an assessment of property value from a qualified professional.
- The family currently owns a vacant lot (Parcel #155555, lot 22) and recently sold another vacant lot (Parcel #155566, lot 23s) The lot still owned by the family is larger and in a more desirable location than the recently sold lot.
- Information from an online home listing service shows three similar lots in the neighborhood that are similar to Parcel 155555, lot 22) that sold recently as follows:
  - Parcel 155553 lot 18 sold last month for \$8,100
  - Parcel 155500 lot 28 sold 2 months ago for \$7,897
  - Parcel 155501 lot 8 sold 2 months ago for \$8,000

Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
------------------------	------------------------	----------------------------

## 6. Assets

6a. Family member name	No.	6b. Type of asset	6c. Calculation (PHA use)	6d. Cash value of asset	6e. Anticipated Income
Charles	1	checking		\$ 610	\$ 0
Charles	1	savings		\$ 4,990	\$ 75
Charles	1	vac lot		\$ 7,999	\$ 0
Charles	1	lot sold		\$ 7,500	\$ 2,500
Charles	1	CD		\$ 5,273	\$ 78
Clyde	1	checking		\$ 198	\$ 0
Clyde	1	savings		\$ 210	\$ 15
				\$	\$
6f, 6g. Column totals				\$ 26,780 6f.	\$ 2,668 6g.
6h. Passbook rate (written as decimal)					0. 0075 6h.
6i. Imputed asset income: 6f X 6h (if 6f is \$5,000 or less, put 0)					\$ 201 6i.
6j. Final asset income: larger of 6g or 6i					\$ 2,668 6j.

## 7. Income

7a. Family member name	No.	7b. Income Code	7c. Calculation (PHA use)	7d. Dollars per year	7e. Income exclusions	7f. Income after exclusions (7d minus 7e)
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
7g. Column total						\$ 7g.

7h. Reserved

7i. Total annual income: 6j + 7g

\$ 7i.

<b>7b: Income Codes</b> <b>Wages:</b> B = own business F = federal wage HA = PHA wage M = military pay W = other wage	<b>Welfare:</b> G = general assistance IW = annual imputed welfare income T = TANF assistance  <b>SS/SSI/Pensions:</b> P = pension S = SSI SS = Social Security	<b>Other Income Sources:</b> C = child support E = medical reimbursement I = Indian trust/per capita N = other nonwage sources U = unemployment benefits
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Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
------------------------	------------------------	----------------------------

## 6. Assets

6a. Family member name	No.	6b. Type of asset	6c. Calculation (PHA use)	6d. Cash value of asset	6e. Anticipated Income
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
6f, 6g. Column totals				\$ 6f.	\$ 6g.
6h. Passbook rate (written as decimal)					0. 6h.
6i. Imputed asset income: 6f X 6h (if 6f is \$5,000 or less, put 0)					\$ 6i.
6j. Final asset income: larger of 6g or 6i					\$ 6j.

## 7. Income

7a. Family member name	No.	7b. Income Code	7c. Calculation (PHA use)	7d. Dollars per year	7e. Income exclusions	7f. Income after exclusions (7d minus 7e)
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
7g. Column total						\$ 7g.

7h. Reserved

7i. Total annual income: 6j + 7g

\$ 7i.

<b>7b: Income Codes</b> <b>Wages:</b> B = own business F = federal wage HA = PHA wage M = military pay W = other wage	<b>Welfare:</b> G = general assistance IW = annual imputed welfare income T = TANF assistance  <b>SS/SSI/Pensions:</b> P = pension S = SSI SS = Social Security	<b>Other Income Sources:</b> C = child support E = medical reimbursement I = Indian trust/per capita N = other nonwage sources U = unemployment benefits
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# Towncity Bank

1234 Main Street, Towncity, CZ 12345

*We treat your money like our own*

Charles Champion  
123 Lyons Rd  
Towncity, Cz 12346

## CERTIFICATE OF DEPOSIT – Annual Statement

Account GL981234

Term: 60-month

Date of Initial Deposit: April 1, 20XX

Date CD reaches maturity: March 31, 20XX

Amount of original deposit: \$5000

Rate of return: 1.5%

### STATEMENT PERIOD

Period starting: March 1, 20XX ending March 31, 20XX

Starting Balance	Ending Balance	Change
\$5,189.19	\$5,273.00 *	+ \$83.81

\* \$25 plus 2.5% Penalty for early withdrawal



TOWNCITY@EMOZ.COM



555-555-5555



TOWNCITYBANK.COM

### OBJECTIVE

To make you more money





# Towncity Bank

1234 Main Street, Towncity, CZ 12345

*We treat your money like our own*

Charles Champion  
123 Lyons Rd  
Towncity, Cz 12346

## PLATINUM SAVINGS ACCOUNT – Monthly Statement

Account LIN2126104

### STATEMENT PERIOD

From April 1, 20XX to April 30, 20XX

Starting Balance	Total Withdrawals	Total Deposits	Ending Balance
\$4,900.15	\$20.00	\$109.00	\$4,989.15

Interest rate: 2.5%

### TRANSACTIONS

April 4, 20XX	Withdrawal ATM	\$	20.00
April 27, 20XX	Deposit	\$	109.00



TOWNCITY@EMOZ.COM



555-555-5555



ANYTOWNNOZBANK.COM

## NON-INTEREST CHECKING ACCOUNT – Monthly Statement

Account SCA9877774

### STATEMENT PERIOD

From April 1, 20XX to April 30, 20XX

Starting Balance	Total Withdrawals	Total Deposits	Ending Balance
\$284.08	\$830.76	\$1,139.00	\$592.32

### TRANSACTIONS

April 2, 20XX	Check 1274	\$	430.00
April 3, 20XX	Deposit	\$	584.50
April 10, 20XX	Check 1275	\$	120.00
April 12, 20XX	Withdrawal ATM	\$	220.00
April 22, 20XX	Deposit	\$	554.50
April 26, 20XX	Check 1276	\$	60.76

Not FDIC Insured



# Towncity Bank

1234 Main Street, Towncity, CZ 12345

*We treat your money like our own*

Clyde Champion  
123 Lyons Rd  
Towncity, Cz 12346

## PLATINUM SAVINGS ACCOUNT – Monthly Statement

Account LIN2883104

### STATEMENT PERIOD

From April 1, 20XX to April 30, 20XX

Starting Balance	Total Withdrawals	Total Deposits	Ending Balance
\$210.02	\$20.00	\$10.00	\$200.02

Interest rate: 2.3%

### TRANSACTIONS

April 6, 20XX Withdrawal ATM \$ 20.00  
April 21, 20XX Deposit \$ 10.00



TOWNCITY@EMOZ.COM



555-555-5555



ANYTOWNNOZBANK.COM

Not FDIC Insured

## NON-INTEREST CHECKING ACCOUNT – Monthly Statement

Account SC00097774

### STATEMENT PERIOD

From April 1, 20XX to April 30, 20XX

Starting Balance	Total Withdrawals	Total Deposits	Ending Balance
\$215.98	\$130.76	\$113.00	\$198.22

### TRANSACTIONS

April 12, 20XX Withdrawal ATM \$ 130.76  
April 23, 20XX Deposit \$ 113.00

May 4, 20XX

*Regarding the vacant lot, Parcel number 155555, Lot 22 in Towncity, CZ:*

*The lot is vacant, with no buildings. We do not anticipate receiving any income from this lot over the next twelve months.*

*Thank you,*

*Cynthia Champion 5/4/20XX*

*Charles Champion 5/4/20XX*

# Property Appraisals, Inc

101 Potter Street, Towncity, CZ 12345  
555-555-5656  
towncityappraisals@CZcity.com

May 4, 20XX

PHA  
4433 Broadway  
Towncity, CZ 12555

Re: Charles and Cynthia Champion Appraisal of Parcel 155566, lot 23s

In March of this year, I conducted an appraisal of the above lot for Mr. and Mrs. Champion as they were planning to sell the lot. Based on my reviewing comparable lots in the area, the lot was appraised at \$7,500.

Should you have any question, you may contact me at the number above. Thank you.

Regards,

Joseph Montgomery  
Sr Appraiser  
Lic # 958765  
Property Appraisals, Inc

**QUIT CLAIM DEED**

**Quit Claim Deed**, executed this 25<sup>th</sup> day of January, 20XX

From first party, to *Charles and Cynthia Champion*

Whose address is *123 4<sup>th</sup> Ave, Towncity, CZ 12345*

To second party: *Colleen Champion*

Whose address is *456 6<sup>th</sup> Ave, Towncity CZ 12345*

**WITNESSETH**, that the said first party, for good consideration and for the sum of *twenty-five hundred* Dollars (\$ 2,500 ) paid by the said second party, the receipt hereof is hereby acknowledged, does hereby remise, release and quitclaim unto the said second party forever, all the right, title, interest and claim which the said first party has in and to the following described parcel of land, and improvements and appurtenances thereto in the County of *Towncity* , State of *Cubic Zirconia*, to wit:

*Parcel Number 155566, Lot 23S*

**IN WITNESS THEREOF**, the said first party has signed and sealed these presents the day and year first above written.

Signed, sealed, and delivered in presence of:

*Cynthia Champion 5/4/20XX*

*Wendy Witness 5/4/20XX*

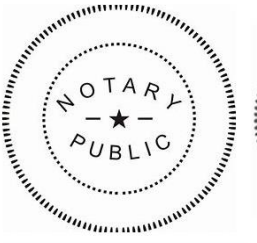
*Charles Champion 5/4/20XX*

*Waldo Witness 5/4/20XX*

On January 20<sup>th</sup>, 20XX before me, ***Cathy Clark, Notary Public*** personally appeared ***Charles and Cynthia Champion*** who proved to me on the basis of satisfactory evidence to the persons whose names subscribed to me within this instrument and acknowledged to me that they executed the same in their authorized capacity and that by their signatures on the instrument these persons executed the instrument.

**WITNESS my hand and official seal.**

**SIGNATURE *Cathy Clark***



TRANSFER OF OWNERSHIP RECORDER'S OFFICE TOWNCITY, CZ		
PROPERTY	Parcel # 155566 Lot 23s Towncity, CZ	
CURRENT OWNER OF RECORD	Charles and Cynthia Champion, 123 4 <sup>th</sup> Ave, Towncity, CZ 12345	
NEW OWNER OF RECORD	Colleen Champion, 456 6 <sup>th</sup> Ave Towncity CZ 12345	
DATE OF TRANSFER	January 20, 20XX	
TRANSFER FEE	\$250	
CURRENT OWNER SIGNATURE	<i>Cynthia Champion</i> <i>Charles Champion</i>	
County Recorder	SIGNATURE	DATE
Conrad Cooke	<i>Conrad Cooke</i>	Jan 20, 20XX

State of *Cubic Zirconia*

City of *Towncity*

STATEMENT REGARDING REAL PROPERTY

We, Charles and Cynthia Champion certify that:

- (1) We owe no money on Parcel 155555, lot 22, Towncity, CZ, and
- (2) We owed no money on Parcel 155566 Lot 23s, Towncity, CZ when we sold it to our daughter, Colleen, in January 20XX.

*Cynthia Champion*

*Charles Champion*

Subscribed and sworn to (or affirmed) before me this *2<sup>nd</sup> day of May, 20XX* by (1) Charles Champion (2) Cynthia Champion

*Cathy Clark, Notary Public* 11



State of Cubic Zirconia

City of Towncity

STATEMENT REGARDING REAL PROPERTY

- (3) I, Colleen Champion, certify that I paid my parents, Charles and Cynthia Champion, two thousand five hundred dollars (\$2,500) for their lot, designated at Parcel 155566 Lot 23s, Towncity, CZ when I bought it from them in January 20XX.

(4)

Colleen Champion

Subscribed and sworn to (or affirmed) before me this 2<sup>nd</sup> day of May, 20XX by (1) Colleen Champion.

Paty Clark, Notary Public



## Notes



## CHAPTER 3     Annual Income

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### LEARNING OUTCOMES

Upon completion of this chapter, you should be able to:

- Recognize and describe the types of income to be excluded or included at an advanced level
- Determine how to annualize income using information provided from various verification sources
- Calculate income for seasonal employees
- Identify qualifying events, calculate and track the earned income disallowance (EID)
- Calculate imputed welfare income

### Section 3.1     Annual Income

#### DEFINITION

*CFR 5.609(a)*

- *Annual Income* means all amounts, monetary or not:
  - Which go to or on behalf of the family head or spouse or to any other family member, or
  - That are anticipated to be received from a source outside the family during the 12 month period following admission or the annual reexamination effective date, and
  - Which are not specifically excluded in 24 CFR 5.609(c), and
  - Also includes amounts derived from assets to which any family member has access.

## WHOSE INCOME TO COUNT

- All sources of income are counted unless specifically excluded by regulations. Furthermore, the relationship and/or situation of the individual family member also must be taken into consideration.
- For the head of household, spouse, co-head and other adults, all income is counted unless regulations state to exclude.
- Regulations specifically state that only the first \$480 of employment income is counted annually for an adult full-time student (who is not the head of household, spouse, or co-head).
- Regulations also specifically state that no employment income is counted for children under 18 (this does not include the head of household, spouse, or co-head).

### INCOME OF TEMPORARILY/PERMANENTLY ABSENT FAMILY MEMBERS

*CFR 5.609 (a)(1)*

- PHAs must include all income of every family member, including those who are temporarily absent.

*HCV Program GB-22*

- The treatment of income of family members who are permanently confined to a hospital or nursing facility depends on PHA policy.

*CFR 982.54 (d)(10)*

- The PHA must have a policy on family absence from a dwelling unit.

### EMPLOYMENT INCOME

*CFR 5.609(b)(1)*

- Full amount, prior to payroll deductions.
  - Includes overtime, commissions, fees, tips and bonuses

Annual Income

Section 3.1: Annual Income

**DEPENDENTS AND DEPENDENT INCOME**

**Income of Minors**

*CFR 5.609(c)*

- Earned income of minors (family member 17 years of age and under) is not included.
- Benefit and other non-earned income paid directly to minors is included.
- Asset income of minors is counted as income because it is not “earned income.”

**Income of Full-Time Students**

- Earnings in excess of \$480 for each full-time student 18 years old or older is not included as income.
- See also school and training-related exclusions.

EXAMPLES OF CALCULATION			
Other income	\$3,500	Other income	\$3,500
Employed full-time student	+ 480	Employed full-time student	0
Annual income	\$3,980	Annual income	\$3,500
Dependent allowance	– 480	Dependent allowance	– 480
Adjusted income	\$3,500	Adjusted income	\$3,020

RIGHT

WRONG

**INCOME OF COLLEGE STUDENTS**

*CFR 5.609(b)(7), FR Notice 12/14/12*

- The student rule does not apply to public housing
- PHAs must include regular contributions such as financial support from parents or guardians to college students in annual income.
- The rule requires that financial aid amounts exceeding tuition and mandatory fees and charges must be included in annual income.
  - Financial aid paid to a student over 23 with dependent children is excluded.
  - Do not count student loans.

Annual Income

Section 3.1: Annual Income

*CFR 5.609 (b)(9), Federal Register Notice 12-30-05, p. 77742, Supplemental Guidance to Student Eligibility Final Rule, Federal Register, 4/10/06*

- The rule does not apply to students residing with their parents receiving or applying for HCV assistance.
- Therefore, the financial assistance of a student residing with his or her parents would be excluded from annual income.

*Notice PIH 2015-21*

- Required fees are defined as all fixed sum charges that are required of a majority of students, including:
  - Writing and science lab fees
  - Athletic fees
  - Fees specific to student's major or program
- Expenses related to attending school not included in tuition include:
  - Room and board
  - Books
  - Supplies
  - Meal plans
  - Transportation and parking
  - Student health insurance
  - Other non-fixed sum charges

**MILITARY PAY**

*CFR 5.609(a)1 & (b)(8)*

- Count all regular pay, special pay, and allowances of a member of the armed forces (even if temporarily absent).

*CFR 5.609(c)(7)*

- Exclude the special pay for exposure to hostile fire.

**REGULAR CONTRIBUTIONS AND GIFTS**

*CFR 5.609(b)(7)*

- PHAs must include as income regular contributions and gifts from persons outside the household.

*HCV GB 5-18  
Public Housing Occupancy  
Guidebook 10.1g, page 115*

- This may include rent and utility payments paid on behalf of the family and other cash or non-cash contributions provided on a regular basis.

*CFR 5.609(c)(9)*

- Casual contributions or sporadic gifts are not included.

Section 3.1: Annual Income

**PERIODIC PAYMENTS AND ALLOWANCES**

*CFR 5.609(b)(4)*

- Social Security (full amount of Social Security prior to Medicare deduction)

*RHIIP FAQs (www.hud.gov/offices/pih/programs/ph/rhiip/faq-gird.cfm)*

- If Social Security recipient's benefits are reduced to make up for prior overpayments, the recipient's income should include the amount the Social Security agency will provide, not the amount that would have been provided if no error were made.
  - Applies to SSI as well.

*CFR 5.609(b)(4)*

- Annuities
- Insurance policies
- Pensions
- Disability
- Death benefits
- Withdrawal from investments as income
  - If a family member receives periodic payments from investments, these are included in income except to the extent the withdrawal is reimbursement of cash or assets invested by the family.
    - Example: A family member holds a retirement plan. When the family member retires and begins receiving regular payments from the plan, the amount received is not considered income until the total amount the family invested (deposited in retirement fund) has been received.
- Withdrawals from ABLE accounts (i.e., tax-advantaged savings accounts under the Achieving Better Life Experience Act) are an exception and are excluded from income.

*Notice PIH 2019-09*

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Annual Income

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Section 3.1: Annual Income

*CFR 5.609(b)(7)*

*HCV GB 5-23*

*Notice H 86-23 (HUD)*

- Alimony and child support
  - PHAs may state in policy that they will include amounts awarded as part of a divorce or separation agreement unless the PHA has verified that the income is not provided.
  - The PHA may also include amounts awarded unless applicant certifies that income is not provided and has made effort to collect amounts, including filing with courts or appropriate agencies responsible for enforcing such payments.
  - Again, this is up to PHA policy

**LUMP-SUM PAYMENTS**

**Income**

*CFR 5.609(b)(4)*

*CFR 5.609(c)(14)4*

*CFR 5.609(c)(14)*

- Lump-sum payments caused by delays in processing periodic payments (such as unemployment or welfare benefits) are included as income.
- Lump-sum payments caused by delays in processing periodic payments from the following sources are not included as income:
  - Social Security and SSI
  - Veterans Administration disability benefits

**Prospective vs. Retroactive Methods for Lump Sums Counted as Income**

- If any portion of a lump-sum income covers a period prior to the family's admission to the program, do not treat that portion as income.
- HUD provides two methods for treatment of lump sums counted as income:
  - Option A (prospective method) – include lump-sum income in current income
  - Option B (retroactive method) – treat lump-sum income the same way as unreported income
- The following pages from the Housing Choice Voucher Guidebook provide guidance on the two methods used for treatment of lump-sum income.

*Lump Sum Payments Counted as Income*

Generally, lump sum amounts received by a family, such as inheritances, insurance settlements, or proceeds from sale of property are considered assets, not income.

When Social Security or SSI benefit income is paid in a lump sum as a result of deferred periodic payments, that amount is excluded from annual income.

However, lump sum payments caused by delays in processing periodic payments for unemployment or welfare assistance are included as income. However, any portion of the lump sum that is payment for a period prior to the family's participation in the housing choice voucher program would be counted as an asset instead of as annual income. A lump sum payment resulting from delayed benefit or other income may be treated in either of the two ways illustrated in the interim reexamination shown on the next page.

TREATMENT OF DELAYED BENEFIT PAYMENTS RECEIVED IN A LUMP SUM					
Family loses job on October 19 and applies for unemployment benefits. The family receives a lump sum payment of \$700 in December to cover the period from 10/20 to 12/5 and begins to receive \$100 a week effective 12/6.					
Option A: PHA processes one interim reexamination immediately effective 11/1 and a second interim after unemployment benefits are known.					
	10/1	11/1	12/1	1/1	2/1
Monthly Gross income	800	*0	*0	492**	492**
Monthly Allowances (3 minors x 480 – 12 month)	120	-	-	120	120
Monthly Adjusted Income	680	0	0	372	372
Total Tenant Payment	204	0	0	0***	112***
<p>* The family's income is calculated at \$0/month beginning November 1, continuing until benefits actually begin and new income is calculated.</p> <p>** Family's actual income for 1/1 is \$100/week x 52 weeks = \$5,200 ) 12 = \$433. However, because the family's TTP was calculated at zero income for the months of November and December (the period eventually covered by the the \$700 lump sum payment), the annual income to be used in calculating monthly gross income should be:</p> <p>\$100/week benefit x 52 weeks = \$5,200 + \$700 lump sum payment = \$5,900 annual gross income ) 12 = \$492.</p> <p>*** Increased rent does not start until 2/1 in order to give family notice of rent increase.</p>					

## TREATMENT OF DELAYED BENEFIT PAYMENTS: OPTION B

Option B: PHA processes one interim reexamination after unemployment benefits are known.

	10/1	11/1	12/1	1/1	2/1
Monthly Gross Income	800	0/800*	0/800*	433*	433*
Monthly Allowances (3 Minors x 480 ) 12 Months)	120	120	120	120	120
Monthly Adjusted Income	680	0/680	0/680	313	313
Total Tenant Payment	204	204*	204*	94	94
Recalculated TTP	-	94***	94*	94	94
Rent Credit (204-94=)	-	110	110	-	-

\* Family's actual income for 11/1 and 12/1 is zero but because the PHA does not process an interim reexamination, the family's TTP continues to be calculated using \$800 as monthly gross income. Beginning 1/1, monthly gross income is known to be \$100/week, or \$433/month.

\*\* The lump sum payment is taken into account by making the recertification retroactive to 11/1. Annual income is calculated as \$5,200 ) 12 = \$433 monthly gross income.

\*\*\* TTP for November and December recalculated as \$433 monthly gross income and \$313 monthly adjusted income x .30 = 94 with credit or refund to family of \$110/month for each of these two months for difference between TTP paid of \$204 and recalculated TTP of \$94.



Section 3.1: Annual Income

**INCOME FROM A BUSINESS (INCLUDING SELF-EMPLOYED)**

*CFR 5.609(b)(2)*

- Net income equals gross income less expenses.
- Applicants may treat as a business expense depreciation (straight-line), interest payments on loans and all expenses other than those for expansion or capital improvements.
- Withdrawal of cash or assets from a business is included as income except when the withdrawal is for reimbursement of amounts the family has invested in the business.

**MONTH:** \_\_\_\_\_

**TYPE OF BUSINESS:** \_\_\_\_\_

**I CERTIFY under penalty of perjury** that, to the best of my knowledge, the above information is true and accurate. I understand that failure to provide true and complete information may result in denial or termination of my housing assistance.

4/1/20

Section 3.1: Annual Income

**PUBLIC ASSISTANCE**

*CFR 5.609(b)(6)*

- Temporary Assistance to Needy Families (TANF)
- SSI
- General Assistance/General Relief

*CFR 5.609(b)(6)*

**Public Assistance Income in As-paid Localities  
("Welfare Rent")**

- Special calculations of income are required for "as-paid" state, county, or local public assistance programs.
- An "as-paid" system is one in which the welfare assistance payment includes a specifically designated amount for shelter and utilities that is subject to adjustment based upon the actual cost of shelter and utilities.

*HUD 50058 Instructions, 9g  
HCV Program GB 5-20  
Public Housing Occupancy  
Guidebook 10.1f, page 115*

- "Welfare rent" is the public assistance amount specifically designated for shelter and utilities.

*CFR 5.609(b)(6)*

- The amount of welfare assistance income to be included as income shall consist of:
  - The amount of the allowance/grant minus the amount specifically designated for shelter or utilities; plus
  - The maximum amount the welfare assistance agency could in fact allow the family for shelter and utilities.
    - If the family's welfare assistance is reduced from the standard of need by the application of a percentage, the "maximum amount" shall be the amount resulting from one application of the percentage.

Section 3.1: Annual Income

**PAYMENTS IN LIEU OF EARNINGS**

*CFR 5.609(b)(5)*

- Annual income includes:
  - Unemployment
  - Workers' Compensation
  - Severance pay

## Section 3.2 Annual Income Exclusions

### INCOME EXCLUDED UNDER HUD REGULATIONS

#### INCOME FROM EMPLOYMENT OF CHILDREN

*CFR 5.609(c)(1)*

- Exclude earnings of children under the age of 18.
- Include unearned income.

#### PAYMENTS RECEIVED FOR FOSTER CHILDREN OR FOSTER ADULTS

*CFR 5.609(c)(2)*

- Foster children have been placed by court in foster home.
  - Special payment - temporary, not permanent
- Foster adults are usually persons with disabilities, unrelated to the tenant, who are unable to live alone.

*Notice PIH 2008-40*

- Kinship Guardian Assistant Payments (Kin-GAP) and other similar guardianship payments are also excluded from annual income.
  - These payments serve as an alternative to foster care and are now interpreted as equivalent to foster care payments.

#### LUMP SUM ADDITIONS TO FAMILY ASSETS (COUNTED AS ASSETS)

*CFR 5.609(c)(14)*

- Deferred payments
  - Periodic amounts for Supplemental Security Income and Social Security benefits received in a lump sum or in prospective monthly amounts.
  - Deferred disability benefits from the Department of Veterans Affairs are also excluded from annual income, whether paid as a lump sum or in prospective monthly amounts.

*CFR 5.609(c)(3)*

- Inheritances
- Insurance payments (including payments under health and accident insurance and workers' compensation)
- Capital gains
- Settlement for personal or property losses

**MEDICAL REIMBURSEMENTS**

*CFR 5.609(c)(4)*

- Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member

*HUD VASH FAQs*

- For VA “Aid and Attendance” and “VA Housebound Allowances,” the PHA should verify with the VA the amount received by the veteran for aid and attendance or housebound benefits. The portion of the total benefit amount that the veteran uses for medical expenses must be excluded from income. Any portion of the allowance not going toward such expenses would continue to be counted as income by the PHA when computing the family’s share of the rent.

*CFR 5.609(c)(5)*

**INCOME OF A LIVE-IN AIDE**

- Use definition in CFR 5.403: a live-in aide means:
  - A person who resides with one or more elderly persons, or near-elderly persons, or persons with disabilities, and who:
    - Is determined to be essential to the care and well-being of the persons;
    - Is not obligated for the support of the persons; and
    - Would not be living in the unit except to provide the necessary supportive services.

**SPECIAL ARMED FORCES PAY**

*CFR 5.609(c)(7)*

- Payments received by a family member serving in the armed forces who is exposed to hostile fire.

**STUDENT FINANCIAL AID**

*Federal Register 12-30-05*

- Financial aid exceeding amounts received for tuition shall be included in annual income.
  - However, financial aid paid to a student over the age of 23 with dependent children is excluded
  - Does not include student loans

*CFR 5.609(c)(8)(iv)*

**RESIDENT SERVICE STIPENDS**

- Exclude amounts received under a resident service stipend.
  - Not to exceed \$200 per month
  - Received by a resident for performing a service for the PHA on a part-time basis
  - Enhances the quality of life in the development.
  - Such services may include but are not limited to:
    - Fire patrol
    - Hall monitoring
    - Lawn maintenance
    - Resident initiatives coordination
    - Serving as a member of the PHA's governing board
- No resident may receive more than one such stipend during the same period of time.

*CFR 5.609(c)(10)*

**HOLOCAUST REPARATION PAYMENTS**

- Payments received from a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era.

*CFR 5.609(c)(11)*

**EARNINGS FOR FULL-TIME STUDENTS**

- Exclude earnings in excess of \$480 for each full-time student 18 years or older (excluding the head of household and spouse).

*CFR 5.609(c)(12)*

**ADOPTION ASSISTANCE PAYMENTS**

- Exclude amounts in excess of \$480 per adopted child.

*CFR 5.609(c)(16)*

**DEVELOPMENTAL DISABILITY CARE PAYMENTS**

- Paid to a family with a member who has a developmental disability.
- Enables the family to offset the cost necessary to keep the member at home.

Section 3.2: Annual Income Exclusions

*CFR 5.609(c)(15)*

**REFUNDS AND REBATES FOR PROPERTY TAXES**

- Amounts received by the family in the form of refunds or rebates under State or local law for property taxes paid on the dwelling unit.

*CFR 5.609(c)(8)(ii)*

**PLAN FOR ACHIEVING SELF-SUPPORT (PASS)**

- Exclude payments to disabled persons on SSI pursuing a PASS program.
- This program is encouraged by the SSI program. Amounts are disregarded by SSI for a limited time.

*CFR 5.609(c)(8)(iii)*

**OTHER PUBLICLY-ASSISTED PROGRAMS**

- Exclude amounts received by a participant in other publicly assisted programs which are specifically for reimbursement of out-of-pocket expenses to allow participation in a specific program.
  - Clothing
  - Special equipment
  - Transportation
  - Child care, etc.

*CFR 5.609(c)(8)(i)*

**HUD-FUNDED TRAINING PROGRAMS**

- Exclude all amounts received under any training program funded by HUD.

*CFR 5.609(c)(8)(v)*

**INCREMENTAL INCOME FROM EMPLOYMENT TRAINING PROGRAMS QUALIFIED UNDER 5.609[c][8][v]**

- Exclude all incremental earnings and benefits resulting from participation in a qualifying State or local employment training program.



Section 3.2: Annual Income Exclusions

- Amounts excluded by this provision are excluded only for the period during which the family member participates in the employment training program.

*Notice PIH 98-2*

- Incremental: The increase between the total amount of welfare and earnings of a family member prior to enrollment in the training program, and welfare and earnings of the family member after enrollment in the training program.
- All other amounts, increases or decreases, are treated in the usual manner in determining annual income.

*CFR 5.609(c)(8)(v)*

- To qualify under this section, a training program must have clearly defined goals and objectives.

*Notice PIH 98-2*

- The training program may:
  - Generally have a variety of components
  - Take place in a series of sessions over a period of time
  - Be designed to lead to a higher level of proficiency
  - Enhance the individual's ability to obtain employment
  - Have performance standards to measure proficiency
- Training may include, but is not limited to:
  - Classroom training in a specific occupational skill
  - On-the-job training with wages subsidized by the program
- Basic education

## **FEDERALLY-MANDATED INCOME EXCLUSIONS**

*Federal Register 5/20/14;  
CFR 5.609 (c)(17)*

- Value of Food Stamps
  - Value of allotment provided to an eligible household under the Food Stamp Act of 1977.
- Benefits under Section 1780 of the School Lunch Act and Child Nutrition Act of 1966
  - Includes WIC
- Domestic Volunteer Services Act
  - Payments under the Domestic Volunteer Services Act of 1973 are excluded. These programs include:
    - VISTA - Volunteers in Service to America
    - RSVP - Retired Senior Volunteer Program
    - Foster Grandparents
    - Senior Companions Programs
- Heating assistance
  - Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program.
- Americorps Living Allowance under the National and Community Service Act of 1990

Section 3.2: Annual Income Exclusions

- Indian Settlements/Trusts
  - Payments received under the Maine Indian Claim Settlement Act of 1980. (Pub. L. 96-420, 94 Stat. 1785).
  - Payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1616(c)).
  - Income derived from certain submarginal land of the United States held in trust for particular Indian tribes.
  - Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation.
  - Income derived from the disposition of funds of the Grand River Band of Ottawa Indians.
  - The first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U.S. Claims Court, the interests of individual Indians in trust or restricted lands, including the first \$2,000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands.
  - Payments, funds or distributions authorized, established, or directed by the Seneca Nation Settlement Act of 1990 (25 U.S.C. 1774f(b)) for a period of one year from the time of receipt of that payment as provided in the Claims Resolution Act of 2010.
  - A lump sum or a periodic payment received by an individual Indian pursuant to the Class Action Settlement Agreement in the United States District Court case entitled Elouise Cobell et al. v. Ken Salazar et al.
  - Benefits under the Indian Veterans Housing Opportunity Act of 2010
    - Only applies to Native American housing programs

Section 3.2: Annual Income Exclusions

- Title IV of the Higher Education Act of 1965
  - Amounts of scholarships funded under Title IV of the Higher Education Act of 1965, including awards under Federal work-study programs or under the Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087uu). For Section 8 programs, the exception found in § 237 of Public Law 109–249 applies and requires that the amount of financial assistance in excess of tuition and mandatory fees shall be considered income in accordance with the provisions codified at 24 CFR 5.609(b)(9), except for those persons with disabilities as defined by 42 U.S.C. 1437a(b)(3)(E) (Pub. L. 109–247).
- Spina Bifida and Agent Orange Settlements
  - Payments received after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established in the In Re Agent Orange product liability litigation, M.D.L. No. 381 (E.D.N.Y.).
  - Payments received under 38 U.S.C. 1833 (c) to children of Vietnam veterans born with spina bifida, children of women Vietnam veterans born with certain birth defects, and children of certain Korean service veterans born with spina bifida.
- Child Care and Development Block Grant Act of 1990
  - The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990.
- Earned Income Tax Credit Refunds

Section 3.2: Annual Income Exclusions

- Title V of the Older Americans Act
  - Payments under Title V are excluded. This is the Senior Community Service in Employment Program (SCSEP) funded through the Department of Labor.
  - This program is administered by national contractors such as:
    - Green Thumb
    - AARP - American Association of Retired Persons
    - NCOA - National Council on Aging
    - National Council of Senior Citizens (sometimes called Senior Aides)
    - US Forest Services
    - NCBA - National Caucus for Black Aged
    - Urban League
    - National Association for the Spanish Elderly
  - State coordinators for Title V can provide a list of additional contractors who administer Title V.
  - Even if there is 90% federal and 10% local funding, 100% of the income funded through Title V is excluded.
- Crime Victim Compensation
  - Any amount of crime victim compensation under the Victims of Crime Act.
- Any amounts in an “individual development account” as provided by the Assets for Independence Act, as amended in 2002.

## Section 3.3      Annual Income Errors

- HUD has found that verification is often collected consistently with procedures but then filed and never used.
  - Example: A PHA's policy outlines HUD's verification hierarchy, but the PHA always sends out (and uses) third-party verification form for employment.
  - When verification documents conflict, files lack an explanation of how the documentation was used in the calculation, or why it was used.
- Annualizing
  - Bi-weekly vs. semi-monthly
  - Individuals who are paid bi-weekly will be paid 26 times during the year, not 24. Incorrectly calculating wages as semi-monthly results in a PHA overpayment.
- Income of minors
  - Only the wages of minors are excluded. Any unearned income of minors, for example anticipated income from the checking account of a minor, is included in annual income.
- Pensions
  - Often incorrectly counted during the period when the withdrawal is a reimbursement of the family's own investment
- Financial aid and scholarships
  - Failure to correctly understand and apply the HCV student rule

Section 3.3: Annual Income Errors

- Social Security overpayments
  - If benefits are reduced to make up for a prior overpayment by SS, include the amount provided, not the amount that would have been provided had no error been made
  - If benefits are reduced because of a garnishment, for example an IRS garnishment to collect back child support, the PHA must use the gross amount to calculate income
- Income from a business
  - Net income from a business is included, not gross.

### **Learning Activity 3-1: Annual Income Inclusions and Exclusions**

#### **Task**

- Identify whether the following types of income are included or excluded.
  1. The wages of a live-in aide who works full time outside of the unit
    - a) Included
    - b) Excluded
  2. The interest on the savings account of a minor who is working part-time
    - a) Included
    - b) Excluded
  3. Income from a HUD-funded training program operated by the PHA
    - a) Included
    - b) Excluded
  4. A resident service stipend of \$150 paid to an HCV participant for lawn care at the apartment complex where he resides
    - a) Included
    - b) Excluded
  5. The wages of the head of household who is also attending school full time
    - a) Included
    - b) Excluded
  6. Income from temporary employment with the US Census bureau
    - a) Included
    - b) Excluded
  7. The wages of the 16 year-old daughter of the head of household who has quit school and is working full time
    - a) Included
    - b) Excluded
  8. The wages of the head of household who is temporarily absent from the unit due to a work assignment in another state
    - a) Included
    - b) Excluded



### **Learning Activity 3-2: Annualizing with Conflicting Verifications**

#### **Task**

- Answer the following questions for the Morris family.

#### ***Scenario***

- Zach Morris is head of household. He works at Carpet Emporium. His annual recertification is due 8-1-XX. As part of the annual recertification process, per PHA policy, Zach's last four current, consecutive pay stubs were requested. Zach said he couldn't find any of his current pay stubs because he threw them away. The PHA then sent a third-party written verification form to Zach's employer to verify his wages. After the PHA received the following verification form from the employer, Zach was able to find his pay stubs.
- PHA procedures call for averaging the last four pay periods, then annualizing to anticipate annual income.

1. Based on the verifications provided, what is Zach's annual income?

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2. Why is it challenging to annualize Zach's income using the information provided?

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3. Which verification did you use to calculate your answer, the third-party written verification provided by the tenant or the third-party written verification form provided by the employer? Why?

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4. After reviewing the verifications provided, would you take any further steps to verify Zach's wages? In other words, what other verification should be in the file?

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Rent Calculation II: Hands-on Workshop

Annual Income

Section 3.3: Annual Income Errors



TOWNCITY PHA, 123 MAIN STREET, TOWNCITY CZ 12345  
(555-555-5555)

Carpet Emporium  
1876 Broad St  
Citytown, CZ 12345

The below-signed individual has signed an authorization form (attached) to allow you to provide the PHA with the requested information regarding employment. We would appreciate your completing the below form and returning to us within 10 business days. Should you have any questions, please do not hesitate to contact us at the above telephone number. Thank you for your assistance.

I authorize the release of the requested information: Printed Name Zack Morris

Signature: Zack Morris Date: 5/25/XX

1. Employed since: 4/1/16 2. Job Title: Sales Representative
3. Salary, base pay rate: \$15.50 per: X hour \_\_\_ week \_\_\_ bi-weekly X semi-monthly
4. Is this person likely to get overtime? No
  - a. If yes, overtime pay rate \$ \_\_\_ 22 \_\_\_ per hour
  - b. Average number of overtime hours expected during the next 12 months: 0
5. Any other compensation not listed above? No
  - a. If yes, explain, including type of compensation and amounts expected to be received during the next 12 months:
6. Does this person receive paid vacations? Yes
  - a. If yes, how many days per year: 14 days
7. Total base pay earnings for the last twelve months: \$ 32,240
8. Total overtime for the last 12 months: \$ 0

Firm Name: Carpet Emporium Address: 1876 Broad St, Citytown, CZ 12345

Name of person completing form: Richard Bellding Date: 6/2/XX

Title: Supervisor Signature: Richard Bellding Phone: (555) 555-7654



**Carpet Emporium 1876 Broad St, Citytown, CZ  
12345**

Employee Name			Employee SSN		Period Start	Period End	Check Date	
Zach Morris			123-45-6712		5/1/XX	5/14/XX	5/17/XX	
Earnings						Deductions/Taxes/Misc		
Description	Rate	Hours	Amount	YTD		Description	Amount	Year-to-Date
Wages	15.50	80	\$1,240.00	\$13,640		Fed withheld	\$ 176.50	\$1,872.63
Overtime	23.25	10	\$ 232.50	\$1,790.25		State W/H	\$ 17.67	\$ 186.31
Commission				\$ 125		FICA	\$ 112.65	\$1,187.78
						Medicare	\$ 21.35	\$ 225.14
Total			\$1,472.50	15,555.25		Total	\$ 328.37	\$3,461.87
Gross Pay: \$ 1,472.50			Deductions: \$ 328.37				Net Pay: \$ 1,144.13	



**Carpet Emporium 1876 Broad St, Citytown, CZ  
12345**

Employee Name			Employee SSN		Period Start	Period End	Check Date	
Zach Morris			123-45-6712		4/17/XX	4/30/XX	5/2/XX	
Earnings						Deductions/Taxes/Misc		
Description	Rate	Hours	Amount	YTD		Description	Amount	Year-to-Date
Wages	15.50	80	\$1,240.00	\$12,400		Fed withheld	\$148.80	\$1,686.13
Overtime				\$1557.75		State W/H	\$ 14.88	\$ 168.64
Commission				\$ 125		FICA	\$ 94.86	\$1,075.13
						Medicare	\$ 17.98	\$ 203.79
Total			\$1,240.00	14,082.75		Total	\$ 276.52	\$3,133.70
Gross Pay: \$ 1,240.00			Deductions: \$ 276.50			Net Pay: \$ 963.48		



**Carpet Emporium 1876 Broad St, Citytown, CZ  
12345**

Employee Name			Employee SSN		Period Start	Period End	Check Date	
Zach Morris			123-45-6712		4/3/XX	4/16/XX	4/18/XX	
Earnings						Deductions/Taxes/Misc		
Description	Rate	Hours	Amount	YTD		Description	Amount	Year-to-Date
Wages	15.50	80	\$1,240.00	\$11,160		Fed withheld	\$169.74	\$1,537.33
Overtime	23.25	6	\$ 139.50	\$1557.75		State W/H	\$ 16.97	\$ 153.76
Commission			\$ 35.00	\$ 125		FICA	\$ 108.21	\$ 980.27
						Medicare	\$ 20.51	\$ 185.81
Total			\$1,414.50	12842.75		Total	\$ 315.43	\$2,857.18
Gross Pay: \$ 1,414.50			Deductions: \$ 315.43				Net Pay: \$ 1,099.07	



**Carpet Emporium 1876 Broad St, Citytown, CZ  
12345**

Employee Name			Employee SSN		Period Start	Period End	Check Date	
Zach Morris			123-45-6712		3/20/XX	4/2/XX	4/5/XX	
Earnings						Deductions/Taxes/Misc		
Description	Rate	Hours	Amount	YTD		Description	Amount	Year-to-Date
Wages	15.50	80	\$1,240.00	9,920.00		Fed withheld	\$182.28	\$1,367.59
Overtime	23.25	12	\$ 279.00	1,418.25		State W/H	\$ 18.23	\$ 136.79
Commission				\$ 90		FICA	\$ 116.20	\$ 872.06
						Medicare	\$ 22.03	\$ 165.30
Total			\$1,519.00	11,428.25		Total	\$ 338.74	\$2,541.75
Gross Pay: \$ 1,519.00			Deductions: \$ 338.74				Net Pay: \$ 1,180.26	

### **Learning Activity 3-3: Discrepancy Discovery**

#### **Task**

- Annual income was incorrectly calculated for the Burnham family, the Root family, and the Grace family. Review the 50058s and verifications obtained and determine where PHA staff incorrectly calculated annual income.

#### ***Scenario***

##### **Burnham Family**

- Head of household Daniel Burnham works part-time at Coffee Co. His wife Lily collects Social Security. They have no other sources of income.
- PHA policy calls for two current and consecutive pay stubs.

1. Which sources of income were calculated incorrectly?

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2. Explain why they are calculated incorrectly.

---

---

3. What should the family's annual income be?

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Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
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## 6. Assets

6a. Family member name	No.	6b. Type of asset	6c. Calculation (PHA use)	6d. Cash value of asset	6e. Anticipated Income
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
6f, 6g. Column totals				\$	6g.
6h. Passbook rate (written as decimal)					0. 6h.
6i. Imputed asset income: 6f X 6h (if 6f is \$5,000 or less, put 0)					\$ 6i.
6j. Final asset income: larger of 6g or 6i					\$ 6j.

## 7. Income

7a. Family member name	No.	7b. Income Code	7c. Calculation (PHA use)	7d. Dollars per year	7e. Income exclusions	7f. Income after exclusions (7d minus 7e)
<b>Daniel</b>	<b>1</b>	<b>W</b>	<b>373.50 x 24</b>	<b>\$ 8,964</b>	<b>\$ 0</b>	<b>\$ 8,964</b>
<b>Lily</b>	<b>1</b>	<b>SS</b>	<b>700 x 12</b>	<b>\$ 8,400</b>	<b>\$ 0</b>	<b>\$ 8,400</b>
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
7g. Column total						\$ <b>17,364</b> 7g.

7h. Reserved

7i. Total annual income: 6j + 7g \$ **17,364** 7i.

<b>7b: Income Codes</b> <b>Wages:</b> B = own business F = federal wage HA = PHA wage M = military pay W = other wage	<b>Welfare:</b> G = general assistance IW = annual imputed welfare income T = TANF assistance  <b>SS/SSI/Pensions:</b> P = pension S = SSI SS = Social Security	<b>Other Income Sources:</b> C = child support E = medical reimbursement I = Indian trust/per capita N = other nonwage sources U = unemployment benefits
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Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
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## 6. Assets

6a. Family member name	No.	6b. Type of asset	6c. Calculation (PHA use)	6d. Cash value of asset	6e. Anticipated Income
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
6f, 6g. Column totals				\$ 6f.	\$ 6g.
6h. Passbook rate (written as decimal)					0. 6h.
6i. Imputed asset income: 6f X 6h (if 6f is \$5,000 or less, put 0)					\$ 6i.
6j. Final asset income: larger of 6g or 6i					\$ 6j.

## 7. Income

7a. Family member name	No.	7b. Income Code	7c. Calculation (PHA use)	7d. Dollars per year	7e. Income exclusions	7f. Income after exclusions (7d minus 7e)
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
7g. Column total						\$ 7g.

7h. Reserved

7i. Total annual income: 6j + 7g

\$ 7i.


<b>7b: Income Codes</b> <b>Wages:</b> B = own business F = federal wage HA = PHA wage M = military pay W = other wage	<b>Welfare:</b> G = general assistance IW = annual imputed welfare income T = TANF assistance  <b>SS/SSI/Pensions:</b> P = pension S = SSI SS = Social Security	<b>Other Income Sources:</b> C = child support E = medical reimbursement I = Indian trust/per capita N = other nonwage sources U = unemployment benefits
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# Rent Calculation II: Hands-on Workshop

## Annual Income

### Section 3.3: Annual Income Errors

 <b>Coffee Co. 1888 Broad St, Citytown, CZ 12345</b>							
<b>Employee Name</b>		<b>Employee SSN</b>		<b>Period Start</b>	<b>Period End</b>	<b>Check Date</b>	
Daniel Burnham		123-45-7664		5/14/XX	5/27/XX	6/3/XX	
<b>Earnings</b>					<b>Deductions/Taxes/Misc</b>		
<b>Description</b>	<b>Rate</b>	<b>Hours</b>	<b>Amount</b>	<b>YTD</b>	<b>Description</b>	<b>Amount</b>	<b>Year-to-Date</b>
Wages	9.00	43	\$387.00	\$4,347.00	Fed withheld	\$ 15.26	\$ 105.49
					State W/H	\$ 7.00	\$ 45.30
					FICA	\$ 7.22	\$ 14.20
					Medicare	\$ 2.59	\$ 16.27
<b>Gross Pay: \$ 387.00</b>		<b>Deductions: \$ 32.07</b>			<b>Net Pay: \$ 354.93</b>		

 <b>Coffee Co. 1888 Broad St, Citytown, CZ 12345</b>							
<b>Employee Name</b>		<b>Employee SSN</b>		<b>Period Start</b>	<b>Period End</b>	<b>Check Date</b>	
Daniel Burnham		123-45-7664		4/30/XX	5/13/XX	5/20/XX	
<b>Earnings</b>					<b>Deductions/Taxes/Misc</b>		
<b>Description</b>	<b>Rate</b>	<b>Hours</b>	<b>Amount</b>	<b>YTD</b>	<b>Description</b>	<b>Amount</b>	<b>Year-to-Date</b>
Wages	9.00	40	\$360.00	\$3,960	Fed withheld	\$13.00	\$90.23
					State W/H	\$ 6.08	\$ 38.30
					FICA	\$ 6.98	\$ 44.36
					Medicare	\$ 2.10	\$ 13.68
<b>Gross Pay: \$ 360.00</b>		<b>Deductions: \$ 28.16</b>			<b>Net Pay: \$ 331.84</b>		

SOCIAL SECURITY ADMINISTRATION

Claim Number: 348-97-7601

Social Security Administration  
51 E Bernard St  
Towncity, CZ 12345

Lily Burnham  
5758 Roosevelt St  
Towncity, CZ 12345

You asked us for information from your record. The information that you requested is shown below.

Information about current Social Security Benefits

Beginning January 20XX, the full monthly Social Security benefit before deductions is .....\$780.00.

We deduct \$80.00 for medical insurance premiums each month.

The regular monthly Social Security payment  
is.....\$700.00.

***Scenario***

**Root Family**

- Head of household John Root has been retired for one year. He collects a pension from his job at the City Center Government. He has no other sources of income and lives alone.

1. Which sources of income were calculated incorrectly?

---

2. Explain why they are calculated incorrectly.

---

---

---

3. What should the family's annual income be?

---

Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
------------------------	------------------------	----------------------------

## 6. Assets

6a. Family member name	No.	6b. Type of asset	6c. Calculation (PHA use)	6d. Cash value of asset	6e. Anticipated Income
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
6f, 6g. Column totals				\$	6f. \$ 6g.
6h. Passbook rate (written as decimal)					0. 6h.
6i. Imputed asset income: 6f X 6h (if 6f is \$5,000 or less, put 0)					\$ 6i.
6j. Final asset income: larger of 6g or 6i					\$ 6j.

## 7. Income

7a. Family member name	No.	7b. Income Code	7c. Calculation (PHA use)	7d. Dollars per year	7e. Income exclusions	7f. Income after exclusions (7d minus 7e)
<b>John</b>	<b>1</b>	<b>P</b>	<b>400 x 12</b>	<b>\$ 4,800</b>	<b>\$ 0</b>	<b>\$ 4,800</b>
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
7g. Column total						\$ <b>4,800</b> 7g.

7h. Reserved

7i. Total annual income: 6j + 7g \$ **13,589** 7i.

<b>7b: Income Codes</b> <b>Wages:</b> B = own business F = federal wage HA = PHA wage M = military pay W = other wage	<b>Welfare:</b> G = general assistance IW = annual imputed welfare income T = TANF assistance  <b>SS/SSI/Pensions:</b> P = pension S = SSI SS = Social Security	<b>Other Income Sources:</b> C = child support E = medical reimbursement I = Indian trust/per capita N = other nonwage sources U = unemployment benefits
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Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
------------------------	------------------------	----------------------------

## 6. Assets

6a. Family member name	No.	6b. Type of asset	6c. Calculation (PHA use)	6d. Cash value of asset	6e. Anticipated Income
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
6f, 6g. Column totals				\$	6f. \$ 6g.
6h. Passbook rate (written as decimal)					0. 6h.
6i. Imputed asset income: 6f X 6h (if 6f is \$5,000 or less, put 0)					\$ 6i.
6j. Final asset income: larger of 6g or 6i					\$ 6j.

## 7. Income

7a. Family member name	No.	7b. Income Code	7c. Calculation (PHA use)	7d. Dollars per year	7e. Income exclusions	7f. Income after exclusions (7d minus 7e)
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
7g. Column total						\$ 7g.
7h. Reserved						
7i. Total annual income: 6j + 7g						\$ 7i.

<b>7b: Income Codes</b> <b>Wages:</b> B = own business F = federal wage HA = PHA wage M = military pay W = other wage	<b>Welfare:</b> G = general assistance IW = annual imputed welfare income T = TANF assistance  <b>SS/SSI/Pensions:</b> P = pension S = SSI SS = Social Security	<b>Other Income Sources:</b> C = child support E = medical reimbursement I = Indian trust/per capita N = other nonwage sources U = unemployment benefits
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TOWNCITY PHA, 123 MAIN STREET, TOWNCITY CZ 12345  
(555-555-5555)

City Center Government  
4 Fair St  
Citytown, CZ 12345

The below-signed individual has signed an authorization form (attached) to allow you to provide the PHA with the requested information regarding pension(s). We would appreciate your completing the below form and returning to us within 10 business days. Should you have any questions, please do not hesitate to contact us at the above telephone number. Thank you for your assistance.

I authorize the release of the requested information: Printed Name John Root

Signature: John Root Date: 6/17/XX

1. Current gross monthly pension amount: \$ 400/ month
2. Total amount received to date: \$4,800
3. Medical insurance deductions: None
4. Amount contributed by individual: \$90,000
5. Current account balance: \$187,000
6. Date of initial Award: 6/1/XX
7. Effective date of current monthly amount: 6/1/XX
8. Anticipated date of change: Locked amount, no increases expected
9. Anticipated new monthly benefit amount: \_\_\_\_\_

Agency Name: City Center Govern't Address: 4 Fair St, Citytown, CZ 12345

Name of person completing form: George Post Date: 6/22/XX

Title: Admin Asst Signature: George Post Phone: (555) 555-3332

*Scenario*

**Grace Family**

- Wilma Grace is head of household. She is a participant on the HCV program. She is 29 years old. She lives with her 4 year-old daughter Wanda. She has a part-time job at Shoe Connection. She also attends Knowledge University on a full-time basis. She has no other sources of income.
- PHA policy calls for two current and consecutive pay stubs.

1. Which sources of income were calculated incorrectly?

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2. Explain why they are calculated incorrectly.

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3. What should the family's annual income be?

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Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
------------------------	------------------------	----------------------------

## 6. Assets

6a. Family member name	No.	6b. Type of asset	6c. Calculation (PHA use)	6d. Cash value of asset	6e. Anticipated Income
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
6f, 6g. Column totals				\$	6f. \$ 6g.
6h. Passbook rate (written as decimal)					0. 6h.
6i. Imputed asset income: 6f X 6h (if 6f is \$5,000 or less, put 0)					\$ 6i.
6j. Final asset income: larger of 6g or 6i					\$ 6j.

## 7. Income

7a. Family member name	No.	7b. Income Code	7c. Calculation (PHA use)	7d. Dollars per year	7e. Income exclusions	7f. Income after exclusions (7d minus 7e)
<b>Wilma</b>	<b>1</b>	<b>N</b>	<b>7,500 x 2</b>	<b>\$ 15,000</b>	<b>\$ 0</b>	<b>\$ 15,000</b>
<b>Wilma</b>	<b>1</b>	<b>W</b>	<b>8.25x23x24</b>	<b>\$ 4,554</b>	<b>\$ 4,074</b>	<b>\$ 480</b>
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
7g. Column total						\$ <b>15,480</b> 7g.

7h. Reserved

7i. Total annual income: 6j + 7g \$ **15,480** 7i.

<b>7b: Income Codes</b> <b>Wages:</b> B = own business F = federal wage HA = PHA wage M = military pay W = other wage	<b>Welfare:</b> G = general assistance IW = annual imputed welfare income T = TANF assistance  <b>SS/SSI/Pensions:</b> P = pension S = SSI SS = Social Security	<b>Other Income Sources:</b> C = child support E = medical reimbursement I = Indian trust/per capita N = other nonwage sources U = unemployment benefits
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Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
------------------------	------------------------	----------------------------

## 6. Assets

6a. Family member name	No.	6b. Type of asset	6c. Calculation (PHA use)	6d. Cash value of asset	6e. Anticipated Income
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
6f, 6g. Column totals				\$ 6f.	\$ 6g.
6h. Passbook rate (written as decimal)					0. 6h.
6i. Imputed asset income: 6f X 6h (if 6f is \$5,000 or less, put 0)					\$ 6i.
6j. Final asset income: larger of 6g or 6i					\$ 6j.

## 7. Income

7a. Family member name	No.	7b. Income Code	7c. Calculation (PHA use)	7d. Dollars per year	7e. Income exclusions	7f. Income after exclusions (7d minus 7e)
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
7g. Column total						\$ 7g.

7h. Reserved

7i. Total annual income: 6j + 7g

\$ 7i.

<b>7b: Income Codes</b> <b>Wages:</b> B = own business F = federal wage HA = PHA wage M = military pay W = other wage	<b>Welfare:</b> G = general assistance IW = annual imputed welfare income T = TANF assistance  <b>SS/SSI/Pensions:</b> P = pension S = SSI SS = Social Security	<b>Other Income Sources:</b> C = child support E = medical reimbursement I = Indian trust/per capita N = other nonwage sources U = unemployment benefits
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# Live Your Dream



7777 Ash St  
Towncity, CZ 12345  
(555)555-5287

December 15, 20XX

Wilma Grace  
222 Beach Street  
Towncity, CZ 12345

Dear Wilma Grace,  
Congratulations! It is a pleasure to inform you that you have been selected to receive a scholarship grant from the Towncity Live Your Dream Fund for 20XX. Established through the generosity of Ms. Geraldine Uran, the scholarship was created to help students pursue their higher education.

Your scholarship grant check will be sent directly to the college listed below. The grant can be used for tuition fees, books, boarding, and other educational expenses. There is no need to repay the scholarship.

## Grant Information

**Institution:** Knowledge University

**Annual Tuition:** \$10,000

**Total Scholarship Amount:** \$15,000

**Spring Semester Check:** \$7,500 disbursed January 1, 20XX

**Fall Semester Check:** \$7,500 disbursed August 1, 20XX

Best wishes for an enjoyable and productive college year.

Sincerely,


*Rosario Walker*

Selection Committee Chair  
Live Your Dream Fund

# Rent Calculation II: Hands-on Workshop


## Annual Income

### Section 3.3: Annual Income Errors



Shoe Fly 1888 Cedar St, Citytown, CZ 12345

Employee Name		Employee SSN		Period Start	Period End	Check Date	
Wilma Grace		123-33-7114		5/1/XX	5/15/XX	5/20/XX	
Earnings					Deductions/Taxes/Misc		
Description	Rate	Hours	Amount	YTD	Description	Amount	Year-to-Date
Wages	11.00	18	\$198.00	\$2,332	Fed withheld	\$ 23.76	\$ 145.20
					State W/H	\$ 2.38	\$ 14.53
					FICA	\$ 15.15	\$ 92.57
					Medicare	\$ 2.87	\$ 17.54
Gross Pay: \$ 198.00		Deductions: \$ 44.15			Net Pay: \$ 153.85		

<div> Shoe Fly 1888 Cedar St, Citytown, CZ 12345</div>									
Employee Name			Employee SSN		Period Start		Period End		Check Date
Wilma Grace			123-33-7114		5/16/XX		5/31/XX		6/5/XX
Earnings						Deductions/Taxes/Misc			
Description	Rate	Hours	Amount	YTD		Description	Amount	Year-to-Date	
Wages	11.00	28	\$308.00	\$2,530		Fed withheld	\$36.96	\$182.16	
						State W/H	\$ 3.70	\$ 18.23	
						FICA	\$ 23.56	\$ 116.14	
						Medicare	\$ 4.47	\$ 22.01	
Gross Pay: \$ 308.00			Deductions: \$ 68.68				Net Pay: \$ 239.32		

**Learning Activity 3-4: Discrepancy Discovery****Task**

- Using the verifications provided, calculate the Champion income on the blank 50058 provided.
- Next, review each income item on Cubzide City PHA's 50058. Note any discrepancies and highlight them on the PHA's 50058.

***Family Information:***

Relation	Name	Age	Disabled
Head	Charles	72	N
Spouse	Cynthia	68	N
Other Adult	Clyde	23	Y

***Scenario***

- The Champion family's annual reexamination is due July 1st. Proper notification was sent to the family in a timely manner.
- The PHA uses an average of the most recent four pay stubs to anticipate wages.

Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
------------------------	------------------------	----------------------------

## 6. Assets

6a. Family member name	No.	6b. Type of asset	6c. Calculation (PHA use)	6d. Cash value of asset	6e. Anticipated Income
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
6f, 6g. Column totals				\$	6f. \$ 6g.
6h. Passbook rate (written as decimal)					0. 6h.
6i. Imputed asset income: 6f X 6h (if 6f is \$5,000 or less, put 0)					\$ 6i.
6j. Final asset income: larger of 6g or 6i					\$ 6j.

## 7. Income

7a. Family member name	No.	7b. Income Code	7c. Calculation (PHA use)	7d. Dollars per year	7e. Income exclusions	7f. Income after exclusions (7d minus 7e)
<b>Charles</b>	<b>1</b>	<b>SS</b>	<b>479 x 12</b>	<b>\$ 5,748</b>	<b>\$ 0</b>	<b>\$ 5,748</b>
<b>Cynthia</b>	<b>2</b>	<b>SS</b>	<b>500 x 12</b>	<b>\$ 6,000</b>	<b>\$ 0</b>	<b>\$ 6,000</b>
<b>Charles</b>	<b>1</b>	<b>P</b>	<b>200 x 12</b>	<b>\$ 2,400</b>	<b>\$ 0</b>	<b>\$ 2,400</b>
<b>Clyde</b>	<b>3</b>	<b>W</b>	<b>549 x 24</b>	<b>\$ 13,176</b>	<b>\$ 0</b>	<b>\$ 13,176</b>
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
7g. Column total						\$ <b>27,324</b> 7g.

7h. Reserved

7i. Total annual income: 6j + 7g \$ **27,324** 7i.

<b>7b: Income Codes</b> <b>Wages:</b> B = own business F = federal wage HA = PHA wage M = military pay W = other wage	<b>Welfare:</b> G = general assistance IW = annual imputed welfare income T = TANF assistance  <b>SS/SSI/Pensions:</b> P = pension S = SSI SS = Social Security	<b>Other Income Sources:</b> C = child support E = medical reimbursement I = Indian trust/per capita N = other nonwage sources U = unemployment benefits
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Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
------------------------	------------------------	----------------------------

## 6. Assets

6a. Family member name	No.	6b. Type of asset	6c. Calculation (PHA use)	6d. Cash value of asset	6e. Anticipated Income
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
6f, 6g. Column totals				\$ 6f.	\$ 6g.
6h. Passbook rate (written as decimal)					0. 6h.
6i. Imputed asset income: 6f X 6h (if 6f is \$5,000 or less, put 0)					\$ 6i.
6j. Final asset income: larger of 6g or 6i					\$ 6j.

## 7. Income

7a. Family member name	No.	7b. Income Code	7c. Calculation (PHA use)	7d. Dollars per year	7e. Income exclusions	7f. Income after exclusions (7d minus 7e)
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
7g. Column total						\$ 7g.

7h. Reserved

7i. Total annual income: 6j + 7g

\$ 7i.

<b>7b: Income Codes</b> <b>Wages:</b> B = own business F = federal wage HA = PHA wage M = military pay W = other wage	<b>Welfare:</b> G = general assistance IW = annual imputed welfare income T = TANF assistance  <b>SS/SSI/Pensions:</b> P = pension S = SSI SS = Social Security	<b>Other Income Sources:</b> C = child support E = medical reimbursement I = Indian trust/per capita N = other nonwage sources U = unemployment benefits
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Rent Calculation II: Hands-on Workshop

Annual Income

Section 3.3: Annual Income Errors

SOCIAL SECURITY ADMINISTRATION

Date May 4, 20xx

Claim Number: 543-37-6014

Social Security Administration  
51 E Bernard St  
Towncity, CZ 12345

Charles Champion  
57 Dogwood Ave  
Towncity, CZ 12345

You asked us for information from your record. The information that you requested is shown below.

Information about current Social Security Benefits

EFFECTIVE APRIL 20XX YOUR FULL BENEFIT AMOUNT WILL BE REDUCED TO \$575 EACH MONTH DUE TO A PRIOR OVERPAYMENT. YOUR REGULAR FULL BENEFIT OF \$600 WILL RESUME EFFECTIVE OCTOBER 20XX (same year).

Beginning April 20XX, the full monthly Social Security benefit before deductions is .....\$575.00.

We deduct \$96.00 for medical insurance premiums each month.

The regular monthly Social Security payment beginning April, 20XX is.....\$479.00.

Beginning October, 20XX (same year), the full monthly Social Security payment will be.....\$600.00.

We deduct \$96.00 for medical insurance premiums each month.

The regular monthly Social Security payment beginning October, 20XX will be.....\$504.00.

## Rent Calculation II: Hands-on Workshop

### Annual Income

#### Section 3.3: Annual Income Errors

Confidential. Privacy Act Data. Civil and criminal penalties apply to misuse of this data.

Page 3 of 4

#### Unemployment Benefits

EIV received no benefit data.

#### Social Security Benefits

##### Verification Data

<b>Payment Source Code:</b>	<b>C-Current payment status (except railroad payment)</b>	<b>Date</b>	<b>Benefit History Gross Benefit</b>
<b>Date of Current Entitlement:</b>	01/01/20XX	12/01/XX	\$600.00
<b>Net Monthly Benefit if Payable:</b>	\$504.00	01/01/20XX	\$600.00

**Payee Name and Address:** Charles Champion  
57 DOGWOOD AVE  
TOWNCITY, CZ

<b>Lump Sum Date</b>	<b>Amount</b>
11/01/20XX	\$0.00

Date Received by EIV: 01/07/20XX

#### Medicare Data

##### Verification Data

<b>Payee Name and Address</b>	Charles Champion 57 DOGWOOD AVE TOWNCITY, CZ	<b>Hospital Insurance: Supp. Med. Insurance:</b>	\$0.00  \$96.00
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Date Received by EIV: 01/07/200XX

#### Supplemental Security Income Benefits

EIV received no benefit data.

Report Date: 05/04/20XX

**Confidential Privacy Act Data. Civil and Criminal penalties apply to misuse of this data.**

\*The difference between the gross and net benefit may include the Medicare premium and/or additional deductions, such as garnishments, which are not listed on this report



## Rent Calculation II: Hands-on Workshop

### Annual Income

#### Section 3.3: Annual Income Errors

SOCIAL SECURITY ADMINISTRATION

Date May 4, 20xx

Claim Number: 543-22-9874

Social Security Administration  
51 E Bernard St  
Towncity, CZ 12345

Cynthia Champion  
57 Dogwood Ave  
Towncity, CZ 12345

You asked us for information from your record. The information that you requested is shown below.

Information about current Social Security Benefits

Beginning January 20XX, the full monthly Social Security benefit before deductions is .....\$596.00.

We deduct \$96.00 for medical insurance premiums each month.

The regular monthly Social Security payment beginning April, 20XX is.....\$500.00.

## Rent Calculation II: Hands-on Workshop

### Annual Income

#### Section 3.3: Annual Income Errors

Confidential. Privacy Act Data. Civil and criminal penalties apply to misuse of this data.

Page 3 of 4

#### Unemployment Benefits

EIV received no benefit data.

#### Social Security Benefits

##### Verification Data

<b>Payment Source Code:</b>	<b>C-Current payment status (except railroad payment)</b>	<b>Date</b>	<b>Benefit History Gross Benefit</b>
<b>Date of Current Entitlement:</b>	01/01/20XX	12/01/XX	\$596.00
<b>Net Monthly Benefit if Payable:</b>	\$500.00	01/01/20XX	\$596.00

**Payee Name and Address:** Cynthia Champion  
57 DOGWOOD AVE  
TOWNCITY, CZ

<b>Lump Sum Date</b>	<b>Amount</b>
11/01/20XX	\$0.00

Date Received by EIV: 01/07/20XX

#### Medicare Data

##### Verification Data

<b>Payee Name and Address</b>	Cynthia Champion 57 DOGWOOD AVE TOWNCITY, CZ	<b>Hospital Insurance:</b>	\$0.00
		<b>Supp. Med. Insurance:</b>	\$96.00

Date Received by EIV: 01/07/200XX


#### Supplemental Security Income Benefits


EIV received no benefit data.

Report Date: 05/04/20XX

**Confidential Privacy Act Data. Civil and Criminal penalties apply to misuse of this data.**

\*The difference between the gross and net benefit may include the Medicare premium and/or additional deductions, such as garnishments, which are not listed on this report


<div></div> <div>Ink, Inc. 411 C St, Towncity, CZ 12345</div>									
Employee Name			Employee SSN		Period Start		Period End		Check Date
Clyde Champion			123-45-0004		5/14/XX		5/27/XX		5/30/XX
Earnings					Deductions/Taxes/Misc				
Description	Rate	Hours	Amount	YTD	Description	Amount	Year-to-Date		
Wages	12.00	47	\$564.00	\$6,588.00	Fed withheld	\$ 67.68	\$ 791.64		
					State W/H	\$ 6.77	\$ 79.05		
					FICA	\$ 43.15	\$ 504.00		
					Medicare	\$ 8.18	\$ 95.52		
Gross Pay: \$ 564.00			Deductions: \$ 125.78				Net Pay: \$ 438.22		


<div></div> <div>Ink, Inc. 411 C St, Towncity, CZ 12345</div>									
Employee Name			Employee SSN		Period Start		Period End		Check Date
Clyde Champion			123-45-0004		4/30/XX		5/13/XX		5/17/XX
Earnings					Deductions/Taxes/Misc				
Description	Rate	Hours	Amount	YTD	Description	Amount	Year-to-Date		
Wages	12.00	41	\$492.00	\$6,024.00	Fed withheld	\$ 59.04	\$ 723.96		
					State W/H	\$ 5.90	\$ 72.28		
					FICA	\$ 37.64	\$ 460.85		
					Medicare	\$ 7.13	\$ 87.34		
Gross Pay: \$ 492.00			Deductions: \$ 110.07				Net Pay: \$ 381.93		

Rent Calculation II: Hands-on Workshop

Annual Income

Section 3.3: Annual Income Errors

 <b>Ink, Inc. 411 C St, Towncity, CZ 12345</b>										
<b>Employee Name</b>			<b>Employee SSN</b>		<b>Period Start</b>		<b>Period End</b>		<b>Check Date</b>	
Clyde Champion			123-45-0004		4/16/XX		4/29/XX		5/2/XX	
<b>Earnings</b>					<b>Deductions/Taxes/Misc</b>					
<b>Description</b>	<b>Rate</b>	<b>Hours</b>	<b>Amount</b>	<b>YTD</b>	<b>Description</b>	<b>Amount</b>	<b>Year-to-Date</b>			
Wages	12.00	52	\$624.00	\$5,532.00	Fed withheld	\$ 74.88	\$ 664.56			
					State W/H	\$ 7.49	\$ 66.38			
					FICA	\$ 47.74	\$ 423.21			
					Medicare	\$ 9.05	\$ 80.21			
<b>Gross Pay: \$ 624.00</b>			<b>Deductions: \$ 139.16</b>				<b>Net Pay: \$ 484.84</b>			

 <b>Ink, Inc. 411 C St, Towncity, CZ 12345</b>										
<b>Employee Name</b>			<b>Employee SSN</b>		<b>Period Start</b>		<b>Period End</b>		<b>Check Date</b>	
Clyde Champion			123-45-0004		4/2/XX		4/15/XX		4/18/XX	
<b>Earnings</b>					<b>Deductions/Taxes/Misc</b>					
<b>Description</b>	<b>Rate</b>	<b>Hours</b>	<b>Amount</b>	<b>YTD</b>	<b>Description</b>	<b>Amount</b>	<b>Year-to-Date</b>			
Wages	12.00	43	\$516.00	\$4,908.00	Fed withheld	\$ 61.92	\$ 589.68			
					State W/H	\$ 6.19	\$ 58.89			
					FICA	\$ 39.47	\$ 375.47			
					Medicare	\$ 7.48	\$ 71.16			
<b>Gross Pay: \$ 516.00</b>			<b>Deductions: \$ 115.06</b>				<b>Net Pay: \$ 400.94</b>			



TOWNCITY PHA, 123 MAIN STREET, TOWNCITY CZ 12345  
(555-555-5555)

Cement Mason's Union 744  
433 Fair St  
Citytown, CZ 12345

The below-signed individual has signed an authorization form (attached) to allow you to provide the PHA with the requested information regarding pension(s). We would appreciate your completing the below form and returning to us within 10 business days. Should you have any questions, please do not hesitate to contact us at the above telephone number. Thank you for your assistance.

I authorize the release of the requested information: Printed Name Charles Champion

Signature: Charles Champion Date: 5/4/XX

1. Current gross monthly pension amount: \$ 200/ month
2. Total amount received to date: \$11,000
3. Medical insurance deductions: None
4. Other deductions (please specify): \$30 a month (federal taxes)
5. Amount contributed by individual: \$10,000
6. Date of initial Award: 2/1/XX
7. Effective date of current monthly amount: 2/1/XX
8. Anticipated date of change: none
9. Anticipated new monthly benefit amount: \$ 200 / month

Agency Name: Cement Mason Union 744 Address: 433 Fair St, Citytown, CZ 12345

Name of person completing form: Consuelo Chavez Date: 6/22/XX

Title: Admin Asst Signature: Consuelo Chavez Phone: (555) 555-0032

### **SEASONAL EMPLOYMENT**

*CFR 5.609 (d)*

- PHA may annualize income for a shorter period with subsequent redetermination if:
  - It is not feasible to determine for a 12-month period (e.g., seasonal employment);
  - PHA feels past income is best indicator of expected future income.
- To elaborate, in some occupations it is normal for people to work less than 12 months per year. For example: school employees, agricultural workers, or construction trades may typically work for fewer months, depending on local conditions.
- This can make calculating a challenge. However, HUD's HCV Guidebook describes two acceptable calculation methods.

#### **Method 1**

- Annualize current income, and conduct an interim reexamination when the income changes.

#### **Method 2**

- Calculate the actual anticipated income from all known sources for the entire year. This means there will be no interim reexamination when the income changes as it has already been anticipated. However, using method 2 requires a history of the individual's income from past years. This method cannot be used when the future income source is "unknown" or "none."

## Section 3.4      Seasonal Income Errors

- PHAs often calculate Method 1 incorrectly. The incorrect calculation is a result of the PHA only multiplying the current income times the anticipated length of the job, rather than the twelve-month period.
- Regardless of the method chosen by the PHA, the method needs to be written into the PHA's policy. Policy should also include an example of the calculation method in order to provide clear direction to staff.
- Note that policy could also lay out both scenarios, project income under both methods, and let the family select the method of calculation.
- Keep the family informed. If Method 1 is used, the family should know that an interim reexamination will be conducted. Conversely, if Method 2 is used, the family should know that an interim reexamination will **not** be conducted.

### Learning Activity 3-5: Seasonal Employment

#### Task

- Brittney Perry is seasonally employed. The PHA incorrectly calculated her annual income. Using her 50058, PHA policy and verifications, answer the following questions about Brittney's income.

#### Scenario

- Brittney Perry has been seasonally employed as a school bus driver at the School District of Towncity for the last two years. At her annual recertification in April, Brittney says that during the school year, which lasts from September through the end of May, she receives the following semi-monthly pay stubs. During the summer months of June, July and August, Brittney receives no pay. The PHA verifies with the school district that Brittney is only paid during the school year and has summers off with no pay. During her interview, Brittney informs the PHA that she does not plan on working this summer.

1. Did the PHA calculate Brittney's income correctly according to PHA policy and HUD regulations? Why or why not?

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2. Given the verifications and PHA policy, would you use Method 1 or Method 2 to calculate Brittney's income?

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3. What is Brittney's annual income?

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Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
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## 6. Assets

6a. Family member name	No.	6b. Type of asset	6c. Calculation (PHA use)	6d. Cash value of asset	6e. Anticipated Income
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
6f, 6g. Column totals				\$	6f. \$ 6g.
6h. Passbook rate (written as decimal)					0. 6h.
6i. Imputed asset income: 6f X 6h (if 6f is \$5,000 or less, put 0)					\$ 6i.
6j. Final asset income: larger of 6g or 6i					\$ 6j.

## 7. Income

7a. Family member name	No.	7b. Income Code	7c. Calculation (PHA use)	7d. Dollars per year	7e. Income exclusions	7f. Income after exclusions (7d minus 7e)
<b>Brittney</b>	<b>1</b>	<b>W</b>	<b>12 x 80 x 18</b>	<b>\$ 17,280</b>	\$	<b>\$ 17,280</b>
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
7g. Column total						\$ <b>17,280</b> 7g.

7h. Reserved

7i. Total annual income: 6j + 7g \$ **17,280** 7i.

<b>7b: Income Codes</b> <b>Wages:</b> B = own business F = federal wage HA = PHA wage M = military pay W = other wage	<b>Welfare:</b> G = general assistance IW = annual imputed welfare income T = TANF assistance  <b>SS/SSI/Pensions:</b> P = pension S = SSI SS = Social Security	<b>Other Income Sources:</b> C = child support E = medical reimbursement I = Indian trust/per capita N = other nonwage sources U = unemployment benefits
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Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
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## 6. Assets

6a. Family member name	No.	6b. Type of asset	6c. Calculation (PHA use)	6d. Cash value of asset	6e. Anticipated Income
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
6f, 6g. Column totals				\$	6f. \$ 6g.
6h. Passbook rate (written as decimal)					0. 6h.
6i. Imputed asset income: 6f X 6h (if 6f is \$5,000 or less, put 0)					\$ 6i.
6j. Final asset income: larger of 6g or 6i					\$ 6j.

## 7. Income

7a. Family member name	No.	7b. Income Code	7c. Calculation (PHA use)	7d. Dollars per year	7e. Income exclusions	7f. Income after exclusions (7d minus 7e)
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
7g. Column total						\$ 7g.

7h. Reserved


7i. Total annual income: 6j + 7g

\$ 7i.

<b>7b: Income Codes</b> <b>Wages:</b> B = own business F = federal wage HA = PHA wage M = military pay W = other wage	<b>Welfare:</b> G = general assistance IW = annual imputed welfare income T = TANF assistance  <b>SS/SSI/Pensions:</b> P = pension S = SSI SS = Social Security	<b>Other Income Sources:</b> C = child support E = medical reimbursement I = Indian trust/per capita N = other nonwage sources U = unemployment benefits
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### **PHA Policy**

- When the PHA cannot readily anticipate income based upon current circumstances (e.g., in the case of seasonal employment, unstable working hours, or suspected fraud), the PHA will review and analyze historical data for patterns of employment, paid benefits, and receipt of other income and use the results of this analysis to establish annual income.
- Any time current circumstances are not used to project annual income, a clear rationale for the decision will be documented in the file. In all such cases the family may present information and documentation to the PHA to show why the historic pattern does not represent the family's anticipated income.
- The PHA will conduct interim reexaminations if, at the time of the annual reexamination, it is not feasible to anticipate a level of income for the next 12 months (e.g. seasonal or cyclic income), the PHA will schedule an interim reexamination to coincide with the end of the period for which it is feasible to project income.




Towncity School District    1971 A St, Towncity, CZ 12345

Employee Name	Employee SSN	Period Start	Period End	Check Date
Brittney Perry	123-98-7654	4/1/XX	4/15/XX	4/21/XX

Earnings					Deductions/Taxes/Misc		
Description	Rate	Hours	Amount	YTD	Description	Amount	Year-to-Date
Wages	12.00	80	\$960.00	\$6,720.00	Fed withheld	\$ 15.26	\$ 91.56
					State W/H	\$ 8.00	\$ 48.00
					FICA	\$ 10.22	\$ 61.32
					Medicare	\$ 5.59	\$ 33.54

<b>Gross Pay: \$ 960.00</b>	<b>Deductions: \$ 39.07</b>	<b>Net Pay: \$ 920.93</b>
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Towncity School District    1971 A St, Towncity, CZ 12345

Employee Name	Employee SSN	Period Start	Period End	Check Date
Brittney Perry	123-98-7654	4/16/XX	4/30/XX	5/6/XX

Earnings					Deductions/Taxes/Misc		
Description	Rate	Hours	Amount	YTD	Description	Amount	Year-to-Date
Wages	12.00	80	\$960.00	\$7,680.00	Fed withheld	\$ 15.26	\$ 106.82
					State W/H	\$ 8.00	\$ 56.00
					FICA	\$ 10.22	\$ 71.54
					Medicare	\$ 5.59	\$ 39.13

<b>Gross Pay: \$ 960.00</b>	<b>Deductions: \$ 39.07</b>	<b>Net Pay: \$ 920.93</b>
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Section 3.4: Seasonal Income Errors



TOWNCITY PHA, 123 MAIN STREET, TOWNCITY CZ 12345  
(555-555-5555)

Towncity School District  
1971 A St  
Towncity, CZ 12345

The below-signed individual has signed an authorization form (attached) to allow you to provide the PHA with the requested information regarding employment. We would appreciate your completing the below form and returning to us within 10 business days. Should you have any questions, please do not hesitate to contact us at the above telephone number. Thank you for your assistance.

I authorize the release of the requested information: Printed Name Brittney Perry

Signature: Brittney Perry Date: 4/2/XX

1. Employed since: 20XX 2. Job Title: Bus Driver
3. Salary, base pay rate: \$12.00 per: X hour    week    bi-weekly    semi-monthly
4. Average weekly hours worked at base pay rate: 40 hrs
5. Is this person likely to get overtime? No
  - a. If yes, overtime pay rate \$        per hour
  - b. Average number of overtime hours expected during the next 12 months: 0
6. Any other compensation not listed above? No
  - a. If yes, explain, including type of compensation and amounts expected to be received during the next 12 months:
7. Does this person receive paid vacations? No
  - a. If yes, how many days per year: None
8. Total base pay earnings for the last twelve months: \$ 17,280 (no pay during summer months)
9. Total overtime for the last 12 months: \$ 0

Firm Name: Towncity School District Address: 1971 A St, Towncity, CZ 12345

Name of person completing form: Christina Anderson Date: 4/13/XX

Title: Principal Signature: Christina Anderson Phone: (555) 555-8712

**REGULAR CONTRIBUTIONS AND GIFTS**

*CFR 5.609(b)(7)*

- PHAs must include as income regular contributions and gifts from persons outside the household.

*HCV GB 5-18  
Public Housing  
Occupancy  
Guidebook 10.1g,  
page 115*

- This may include rent and utility payments paid on behalf of the family and other cash or non-cash contributions provided on a regular basis.

*CFR 5.609(c)(9)*

- Casual contributions or sporadic gifts are not included.

*CFR 5.609(c)(9)*

**SPORADIC INCOME**

- Exclude temporary, nonrecurring or sporadic income, including gifts.
- Sporadic income is defined as income that is neither reliable nor periodic.

*Notice PIH 2017-05*

- Also exclude **temporary** income payments from the U.S. Census Bureau.
  - *Temporary* is defined as employment lasting no longer than 180 days and not culminating in permanent employment.
  - Employer verification of employment dates and income must be maintained in the tenant file.

### Learning Activity 3-6: Sporadic Income

#### Task

- For each family decide if the income described is sporadic. Describe what documentation you would include in the family's file.

#### **SPORADIC INCOME EXAMPLE 1**

Daniel Johns receives Social Security Disability plus works as a handyman occasionally. He claims he only worked a couple of times last year. He worked for a day painting a neighbor's fence and was paid \$100. Last year, he also worked for his church for a day fixing a hole in the roof and was paid \$75. He has no documentation for either job.

Answer the following questions:

1. Does this fit the description of sporadic income?
2. How would you document this in Daniel's file?

**SPORADIC INCOME EXAMPLE 2**

Natalie Imbruglia states that she has zero income. When the PHA asks her how she pays her electricity bill, Natalie responds that two months ago she received \$35 from her mom to pay her bill, last month her church helped her pay her \$40 bill, and this month she is uncertain whether or not she will be able to pay the bill.

Answer the following questions:

1. Does this fit the description of sporadic income?
  
  
  
  
  
  
  
  
  
2. How would you document this in Natalie's file?

**SPORADIC INCOME EXAMPLE 3**

Ross Gellar claims that he is zero income. When the PHA asks him how he pays his cable bill every month, he responds that sometimes he gets help from his mother. He says, and verification confirms, that his mother paid his cable bill ten times last year.

Answer the following questions:

1. Does this fit the description of sporadic income?
  
  
  
  
  
  
  
  
  
2. How would you document this in Ross's file?



## **INCOME CHANGES FROM WELFARE PROGRAM**

*CFR 5.615*

### **Welfare Agency Sanctions**

- The welfare agency may reduce welfare benefit payments to sanction a family for noncompliance with welfare self-sufficiency or work activities requirements.
- The PHA may not reduce the family rent contribution for families whose welfare benefits have been sanctioned by the welfare agency for noncompliance with welfare self-sufficiency or work activities requirements, or because of fraud in connection with the welfare program.
- The family's income must include the amount of welfare benefits that would have been paid to the family if sanctions had not been imposed.

*CFR 5.615*

### **Definitions**

- "Covered families" are those families who receive welfare benefits from a welfare agency under a program for which Federal, State, or local law requires participation in an economic self-sufficiency program as a condition of assistance.
- A "specified welfare benefit reduction" is:
  - A reduction in welfare benefits due to:
    - Fraud in connection with the welfare program
    - Sanction for noncompliance with welfare agency requirement to participate in an economic self-sufficiency program
  - Not applicable if:
    - The welfare reduction is a result of the expiration of a lifetime limit, or other time limit, on receiving benefits
    - The family has complied with requirements but cannot find a job
    - The sanction is due to family noncompliance with other welfare agency requirements

Section 3.4: Seasonal Income Errors

*CFR 5.615 (c)(2)*

**Verification of Welfare Benefit Reduction**

- At the request of the PHA, the welfare agency will inform the PHA of:
  - The amount and term of the specified welfare benefit reduction for the family
  - The reason for the reduction
  - Subsequent changes in the term or amount of the reduction
- The PHA will use the information provided by the welfare agency to determine the amount of imputed welfare income for the family.

*CFR 5.615*

**Imputed Welfare Income**

- The amount of annual income not actually received by a family as a result of a specified welfare benefit reduction, that is included in the family's annual income for purposes of determining rent.
  - Based on information provided by the welfare agency
- Used during the term of welfare benefits reduction
- Offset by the amount of new income from any source the family receives that starts after the sanction is imposed
  - When such additional income equals or exceeds the imputed amount, imputed welfare income is reduced to zero.

**IMPUTED WELFARE INCOME EXAMPLE 1**

A family is receiving \$600/mo. TANF benefits.  
Benefits stop due to welfare fraud.

• Imputed welfare income = \$600

The head begins working, earning \$300/mo.

• Employment income = \$300

• Imputed welfare income = \$300

Total 50058 monthly income = \$600

### **IMPUTED WELFARE INCOME COMMON ERRORS**

- Incorrect coding on 50058
  - Code IW is “Annual Imputed Welfare Income”
  - Especially important if family brings in additional income to offset imputed amount
- Incorrectly calculating the offset
  - Any new income brought in after the sanction will offset the imputed amount.
  - In order for this sanction to work as an economic self sufficiency incentive, the offset needs to be factored in.

### **Learning Activity 3-7: Imputed Welfare Income**

#### ***Scenario 1***

- Leslie Knope and her three children currently receive TANF benefits. They do not have any other source of income. The welfare agency has notified you that Ms. Knope's benefits are being reduced because of fraud. Ms. Knope's regular TANF amount was \$750 per month. Her TANF benefit is being reduced to \$0, and the reduction is expected to last for the next 12 months.

#### **Task**

- Using Section 7 of the 50058, calculate the Knope family's total annual income.

Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
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## 6. Assets

6a. Family member name	No.	6b. Type of asset	6c. Calculation (PHA use)	6d. Cash value of asset	6e. Anticipated Income
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
6f, 6g. Column totals				\$	6f. \$ 6g.
6h. Passbook rate (written as decimal)					0. 6h.
6i. Imputed asset income: 6f X 6h (if 6f is \$5,000 or less, put 0)					\$ 6i.
6j. Final asset income: larger of 6g or 6i					\$ 6j.

## 7. Income

7a. Family member name	No.	7b. Income Code	7c. Calculation (PHA use)	7d. Dollars per year	7e. Income exclusions	7f. Income after exclusions (7d minus 7e)
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
7g. Column total						\$ 7g.
7h. Reserved						
7i. Total annual income: 6j + 7g						\$ 7i.

<b>7b: Income Codes</b> <b>Wages:</b> B = own business F = federal wage HA = PHA wage M = military pay W = other wage	<b>Welfare:</b> G = general assistance IW = annual imputed welfare income T = TANF assistance  <b>SS/SSI/Pensions:</b> P = pension S = SSI SS = Social Security	<b>Other Income Sources:</b> C = child support E = medical reimbursement I = Indian trust/per capita N = other nonwage sources U = unemployment benefits
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***Scenario 2***

- Three months later, Ms. Knope begins to receive \$150 per month in alimony. The welfare sanction reducing her TANF benefits from \$750 to \$0 is still in place.

**Task**

- Taking these changes into account, calculate her total annual income on the 50058.

Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
------------------------	------------------------	----------------------------

## 6. Assets

6a. Family member name	No.	6b. Type of asset	6c. Calculation (PHA use)	6d. Cash value of asset	6e. Anticipated Income
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
6f, 6g. Column totals				\$	6f. \$ 6g.
6h. Passbook rate (written as decimal)					0. 6h.
6i. Imputed asset income: 6f X 6h (if 6f is \$5,000 or less, put 0)					\$ 6i.
6j. Final asset income: larger of 6g or 6i					\$ 6j.

## 7. Income

7a. Family member name	No.	7b. Income Code	7c. Calculation (PHA use)	7d. Dollars per year	7e. Income exclusions	7f. Income after exclusions (7d minus 7e)
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
7g. Column total						\$ 7g.

7h. Reserved

7i. Total annual income: 6j + 7g

\$ 7i.

<b>7b: Income Codes</b> <b>Wages:</b> B = own business F = federal wage HA = PHA wage M = military pay W = other wage	<b>Welfare:</b> G = general assistance IW = annual imputed welfare income T = TANF assistance  <b>SS/SSI/Pensions:</b> P = pension S = SSI SS = Social Security	<b>Other Income Sources:</b> C = child support E = medical reimbursement I = Indian trust/per capita N = other nonwage sources U = unemployment benefits
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***Scenario 3***

- Six months later, Ms. Knope starts a new job at which she earns \$800 per month. She also continues to collect alimony in the amount of \$150 per month. The welfare sanction reducing her TANF benefits from \$750 to \$0 is still in place.

**Task**

- Taking these changes into account, calculate her total annual income on the 50058.



Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
------------------------	------------------------	----------------------------

## 6. Assets

6a. Family member name	No.	6b. Type of asset	6c. Calculation (PHA use)	6d. Cash value of asset	6e. Anticipated Income
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
6f, 6g. Column totals				\$	6f. \$ 6g.
6h. Passbook rate (written as decimal)					0. 6h.
6i. Imputed asset income: 6f X 6h (if 6f is \$5,000 or less, put 0)					\$ 6i.
6j. Final asset income: larger of 6g or 6i					\$ 6j.

## 7. Income

7a. Family member name	No.	7b. Income Code	7c. Calculation (PHA use)	7d. Dollars per year	7e. Income exclusions	7f. Income after exclusions (7d minus 7e)
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
7g. Column total						\$ 7g.

7h. Reserved

7i. Total annual income: 6j + 7g

\$ 7i.

<b>7b: Income Codes</b> <b>Wages:</b> B = own business F = federal wage HA = PHA wage M = military pay W = other wage	<b>Welfare:</b> G = general assistance IW = annual imputed welfare income T = TANF assistance  <b>SS/SSI/Pensions:</b> P = pension S = SSI SS = Social Security	<b>Other Income Sources:</b> C = child support E = medical reimbursement I = Indian trust/per capita N = other nonwage sources U = unemployment benefits
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## EARNED INCOME DISALLOWANCE

*CFR 5.617*

### EID IN THE HOUSING CHOICE VOUCHER PROGRAM

- The final rule governing the earned income disallowance (EID) in the Housing Choice Voucher (HCV) program (among a few other Section 8 programs) became effective on April 20, 2001.
- The regulations governing the EID in the HCV program are located at 24 CFR 5.617.
  - These regulations are similar to the EID regulations for the public housing program except that they apply only to family members with disabilities.
    - The public housing EID regulations are not restricted to persons with disabilities.
- Streamlining Final Rule published on March 8, 2016
  - The 2016 Final Rule revised the tracking and calculation method for persons qualifying for the EID on or after May 9, 2016.

*CFR 960.255*

### EID IN PUBLIC HOUSING

- Effective for families admitted or recertified on or after October 1, 1999.
- The regulations governing the earned income disallowance in the public housing program are located at 24 CFR 960.255
- The EID calls for the exclusion of increases in income attributable to employment by the qualified family member over income received by that family member prior to qualifying for the disallowance.
  - **Note:** The exclusion applies only to the income of the qualified family member, not the entire household.
- Streamlining Final Rule published on March 8, 2016
  - The 2016 Final Rule revised the tracking and calculation method for persons qualifying for the EID on or after May 9, 2016.

Section 3.4: Seasonal Income Errors

**QUALIFICATIONS**

- To qualify for the EID, a family must be a program participant—i.e., it must already be receiving assistance under the HCV program or the public housing program.
  - Applicant families are not eligible for the EID.
- In addition, to qualify for the EID, a participant family must experience an increase in annual income that is the result of **one** of the following three events:
  1. Employment by a family member (for HCV, who is a person with disabilities), who was “previously unemployed” for one or more years prior to employment
    - The definition of *previously unemployed* includes a person who has earned not more than could be earned working 10 hours per week for 50 weeks at the established minimum wage—i.e., the highest of the federal, state, or local minimum wage.
  2. Increased earnings by a family member (for HCV, who is a person with disabilities), whose earnings increased **during** participation in an economic self-sufficiency program or other job-training program
    - The increase in earnings must occur *while* the individual is enrolled in the program.
    - An *economic self-sufficiency program* (as defined at 24 CFR 5.603(b)) is any program designed to encourage, assist, train, or facilitate the economic independence of HUD-assisted families or to provide work for such families.

Section 3.4: Seasonal Income Errors

- Economic self-sufficiency programs include:
  - Job training
  - Employment counseling
  - Work placement
  - Basic skills training
  - Education
  - English proficiency
  - Workfare
  - Financial or household management
  - Apprenticeship
  - Any program necessary to ready a participant for work (including a substance abuse or mental health treatment program)
  - Other work activities
- 3. New employment or increased earnings by a family member (for HCV, who is a person with disabilities), who has received TANF benefits or services within the past six months
  - If the TANF is received in the form of monthly maintenance, there is no minimum amount.
  - If the TANF is received in the form of one-time payments, wage subsidies, or transportation assistance, the total amount received over a six-month period must be at least \$500.
  - The \$500 minimum requirement applies only to TANF one-time benefits, wage subsidies, and transportation.

**Determining the Incremental Increase**

- Determine the total annual income of the EID-qualified person prior to the qualifying change, including all earned and unearned income.
- Calculate the annual income of the EID-qualified person after the qualifying change.
  - Any increase attributable to employment is the incremental increase to be excluded

### **Calculation of the Disallowance**

#### ***Initial 12-Month Full Exclusion***

- Begins on the date the qualified family member:
  - Is employed; or
  - First experiences an increase in income due to employment
- For administrative purposes, HUD has stated to begin EID on the first of the month following the qualifying change.
- The full amount of increase is excluded, and the exclusion extends for a total of 12 consecutive months, regardless of breaks in employment

#### ***Second 12-Month Exclusion and Phase-In***

- The phase-in period begins after 12 months have elapsed and lasts for 12 consecutive months
- The exclusion must be reduced to at least 50 percent of the increase in income due to employment
- PHA policy may call for excluding a higher percentage, up to 100 percent
- This means that PHA policy could be to exclude 100 percent of the income increase for 24 consecutive months

#### ***Lifetime Maximum Disallowance***

- No exclusion may be given after the 24-month period has elapsed, regardless of the number of months in which the family member actually received the disallowance

## Section 3.5 EID Errors

### QUALIFIERS

#### FROM ADMISSION AND OCCUPANCY FAQs

- **Q2:** Does the earned income exclusion apply to minors who turn 18?
  - **A2:** Yes, the earned income exclusion applies to anyone who meets the criteria outlined in 24 CFR 960.255. The test that must be applied in this case is whether the person meets one of the three qualifying factors and whether there is new or increased earned income after the person turns 18. If yes, EID applies. If no, EID does not apply.

#### EXAMPLE

- A 17-year old who has been making \$1,500 per year while in high school, graduates and turns 18 years old and begins making \$10,000 per year. This person will qualify for EID because he meets the qualifying factor of being previously unemployed and has experienced an increase in earned income after turning 18.
- Another example, a 17 year old (not a full-time student) is making \$12,000 per year, and turns 18 years old and is still making \$12,000 per year. This person does not qualify for EID because she does not experience an increase in earned income nor does she meet one of the three qualifying factors.

Section 3.5: EID Errors

- **Q4:** At a family's last reexamination effective 1/1/2000, the family is receiving welfare assistance. When the family is reexamined for 1/1/2001, a member of the family has earnings after being previously unemployed for twelve months. This change occurred on 6/15/2000, but the family was not required to report it. Now it is being reported for the reexamination effective 1/1/2001. How is the earned income exclusion benefit processed?
  - **A4:** By not reporting the increase, the family has received the benefit for the 6 months prior to the reexamination. The family is entitled to 100 percent of the disregard of any incremental increase for the remaining six months. At the end of the six months, the family is then entitled to the 12 month 50% disregard of the incremental increase.
- In the case where a family has an increase in earned income, what documentation exists in the file demonstrating that the PHA considered EID qualifiers?

### Learning Activity 3-8: EID Qualifiers

#### Task

- In each example, decide whether the family member qualifies for the EID.
1. Danny Tanner (age 35) is a public housing resident in Illinois. At Danny's last reexamination, his annual income consisted of a job where he worked 5 hours a week earning \$8.25 per hour. Danny did not qualify for the EID when he started this job. Danny notifies the PHA that he has been promoted to assistant manager, and the PHA has verified he will now be working 40 hours a week earning \$8.35 an hour. The minimum wage in Illinois is \$8.25.

Q1. Does Danny qualify for the EID?

- 
2. Joey Gladstone (age 35) is an applicant to the HCV program. He is a person with disabilities. When he applied to the program last month, Joey's only source of income was \$250 per month in SSI. Joey is still on the wait list. He has just reported that he has become employed at Pizza Hut, and the PHA has verified that he will now be earning \$14,500 a year. He continues to receive SSI.

Q2. Does Joey qualify for the EID?

- 
3. Denise Jackson (age 27) is a public housing resident. She has been working full-time for the same company for the past four years, and currently earns \$26,000 a year. Four months ago, she enrolled in a computer training program through her company, attending at lunch and after hours. She has just reported that, even though she is still continuing in the training program, she received a promotion. She now works in the company's IT department, earning \$32,000 a year.

Q3. Does Denise qualify for the EID?

---



4. Kimberly Chang (age 19) is a participant in the HCV program. She is head of household. Kimberly has never worked before. She is not disabled. Kimberly lives with her disabled brother Joey who is the cohead. Joey collects \$500 per month in SSI. Kimberly notifies the PHA that she has become employed at Ross, and the PHA verifies that she will be earning \$13, 976 a year.

Q4. Does Kimberly qualify for the EID?

- 
5. Carl Winslow (age 42) is a public housing resident. He lives with his son Eddie (age 12) and his mother Harriet (age 65). Four months ago, the PHA did an interim reexamination for Carl because his TANF benefits ended as a result of the expiration of the lifetime limit on receiving benefits. At the time, this was the family's only source of income.

Carl notifies the PHA that he has now become employed, and the PHA verifies that he will earn \$15,975 a year.

Q5. Does Carl qualify for the EID?

- 
6. Blossom Russo (age 59) is a participant in the HCV program. Blossom's only source of income for the last three years has been \$800 per month from SSI.

Blossom notifies the PHA that she has become employed at Panera, and the PHA verifies that she will now earn \$750 per month. Her SSI benefits stop completely.

Q6. Does Blossom qualify for the EID?

---

### Learning Activity 3-9: EID Questions

#### Task

- A participant in your program has just qualified for the EID. They are uncertain about how this exclusion works so they ask you the following questions.
- Break into groups of two. One person is Team Member A and the other is Team Member B. In each group, alternate asking each other questions as indicated by the letters below. When it's your turn to answer, think about how you would explain the EID to a participant.

1A.What is a qualifying event? In other words, what's the first thing that has to happen in order for me to qualify for EID?

---

---

1B.What does previously unemployed mean?

---

---

2A.Can I have had a job before and still qualify for EID?

---

---

2B.What is an economic self sufficiency or job training program?

---

---

3A.I was enrolled in an English class six months ago and I got a job last week, does that count?

---

---

3B.My TANF benefits ended 3 months ago. Can I still qualify for EID?

---

---

4A.What if I don't get regular TANF benefits? Can I still qualify if the TANF department gave me a wage subsidy last month?

---

---

4B.What does prequalifying income mean?

---

---

5A.Do you automatically exclude everything I earn if I qualify for EID?

---

---

5B.Do you look at my income individually or the income of my entire family when you are calculating the exclusion?

---

---

6A.If I work for a little while and then I lose my job, does that mean I won't qualify for EID anymore?

---

---

6B.Can I choose not to do EID right now and use it later when I get a better job?

---

---

### Learning Activity 3-10: EID Scenarios

#### Task

- For each scenario, use the EID calculation worksheet to find the family's exclusion
- For HCV, assume the qualifying member is disabled.

#### Scenario 1

- When Emma first qualified for the EID six months ago she was receiving \$325/month in TANF and got a job as a security guard earning \$8.00/hr, 20 hours/week. Her TANF stopped. She has just written the PHA to report that she has gotten a raise. Her new rate of pay is \$10/hr. and she will be working 35 hours per week. Calculate Emma's current EID exclusion.

#### Step 1: Calculate EID family member's exclusion amount.

<b>A1.</b> Earned income of EID family member	\$	
<b>A2.</b> Earned income, if any, included in prequalifying income.	\$	
<b>A3.</b> Increase in earned income (A1 – A2). <b>If 0 or negative, STOP.</b> <b>Do not exclude any earned income.</b>	\$	
<b>B.</b> Other income of EID family member (including income from assets)	\$	
<b>C.</b> Total annual income of EID family member (A1 + B)	\$	
<b>D.</b> Enter prequalifying income	\$	
<b>E.</b> Full exclusion (C – D, <i>but no more than A3</i> )	\$	
<b>F.</b> 50% exclusion during phase-in period, if applicable (E × 0.50)	\$	

#### Step 2: Determine EID family member's wages after exclusion.

<b>G.</b> EID family member's earnings (HUD-50058, 7d)	\$	
<b>H.</b> Exclusion (E or F, as applicable) (HUD-50058, 7e)	\$	
<b>I.</b> EID family member's earned income after exclusions (G – H) HUD-50058, 7f)	\$	

#### Form HUD-50058

7a. Family member name	No.	7b. Income code	7c. Calculation (PHA use)	7d. Dollars per year	7e. Income exclusions	7f. Income after exclusions (7d minus 7e)
7g. Column total						

## Rent Calculation II: Hands-on Workshop

### Annual Income

#### Section 3.5: EID Errors

### Scenario 2

- Before Jayden qualified for the EID 14 months ago he had been earning \$200/month at a baby sitting job. He got a job working 15 hours per week at Burger King and qualified for EID. He has just called to report that he has been promoted to assistant manager and will be earning \$9.50/hr. working 30 hours per week.

#### Step 1: Calculate EID family member's exclusion amount.

<b>A1.</b> Earned income of EID family member	\$	
<b>A2.</b> Earned income, if any, included in prequalifying income.	\$	
<b>A3.</b> Increase in earned income (A1 – A2). <b>If 0 or negative, STOP.</b> <b>Do not exclude any earned income.</b>	\$	
<b>B.</b> Other income of EID family member (including income from assets)	\$	
<b>C.</b> Total annual income of EID family member (A1 + B)	\$	
<b>D.</b> Enter prequalifying income	\$	
<b>E.</b> Full exclusion (C – D, but no more than A3)	\$	
<b>F.</b> 50% exclusion during phase-in period, if applicable (E × 0.50)	\$	

#### Step 2: Determine EID family member's wages after exclusion.

<b>G.</b> EID family member's earnings (HUD-50058, 7d)	\$	
<b>H.</b> Exclusion (E or F, as applicable) (HUD-50058, 7e)	\$	
<b>I.</b> EID family member's earned income after exclusions (G – H) HUD-50058, 7f)	\$	

### Form HUD-50058

7a. Family member name	No.	7b. Income code	7c. Calculation (PHA use)	7d. Dollars per year	7e. Income exclusions	7f. Income after exclusions (7d minus 7e)
7g. Column total						

### Scenario 3

- Before Theresa qualified for the EID seven months ago her only income was \$200/month from her mom, which stopped when she became employed. Her job as a nurse's aide pays her \$13/hour, 40 hours a week, for 52 weeks per year. Theresa has just written to report that her ex-husband has started to pay her \$400/month in child support. Calculate Theresa's EID exclusion and annual income.

#### Step 1: Calculate EID family member's exclusion amount.

<b>A1.</b> Earned income of EID family member	\$	
<b>A2.</b> Earned income, if any, included in prequalifying income.	\$	
<b>A3.</b> Increase in earned income (A1 – A2). <b>If 0 or negative, STOP.</b> <b>Do not exclude any earned income.</b>	\$	
<b>B.</b> Other income of EID family member (including income from assets)	\$	
<b>C.</b> Total annual income of EID family member (A1 + B)	\$	
<b>D.</b> Enter prequalifying income	\$	
<b>E.</b> Full exclusion (C – D, <i>but no more than A3</i> )	\$	
<b>F.</b> 50% exclusion during phase-in period, if applicable (E × 0.50)	\$	

#### Step 2: Determine EID family member's wages after exclusion.

<b>G.</b> EID family member's earnings (HUD-50058, 7d)	\$	
<b>H.</b> Exclusion (E or F, as applicable) (HUD-50058, 7e)	\$	
<b>I.</b> EID family member's earned income after exclusions (G – H) HUD-50058, 7f)	\$	

#### Form HUD-50058

7a. Family member name	No.	7b. Income code	7c. Calculation (PHA use)	7d. Dollars per year	7e. Income exclusions	7f. Income after exclusions (7d minus 7e)
7g. Column total						

## Notes



## **CHAPTER 4      Adjusted Income**

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### **LEARNING OUTCOMES**

Upon completion of this chapter, you should be able to:

- Determine deductions for a family using advanced knowledge of adjusted income for the following:
  - Dependent allowance
  - Elderly/disabled allowance
  - Childcare expense deduction
  - Medical expense deduction
  - Disability assistance expense deduction

### **Section 4.1      Adjusted Income**

#### **DEFINITION**

*CFR 5.611*

- Adjusted Income is annual income after making allowable deductions for:
  - Dependents
  - Elderly or disabled family status
  - Child care
  - Medical expenses
  - Disability expenses

## DEPENDENT ALLOWANCE

*CFR 5.603(b) and CFR 5.611(a)(1)*

- \$480 for each family member who is:
  - Under 18 years of age, or
  - 18 or over, and
    - A full-time student, or
    - A person with a disability
- The head, spouse, foster child, or foster adult are never dependents.

*Form HUD-50058*

- A live-in aide is never a dependent

*CFR 5.603 (b)*

- A full-time student is a person who is attending school or vocational training on a full-time basis.

*HCV Program GB 5-29*

- A full-time student is one carrying a full time subject load (as defined by the institution) at an institution with a degree or certificate program.

## ELDERLY/DISABILITY ALLOWANCE

*CFR 5.403 and CFR 5.611(a)(2)*

- \$400 per family where the head or spouse is a person who is at least 62 years of age or a person with disabilities.

*Form HUD-50058 Instruction Booklet*

- The family standard allowance amount is \$400. If both the head of household and spouse or co-head are elderly or disabled, the allowance is not doubled. It is still \$400, not \$800.

**Learning Activity 4-1: Family Type and Dependents****Task**

- For each family, examine the family composition and decide which family members are dependents. Then decide whether or not the family is a HUD-defined elderly/disabled family.

***Granger Family Information:***

Relation	Name	Age	Disabled
Head	William	47	Y
Spouse	Jade	48	N
Youth	Carol	11	N
Full-time student	Jim	21	N
Youth	Jane	2	N
Other Adult	Sheila	78	N

- Which members of the Granger family are dependents?

---

- Is the Granger family a HUD-defined elderly-disabled family?

---

***Baldwin Family Information:***

Relation	Name	Age	Disabled
Head	Bernadette	32	N
Cohead	Barbara	30	N
Adult	Billie	65	N
Youth	Brandon	2	Y

- Which members of the Baldwin family are dependents?

---

- Is the Baldwin family a HUD-defined elderly-disabled family?

---

Adjusted Income

Section 4.1: Adjusted Income

***Gomez Family Information:***

Relation	Name	Age	Disabled
Head	Maria	27	N
Full-time student	Mario	27	N
Other adult	Selena	21	Y

1. Which members of the Gomez family are dependents?

---

2. Is the Gomez family a HUD-defined elderly-disabled family?

---

***Duff Family Information:***

Relation	Name	Age	Disabled
Head	Loretta	82	N
Cohead	Jerome	89	Y
Youth	Hannah	5	N
Youth	Marcus	10	Y

1. Which members of the Duff family are dependents?

---

2. Is the Duff family a HUD-defined elderly-disabled family?

---

## CHILD CARE EXPENSES

*CFR 5.603 (b) and CFR 5.611 (a)(4)*

- Amounts anticipated to be paid by the family during the period for which annual income is computed:
  - For children under 13 years of age

*HCV Program GB 5-29*

- Including foster children

*CFR 5.603 (b) and CFR 5.611 (a)(4)*

- Where the care is necessary to enable a family member to:

- Actively seek employment,
- Be gainfully employed, or
- Further his/her education

- BUT only to the extent such amounts are not reimbursed.

- Amounts shall reflect reasonable charges for child care.

*HCV Program GB 5-30  
Public Housing Occupancy  
Guidebook 10.2, pages 123,  
124*

- PHAs shall determine whether child care costs are "reasonable."
- Reasonable means reasonable for the care being provided. Reasonable costs for in-home care may be different from reasonable day-care center costs.
  - Families may choose the type of care to be provided.
  - The PHA may not decide that the family may receive a deduction only for the least expensive type of care available.

*CFR 5.603 (b)*

- Child care expenses deducted to permit employment may not exceed the amount of employment income included in annual income.

## **Section 4.2      Adjusted Income Common Errors**

### **Child care allowance**

- This does not limit the deduction to the number of hours the individual needs to participate in qualifying activity.
  - For example, if a participant attends school eight hours a week, does not work, and is not seeking employment, but claims 40 hours a week of unreimbursed child care expenses, the PHA should not deduct all 40 hours of child care. PHA policy may allow for study time or travel time, but it is difficult to justify 40 hours of child care in this case.
  - PHAs may not disallow child care expenses because there is an unemployed adult family member at home.
- For those individuals who claim child care in order to work, child care costs are capped by earnings included in annual income, not gross wages.
  - For example, a participant whose full earnings are excluded because they qualify for the EID will not qualify for child care costs paid to allow them to work during the initial full exclusion period because earnings in 7f of the 50058, not 7d, are used as the cap on child care<sup>4</sup>.

### **Elderly/disability allowance**

- Elderly or disabled family members who are not the head, spouse or cohead do not qualify for this deduction.
- The maximum deduction a family may receive under this allowance is \$400.

### **Dependent allowance**

- HUD-defined full-time students and persons with disabilities are the most frequently overlooked dependents.

**Learning Activity 4-2: Allowable Child Care Costs****Task**

- Complete sections 7 and 8 of the 50058 to calculate the Edwards family's annual and adjusted income.

***Family Information:***

Relation	Name	Age	Disabled
Head	Kenny	42	N
Youth	Stacy	14	N
Youth	Devyn	11	N

***Scenario***

- Kenny works part-time at Better Bread Bakery, 5 hours a week, 52 weeks a year, earning \$7.00 per hour. He also receives \$700 per month in TANF for himself and his two children. Kenny is also enrolled in an accelerated business program where he attends school 5 hours per week, 52 weeks per year.
- Kenny pays a total of \$160 per week for both children to ABC Childcare for childcare for Stacy and Devyn. This expense enables him to both work 5 hours per week and attend school 5 hours per week.

Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
------------------------	------------------------	----------------------------

## 6. Assets

6a. Family member name	No.	6b. Type of asset	6c. Calculation (PHA use)	6d. Cash value of asset	6e. Anticipated Income
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
6f, 6g. Column totals				\$	6f. \$ 6g.
6h. Passbook rate (written as decimal)					0. 6h.
6i. Imputed asset income: 6f X 6h (if 6f is \$5,000 or less, put 0)					\$ 6i.
6j. Final asset income: larger of 6g or 6i					\$ 6j.

## 7. Income

7a. Family member name	No.	7b. Income Code	7c. Calculation (PHA use)	7d. Dollars per year	7e. Income exclusions	7f. Income after exclusions (7d minus 7e)
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
7g. Column total						\$ 7g.

7h. Reserved

7i. Total annual income: 6j + 7g

\$ 7i.

<b>7b: Income Codes</b> <b>Wages:</b> B = own business F = federal wage HA = PHA wage M = military pay W = other wage	<b>Welfare:</b> G = general assistance IW = annual imputed welfare income T = TANF assistance  <b>SS/SSI/Pensions:</b> P = pension S = SSI SS = Social Security	<b>Other Income Sources:</b> C = child support E = medical reimbursement I = Indian trust/per capita N = other nonwage sources U = unemployment benefits
---	---	---



Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
------------------------	------------------------	----------------------------

## 8. Expected Income Per Year

8a. Total annual income: copy from 7i	\$	8a.
---------------------------------------	----	-----

### Permissible Deductions (Public Housing Only. If Section 8, Skip to 8f or 8q)

8b. Family member name	No.	8c. Type of permissible deduction	8d. Amount
			\$
			\$
			\$
			\$
			\$
			\$

8e. Total permissible deductions (sum of column 8d)	\$	8e.
---	----	-----

### If head/spouse/co-head is under 62 and no family member is disabled, skip to 8q

8f. Medical/disability threshold: 8a X 0.03		\$	8f.
8g. Total annual unreimbursed disability assistance expense (if no disability expenses, skip to 8k)		\$	8g.
8h. Maximum disability allowance: If 8g minus 8f is positive or zero, put amount		\$	8h.
	If negative and head/spouse/co-head is under 62 and not disabled, put 0	\$	8h.
	If negative and head/spouse/co-head is elderly or disabled, copy from 8g	\$	8h.
8i. Earnings in 7d made possible by disability assistance expense		\$	8i.
8j. Allowable disability assistance expense: lower of 8h or 8i (if 8g is less than 8f and head/spouse/co-head elderly or disabled, copy from 8h)		\$	8j.
8k. Total annual unreimbursed medical expenses (if head/spouse/co-head under 62 and not disabled, put 0)		\$	8k.
8m. Total annual disability assistance and medical expense: 8j + 8k (if no disability expenses, copy from 8k)		\$	8m.
8n. Medical/disability assistance allowance:	If no disability assistance expenses or if 8g is less than 8f, put 8m minus 8f (if 8m minus 8f is negative, put zero)	\$	8n.
	If disability assistance expenses and 8g is greater than or equal to 8f, copy from 8m	\$	8n.
8p. Elderly/disability allowance (default = \$400)		\$	8p.
8q. Number of dependents (people under 18, or with disability, or full-time student. Do not count head of household, spouse, co-head, foster child/adult, or live-in aide.)		\$	8q.
8r. Allowance per dependent (default = \$480)		\$	8r.
8s. Dependent allowance: 8q X 8r		\$	8s.
8t. Total annual unreimbursed childcare costs		\$	8t.
8x. Total allowances: 8e + 8n + 8p + 8s + 8t		\$	8x.
8y. Adjusted annual income: 8a minus 8x (if 8x is larger, put 0)		\$	8y.

**Learning Activity 4-3: Child Care Costs Capped by EID****Task**

- Using the information provided, fill out an EID worksheet and section 8 of the 50058 to calculate annual and adjusted income for the Jacob family.

***Family Information:***

Relation	Name	Age	Disabled
Head	Rebecca	37	Y
Youth	Mary	10	N

***Scenario***

- On February 10, Rebecca Jacob and her daughter Mary were admitted to the program. At the time of admission, Rebecca was working at Schlagel's Bagels, 8 hours per week at a rate of \$7.25 per hour. On April 13, the manager at Schlagel's Bagels increased her hours to 25 per week, while leaving her rate of pay at \$7.25. Due to the increase in her work hours, Rebecca also began to pay \$100 per week in child care for Mary.
- Note: The prevailing minimum wage is \$7.25.
- The PHA conducts interim reexams for any reported income increases.

**Step 1: Calculate EID family member's exclusion amount.**

<b>A1.</b> Earned income of EID family member	\$	
<b>A2.</b> Earned income, if any, included in prequalifying income.	\$	
<b>A3.</b> Increase in earned income (A1 – A2). <b>If 0 or negative, STOP. Do not exclude any earned income.</b>	\$	
<b>B.</b> Other income of EID family member (including income from assets)	\$	
<b>C.</b> Total annual income of EID family member (A1 + B)	\$	
<b>D.</b> Enter prequalifying income	\$	
<b>E.</b> Full exclusion (C – D, <i>but no more than A3</i> )	\$	
<b>F.</b> 50% exclusion during phase-in period, if applicable (E × 0.50)	\$	

**Step 2: Determine EID family member's wages after exclusion.**

<b>G.</b> EID family member's earnings (HUD-50058, 7d)	\$	
<b>H.</b> Exclusion (E or F, as applicable) (HUD-50058, 7e)	\$	
<b>I.</b> EID family member's earned income after exclusions (G – H) HUD-50058, 7f)	\$	

**Form HUD-50058**

7a. Family member name	No.	7b. Income code	7c. Calculation (PHA use)	7d. Dollars per year	7e. Income exclusions	7f. Income after exclusions (7d minus 7e)
7g. Column total						

Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
------------------------	------------------------	----------------------------

## 8. Expected Income Per Year

8a. Total annual income: copy from 7i	\$	8a.
---------------------------------------	----	-----

### Permissible Deductions (Public Housing Only. If Section 8, Skip to 8f or 8q)

8b. Family member name	No.	8c. Type of permissible deduction	8d. Amount
			\$
			\$
			\$
			\$
			\$
			\$

8e. Total permissible deductions (sum of column 8d)	\$	8e.
---	----	-----

### If head/spouse/co-head is under 62 and no family member is disabled, skip to 8q

8f. Medical/disability threshold: 8a X 0.03		\$	8f.
8g. Total annual unreimbursed disability assistance expense (if no disability expenses, skip to 8k)		\$	8g.
8h. Maximum disability allowance: If 8g minus 8f is positive or zero, put amount		\$	8h.
	If negative and head/spouse/co-head is under 62 and not disabled, put 0	\$	8h.
	If negative and head/spouse/co-head is elderly or disabled, copy from 8g	\$	8h.
8i. Earnings in 7d made possible by disability assistance expense		\$	8i.
8j. Allowable disability assistance expense: lower of 8h or 8i (if 8g is less than 8f and head/spouse/co-head elderly or disabled, copy from 8h)		\$	8j.
8k. Total annual unreimbursed medical expenses (if head/spouse/co-head under 62 and not disabled, put 0)		\$	8k.
8m. Total annual disability assistance and medical expense: 8j + 8k (if no disability expenses, copy from 8k)		\$	8m.
8n. Medical/disability assistance allowance:	If no disability assistance expenses or if 8g is less than 8f, put 8m minus 8f (if 8m minus 8f is negative, put zero)	\$	8n.
	If disability assistance expenses and 8g is greater than or equal to 8f, copy from 8m	\$	8n.
8p. Elderly/disability allowance (default = \$400)		\$	8p.
8q. Number of dependents (people under 18, or with disability, or full-time student. Do not count head of household, spouse, co-head, foster child/adult, or live-in aide.)		\$	8q.
8r. Allowance per dependent (default = \$480)		\$	8r.
8s. Dependent allowance: 8q X 8r		\$	8s.
8t. Total annual unreimbursed childcare costs		\$	8t.
8x. Total allowances: 8e + 8n + 8p + 8s + 8t		\$	8x.
8y. Adjusted annual income: 8a minus 8x (if 8x is larger, put 0)		\$	8y.

## DISABILITY ASSISTANCE EXPENSE

*CFR 5.603(2)(b) & CFR  
5.611(3)(ii)*

- Families may deduct reasonable anticipated expenses for attendant care and auxiliary apparatus for family members with disabilities:
  - If they are necessary to enable a family member to be employed. (This may be the disabled member.)
  - Provided that the expenses are neither paid to a member of the family nor reimbursed by an outside source.
- This deduction may not exceed the earned income received by family members who are able to work because of such qualified expenses.

*Public Housing Occupancy  
Guidebook 10.2, p. 124  
CFR 5.611(a)(3)(ii)*

- If the disability assistance expense enables more than one person to be employed, the PHA must combine the income of those persons to determine the cap.
- This allowance is equal to the amount by which the cost of the care attendant or auxiliary apparatus exceeds 3% of total annual income.

*HCV Program GB 5-30  
Public Housing Occupancy  
Guidebook 10.2, page 124*

- Auxiliary apparatus are items such as wheelchairs, ramps, adaptations to vehicles, or special equipment to enable a blind person to read and write, but only if these items are directly related to permitting the disabled person or other family member to work.

*Notice H 86-23 (HUD)  
Public Housing Occupancy  
Guidebook 10.2, page 125*

- When a care provider takes care of children age 12 and under, plus a person with disabilities who is 13 years of age or older, expenses must be pro-rated appropriately since rules differ in treatment of child care and disability assistance expenses.

Section 4.2: Adjusted Income Common Errors

**Disability assistance expense allowance  
common errors**

- PHAs often record attendant care for a disabled child who is over 12 as a child care expense. Doing this is incorrect for several reasons.
  - First, child care expenses are only allowed for children under the age of 13, regardless of disability status.
  - Second, disability assistance expenses are given once the expense exceeds 3 percent of annual income, while the child care allowances has no such cap. Therefore, coding these expenses as child care would result in a PHA overpayment.
- HUD found that less than 1 percent of assisted families received this allowance. Many PHAs overlook this deduction entirely when calculating rent. It is advisable to check PHA-generated forms to see if the forms are clearly worded, allowing families to properly claim the allowance.
- PHAs often code medical expense for an unemployed disabled individual who does not qualify for the medical expense deduction as disability assistance expense.
  - For example, in a non-elderly/disabled family, an unemployed 21 year old disabled son incurs medical costs related to his disability. These expenses do not enable anyone in the family to work. These costs are not allowable medical expenses since the individual is not a member of an elderly/disabled family. These costs are also not disability assistance expenses because they are not work-related.

### Learning Activity 4-4: Identifying Disability Assistance Expense

#### Task

- Identify whether the following expenses would qualify as a disability assistance expense.

1. Ramp to enable a disabled person to get into school

Yes ☐ No ☐

2. Care attendant for a disabled family member so another family member can work

Yes ☐ No ☐

3. Assistance dog to relieve anxiety while shopping

Yes ☐ No ☐

4. Transportation expenses to doctor's office for an elderly individual

Yes ☐ No ☐

5. Talking computer to enable employment of a disabled family member

Yes ☐ No ☐

6. Medicare Part B premium for a disabled head of household

Yes ☐ No ☐

**Learning Activity 4-5: Disability Assistance Expense Allowance****Task**

- Calculate the disability assistance expense allowance for the Gilmore family on section 8 of the 50058

***Family Information:***

Relation	Name	Age	Disabled
Head	Loralei	38	N
Spouse	Luke	40	N
Youth	Rori	15	Y

***Scenario***

- Loralei Gilmore earns \$11,000 per year working at the Independence Inn. Her husband Luke earns \$9,000 working at a diner. Their daughter Rori is a person with a disability. In order for Luke to work at the diner, they pay Sookie, a care attendant, \$4,600 to look after Rori while he is at work.

**Questions**

- Does the Gilmore family qualify for childcare expenses? Why or why not?

- 
- Do Sookie's wages qualify as a disability assistance expense for the Gilmore family?

- 
- If so, whose income should be used for the earnings cap on the disability assistance expense?
-



Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
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## 8. Expected Income Per Year

8a. Total annual income: copy from 7i	\$	8a.
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### Permissible Deductions (Public Housing Only. If Section 8, Skip to 8f or 8q)

8b. Family member name	No.	8c. Type of permissible deduction	8d. Amount
			\$
			\$
			\$
			\$
			\$
			\$

8e. Total permissible deductions (sum of column 8d)	\$	8e.
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### If head/spouse/co-head is under 62 and no family member is disabled, skip to 8q

8f. Medical/disability threshold: 8a X 0.03		\$	8f.
8g. Total annual unreimbursed disability assistance expense (if no disability expenses, skip to 8k)		\$	8g.
8h. Maximum disability allowance: If 8g minus 8f is positive or zero, put amount		\$	8h.
	If negative and head/spouse/co-head is under 62 and not disabled, put 0	\$	8h.
	If negative and head/spouse/co-head is elderly or disabled, copy from 8g	\$	8h.
8i. Earnings in 7d made possible by disability assistance expense		\$	8i.
8j. Allowable disability assistance expense: lower of 8h or 8i (if 8g is less than 8f and head/spouse/co-head elderly or disabled, copy from 8h)		\$	8j.
8k. Total annual unreimbursed medical expenses (if head/spouse/co-head under 62 and not disabled, put 0)		\$	8k.
8m. Total annual disability assistance and medical expense: 8j + 8k (if no disability expenses, copy from 8k)		\$	8m.
8n. Medical/disability assistance allowance:	If no disability assistance expenses or if 8g is less than 8f, put 8m minus 8f (if 8m minus 8f is negative, put zero)	\$	8n.
	If disability assistance expenses and 8g is greater than or equal to 8f, copy from 8m	\$	8n.
8p. Elderly/disability allowance (default = \$400)		\$	8p.
8q. Number of dependents (people under 18, or with disability, or full-time student. Do not count head of household, spouse, co-head, foster child/adult, or live-in aide.)		\$	8q.
8r. Allowance per dependent (default = \$480)		\$	8r.
8s. Dependent allowance: 8q X 8r		\$	8s.
8t. Total annual unreimbursed childcare costs		\$	8t.
8x. Total allowances: 8e + 8n + 8p + 8s + 8t		\$	8x.
8y. Adjusted annual income: 8a minus 8x (if 8x is larger, put 0)		\$	8y.

## MEDICAL EXPENSES

*HCV Program GB 5-31/32*

- If the household is eligible for a medical expense deduction, the qualifying medical expenses of all family members are allowed.

*CFR 5.603(2)(b) & 5.611(a)(3)(i)*

- The PHA must deduct unreimbursed medical expenses of any elderly family or disabled family.

*CFR 5.403*

- Disabled family means a family whose head, spouse, or cohead is a person with disabilities.
- Elderly family is a family whose head, spouse, or cohead is at least 62 years of age.
- HUD definition: Medical expenses, including medical insurance premiums, that are anticipated during the period for which annual income is computed, and that are not covered by insurance.
- PHA policy determines what expenses are allowed as medical expenses.

*PH Occupancy Guidebook 10.2, p. 125 "Safe Harbor"*

- PHAs may consult IRS Publication 502 for additional guidance on medical expenses.
  - <http://www.irs.gov/pub/irs-pdf/p502.pdf>
- Typical allowable medical expenses include:
  - Services of doctors and health care professionals
  - Services of health care facilities
  - Medical insurance premiums
  - Prescription/non-prescription medicines (prescribed by a physician)
  - Transportation to treatment (cab fare, bus fare, mileage)
  - Dental expenses, eyeglasses, hearing aids batteries
  - Live-in or periodic medical assistance
  - Monthly payment on accumulated medical bills (regular monthly payments on a bill that was previously incurred). The allowance may include only the amount expected to be paid in the coming 12 months.
- Medical expenses may only be deducted to the extent that they exceed 3 percent of annual income.

### **Medical expense allowance common errors**

- If a family qualifies for the medical expense deduction, the entire family's medical expenses are deducted. PHAs often overlook non-elderly/disabled family members by only deducting the expenses of the head, spouse or cohead.
- It is important to follow PHA policy when calculating medical expenses to avoid inconsistency in the deduction from family to family. PHA staff should be familiar with PHA policy on what is and is not considered an allowable medical expense in PHA policy.
- PHAs often miss medical expense deductions from pension award letters.
- PHA forms may include medical expense questions that are unclear or misleading. Questions should be clear and understandable, allowing the family to answer properly.

## Learning Activity 4-6: Asking Medical Expense Questions

### Part I

- Below are questions from PHA data collection forms. Analyze to determine if the questions are asked in a manner that assists the family to answer correctly.

Question 1: If the head of household or spouse are elderly or disabled, list their medical expenses below.

Is this a good question? Why or why not?

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Question 2: List the medical expenses of all elderly or disabled household members.  
Is this a good question? Why or why not?

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### Part II

- In groups of two or three, rewrite the questions so they are worded accurately and in such a manner as to assist the family in providing a correct answer.

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**Learning Activity 4-7: Disability Assistance and Medical Expense Allowance Qualifiers**

**Task**

- For each family, identify whether they qualify for disability assistance expenses, medical expenses or both.

***Cullen Family Information:***

Relation	Name	Age	Disabled
Head	Edward	53	Y
Spouse	Bella	55	N

***Scenario***

- The Cullen family has anticipated annual unreimbursed prescription costs of \$575. They also pay \$45 per month to maintain Edward's TTY service so that Edward may work at the Forks Diner. Bella is enrolled in the Low Income Family Eye Care Program in her community. She pays \$75 a year for eye care, but is reimbursed completely by the program for her out of pocket expense.

- Which of these expenses are disability assistance expenses?

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- Which of these expenses are medical expenses?

---

***Potter Family Information:***

Relation	Name	Age	Disabled
Head	Harry	33	N
Spouse	Ginny	31	Y
Youth	Ron	10	N
Youth	Neville	8	Y

***Scenario***

- The Potter family has unreimbursed expenses for Harry's eye glasses of \$70 per year. They also pay \$20 every two months for Neville to visit a therapist for his disability. They also have out of pocket costs for braces for Ron's teeth of \$200 per year. The entire family's prescription drug costs are \$30 per month. Harry and Ginny are both unemployed.

1. Which of these expenses are disability assistance expenses?

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2. Which of these expenses are medical expenses?

---

***Frasier Family Information:***

Relation	Name	Age	Disabled
Head	Jamie	38	N
Spouse	Claire	39	N
Youth	Brianna	14	Y

***Scenario***

- The Frasier family has out of pocket prescription costs of \$55 per month. They also pay \$30 a year for hearing aid supplies for Brianna. In order for Jamie and Claire to work, Brianna stays home with a care attendant at a cost of \$100 per week.

1. Which of these expenses are disability assistance expenses?

---

2. Which of these expenses are medical expenses?

---

**Learning Activity 4-8: Disability Assistance/Medical Allowance (Eva Family)**

- The Eva family qualifies for the elderly/disabled allowance. There are no dependents in the family. The PHA has the following information:
  - SSI: \$ 8,250
  - Employment income: \$ 8,750
  - Total Disability Assistance Expense: \$ 4,300
  - Total Medical Expenses: \$ 1,100

**Task**

- Using the information above, complete section 8 of the HUD-50058 to determine adjusted annual income.



Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
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## 8. Expected Income Per Year

8a. Total annual income: copy from 7i	\$	8a.
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### Permissible Deductions (Public Housing Only. If Section 8, Skip to 8f or 8q)

8b. Family member name	No.	8c. Type of permissible deduction	8d. Amount
			\$
			\$
			\$
			\$
			\$
			\$

8e. Total permissible deductions (sum of column 8d)	\$	8e.
---	----	-----

### If head/spouse/co-head is under 62 and no family member is disabled, skip to 8q

8f. Medical/disability threshold: 8a X 0.03		\$	8f.
8g. Total annual unreimbursed disability assistance expense (if no disability expenses, skip to 8k)		\$	8g.
8h. Maximum disability allowance: If 8g minus 8f is positive or zero, put amount		\$	8h.
	If negative and head/spouse/co-head is under 62 and not disabled, put 0	\$	8h.
	If negative and head/spouse/co-head is elderly or disabled, copy from 8g	\$	8h.
8i. Earnings in 7d made possible by disability assistance expense		\$	8i.
8j. Allowable disability assistance expense: lower of 8h or 8i (if 8g is less than 8f and head/spouse/co-head elderly or disabled, copy from 8h)		\$	8j.
8k. Total annual unreimbursed medical expenses (if head/spouse/co-head under 62 and not disabled, put 0)		\$	8k.
8m. Total annual disability assistance and medical expense: 8j + 8k (if no disability expenses, copy from 8k)		\$	8m.
8n. Medical/disability assistance allowance:	If no disability assistance expenses or if 8g is less than 8f, put 8m minus 8f (if 8m minus 8f is negative, put zero)	\$	8n.
	If disability assistance expenses and 8g is greater than or equal to 8f, copy from 8m	\$	8n.
8p. Elderly/disability allowance (default = \$400)		\$	8p.
8q. Number of dependents (people under 18, or with disability, or full-time student. Do not count head of household, spouse, co-head, foster child/adult, or live-in aide.)		\$	8q.
8r. Allowance per dependent (default = \$480)		\$	8r.
8s. Dependent allowance: 8q X 8r		\$	8s.
8t. Total annual unreimbursed childcare costs		\$	8t.
8x. Total allowances: 8e + 8n + 8p + 8s + 8t		\$	8x.
8y. Adjusted annual income: 8a minus 8x (if 8x is larger, put 0)		\$	8y.

**Learning Activity 4-9: Medical Expense Policies****Task**

- Anytown PHA has a policy that they follow the current year's IRS Publication 502. Using IRS Publication 502, identify whether the following expenses qualify as medical expenses at Anytown PHA.

## 1. Chiropractor

Yes ☐ No ☐

## 2. Nutritional supplements (not recommended by a doctor)

Yes ☐ No ☐

## 3. Teeth whitening

Yes ☐ No ☐

## 4. Nursing services

Yes ☐ No ☐

## 5. Stop smoking programs

Yes ☐ No ☐

## 6. Veterinary bills for an assistance animal

Yes ☐ No ☐

## 7. Laser eye surgery

Yes ☐ No ☐

## 8. Diaper service

Yes ☐ No ☐

support agreement, you treat your mother as your dependent. You paid all of her medical expenses. Your brothers repaid you for three-fourths of these expenses. In figuring your medical expense deduction, you can include only one-fourth of your mother's medical expenses. Your brothers can't include any part of the expenses. However, if you and your brothers share the nonmedical support items and you separately pay all of your mother's medical expenses, you can include the unreimbursed amount you paid for her medical expenses in your medical expenses.

## Decedent

Medical expenses paid before death by the decedent are included in figuring any deduction for medical and dental expenses on the decedent's final income tax return. This includes expenses for the decedent's spouse and dependents as well as for the decedent.

The survivor or personal representative of a decedent can choose to treat certain expenses paid by the decedent's estate for the decedent's medical care as paid by the decedent at the time the medical services were provided. The expenses must be paid within the 1-year period beginning with the day after the date of death. If you are the survivor or personal representative making this choice, you must attach a statement to the decedent's Form 1040 (or the decedent's amended return, Form 1040X) saying that the expenses haven't been and won't be claimed on the estate tax return.



*Qualified medical expenses paid before death by the decedent aren't deductible if paid with a tax-free distribution from any Archer MSA, Medicare Advantage MSA, or health savings account.*

**What if the decedent's return had been filed and the medical expenses weren't included?** Form 1040X can be filed for the year or years the expenses are treated as paid, unless the period for filing an amended return for that year has passed. Generally, an amended return must be filed within 3 years of the date the original return was filed, or within 2 years from the time the tax was paid, whichever date is later.

**Example.** John properly filed his 2016 income tax return. He died in 2017 with unpaid medical expenses of \$1,500 from 2016 and \$1,800 in 2017. If the expenses are paid within the 1-year period, his survivor or personal representative can file an amended return for 2016 claiming a deduction based on the \$1,500 medical expenses. The \$1,800 of medical expenses from 2017 can be included on the decedent's final return for 2017.

**What if you pay medical expenses of a deceased spouse or dependent?** If you paid medical expenses for your deceased spouse or dependent, include them as medical expenses on your Schedule A (Form 1040) in the year paid, whether they are paid before or after the decedent's death. The expenses can be included if the person was your spouse or dependent either at the time the medi-

cal services were provided or at the time you paid the expenses.

## What Medical Expenses Are Includible?

Following is a list of items that you can include in figuring your medical expense deduction. The items are listed in alphabetical order.

This list doesn't include all possible medical expenses. To determine if an expense not listed can be included in figuring your medical expense deduction, see [What Are Medical Expenses](#), earlier.

### Abortion

You can include in medical expenses the amount you pay for a legal abortion.

### Acupuncture

You can include in medical expenses the amount you pay for acupuncture.

### Alcoholism

You can include in medical expenses amounts you pay for an inpatient's treatment at a therapeutic center for alcohol addiction. This includes meals and lodging provided by the center during treatment.

You can also include in medical expenses amounts you pay for transportation to and from Alcoholics Anonymous meetings in your community if the attendance is pursuant to medical advice that membership in Alcoholics Anonymous is necessary for the treatment of a disease involving the excessive use of alcoholic liquors.

### Ambulance

You can include in medical expenses amounts you pay for ambulance service.

### Annual Physical Examination

See [Physical Examination](#), later.

### Artificial Limb

You can include in medical expenses the amount you pay for an artificial limb.

### Artificial Teeth

You can include in medical expenses the amount you pay for artificial teeth.

Bandages

You can include in medical expenses the cost of medical supplies such as bandages.

Birth Control Pills

You can include in medical expenses the amount you pay for birth control pills prescribed by a doctor.

Body Scan

You can include in medical expenses the cost of an electronic body scan.

Braille Books and Magazines

You can include in medical expenses the part of the cost of Braille books and magazines for use by a visually impaired person that is more than the cost of regular printed editions.

Breast Pumps and Supplies

You can include in medical expenses the cost of breast pumps and supplies that assist lactation.

Breast Reconstruction Surgery

You can include in medical expenses the amounts you pay for breast reconstruction surgery, as well as breast prosthesis, following a mastectomy for cancer. See [Cosmetic Surgery](#), later.

Capital Expenses

You can include in medical expenses amounts you pay for special equipment installed in a home, or for improvements, if their main purpose is medical care for you, your spouse, or your dependent. The cost of permanent improvements that increase the value of your property may be partly included as a medical expense. The cost of the improvement is reduced by the increase in the value of your property. The difference is a medical expense. If the value of your property isn't increased by the improvement, the entire cost is included as a medical expense.

Certain improvements made to accommodate a home to your disabled condition, or that of your spouse or your dependents who live with you, don't usually increase the value of the home and the cost can be included in full as medical expenses. These improvements include, but aren't limited to, the following items.

- Constructing entrance or exit ramps for your home.
- Widening doorways at entrances or exits to your home.
- Widening or otherwise modifying hallways and interior doorways.

- Installing railings, support bars, or other modifications to bathrooms.
- Lowering or modifying kitchen cabinets and equipment.
- Moving or modifying electrical outlets and fixtures.
- Installing porch lifts and other forms of lifts (but elevators generally add value to the house).
- Modifying fire alarms, smoke detectors, and other warning systems.
- Modifying stairways.
- Adding handrails or grab bars anywhere (whether or not in bathrooms).
- Modifying hardware on doors.
- Modifying areas in front of entrance and exit doorways.
- Grading the ground to provide access to the residence.

Only reasonable costs to accommodate a home to a disabled condition are considered medical care. Additional costs for personal motives, such as for architectural or aesthetic reasons, aren't medical expenses.

**Capital expense worksheet.** Use [Worksheet A](#) to figure the amount of your capital expense to include in your medical expenses.

Worksheet A. Capital Expense Worksheet

Keep for Your Records



**Instructions:** Use this worksheet to figure the amount, if any, of your medical expenses due to a home improvement.

1. Enter the amount you paid for the home improvement . . . . .

1. \_\_\_\_\_

2. Enter the value of your home immediately after the improvement . . . . .

2. \_\_\_\_\_

3. Enter the value of your home immediately before the improvement . . . . .

3. \_\_\_\_\_

4. Subtract line 3 from line 2. This is the increase in the value of your home due to the improvement . . . . .

4. \_\_\_\_\_

• If line 4 is more than or equal to line 1, you have no medical expenses due to the home improvement; stop here.

• If line 4 is less than line 1, go to line 5.

5. Subtract line 4 from line 1. These are your medical expenses due to the home improvement . . . . .

5. \_\_\_\_\_

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**Operation and upkeep.** Amounts you pay for operation and upkeep of a capital asset qualify as medical expenses, as long as the main reason for them is medical care. This rule applies even if none or only part of the original cost of the capital asset qualified as a medical care expense.

**Improvements to property rented by a person with a disability.** Amounts paid to buy and install special plumbing fixtures for a person with a disability, mainly for medical reasons, in a rented house are medical expenses.

**Example.** John has arthritis and a heart condition. He can't climb stairs or get into a bathtub. On his doctor's advice, he installs a bathroom with a shower stall on the first floor of his two-story rented house. The landlord didn't pay any of the cost of buying and installing the special plumbing and didn't lower the rent. John can include in medical expenses the entire amount he paid.

## Car

You can include in medical expenses the cost of special hand controls and other special equipment installed in a car for the use of a person with a disability.

**Special design.** You can include in medical expenses the difference between the cost of a regular car and a car specially designed to hold a wheelchair.

**Cost of operation.** The includible costs of using a car for medical reasons are explained under [Transportation](#), later.

## Chiropractor

You can include in medical expenses fees you pay to a chiropractor for medical care.

## Christian Science Practitioner

You can include in medical expenses fees you pay to Christian Science practitioners for medical care.

## Contact Lenses

You can include in medical expenses amounts you pay for contact lenses needed for medical reasons. You can also include the cost of equipment and materials required for using contact lenses, such as saline solution and enzyme cleaner. See [Eyeglasses](#) and [Eye Surgery](#), later.

## Crutches

You can include in medical expenses the amount you pay to buy or rent crutches.

## Dental Treatment

You can include in medical expenses the amounts you pay for the prevention and alleviation of dental disease. Preventive treatment includes the services of a dental hygienist or dentist for such procedures as teeth cleaning, the application of sealants, and fluoride treatments to prevent tooth decay. Treatment to alleviate dental disease includes services of a dentist for procedures such as X-rays, fillings, braces, extractions, dentures, and other dental ailments. But see [Teeth Whitening](#) under *What Expenses Aren't Includible*, later.

## Diagnostic Devices

You can include in medical expenses the cost of devices used in diagnosing and treating illness and disease.

**Example.** You have diabetes and use a blood sugar test kit to monitor your blood sugar level. You can include the cost of the blood sugar test kit in your medical expenses.

## Disabled Dependent Care Expenses

Some disabled dependent care expenses may qualify as either:

- Medical expenses, or
- Work-related expenses for purposes of taking a credit for dependent care. See Pub. 503.

You can choose to apply them either way as long as you don't use the same expenses to claim both a credit and a medical expense deduction.

## Drug Addiction

You can include in medical expenses amounts you pay for an inpatient's treatment at a therapeutic center for drug addiction. This includes meals and lodging at the center during treatment.

## Drugs

See [Medicines](#), later.

## Eye Exam

You can include in medical expenses the amount you pay for eye examinations.

## Eyeglasses

You can include in medical expenses amounts you pay for eyeglasses and contact lenses needed for medical reasons. See [Contact Lenses](#), earlier, for more information.

## Eye Surgery

You can include in medical expenses the amount you pay for eye surgery to treat defective vision, such as laser eye surgery or radial keratotomy.

## Fertility Enhancement

You can include in medical expenses the cost of the following procedures to overcome an inability to have children.

- Procedures such as *in vitro* fertilization (including temporary storage of eggs or sperm).
- Surgery, including an operation to reverse prior surgery that prevented the person operated on from having children.

## Founder's Fee

See [Lifetime Care—Advance Payments](#), later.

## Guide Dog or Other Service Animal

You can include in medical expenses the costs of buying, training, and maintaining a guide dog or other service animal to assist a visually impaired or hearing disabled person, or a person with other physical disabilities. In general, this includes any costs, such as food, grooming, and veterinary care, incurred in maintaining the health and vitality of the service animal so that it may perform its duties.

## Health Institute

You can include in medical expenses fees you pay for treatment at a health institute only if the treatment is prescribed by a physician and the physician issues a statement that the treatment is necessary to alleviate a physical or mental disability or illness of the individual receiving the treatment.

## Health Maintenance Organization (HMO)

You can include in medical expenses amounts you pay to entitle you, your spouse, or a dependent to receive medical care from an HMO. These amounts are treated as medical insurance premiums. See [Insurance Premiums](#), later.

## Hearing Aids

You can include in medical expenses the cost of a hearing aid and batteries, repairs, and maintenance needed to operate it.

## Home Care

See [Nursing Services](#), later.

## Home Improvements

See [Capital Expenses](#), earlier.

## Hospital Services

You can include in medical expenses amounts you pay for the cost of inpatient care at a hospital or similar institution if a principal reason for being there is to receive medical care. This includes amounts paid for meals and lodging. Also see [Lodging](#), later.

## Insurance Premiums

You can include in medical expenses insurance premiums you pay for policies that cover medical care. You can't include in medical expenses insurance premiums that were paid and for which you are claiming a credit or deduction. Medical care policies can provide payment for treatment that includes:

- Hospitalization, surgical services, X-rays,
- Prescription drugs and insulin,
- Dental care,
- Replacement of lost or damaged contact lenses, and
- Long-term care (subject to additional limitations). See [Qualified Long-Term Care Insurance Contracts](#) under [Long-Term Care](#), later.

If you have a policy that provides payments for other than medical care, you can include the premiums for the medical care part of the policy if the charge for the medical part is reasonable. The cost of the medical part must be separately stated in the insurance contract or given to you in a separate statement.

## Health Coverage Tax Credit (HCTC)

If you were an eligible trade adjustment assistance (TAA) recipient, an alternative TAA (ATAA) recipient, reemployment TAA (RTAA) recipient, or Pension Benefit Guaranty Corporation (PBGC) payee, you must complete Form 8885 before completing Schedule A, line 1. When figuring the amount of insurance premiums you can deduct on Schedule A, don't include any of the following.

- Any amounts you included on Form 8885, line 4, or on Form 14095, The Health Coverage Tax Credit (HCTC) Reimbursement Request Form, to receive a reimbursement of the HCTC during the year,
- Any qualified health insurance coverage premiums you paid to "U.S. Treasury-HCTC" for eligible coverage months for which you received the benefit of the advance monthly payment program, or
- Any advance monthly payments from your health plan administrator received from the IRS, as shown on Form 1099-H, Health Coverage Tax credit (HCTC) Advance Payments.

If advance payments of the premium tax credit were made or you are eligible for both the premium tax credit



and the HCTC and elect to take the HCTC, see the Instructions for Form 8885 to see how to figure your credit.

## Employer-Sponsored Health Insurance Plan

Don't include in your medical and dental expenses any insurance premiums paid by an employer-sponsored health insurance plan unless the premiums are included on your Form W-2, Wage and Tax Statement. Also, don't include any other medical and dental expenses paid by the plan unless the amount paid is included on your Form W-2.

**Example.** You are a federal employee participating in the premium conversion plan of the Federal Employee Health Benefits (FEHB) program. Your share of the FEHB premium is paid by making a pre-tax reduction in your salary. Because you are an employee whose insurance premiums are paid with money that is never included in your gross income, you can't deduct the premiums paid with that money.

**Long-term care services.** Contributions made by your employer to provide coverage for qualified long-term care services under a flexible spending or similar arrangement must be included in your income. This amount will be reported as wages on your Form W-2.

**Retired public safety officers.** If you are a retired public safety officer, don't include as medical expenses any health or long-term care insurance premiums that you elected to have paid with tax-free distributions from a retirement plan. This applies only to distributions that would otherwise be included in income.

**Health reimbursement arrangement (HRA).** If you have medical expenses that are reimbursed by a health reimbursement arrangement, you can't include those expenses in your medical expenses. This is because an HRA is funded solely by the employer.

## Medicare A

If you are covered under social security (or if you are a government employee who paid Medicare tax), you are enrolled in Medicare A. The payroll tax paid for Medicare A isn't a medical expense.

If you aren't covered under social security (or weren't a government employee who paid Medicare tax), you can voluntarily enroll in Medicare A. In this situation you can include the premiums you paid for Medicare A as a medical expense.

## Medicare B

Medicare B is a supplemental medical insurance. Premiums you pay for Medicare B are a medical expense. Check the information you received from the Social Security Administration to find out your premium.

## Medicare D

Medicare D is a voluntary prescription drug insurance program for persons with Medicare A or B. You can include as a medical expense premiums you pay for Medicare D.

## Prepaid Insurance Premiums

Premiums you pay before you are age 65 for insurance for medical care for yourself, your spouse, or your dependents after you reach age 65 are medical care expenses in the year paid if they are:

1. Payable in equal yearly installments or more often, and
2. Payable for at least 10 years, or until you reach age 65 (but not for less than 5 years).

## Unused Sick Leave Used To Pay Premiums

You must include in gross income cash payments you receive at the time of retirement for unused sick leave. You also must include in gross income the value of unused sick leave that, at your option, your employer applies to the cost of your continuing participation in your employer's health plan after you retire. You can include this cost of continuing participation in the health plan as a medical expense.

If you participate in a health plan where your employer automatically applies the value of unused sick leave to the cost of your continuing participation in the health plan (and you don't have the option to receive cash), don't include the value of the unused sick leave in gross income. You can't include this cost of continuing participation in that health plan as a medical expense.

## Insurance Premiums You Can't Include

You can't include premiums you pay for:

- Life insurance policies,
- Policies providing payment for loss of earnings,
- Policies for loss of life, limb, sight, etc.,
- Policies that pay you a guaranteed amount each week for a stated number of weeks if you are hospitalized for sickness or injury,
- The part of your car insurance that provides medical insurance coverage for all persons injured in or by your car because the part of the premium providing insurance for you, your spouse, and your dependents isn't stated separately from the part of the premium providing insurance for medical care for others, or
- Health or long-term care insurance if you elected to pay these premiums with tax-free distributions from a retirement plan made directly to the insurance provider and these distributions would otherwise have been included in income.

Taxes imposed by any governmental unit, such as Medicare taxes, aren't insurance premiums.

**Coverage for nondependents.** Generally, you can't deduct any additional premium you pay as the result of including on your policy someone who isn't your spouse or dependent, even if that person is your child under age 27. However, you can deduct the additional premium if that person is:

- Your child whom you don't claim as a dependent because of the rules for children of divorced or separated parents,
- Any person you could have claimed as a dependent on your return except that person received \$4,050 or more of gross income or filed a joint return, or
- Any person you could have claimed as a dependent except that you, or your spouse if filing jointly, can be claimed as a dependent on someone else's 2017 return.

Also, if you had family coverage when you added this individual to your policy and your premiums didn't increase, you can enter on Schedule A (Form 1040) the full amount of your medical and dental insurance premiums.

## Intellectually and Developmentally Disabled, Special Home for

You can include in medical expenses the cost of keeping a person who is intellectually and developmentally disabled in a special home, not the home of a relative, on the recommendation of a psychiatrist to help the person adjust from life in a mental hospital to community living.

## Laboratory Fees

You can include in medical expenses the amounts you pay for laboratory fees that are part of medical care.

## Lactation Expenses

See [Breast Pumps and Supplies](#), earlier.

## Lead-Based Paint Removal

You can include in medical expenses the cost of removing lead-based paints from surfaces in your home to prevent a child who has or had lead poisoning from eating the paint. These surfaces must be in poor repair (peeling or cracking) or within the child's reach. The cost of repainting the scraped area isn't a medical expense.

If, instead of removing the paint, you cover the area with wallboard or paneling, treat these items as capital expenses. See [Capital Expenses](#), earlier. Don't include the cost of painting the wallboard as a medical expense.

## Learning Disability

See [Special Education](#), later.

## Legal Fees

You can include in medical expenses legal fees you paid that are necessary to authorize treatment for mental illness. However, you can't include in medical expenses fees for the management of a guardianship estate, fees for conducting the affairs of the person being treated, or other fees that aren't necessary for medical care.

## Lifetime Care—Advance Payments

You can include in medical expenses a part of a life-care fee or "founder's fee" you pay either monthly or as a lump sum under an agreement with a retirement home. The part of the payment you include is the amount properly allocable to medical care. The agreement must require that you pay a specific fee as a condition for the home's promise to provide lifetime care that includes medical care. You can use a statement from the retirement home to prove the amount properly allocable to medical care. The statement must be based either on the home's prior experience or on information from a comparable home.

**Dependents with disabilities.** You can include in medical expenses advance payments to a private institution for lifetime care, treatment, and training of your physically or mentally impaired child upon your death or when you become unable to provide care. The payments must be a condition for the institution's future acceptance of your child and must not be refundable.

**Payments for future medical care.** Generally, you can't include in medical expenses current payments for medical care (including medical insurance) to be provided substantially beyond the end of the year. This rule doesn't apply in situations where the future care is purchased in connection with obtaining lifetime care of the type described earlier.

## Lodging

You can include in medical expenses the cost of meals and lodging at a hospital or similar institution if a principal reason for being there is to receive medical care. See [Nursing Home](#), later.

You may be able to include in medical expenses the cost of lodging not provided in a hospital or similar institution. You can include the cost of such lodging while away from home if all of the following requirements are met.

1. The lodging is primarily for and essential to medical care.
2. The medical care is provided by a doctor in a licensed hospital or in a medical care facility related to, or the equivalent of, a licensed hospital.
3. The lodging isn't lavish or extravagant under the circumstances.
4. There is no significant element of personal pleasure, recreation, or vacation in the travel away from home.



The amount you include in medical expenses for lodging can't be more than \$50 for each night for each person. You can include lodging for a person traveling with the person receiving the medical care. For example, if a parent is traveling with a sick child, up to \$100 per night can be included as a medical expense for lodging. Meals aren't included.

Don't include the cost of lodging while away from home for medical treatment if that treatment isn't received from a doctor in a licensed hospital or in a medical care facility related to, or the equivalent of, a licensed hospital or if that lodging isn't primarily for or essential to the medical care received.

## Long-Term Care

You can include in medical expenses amounts paid for qualified long-term care services and premiums paid for qualified long-term care insurance contracts.

### Qualified Long-Term Care Services

Qualified long-term care services are necessary diagnostic, preventive, therapeutic, curing, treating, mitigating, rehabilitative services, and maintenance and personal care services (defined later) that are:

1. Required by a chronically ill individual, and
2. Provided pursuant to a plan of care prescribed by a licensed health care practitioner.

**Chronically ill individual.** An individual is chronically ill if, within the previous 12 months, a licensed health care practitioner has certified that the individual meets either of the following descriptions.

1. He or she is unable to perform at least two activities of daily living without substantial assistance from another individual for at least 90 days, due to a loss of functional capacity. Activities of daily living are eating, toileting, transferring, bathing, dressing, and continence.
2. He or she requires substantial supervision to be protected from threats to health and safety due to severe cognitive impairment.

**Maintenance and personal care services.** Maintenance or personal care services is care which has as its primary purpose the providing of a chronically ill individual with needed assistance with his or her disabilities (including protection from threats to health and safety due to severe cognitive impairment).

### Qualified Long-Term Care Insurance Contracts

A qualified long-term care insurance contract is an insurance contract that provides only coverage of qualified long-term care services. The contract must:

1. Be guaranteed renewable,

2. Not provide for a cash surrender value or other money that can be paid, assigned, pledged, or borrowed,
3. Provide that refunds, other than refunds on the death of the insured or complete surrender or cancellation of the contract, and dividends under the contract must be used only to reduce future premiums or increase future benefits, and
4. Generally not pay or reimburse expenses incurred for services or items that would be reimbursed under Medicare, except where Medicare is a secondary payer, or the contract makes *per diem* or other periodic payments without regard to expenses.

The amount of qualified long-term care premiums you can include is limited. You can include the following as medical expenses on Schedule A (Form 1040).

1. Qualified long-term care premiums up to the following amounts.
  - a. Age 40 or under – \$410.
  - b. Age 41 to 50 – \$770.
  - c. Age 51 to 60 – \$1,530.
  - d. Age 61 to 70 – \$4,090.
  - e. Age 71 or over – \$5,110.
2. Unreimbursed expenses for qualified long-term care services.

**Note.** The limit on premiums is for each person.

Also, if you are an eligible retired public safety officer, you can't include premiums for long-term care insurance if you elected to pay these premiums with tax-free distributions from a qualified retirement plan made directly to the insurance provider and these distributions would otherwise have been included in your income.

## Meals

You can include in medical expenses the cost of meals at a hospital or similar institution if a principal reason for being there is to get medical care.

You can't include in medical expenses the cost of meals that aren't part of inpatient care. Also see [Weight-Loss Program](#) and [Nutritional Supplements](#), later.

## Medical Conferences

You can include in medical expenses amounts paid for admission and transportation to a medical conference if the medical conference concerns the chronic illness of yourself, your spouse, or your dependent. The costs of the medical conference must be primarily for and necessary to the medical care of you, your spouse, or your dependent. The majority of the time spent at the conference must be spent attending sessions on medical information.



*The cost of meals and lodging while attending the conference isn't deductible as a medical expense.*

## Medical Information Plan

You can include in medical expenses amounts paid to a plan that keeps medical information in a computer data bank and retrieves and furnishes the information upon request to an attending physician.

## Medicines

You can include in medical expenses amounts you pay for prescribed medicines and drugs. A prescribed drug is one that requires a prescription by a doctor for its use by an individual. You can also include amounts you pay for insulin. Except for insulin, you can't include in medical expenses amounts you pay for a drug that isn't prescribed.

**Imported medicines and drugs.** If you imported medicines or drugs from other countries, see [Medicines and Drugs From Other Countries](#), under *What Expenses Aren't Includible*, later.

## Nursing Home

You can include in medical expenses the cost of medical care in a nursing home, home for the aged, or similar institution, for yourself, your spouse, or your dependents. This includes the cost of meals and lodging in the home if a principal reason for being there is to get medical care.

Don't include the cost of meals and lodging if the reason for being in the home is personal. You can, however, include in medical expenses the part of the cost that is for medical or nursing care.

## Nursing Services

You can include in medical expenses wages and other amounts you pay for nursing services. The services need not be performed by a nurse as long as the services are of a kind generally performed by a nurse. This includes services connected with caring for the patient's condition, such as giving medication or changing dressings, as well as bathing and grooming the patient. These services can be provided in your home or another care facility.

Generally, only the amount spent for nursing services is a medical expense. If the attendant also provides personal and household services, amounts paid to the attendant must be divided between the time spent performing household and personal services and the time spent for nursing services. For example, because of your medical condition you pay a visiting nurse \$300 per week for medical and household services. She spends 10% of her time doing household services such as washing dishes and laundry. You can include only \$270 per week as medical expenses. The \$30 (10% × \$300) allocated to household services can't be included. However, certain maintenance or personal care services provided for qualified

long-term care can be included in medical expenses. See [Maintenance and personal care services](#) under *Long-Term Care*, earlier. Additionally, certain expenses for household services or for the care of a qualifying individual incurred to allow you to work may qualify for the child and dependent care credit. See Pub. 503.

You can also include in medical expenses part of the amount you pay for that attendant's meals. Divide the food expense among the household members to find the cost of the attendant's food. Then divide that cost in the same manner as in the preceding paragraph. If you had to pay additional amounts for household upkeep because of the attendant, you can include the extra amounts with your medical expenses. This includes extra rent or utilities you pay because you moved to a larger apartment to provide space for the attendant.

**Employment taxes.** You can include as a medical expense social security tax, FUTA, Medicare tax, and state employment taxes you pay for an attendant who provides medical care. If the attendant also provides personal and household services, you can include as a medical expense only the amount of employment taxes paid for medical services as explained earlier. For information on employment tax responsibilities of household employers, see Pub. 926.

## Operations

You can include in medical expenses amounts you pay for legal operations that aren't for unnecessary cosmetic surgery. See [Cosmetic Surgery](#) under *What Expenses Aren't Includible*, later.

## Optometrist

See [Eyeglasses](#), earlier.

## Organ Donors

See [Transplants](#), later.

## Osteopath

You can include in medical expenses amounts you pay to an osteopath for medical care.

## Oxygen

You can include in medical expenses amounts you pay for oxygen and oxygen equipment to relieve breathing problems caused by a medical condition.

## Physical Examination

You can include in medical expenses the amount you pay for an annual physical examination and diagnostic tests by a physician. You don't have to be ill at the time of the examination.

## Pregnancy Test Kit

You can include in medical expenses the amount you pay to purchase a pregnancy test kit to determine if you are pregnant.

## Premium Tax Credit

You can't include in medical expenses the amount of health insurance premiums paid by or through the premium tax credit. You also can't include in medical expenses any amount of advance payments of the premium tax credit made that you did not have to pay back. However, any amount of advance payments of the premium tax credit that you did have to pay back can be included in medical expenses.

**Example 1.** Amy is under age 65 and unmarried. The cost of her health insurance premiums in 2017 is \$8,700. Advance payments of the premium tax credit of \$4,200 are made to the insurance company and Amy pays premiums of \$4,500. On her 2017 tax return, Amy is allowed a premium tax credit of \$3,600 and must repay \$600 excess advance credit payments (which is less than the repayment limitation). Amy is treated as paying \$5,100 (\$8,700 less the allowed premium tax credit of \$3,600) for health insurance premiums in 2017. Because \$5,100 is more than 10% of Amy's AGI, when she fills out her Schedule A, she enters \$5,100 on line 1.

**Example 2.** The facts are the same as in *Example 1*, except Amy is allowed a premium tax credit of \$4,900 on her tax return and receives a net premium tax credit of \$700. Amy is treated as paying \$3,800 (\$8,700 less the allowed premium tax credit of \$4,900) for health insurance premiums in 2017. Because \$3,800 is more than 10% of Amy's AGI, when she fills out her Schedule A, she enters \$3,800 on line 1.

## Prosthesis

See [Artificial Limb](#) and [Breast Reconstruction Surgery](#), earlier.

## Psychiatric Care

You can include in medical expenses amounts you pay for psychiatric care. This includes the cost of supporting a mentally ill dependent at a specially equipped medical center where the dependent receives medical care. See *Psychoanalysis*, next, and [Transportation](#), later.

## Psychoanalysis

You can include in medical expenses payments for psychoanalysis. However, you can't include payments for psychoanalysis that is part of required training to be a psychoanalyst.

## Psychologist

You can include in medical expenses amounts you pay to a psychologist for medical care.

## Special Education

You can include in medical expenses fees you pay on a doctor's recommendation for a child's tutoring by a teacher who is specially trained and qualified to work with children who have learning disabilities caused by mental or physical impairments, including nervous system disorders.

You can include in medical expenses the cost (tuition, meals, and lodging) of attending a school that furnishes special education to help a child to overcome learning disabilities. For expenses to be deductible, a doctor must recommend that the child attend the school. Overcoming the learning disabilities must be a principal reason for attending the school, and any ordinary education received must be incidental to the special education provided. Special education includes:

- Teaching Braille to a visually impaired person,
- Teaching lip reading to a hearing disabled person, or
- Giving remedial language training to correct a condition caused by a birth defect.

You can't include in medical expenses the cost of sending a child with behavioral problems to a school where the course of study and the disciplinary methods have a beneficial effect on the child's attitude if the availability of medical care in the school isn't a principal reason for sending the student there.

## Sterilization

You can include in medical expenses the cost of a legal sterilization (a legally performed operation to make a person unable to have children). Also see [Vasectomy](#), later.

## Stop-Smoking Programs

You can include in medical expenses amounts you pay for a program to stop smoking. However, you can't include in medical expenses amounts you pay for drugs that don't require a prescription, such as nicotine gum or patches, that are designed to help stop smoking.

## Surgery

See [Operations](#), earlier.

## Telephone

You can include in medical expenses the cost of special telephone equipment that lets a person who is deaf, hard of hearing, or has a speech disability communicate over a regular telephone. This includes teletypewriter (TTY) and

telecommunications device for the deaf (TDD) equipment. You can also include the cost of repairing the equipment.

## Television

You can include in medical expenses the cost of equipment that displays the audio part of television programs as subtitles for persons with a hearing disability. This may be the cost of an adapter that attaches to a regular set. It also may be the part of the cost of a specially equipped television that exceeds the cost of the same model regular television set.

## Therapy

You can include in medical expenses amounts you pay for therapy received as medical treatment.

## Transplants

You can include in medical expenses amounts paid for medical care you receive because you are a donor or a possible donor of a kidney or other organ. This includes transportation.

You can include any expenses you pay for the medical care of a donor in connection with the donating of an organ. This includes transportation.

## Transportation

You can include in medical expenses amounts paid for transportation primarily for, and essential to, medical care.

### You can include:

- Bus, taxi, train, or plane fares or ambulance service,
- Transportation expenses of a parent who must go with a child who needs medical care,
- Transportation expenses of a nurse or other person who can give injections, medications, or other treatment required by a patient who is traveling to get medical care and is unable to travel alone, and
- Transportation expenses for regular visits to see a mentally ill dependent, if these visits are recommended as a part of treatment.

**Car expenses.** You can include out-of-pocket expenses, such as the cost of gas and oil, when you use a car for medical reasons. You can't include depreciation, insurance, general repair, or maintenance expenses.

If you don't want to use your actual expenses for 2017, you can use the standard medical mileage rate of 17 cents a mile.

You can also include parking fees and tolls. You can add these fees and tolls to your medical expenses whether you use actual expenses or the standard mileage rate.

**Example.** In 2017, Bill Jones drove 2,800 miles for medical reasons. He spent \$400 for gas, \$30 for oil, and

\$100 for tolls and parking. He wants to figure the amount he can include in medical expenses both ways to see which gives him the greater deduction.

He figures the actual expenses first. He adds the \$400 for gas, the \$30 for oil, and the \$100 for tolls and parking for a total of \$530.

He then figures the standard mileage amount. He multiplies 2,800 miles by 17 cents a mile for a total of \$476. He then adds the \$100 tolls and parking for a total of \$576.

Bill includes the \$576 of car expenses with his other medical expenses for the year because the \$576 is more than the \$530 he figured using actual expenses.

**Transportation expenses you can't include.** You can't include in medical expenses the cost of transportation in the following situations.

- Going to and from work, even if your condition requires an unusual means of transportation.
- Travel for purely personal reasons to another city for an operation or other medical care.
- Travel that is merely for the general improvement of one's health.
- The costs of operating a specially equipped car for other than medical reasons.

## Trips

You can include in medical expenses amounts you pay for transportation to another city if the trip is primarily for, and essential to, receiving medical services. You may be able to include up to \$50 for each night for each person. You can include lodging for a person traveling with the person receiving the medical care. For example, if a parent is traveling with a sick child, up to \$100 per night can be included as a medical expense for lodging. Meals aren't included. See [Lodging](#), earlier.

You can't include in medical expenses a trip or vacation taken merely for a change in environment, improvement of morale, or general improvement of health, even if the trip is made on the advice of a doctor. However, see [Medical Conferences](#), earlier.

## Tuition

Under special circumstances, you can include charges for tuition in medical expenses. See [Special Education](#), earlier.

A lump-sum fee which includes education, board, and medical care—without distinguishing which part of the fee results from medical care—is not considered an amount payable for medical care. However, you can include charges for a health plan included in a lump-sum tuition fee if the charges are separately stated or can easily be obtained from the school.



## Vasectomy

You can include in medical expenses the amount you pay for a vasectomy.

## Vision Correction Surgery

See [Eye Surgery](#), earlier.

## Weight-Loss Program

You can include in medical expenses amounts you pay to lose weight if it is a treatment for a specific disease diagnosed by a physician (such as obesity, hypertension, or heart disease). This includes fees you pay for membership in a weight reduction group as well as fees for attendance at periodic meetings. You can't include membership dues in a gym, health club, or spa as medical expenses, but you can include separate fees charged there for weight loss activities.

You can't include the cost of diet food or beverages in medical expenses because the diet food and beverages substitute for what is normally consumed to satisfy nutritional needs. You can include the cost of special food in medical expenses only if:

1. The food doesn't satisfy normal nutritional needs,
2. The food alleviates or treats an illness, and
3. The need for the food is substantiated by a physician.

The amount you can include in medical expenses is limited to the amount by which the cost of the special food exceeds the cost of a normal diet. See also [Weight-Loss Program](#) under *What Expenses Aren't Includible*, later.

## Wheelchair

You can include in medical expenses the amounts you pay for a wheelchair used for the relief of a sickness or disability. The cost of operating and maintaining the wheelchair is also a medical expense.

## Wig

You can include in medical expenses the cost of a wig purchased upon the advice of a physician for the mental health of a patient who has lost all of his or her hair from disease.

## X-ray

You can include in medical expenses amounts you pay for X-rays for medical reasons.

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## What Expenses Aren't Includible?

Following is a list of some items that you can't include in figuring your medical expense deduction. The items are listed in alphabetical order.

### Baby Sitting, Childcare, and Nursing Services for a Normal, Healthy Baby

You can't include in medical expenses amounts you pay for the care of children, even if the expenses enable you, your spouse, or your dependent to get medical or dental treatment. Also, any expense allowed as a childcare credit can't be treated as an expense paid for medical care.

### Controlled Substances

You can't include in medical expenses amounts you pay for controlled substances (such as marijuana, laetrile, etc.) that aren't legal under federal law, even if such substances are legalized by state law.

### Cosmetic Surgery

Generally, you can't include in medical expenses the amount you pay for unnecessary cosmetic surgery. This includes any procedure that is directed at improving the patient's appearance and doesn't meaningfully promote the proper function of the body or prevent or treat illness or disease. You generally can't include in medical expenses the amount you pay for procedures such as face lifts, hair transplants, hair removal (electrolysis), and liposuction.

You can include in medical expenses the amount you pay for cosmetic surgery if it is necessary to improve a deformity arising from, or directly related to, a congenital abnormality, a personal injury resulting from an accident or trauma, or a disfiguring disease.

**Example.** An individual undergoes surgery that removes a breast as part of treatment for cancer. She pays a surgeon to reconstruct the breast. The surgery to reconstruct the breast corrects a deformity directly related to the disease. The cost of the surgery is includible in her medical expenses.

### Dancing Lessons

You can't include in medical expenses the cost of dancing lessons, swimming lessons, etc., even if they are recommended by a doctor, if they are only for the improvement of general health.

## Diaper Service

You can't include in medical expenses the amount you pay for diapers or diaper services, unless they are needed to relieve the effects of a particular disease.

## Electrolysis or Hair Removal

See [Cosmetic Surgery](#), earlier.

## Flexible Spending Account

You can't include in medical expenses amounts for which you are fully reimbursed by your flexible spending account if you contribute a part of your income on a pre-tax basis to pay for the qualified benefit.

## Funeral Expenses

You can't include in medical expenses amounts you pay for funerals.

## Future Medical Care

Generally, you can't include in medical expenses current payments for medical care (including medical insurance) to be provided substantially beyond the end of the year. This rule doesn't apply in situations where the future care is purchased in connection with obtaining lifetime care, as explained under [Lifetime Care—Advance Payments](#), or qualified long-term care insurance contracts, as explained under [Long-Term Care](#), earlier.

## Hair Transplant

See [Cosmetic Surgery](#), earlier.

## Health Club Dues

You can't include in medical expenses health club dues or amounts paid to improve one's general health or to relieve physical or mental discomfort not related to a particular medical condition.

You can't include in medical expenses the cost of membership in any club organized for business, pleasure, recreation, or other social purpose.

## Health Coverage Tax Credit

You can't include in medical expenses amounts you pay for health insurance you use in figuring your health coverage tax credit. For more information, see the Instructions for Form 8885.

## Health Savings Accounts

You can't include in medical expenses any payment or distribution for medical expenses out of a health savings account. Contributions to health savings accounts are deducted separately. See Pub. 969.

## Household Help

You can't include in medical expenses the cost of household help, even if such help is recommended by a doctor. This is a personal expense that isn't deductible. However, you may be able to include certain expenses paid to a person providing nursing-type services. For more information, see [Nursing Services](#), earlier, under *What Medical Expenses Are Includible*. Also, certain maintenance or personal care services provided for qualified long-term care can be included in medical expenses. For more information, see [Long-Term Care](#), earlier, under *What Medical Expenses Are Includible*.

## Illegal Operations and Treatments

You can't include in medical expenses amounts you pay for illegal operations, treatments, or controlled substances whether rendered or prescribed by licensed or unlicensed practitioners.

## Insurance Premiums

See [Insurance Premiums](#) under *What Medical Expenses Are Includible*, earlier.

## Maternity Clothes

You can't include in medical expenses amounts you pay for maternity clothes.

## Medical Savings Account (MSA)

You can't include in medical expenses amounts you contribute to an Archer MSA. You can't include expenses you pay for with a tax-free distribution from your Archer MSA. You also can't use other funds equal to the amount of the distribution and include the expenses. For more information on Archer MSAs, see Pub. 969.

## Medicines and Drugs From Other Countries

In general, you can't include in your medical expenses the cost of a prescribed drug brought in (or ordered shipped) from another country. You can only include the cost of a drug that was imported legally. For example, you can include the cost of a prescribed drug the Food and Drug Administration announces can be legally imported by individuals.

You can include the cost of a prescribed drug you purchase and consume in another country if the drug is legal in both the other country and the United States.

## Nonprescription Drugs and Medicines

Except for insulin, you can't include in medical expenses amounts you pay for a drug that isn't prescribed.

**Example.** Your doctor recommends that you take aspirin. Because aspirin is a drug that doesn't require a physician's prescription, you can't include its cost in your medical expenses.

## Nutritional Supplements

You can't include in medical expenses the cost of nutritional supplements, vitamins, herbal supplements, "natural medicines," etc. unless they are recommended by a medical practitioner as treatment for a specific medical condition diagnosed by a physician. These items are taken to maintain your ordinary good health and aren't for medical care.

## Personal Use Items

You can't include in medical expenses the cost of an item ordinarily used for personal, living, or family purposes unless it is used primarily to prevent or alleviate a physical or mental disability or illness. For example, the cost of a toothbrush and toothpaste is a nondeductible personal expense.

In order to accommodate an individual with a physical disability, you may have to purchase an item ordinarily used as a personal, living, or family item in a special form. You can include the excess of the cost of the item in a special form over the cost of the item in normal form as a medical expense. See [Braille Books and Magazines](#) under *What Medical Expenses Are Includible*, earlier.

## Premium Tax Credit

You can't include in medical expenses the amount of health insurance premiums paid by or through the premium tax credit. You also can't include in medical expenses any amount of advance payments of the premium tax credit made that you did not have to pay back. However, any amount of advance payments of the premium tax credit that you did have to pay back can be included in medical expenses.

## Swimming Lessons

See [Dancing Lessons](#), earlier.

## Teeth Whitening

You can't include in medical expenses amounts paid to whiten teeth. See [Cosmetic Surgery](#), earlier.

## Veterinary Fees

You generally can't include veterinary fees in your medical expenses, but see [Guide Dog or Other Service Animal](#) under *What Medical Expenses Are Includible*, earlier.

## Weight-Loss Program

You can't include in medical expenses the cost of a weight-loss program if the purpose of the weight loss is the improvement of appearance, general health, or sense of well-being. You can't include amounts you pay to lose weight unless the weight loss is a treatment for a specific disease diagnosed by a physician (such as obesity, hypertension, or heart disease). If the weight-loss treatment isn't for a specific disease diagnosed by a physician, you can't include either the fees you pay for membership in a weight reduction group or fees for attendance at periodic meetings. Also, you can't include membership dues in a gym, health club, or spa.

You can't include the cost of diet food or beverages in medical expenses because the diet food and beverages substitute for what is normally consumed to satisfy nutritional needs.

See [Weight-Loss Program](#) under *What Medical Expenses Are Includible*, earlier.

## How Do You Treat Reimbursements?

You can include in medical expenses only those amounts paid during the tax year for which you received no insurance or other reimbursement.

## Insurance Reimbursement

You must reduce your total medical expenses for the year by all reimbursements for medical expenses that you receive from insurance or other sources during the year. This includes payments from Medicare.

Even if a policy provides reimbursement only for certain specific medical expenses, you must use amounts you receive from that policy to reduce your total medical expenses, including those it doesn't reimburse.

**Example.** You have insurance policies that cover your hospital and doctors' bills but not your nursing bills. The insurance you receive for the hospital and doctors' bills is more than their charges. In figuring your medical deduction, you must reduce the total amount you spent for medical care by the total amount of insurance you received, even if the policies don't cover some of your medical expenses.

**Health reimbursement arrangement (HRA).** A health reimbursement arrangement is an employer-funded plan that reimburses employees for medical care expenses and allows unused amounts to be carried forward. An HRA is funded solely by the employer and the reimbursements for medical expenses, up to a maximum dollar amount for a coverage period, aren't included in your income.

**Learning Activity 4-10: Medical Allowance Verification****Task**

- Using the verifications provided, calculate Kevin Bullard's medical expenses and adjusted income.
- Kevin's only source of income is \$700 per month in TANF.

***Family Information:***

Relation	Name	Age	Disabled
Head	Kevin	47	Y
Youth	Amy	14	N
Youth	Arnold	13	N



Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
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## 8. Expected Income Per Year

8a. Total annual income: copy from 7i	\$	8a.
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### Permissible Deductions (Public Housing Only. If Section 8, Skip to 8f or 8q)

8b. Family member name	No.	8c. Type of permissible deduction	8d. Amount
			\$
			\$
			\$
			\$
			\$
			\$

8e. Total permissible deductions (sum of column 8d)	\$	8e.
---	----	-----

### If head/spouse/co-head is under 62 and no family member is disabled, skip to 8q

8f. Medical/disability threshold: 8a X 0.03		\$	8f.
8g. Total annual unreimbursed disability assistance expense (if no disability expenses, skip to 8k)		\$	8g.
8h. Maximum disability allowance: If 8g minus 8f is positive or zero, put amount		\$	8h.
	If negative and head/spouse/co-head is under 62 and not disabled, put 0	\$	8h.
	If negative and head/spouse/co-head is elderly or disabled, copy from 8g	\$	8h.
8i. Earnings in 7d made possible by disability assistance expense		\$	8i.
8j. Allowable disability assistance expense: lower of 8h or 8i (if 8g is less than 8f and head/spouse/co-head elderly or disabled, copy from 8h)		\$	8j.
8k. Total annual unreimbursed medical expenses (if head/spouse/co-head under 62 and not disabled, put 0)		\$	8k.
8m. Total annual disability assistance and medical expense: 8j + 8k (if no disability expenses, copy from 8k)		\$	8m.
8n. Medical/disability assistance allowance:	If no disability assistance expenses or if 8g is less than 8f, put 8m minus 8f (if 8m minus 8f is negative, put zero)	\$	8n.
	If disability assistance expenses and 8g is greater than or equal to 8f, copy from 8m	\$	8n.
8p. Elderly/disability allowance (default = \$400)		\$	8p.
8q. Number of dependents (people under 18, or with disability, or full-time student. Do not count head of household, spouse, co-head, foster child/adult, or live-in aide.)		\$	8q.
8r. Allowance per dependent (default = \$480)		\$	8r.
8s. Dependent allowance: 8q X 8r		\$	8s.
8t. Total annual unreimbursed childcare costs		\$	8t.
8x. Total allowances: 8e + 8n + 8p + 8s + 8t		\$	8x.
8y. Adjusted annual income: 8a minus 8x (if 8x is larger, put 0)		\$	8y.

## Rent Calculation II: Hands-on Workshop

### Adjusted Income

#### Section 4.2: Adjusted Income Common Errors

Housing Authority

#### DISABILITY VERIFICATION FORM

Public Housing Authorities are required to verify the disability of applicants claiming to be disabled to determine the applicant's eligibility for the housing and to compute rent. The resident has signed a release form below giving you permission to supply us with this information. Please fill out the form below and return it at your earliest convenience.

Sincerely yours, Steve Mason, Housing Specialist II, (555) 555-5432

The Department of Housing and Urban Development defines a disabled person in 3 ways:

- (1) A disabled person is one with an inability to engage in any substantial gainful activity because of any physical or mental impairment that is expected to result in death or has lasted or can be expected to last continuously for at least 12 months; or for a blind person at least 55 years old, inability because of blindness to engage in any substantial gainful activities comparable to those in which the person was previously engaged with some regularity and over a substantial period.
- (2) A developmentally disabled person is one with a severe chronic disability that:
  - (a) is attributable to a mental and/or physical impairment;
  - (b) as manifested before age 22;
  - (c) is likely to continue indefinitely;
  - (d) results in substantial functional limitations in three or more of the following areas: capacity for independent living, self-care, receptive and expressive language; learning, mobility, self-direction, and economic self-sufficiency AND
  - (e) requires special interdisciplinary or generic care treatment, or other services which are of extended or lifelong duration and are individually planned or coordinated.
- (3) A disabled person is also one who has a physical, emotional or mental impairment that:
  - (a) is expected to be of long-continued or indefinite duration;
  - (b) substantially impedes the person's ability to live independently;
  - (c) is such that the person's ability to live independently could be improved by more suitable housing conditions.

I, Dr. S. Carter, hereby certify that Kevin Bullard (person signing the release below should be considered disabled in accordance with definition number 3 above.)

Name and Title Dr. S Carter

Date 6/11/20XX

Signature Dr. S. Carter

Phone (555) 555-9876

#### TENANT/APPLICANT RELEASE

I, Kevin Bullard, hereby authorize the release of the requested information.

Signature Kevin Bullard

Date 6/10/20XX

(Form is from HUD's Public Housing Occupancy Guidebook, Appendix VIII - Public Housing Verification Forms: Page 369)

Rent Calculation II: Hands-on Workshop

Adjusted Income

Section 4.2: Adjusted Income Common Errors

Towncity Housing  
Authority

MEDICAL VERIFICATION FORM

June 10, 20XX

RE: Kevin Bullard

Public Housing Authorities are required by law to verify the medical expenses certain families. To comply with this requirement, we ask your cooperation in supplying the information requested below regarding the above referenced individual. The individual has signed a release form below giving you permission to supply us with this information. Please fill out the form below and return it at your earliest convenience.

Sincerely yours, Steve Mason, Housing Specialist II, (555) 555-5432

(1) Is this individual's condition likely to continue for the coming 12 months? X Yes    No

(2) Please check the type(s) of service(s) you provide:

- |                             |               |              |
|-----------------------------|---------------|--------------|
| (a) Physician Care          | <u>X</u> Yes  | <u>  </u> No |
| (b) Dental Care             | <u>  </u> Yes | <u>X</u> No  |
| (c) Hospital/Clinic Care    | <u>  </u> Yes | <u>X</u> No  |
| (d) Prescription Dispensing | <u>  </u> Yes | <u>X</u> No  |
| (e) Therapy                 | <u>  </u> Yes | <u>X</u> No  |
| (f) Medical Insurance       | <u>  </u> Yes | <u>X</u> No  |
| (g) Medical Transportation  | <u>  </u> Yes | <u>X</u> No  |
| (h) Other (please specify)  | <u>  </u> Yes | <u>X</u> No  |

Projected out-of-pocket, unreimbursed costs during the next 12 months: \$800

Name and Title Dr. S Carter

Date 6/11/20XX

Signature Dr. S. Carter

Phone (555) 555-9876

TENANT/APPLICANT RELEASE

I, Kevin Bullard, hereby authorize the release of the requested information.

Signature Kevin Bullard

Date 6/10/20XX

## Rent Calculation II: Hands-on Workshop

### Adjusted Income

#### Section 4.2: Adjusted Income Common Errors

7657 Elm St  
Towncity, CZ 12345  
(555)555-2187

Towncity Housing  
Authority

#### MEDICAL VERIFICATION FORM

June 10, 20XX

RE: Kevin Bullard

Public Housing Authorities are required by law to verify the medical expenses certain families. To comply with this requirement, we ask your cooperation in supplying the information requested below regarding the above referenced individual. The individual has signed a release form below giving you permission to supply us with this information. Please fill out the form below and return it at your earliest convenience.

Sincerely yours, Steve Mason, Housing Specialist II, (555) 555-5432

Please provide information regarding any ongoing prescriptions the above individual has filled at your pharmacy, including costs and frequency. Please do not include the name of the prescription or any information regarding the individual's medical condition. Please only include the cost to the individual; there is no need to list any prescription fully covered by medical insurance. Thank you for your assistance

No.	Cost per refill	Frequency
1	\$15	Monthly
2	\$ 4	Monthly
3	\$35	Monthly
4	\$25	Monthly
5		
6		
7		
8		
9		
10		

Name, Title, and Pharmacy Name Sally Ward, Pharmacist, DrugRite Date 6/12/20XX  
Signature Sally Ward Phone (555) 555-2336

#### TENANT/APPLICANT RELEASE

I, Kevin Bullard, hereby authorize the release of the requested information.

Signature Kevin Bullard Date 6/10/20XX

**Learning Activity 4-11: Medical Expenses on the 50058****Task**

- Calculate the Carrington family's adjusted income on the 50058.

***Family Information:***

Relation	Name	Age	Disabled
Head	Gene	82	N
Spouse	Sylvia	80	N

***Scenario***

- Gene Carrington collects Social Security in the amount of \$750 per month, but \$50 is deducted for his Medicare premium. His wife Sylvia collects Social Security in the amount of \$650 per month, but \$50 is deducted for her Medicare premium. This is their only source of income. They have no assets.
- The PHA has verified the following anticipated medical expenses for the Carrington family:
  - Dental expenses of \$150 every 6 months
  - \$50 per month on prescriptions
  - Annual co-pays for visiting the doctor of \$20 per month per person

Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
------------------------	------------------------	----------------------------

## 8. Expected Income Per Year

8a. Total annual income: copy from 7i	\$	8a.
---------------------------------------	----	-----

### Permissible Deductions (Public Housing Only. If Section 8, Skip to 8f or 8q)

8b. Family member name	No.	8c. Type of permissible deduction	8d. Amount
			\$
			\$
			\$
			\$
			\$
			\$

8e. Total permissible deductions (sum of column 8d)	\$	8e.
---	----	-----

### If head/spouse/co-head is under 62 and no family member is disabled, skip to 8q

8f. Medical/disability threshold: 8a X 0.03		\$	8f.
8g. Total annual unreimbursed disability assistance expense (if no disability expenses, skip to 8k)		\$	8g.
8h. Maximum disability allowance: If 8g minus 8f is positive or zero, put amount		\$	8h.
	If negative and head/spouse/co-head is under 62 and not disabled, put 0	\$	8h.
	If negative and head/spouse/co-head is elderly or disabled, copy from 8g	\$	8h.
8i. Earnings in 7d made possible by disability assistance expense		\$	8i.
8j. Allowable disability assistance expense: lower of 8h or 8i (if 8g is less than 8f and head/spouse/co-head elderly or disabled, copy from 8h)		\$	8j.
8k. Total annual unreimbursed medical expenses (if head/spouse/co-head under 62 and not disabled, put 0)		\$	8k.
8m. Total annual disability assistance and medical expense: 8j + 8k (if no disability expenses, copy from 8k)		\$	8m.
8n. Medical/disability assistance allowance:	If no disability assistance expenses or if 8g is less than 8f, put 8m minus 8f (if 8m minus 8f is negative, put zero)	\$	8n.
	If disability assistance expenses and 8g is greater than or equal to 8f, copy from 8m	\$	8n.
8p. Elderly/disability allowance (default = \$400)		\$	8p.
8q. Number of dependents (people under 18, or with disability, or full-time student. Do not count head of household, spouse, co-head, foster child/adult, or live-in aide.)		\$	8q.
8r. Allowance per dependent (default = \$480)		\$	8r.
8s. Dependent allowance: 8q X 8r		\$	8s.
8t. Total annual unreimbursed childcare costs		\$	8t.
8x. Total allowances: 8e + 8n + 8p + 8s + 8t		\$	8x.
8y. Adjusted annual income: 8a minus 8x (if 8x is larger, put 0)		\$	8y.

## **CHAPTER 5      Error Resolution in Rent Calculation**

---

### **LEARNING OUTCOMES**

Upon completion of this chapter, you should be able to:

- Calculate total tenant payment (TTP) using annual and adjusted income
- Determine how to verify and track minimum rent hardship exemptions
- Identify and correct inaccurate utility allowances using a schedule and unit description
- With regard to the HCV program:
  - Determine when to apply the maximum family share test and calculate maximum family share
- With regard to the public housing program:
  - Distinguish between flat rents and ceiling rents and correctly apply them

## Section 5.1      Total Tenant Payment

*CFR 5.628*

- Total Tenant Payment (TTP) is the highest of the following amounts, rounded to the nearest dollar:
  - In non-as-paid states:
    - 30 percent of family's monthly adjusted income
    - 10 percent of family's monthly income
    - PHA's minimum rent (\$0 - \$50 depending on PHA policy)
  - In as-paid states (New York, New Hampshire, Vermont)
    - 30 percent of family's monthly adjusted income
    - 10 percent of family's monthly income
    - PHA's minimum rent (\$0 - \$50 depending on PHA policy), or
    - Welfare rent - That part of welfare assistance received from a public agency, specifically designated by that agency to meet the family's actual housing costs.

What is this family's TTP? Note: This is not an as-paid state.

- 10 percent of monthly income is \$15
- 30 percent of monthly adjusted income is \$75
- The PHA's minimum rent is \$50



## Section 5.2 Minimum Rent

### APPLYING MINIMUM RENTS

*CFR 5.630*

- HUD requires PHAs to implement a minimum rent of zero to \$50.
- The minimum rent refers to the total tenant payment.

### EXEMPTIONS TO MINIMUM RENT

*CFR 5.630*

- HUD requires PHAs to adopt “hardship exemption” policies
- The PHA must grant an exemption from payment of minimum rent if the family is unable to pay minimum rent because of financial hardship, as described in the PHA’s written policies.
- Financial hardship includes these situations:
  - The family has lost eligibility for, or is awaiting an eligibility determination for, a Federal, State, or local assistance program.
    - Includes a noncitizen (lawfully admitted for permanent residence) family member who would be entitled to public benefits except for title IV of the Personal Responsibility and Work Opportunity Act of 1996
  - The family would be evicted because it is unable to pay the minimum rent
  - The income of the family has decreased due to changed circumstances, including:
    - Loss of employment
    - Death in the family
    - Other circumstances determined by the PHA or by HUD

Section 5.2: Minimum Rent

- The financial hardship exemption only applies to the payment of minimum rent and not to other elements used to calculate the total tenant payment.
- When a family requests a minimum rent hardship exemption, application of the minimum rent will be *suspended* beginning the month following the family's hardship request.
- During the minimum rent suspension period, the PHA must not apply the minimum rent in calculating the family's total tenant payment.
  - Public Housing: The PHA may not evict the family for nonpayment of minimum rent during a 90-day period beginning the month following the family's request for an exemption.
  - HCV program: The PHA must increase the housing assistance payment (HAP) during the suspension period.
- After suspending the minimum rent requirement, the PHA must promptly determine whether a qualifying hardship exists, and, if so, whether such hardship is temporary or long term.

***1. NO qualifying financial hardship***

- If the PHA determines there is no hardship covered by the statute, minimum rent is imposed retroactively to the time of suspension.
- The family must pay any back rent on terms and conditions established by the PHA.

## ***2. TEMPORARY qualifying financial hardship***

- The requirements for public housing and the HCV program are slightly different for temporary hardships.
  - Public housing:
    - If the hardship is temporary, the PHA must reinstate the minimum rent retroactively to the beginning of the suspension period.
    - The family must be offered a reasonable repayment agreement for any resulting back rent.
  - HCV program:
    - If the PHA determines a qualifying financial hardship is temporary, minimum rent may not be imposed for a period of 90 days beginning the month following the date of the family's request for a hardship exemption.
    - At the end of the 90-day suspension period, the PHA must reinstate the minimum rent retroactively to the beginning of the suspension.
    - The family must be offered a reasonable repayment agreement for any amount of back rent owed by the family.

## ***3. LONG TERM qualifying financial hardship***

- If the PHA determines a qualifying financial hardship is long term, the PHA must *exempt* the family from the minimum rent requirements so long as such hardship continues.
- Such exemption shall apply from the beginning of the month following the family's request for a hardship exemption until the end of the qualifying financial hardship.

**PHA PROCEDURES**

- The PHA must notify all families of the right to request minimum rent hardship exemptions under the law.
- Notification must advise families that hardship exemptions are subject to applicable PHA informal hearing procedures.
- The PHA can request reasonable documentation of hardship.

### **Learning Activity 5-1: Qualifying for Minimum Rent Hardship Exemptions**

#### **Task**

- The following families on Towncity PHA's program have requested minimum rent hardship exemptions during the month of May. Using an excerpt from Towncity PHA's policy, decide whether the families qualify for a minimum rent hardship exemption effective June 1st.
- **Note:** Minimum Rent at Towncity PHA is \$25

## **PHA POLICY**

### **FINANCIAL HARDSHIPS AFFECTING MINIMUM RENT [24 CFR 5.630]**

The financial hardship exemption applies only to families required to pay the minimum rent. If a family's TTP is higher than the minimum rent, the family is not eligible for a hardship exemption. If the PHA determines that a hardship exists, the TTP is the highest of the remaining components of the family's calculated TTP.

### **HUD-Defined Financial Hardship**

Financial hardship includes the following situations:

- (1) The family has lost eligibility for or is awaiting an eligibility determination for a federal, state, or local assistance program.

#### **PHA Policy**

A hardship will be considered to exist only if the loss of eligibility has an impact on the family's ability to pay the minimum rent.

For a family waiting for a determination of eligibility, the hardship period will end as of the first of the month following (1) implementation of assistance, if approved, or (2) the decision to deny assistance. A family whose request for assistance is denied may request a hardship exemption based upon one of the other allowable hardship circumstances.

- (2) The family would be evicted because it is unable to pay the minimum rent.

#### **PHA Policy**

For a family to qualify under this provision, the cause of the potential eviction must be the family's failure to pay rent or tenant-paid utilities.

- (3) Family income has decreased because of changed family circumstances, including the loss of employment.
- (4) A death has occurred in the family.

#### **PHA Policy**

In order to qualify under this provision, a family must describe how the death has created a financial hardship (e.g., because of funeral-related expenses or the loss of the family member's income).

- (5) The family has experienced other circumstances determined by the PHA.

#### **PHA Policy**

The PHA has not established any additional hardship criteria.

***Scenario***

1. At her last annual recertification in January, Amanda Matuk worked full-time at Computer World earning \$8 per hour. This was her only source of income. At that time, Amanda's TTP was \$407. However, Amanda has just notified the PHA that she has lost her job. The PHA recalculates Amanda's income, and her new TTP is the minimum rent of \$25. Amanda asks for a hardship exemption from the minimum rent.

Q1. Does Amanda qualify for a minimum rent hardship exemption under Anytown PHA's policies? Why?

- 
2. Janine Bradshaw is a person with disabilities. At her last annual recertification in March, her only source of income was a regular gift and contribution from outside her unit of \$80 per month from her mother. At that time, Janine's TTP was the minimum rent of \$25 dollars. However, Janine reports that her mother is no longer contributing any income to her unit. The PHA verifies this by sending a certification form to Janine's mother. Because of this, Janine has applied for SSI, but has not yet received any payments. Taking these changes into account, her TTP remains at the minimum rent of \$25.

Q2. Does Janine qualify for a minimum rent hardship exemption under Anytown PHA's policies? Why?

- 
3. Head of household Lauren Wollitz lives with her Aunt Linda who is her cohead. At their annual recertification in December, their only source of income was \$10,725 from Lauren's part-time job at Empire Beauty Supply. At that time, their TTP was \$258. However, Lauren has just reported that her Aunt Linda passed away this month. The PHA conducts an interim, and Lauren's new TTP remains \$258. Lauren requests a minimum rent hardship exemption because she is incurring high funeral costs.

Q3. Does Lauren qualify for a minimum rent hardship exemption under Anytown PHA's policies? Why?

---

**Learning Activity 5-2: Minimum Rent Hardship Exemptions on the 50058****Task**

- Calculate TTP for the Buchanan family on the 50058.

***Family Information:***

Relation	Name	Age	Disabled
Head	John	31	N
Spouse	Abigail	30	Y

***Scenario 1***

- At their annual recertification, the Buchanan family's income consists of John's full-time job at Staples where he earns \$9.00 per hour and a regular gift and contribution from Abigail's mother of \$100 per month. The family has no assets and no anticipated medical expenses. The PHA's minimum rent is \$35 and the welfare rent is \$0. Calculate their TTP on the 50058.



Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
------------------------	------------------------	----------------------------

## 9. Total Tenant Payment (TTP)

9a. Total monthly income: $8a \div 12$	\$	9a.
9c. TTP if based on annual income: $9a \times 0.10$	\$	9c.
9d. Adjusted monthly income: $8y \div 12$	\$	9d.
9e. Percentage of adjusted monthly income: use 30% for Section 8		9e.
9f. TTP if based on adjusted annual income: $(9d \times 9e) \div 100$	\$	9f.
9g. Welfare rent per month (if none, put 0)	\$	9g.
9h. Minimum rent (if waived, put 0)	\$	9h.
9i. Enhanced Voucher minimum rent	\$	9i.
9j. TTP, highest of lines 9c, 9f, 9g, 9h, or 9i	\$	9j.
9k. Most recent TTP	\$	9k.
9m. Qualify for minimum rent hardship exemption? (Y or N)	\$	9m.

***Scenario 2***

- John calls the PHA to inform them that he has lost his job. Assuming no other changes, recalculate their TTP on the 50058.

Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
------------------------	------------------------	----------------------------

## 9. Total Tenant Payment (TTP)

9a. Total monthly income: $8a \div 12$	\$	9a.
9c. TTP if based on annual income: $9a \times 0.10$	\$	9c.
9d. Adjusted monthly income: $8y \div 12$	\$	9d.
9e. Percentage of adjusted monthly income: use 30% for Section 8		9e.
9f. TTP if based on adjusted annual income: $(9d \times 9e) \div 100$	\$	9f.
9g. Welfare rent per month (if none, put 0)	\$	9g.
9h. Minimum rent (if waived, put 0)	\$	9h.
9i. Enhanced Voucher minimum rent	\$	9i.
9j. TTP, highest of lines 9c, 9f, 9g, 9h, or 9i	\$	9j.
9k. Most recent TTP	\$	9k.
9m. Qualify for minimum rent hardship exemption? (Y or N)	\$	9m.

***Scenario 3***

- John requests a minimum rent hardship exemption due to his change in circumstances, and the PHA grants the exemption. Assuming no other changes, recalculate their TTP on the 50058.

Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
------------------------	------------------------	----------------------------

### 9. Total Tenant Payment (TTP)

9a. Total monthly income: $8a \div 12$	\$	9a.
9c. TTP if based on annual income: $9a \times 0.10$	\$	9c.
9d. Adjusted monthly income: $8y \div 12$	\$	9d.
9e. Percentage of adjusted monthly income: use 30% for Section 8		9e.
9f. TTP if based on adjusted annual income: $(9d \times 9e) \div 100$	\$	9f.
9g. Welfare rent per month (if none, put 0)	\$	9g.
9h. Minimum rent (if waived, put 0)	\$	9h.
9i. Enhanced Voucher minimum rent	\$	9i.
9j. TTP, highest of lines 9c, 9f, 9g, 9h, or 9i	\$	9j.
9k. Most recent TTP	\$	9k.
9m. Qualify for minimum rent hardship exemption? (Y or N)	\$	9m.

## Section 5.3      Utility Allowance

*HCV Program GB 6-3*

- In both public housing and HCV, a utility allowance is calculated for an assisted family if the family is responsible for paying the cost of any utilities (excluding telephone).

*CFR 5.603(b)*

- By definition, a utility allowance is “an amount equal to the estimate made or approved by a PHA or HUD of the monthly cost of a reasonable consumption of [tenant-paid] utilities...by an energy-conservative household.”

*CFR 982.517*

- Each PHA is responsible for maintaining a utility allowance schedule for all tenant-paid utilities.

*CFR 982.517(d)(1)*

- In the HCV program, the family’s utility allowance is the lower of the unit size or the family’s voucher size.

## **Section 5.4      Utility Allowance Common Errors**

- In the public housing program, PHAs often have the utility allowance attached to the unit. This results in few to no utility allowance calculation errors.
- In the HCV program, the PHA must look at multiple unit components:
  - Utility allowance schedule
  - Unit size
  - Unit type (apartment, row house, single-family detached, etc.)
  - Utility category (heating, cooking, water heating, water, sewer, etc.)
  - Utility source (gas, electric, oil, etc.)
- Inconsistency among documents (Inspection, RFTA, HAPC, lease and 50058) leads to errors. Files should be able to stand on their own, with the documents in the files leaving a clear audit trail.
- Most PHAs have resorted to requiring a completed copy of the utility allowance schedule to be included in the family file. Staff should review before finalizing the action in the agency software. This also assists reviewers in understanding how the utility allowance was calculated.

### Learning Activity 5-3: Utility Allowance Schedule- HCV

- On the following pages you will find documents from a sample tenant file. Assume that you are reviewing the documents to verify the utility allowance. Gather the information you need to complete the chart below. Then analyze the chart to determine what problems, if any, the file documents pose for a reviewer. Note the results of your analysis in the space provided on the next page. Use the documents on the following pages to fill out the chart. Evaluate each document separately. If information is missing on one document, do not use information from another.

	RFTA	Inspection Form	50058	Lease	HAP Contract
Voucher BR Size					
Unit BR Size					
Structure Type					
Tenant-Paid Utilities					
Utility Allowance Amount					



This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

# Request for Tenancy Approval Housing Choice Voucher Program

U.S. Department of Housing  
and Urban Development  
Office of Public and Indian Housing

OMB Approval No. 2577-0169  
(exp. 03/31/2004)

Public reporting burden for this collection of information is estimated to average .08 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

Eligible families submit this information to the Public Housing Authority (PHA) when applying for housing assistance under Section 8 of the U.S. Housing Act of 1937 (42 U.S.C. 1437f). The PHA uses the information to determine if the family is eligible, if the unit is eligible, and if the lease complies with program and statutory requirements. Responses are required to obtain a benefit from the Federal Government. The information requested does not lend itself to confidentiality.

1. Name of Public Housing Agency (PHA) <b>SEAPORT CITY HA</b>			2. Address of Unit (street address, apartment number, city, State & zip code) <b>2228 WESTVIEW AVE. #6 SEAPORT CITY</b>				
3. Requested Beginning Date of Lease <b>8/15/03</b>	4. Number of Bedrooms <b>2</b>	5. Year Constructed <b>1985</b>	6. Proposed Rent <b>800</b>	7. Security Deposit Amt. <b>350</b>	8. Date Unit Available for Inspection <b>8/2/03</b>		
9. Type of House/Apartment <input type="checkbox"/> Single Family Detached <input type="checkbox"/> Semi-Detached / Row House <input type="checkbox"/> Manufactured Home <input checked="" type="checkbox"/> Garden / Walkup <input type="checkbox"/> Elevator / High-Rise							
10. If this unit is subsidized, indicate type of subsidy: <input type="checkbox"/> Section 202 <input type="checkbox"/> Section 221(d)(3)(BMIR) <input type="checkbox"/> Section 236 (Insured or noninsured) <input type="checkbox"/> Section 515 Rural Development <input type="checkbox"/> Home <input type="checkbox"/> Tax Credit <input type="checkbox"/> Other (Describe Other Subsidy, Including Any State or Local Subsidy) _____							

## 11. Utilities and Appliances

The owner shall provide or pay for the utilities and appliances indicated below by an "O". The tenant shall provide or pay for the utilities and appliances indicated below by a "T". Unless otherwise specified below, the owner shall pay for all utilities and appliances provided by the owner.

Item	Specify fuel type	Provided by	Paid by		
Heating	<input checked="" type="checkbox"/> Natural gas <input type="checkbox"/> Bottle gas <input type="checkbox"/> Oil <input type="checkbox"/> Electric <input type="checkbox"/> Coal or Other			<b>O</b>	<b>O</b>
Cooking	<input checked="" type="checkbox"/> Natural gas <input type="checkbox"/> Bottle gas <input type="checkbox"/> Oil <input type="checkbox"/> Electric <input type="checkbox"/> Coal or Other			<b>O</b>	<b>O</b>
Water Heating	<input checked="" type="checkbox"/> Natural gas <input type="checkbox"/> Bottle gas <input type="checkbox"/> Oil <input type="checkbox"/> Electric <input type="checkbox"/> Coal or Other			<b>O</b>	<b>O</b>
Other Electric				<b>T</b>	<b>T</b>
Water				<b>O</b>	<b>O</b>
Sewer				<b>O</b>	<b>O</b>
Trash Collection				<b>O</b>	<b>O</b>
Air Conditioning				<b>-</b>	<b>-</b>
Refrigerator				<b>O</b>	<b>O</b>
Range/Microwave				<b>O</b>	<b>O</b>
Other (specify)					

# Inspection Checklist

Housing Choice Voucher Program

U.S. Department of Housing  
and Urban Development  
Office of Public and Indian Housing

OMB Approval No. 2577-0169  
(Exp. 9/30/2002)

Public reporting burden for this collection of information is estimated to average 5 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number. This collection of information is authorized under Section 8 of the U.S. Housing Act of 1937 (42 U.S.C. 1437f). The information is used to determine if a unit meets the housing quality standards of the section 8 rental assistance program.

Name of Family <b>Vernice Henderson</b>		Tenant ID Number <b>123-45-6789</b>	Date of Request (mm/dd/yyyy) <b>7/25/03</b>
Inspector <b>Bill Gadget</b>		Neighborhood/Census Tract <b>126</b>	Date of Inspection (mm/dd/yyyy) <b>8/4/03</b>
Type of Inspection <input checked="" type="checkbox"/> Initial <input type="checkbox"/> Special <input type="checkbox"/> Reinspection		Date of Last Inspection (mm/dd/yyyy)	PHA <b>Seaport City HA</b>

## A. General Information

Inspected Unit	Year Constructed (yyyy)	Housing Type (check as appropriate) <input type="checkbox"/> Single Family Detached <input type="checkbox"/> Duplex or Two Family <input type="checkbox"/> Row House or Town House <input checked="" type="checkbox"/> Low Rise: 3, 4 Stories, Including Garden Apartment <input type="checkbox"/> High Rise: 5 or More Stories <input type="checkbox"/> Manufactured Home <input type="checkbox"/> Congregate <input type="checkbox"/> Cooperative <input type="checkbox"/> Independent Group Residence <input type="checkbox"/> Single Room Occupancy <input type="checkbox"/> Shared Housing <input type="checkbox"/> Other
Full Address (including Street, City, County, State, Zip) <b>2228 Westview Avenue #6 Seaport City, ST</b>		
Number of Children in Family Under 6 <b>0</b>		
Owner Name of Owner or Agent Authorized to Lease Unit Inspected <b>Paul Johnson</b>	Phone Number <b>425-6789</b>	
Address of Owner or Agent <b>6767 Wares Road Seaport City, ST</b>		

## B. Summary Decision On Unit (To be completed after form has been filled out)

<input checked="" type="checkbox"/> Pass	Number of Bedrooms for Purposes of the FMR or Payment Standard <b>2</b>	Number of Sleeping Rooms <b>3</b>
<input type="checkbox"/> Fail		
<input type="checkbox"/> Inconclusive		

Inspection Checklist				Comment	Final Approval Date (mm/dd/yyyy)
Item No.	Yes Pass	No Fail	In-Conc.		
<b>1. Living Room</b>					
1.1 Living Room Present	✓				
1.2 Electricity	✓				
1.3 Electrical Hazards	✓				
1.4 Security	✓				
1.5 Window Condition	✓				
1.6 Ceiling Condition	✓				
1.7 Wall Condition	✓				
1.8 Floor Condition	✓				

\* Room Codes: 1 = Bedroom or Any Other Room Used for Sleeping (regardless of type of room); 2 = Dining Room or Dining Area; 3 = Second Living Room, Family Room, Den, Playroom, TV Room; 4 = Entrance Halls, Corridors, Halls, Staircases; 5 = Additional Bathroom; 6 = Other

Head of household name		Social Security Number	Date modified (mm/dd/yyyy)
3t. Total number in household			2 3t.
3u. Family subsidy status under Noncitizens Rule: C = Qualified for continuation of full assistance E = Eligible for full assistance F = Eligible for full assistance pending verification of status P = Prorated assistance			E 3u.
3v. Eligibility effective date (mm/dd/yyyy) if qualified for continuation of full assistance (3u=C)			3v.
3w. If new head of household, former head of household's SSN			3w.
<b>4. Background at Admission</b>			
4a. Date (mm/dd/yyyy) entered waiting list			11/7/02 4a.
4b. ZIP code before admission			12347 4b.
4c. Homeless at admission? (Y or N)			N 4c.
4d. Does family qualify for admission over the very low-income limit? (Section 8 only) (Y or N)			N 4d.
4e. Continuously assisted under the 1937 Housing Act? (Y or N)			N 4e.
4f. Is there a HUD approved income targeting disregard? (Y or N)			N 4f.
<b>5. Unit to be Occupied on Effective Date of Action</b>			
5a. Unit address			
Number and street		2228 WESTVIEW AVENUE Apt. 6	
City	State	Zip code (+4)	
SEAPORT CITY	ST	12345	
5b. Is mailing address same as unit address? (Y or N) (if yes, skip to 5d)			Y 5b.
5c. Family's mailing address			
Number and street		Apt.	
City	State	Zip code (+4)	
5d. Number of bedrooms in unit			2 5d.
5e. Has the PHA identified this unit as an accessible unit? (Public/Indian Housing only) (Y or N)			5e.
5f. Has the family requested accessibility features? (Public/Indian Housing only) (Y or N) (if no, skip to next section)			5f.
5g. Has the family received requested accessibility features? (Public/Indian Housing only) <input type="checkbox"/> a. Yes, fully <input type="checkbox"/> b. Yes, partially <input type="checkbox"/> c. No, not at all <input type="checkbox"/> d. Action pending (can be checked in combination with b. or c.)			5g.
5h. Date (mm/dd/yyyy) unit last passed HQS inspection (Section 8 only, except Homeownership)			8/4/03 5h.
5i. Date (mm/dd/yyyy) of last annual HQS inspection (Section 8 only, except Homeownership)			5i.
5j. Year (yyyy) unit was built (Section 8 only)			1985 5j.
5k. Structure type (check only one) (Section 8 only) <input type="checkbox"/> Single family detached <input type="checkbox"/> Semi-detached <input checked="" type="checkbox"/> Rowhouse/townhouse <input type="checkbox"/> Low-rise <input type="checkbox"/> High rise with elevator <input type="checkbox"/> Manufactured home			5k.

Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
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## 12. Section 8 Vouchers

12a. Number of bedrooms on Voucher		2	12a.
12b. Is family now moving to this unit? (Y or N)			12b.
12c. Does the family qualify as a Hard to House family? (Y or N)			12c.
12d. Did family move into your PHA jurisdiction under portability? (Y or N) (if no, skip to 12g)			12d.
12e. Cost billed per month (put 0 if absorbed)		\$	12e.
12f. PHA code billed			12f.
12g. Housing type:	<input type="checkbox"/> Group home (prorate gross rent)		
<input type="checkbox"/> Own manufactured home, lease space	<input type="checkbox"/> SRO: 1 room occupied by 1 person		
12h. Owner name			12h.
12i. Owner TIN/SSN			12i.
12j. Payment standard for the family	\$	844	12j.
12k. Rent to owner	\$	800	12k.
12m. Utility allowance, if any	\$	29	12m.
12n. Reserved			
12p. Gross rent of unit: 12k + 12m (or Space Rent)	\$	829	12p.
12q. Lower of 12j or 12p (if Premerger Voucher contract, see Instruction Booklet)	\$	829	12q.
12r. TTP: copy from 9j	\$	370	12r.
12s. Total HAP: 12q minus 12r	\$	459	12s.
<b>Rent Calculation (If prorated rent, skip to 12ab)</b>			
12t. Total family share: 12p minus 12s	\$	370	12t.
12u. HAP to owner: lower of 12k or 12s	\$	459	12u.
12v. Tenant rent to owner: 12k minus 12u		\$	341 12v.
12w. Utility reimbursement to family: 12s minus 12u, but do not exceed 12m		\$	12w.
<b>Prorated Rent Calculation</b>			
12aa. Reserved			
12ab. Normal total HAP: copy from 12s, but do not exceed 12p	\$		12ab.
12ac. Total number eligible			12ac.
12ad. Total number in family			12ad.
12ae. Proration percentage: 12ac ÷ 12ad			12ae.
12af. Prorated total HAP: 12ab X 12ae			12af.
12ag. Mixed family total family contribution: 12p minus 12af	\$		12ag.
12ah. Utility allowance: copy from 12m	\$		12ah.
12ai. Mixed family tenant rent to owner: 12ag minus 12ah	If positive or 0, put tenant rent		\$ 12ai.
	If negative, credit tenant	or CR	\$ 12ai.
12aj. Prorated HAP to owner: 12k minus 12ai. If 12ai is negative, put 12k		\$	12aj.
12ak. Reserved			

## ABC GARDENS LEASE AGREEMENT

### Section 8 Tenant-Based Assistance Housing Choice Voucher Program

This lease is in three parts: **Part A** contains required lease information. **Part B** consists of the HUD 52641-A Tenancy Addendum, and **Part C** contains additional lease provisions.

#### Part A: Lease Information

1. **Contract Unit:** (enter address of unit, including apartment number, if any)  
2228 Westview Avenue; Apt. 6  
Seaport City, ST 12345
2. **Tenant:** (Enter full name of tenant)  
Vernice Henderson
3. **Owner:** (Enter name and address of owner)  
Paul Johnson  
6767 Wares Road; Seaport City, ST 12456
4. **Initial Term:** The initial term of lease must be at least one year unless a shorter term is approved by the PHA.  
**The initial term begins on** 8/16/2003  
**The initial term ends on** 8/31/2004

Following the initial term of the lease, the lease will be renewed automatically on a

☒ **month-to-month** ☐ **indefinite** duration basis until:

- a. termination of the lease by the owner in accordance with this lease;
- b. termination of the lease by the tenant in accordance with this lease;
- c. mutual agreement between the owner and tenant to terminate the lease during the term of the lease;
- d. termination of the Housing Assistance Payments Contract by the PHA;
- e. termination of the tenant family's assistance by the PHA.

5. **Household Members:** (Enter the full names of all family members.)

<b>Vernice Henderson</b>	
<b>Mary White (daughter)</b>	

The family must promptly inform the PHA of the birth, adoption, or court-awarded custody of a child. No other person may reside in the unit without prior written approval by the Owner and the PHA.

6. **Rent to Owner** (total monthly rent): \$ 800
- a. **Tenant Rent to Owner:** \$ 341
- b. **Housing Assistance Payment to Owner:** \$ 459

The total rent to owner is the initial rent for this unit. The housing assistance payment to owner shall be payable by the Public Housing Agency (PHA) as housing assistance payments on behalf of the tenant. The tenant rent to owner shall be payable by the tenant directly to the Owner. Rent is due and payable on the first day of the month beginning on 9/1/2003.

The amount of the rent to owner is subject to change after the initial term of the lease upon agreement by the owner and tenant. The owner must give the PHA 60 calendar days written notice before commencement of any change in rent. The notice shall state the new rental amount and the date the new rental amount will be effective. Changes in rent shall be subject to the PHA's rent reasonableness requirements.

The amount of tenant rent is subject to change during the term of the lease. Any changes in the amount of the tenant rent will be effective on the date stated in a notice by the PHA to the family and owner.

- c. **Penalties for Late Payment of Tenant Rent:** The tenant shall be charged a late charge for all rent not paid in accordance with the terms and conditions of this lease. Such late charge shall be in addition to the usual monthly rent and will apply if tenant rent is unpaid on the 10th day of the month.



# ABC GARDENS LEASE AGREEMENT

## Section 8 Tenant-Based Assistance Housing Choice Voucher Program

7. **Security Deposit:** The tenant has deposited \$350 with the owner as a security deposit. The amount of the security deposit does not exceed the amount of security deposits charged by the owner to unassisted tenants or the private market practice for the area where the unit is located.
8. **Pets:** The tenant ☐ may ☐ may not keep pets.
9. **Utilities and Appliances:** The owner shall provide for or pay for the utilities and appliances as indicated below by an "O" without any additional charge to the tenant. The tenant shall provide or pay for the utilities and appliances as indicated below by a "T".

Item		Provided by	Paid by
Heating	Natural gas		O
	Bottle gas		
	Oil/Electric		
	Coal/Other		
Cooking	Natural gas		
	Bottle gas		
	Oil/Electric		T
	Coal/Other		
Other Electric			T
Air Conditioning			-

Item		Provided by	Paid by
Water heating	Natural gas		O
	Bottle gas		
	Oil/Electric		
	Coal/Other		
Water			O
Sewer			O
Trash Collection			O
Range/Microwave			O
Refrigerator			O
Other (specify)			

The owner shall provide the following additional appliances for the dwelling unit. (If none specified, no additional appliances are provided.)

### 10. Maintenance and Services:

**Security equipment and services to be provided by the owner.** (If none are specified, it is assumed there are none.)

**The owner shall provide Extermination service as conditions may require.** If such service is to be provided on a scheduled basis, the schedule is as follows: (if none specified, it is assumed that none are provided.)

11. **Lease termination or move out by family:** The tenant may terminate the lease without cause at any time after the initial term of the lease by giving a ☐ 30 calendar day ☐ 60 calendar day written notice to the owner. The tenant must notify the PHA and the owner before the family moves out of the unit.

### SIGNATURES:

TENANT	<u><i>Denice Henderson</i></u>	<u>8/16/03</u>
	Signature of Tenant	Date Signed
OWNER	<u><i>Paul Johnson</i></u>	<u>8/16/03</u>
	Signature of Owner	Date Signed

**Housing Assistance Payments Contract  
(HAP Contract)  
Section 8 Tenant-Based Assistance  
Housing Choice Voucher Program**

U.S. Department of Housing  
and Urban Development  
Office of Public and Indian Housing

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**Part A of the HAP Contract: Contract Information**

(To prepare the contract, fill out all contract information in Part A.)

**1. Contents of Contract**

This HAP contract has three parts:

- Part A: Contract Information
- Part B: Body of Contract
- Part C: Tenancy Addendum

**2. Tenant**

Vernice Henderson

**3. Contract Unit**

2228 Westview Avenue  
Apt. 6  
Seaport City, ST 12345

**4. Household**

The following persons may reside in the unit. Other persons may not be added to the household without prior written approval of the owner and the PHA.

Vernice Henderson  
Mary White (daughter)

**5. Initial Lease Term**

The initial lease term begins on (mm/dd/yyyy): 8/16/03  
The initial lease term ends on (mm/dd/yyyy): 8/31/04

**6. Initial Rent to Owner**

The initial rent to owner is: \$ 800  
During the initial lease term, the owner may not raise the rent to owner.

**7. Initial Housing Assistance Payment**

The HAP contract term commences on the first day of the initial lease term. At the beginning of the HAP contract term, the amount of the housing assistance payment by the PHA to the owner is \$ 459 per month.

The amount of the monthly housing assistance payment by the PHA to the owner is subject to change during the HAP contract term in accordance with HUD requirements.



## 8. Utilities and Appliances

The owner shall provide or pay for the utilities and appliances indicated below by an "O". The tenant shall provide or pay for the utilities and appliances indicated below by a "T". Unless otherwise specified below, the owner shall pay for all utilities and appliances provided by the owner.

Item	Specify fuel type	Provided by	Paid by
Heating	<input checked="" type="checkbox"/> Natural gas <input type="checkbox"/> Bottle gas <input type="checkbox"/> Oil or Electric <input type="checkbox"/> Coal or Other		O
Cooking	<input checked="" type="checkbox"/> Natural gas <input type="checkbox"/> Bottle gas <input type="checkbox"/> Oil or Electric <input type="checkbox"/> Coal or Other		O
Water Heating	<input checked="" type="checkbox"/> Natural gas <input type="checkbox"/> Bottle gas <input type="checkbox"/> Oil or Electric <input type="checkbox"/> Coal or Other		O
Other Electric			T
Water			O
Sewer			O
Trash Collection			O
Air Conditioning			-
Refrigerator			O
Range/Microwave			O
Other (specify)			

### Signatures:

#### Public Housing Agency

SEAPORT CITY HA

Print or Type Name of PHA

Sue Brady

Signature

SUE BRADY, OCC SPECIALIST

Print or Type Name and Title of Signatory

8/16/03

Date (mm/dd/yyyy)

#### Owner

PAUL JOHNSON

Print or Type Name of Owner

Paul Johnson

Signature

Print or Type Name and Title of Signatory

8/16/03

Date (mm/dd/yyyy)

### Mail Payments to:

Name

Address (street, city, State, Zip)

# SEAPORT CITY HOUSING AUTHORITY

<b>FMR/PAYMENT STANDARDS</b>					
	<b>0 BR</b>	<b>1 BR</b>	<b>2 BR</b>	<b>3 BR</b>	<b>4 BR</b>
<b>FMR</b>	555	622	768	938	1,014
<b>Payment Standard</b>	610	684	844	1,031	1,115

<b>UTILITY ALLOWANCES: SEMI-DETACHED/ROW HOUSE</b>					
<b>BEDROOM SIZE</b>	<b>0 BR</b>	<b>1 BR</b>	<b>2 BR</b>	<b>3 BR</b>	<b>4BR</b>
<b>HEATING</b>					
Gas	36	48	64	79	95
Electric	38	51	70	86	105
<b>COOKING</b>					
Gas	4	6	7	9	11
Electric	3	4	5	6	7
<b>OTHER ELECTRIC</b>					
	18	23	29	34	39
<b>WATER HEATING</b>					
Gas	10	15	19	23	29
Electric	15	20	26	32	37
<b>WATER</b>					
	5	5	10	15	21
<b>SEWER</b>					
	5	5	9	13	17
<b>RANGE</b>					
	8	8	8	8	8
<b>REFRIGERATOR</b>					
	10	10	10	10	10

**SEAPORT CITY HOUSING AUTHORITY**

<b>UTILITY ALLOWANCES: GARDEN/WALKUP</b>					
<b>BEDROOM SIZE</b>	<b>0 BR</b>	<b>1 BR</b>	<b>2 BR</b>	<b>3 BR</b>	<b>4BR</b>
<b>HEATING</b>					
Gas	31	41	55	67	82
Electric	32	43	60	73	89
<b>COOKING</b>					
Gas	4	6	7	9	11
Electric	3	4	5	6	7
<b>OTHER ELECTRIC</b>					
	18	23	33	34	39
<b>WATER HEATING</b>					
Gas	10	15	19	23	29
Electric	15	20	26	32	37
<b>WATER</b>					
	5	5	10	15	21
<b>SEWER</b>					
	5	5	9	13	17
<b>RANGE</b>					
	8	8	8	8	8
<b>REFRIGERATOR</b>					
	10	10	10	10	10

## HCV – MAXIMUM FAMILY SHARE AT INITIAL OCCUPANCY

*CFR 982.305(a)(5) and  
982.508*

- Any new admission or any family who moves may not pay more than 40% of adjusted monthly income toward the family share if the gross rent for the unit is greater than the applicable payment standard for the family.
- This limit applies only at the time of initial leasing of a unit, not after.

## PUBLIC HOUSING – FLAT RENTS

*24 CFR 960.253(b)  
Notice PIH 2017-23*

- For each public housing unit, a PHA must establish a flat rent that is based on the market rent charged for comparable units in the private unassisted rental market. It is equal to the estimated rent for which the PHA could promptly lease the public housing unit after preparation for occupancy.
- The PHA must use a reasonable method of determining flat rent that takes into consideration:
  - Location
  - Quality
  - Size
  - Unit type
  - Age of the unit
  - Amenities
  - Housing services
  - Maintenance
  - Utilities provided by the PHA and/or landlord (for comparable units in the market study)
- Once the PHA has determined flat rent amounts based on HUD's rent reasonableness methodology, the PHA must then compare this amount to the FMR or Small Area FMR (SAFMR) and must set the flat rent at no less than 80 percent of the FMR or SAFMR, or where HUD does not publish a SAFMR, 80 percent of the unadjusted rent, subject to utility adjustments.

- PHAs are now required to apply a utility allowance to flat rents as necessary. Flat rents set at eighty percent of the FMR must be reduced by the amount of the unit's utility allowance (if any).
  - For example, if eighty percent of the current FMR for a 1-bedroom unit in a PHA's area is \$400:
    - PHA utility allowance for a 1-bedroom is \$50, the flat rent is \$350
    - PHA utility allowance for a 1-bedroom is \$0, the flat rent is \$400
- For current residents whose rent would increase as a result of new flat rent requirements, the PHA must restrict the increases to no more than thirty-five percent of the current tenant rent per year. This may necessitate a phase-in of the rent increase.
- The PHA must conduct a flat rent impact analysis to determine the percent increase in the family's rent amount. The PHA would multiply the existing flat rent amount by 1.35 (or a lesser amount under state/local law).

**IMPACT ANALYSIS EXAMPLE: THE MIRANDA FAMILY**

**Part 1**

- The Miranda family's current flat rent is \$500. Their income-based rent as calculated by the PHA would be \$800. The new flat rent based on eighty percent of the FMR would be \$700.

$$\$500 \times 1.35 = \$675$$

A flat rent of \$700 would make the Miranda family's rent increase by more than thirty-five percent, therefore the PHA would offer the Miranda family the choice between a \$675 flat rent and an \$800 income-based rent.

**Part 2**

- The following year at the Miranda family's recertification, they are still paying a flat rent of \$675. Their income-based rent would remain \$800, however, the flat rent has increased to \$750 due to an increase in the current FMR.

$$\$675 \times 1.35 = \$911.25$$

A flat rent of \$750 is less than a thirty-five percent increase, therefore the PHA would offer the Miranda family the choice between a \$750 flat rent and an \$800 income-based rent.

*CFR 960.253(b)*

- The flat rent is designed to encourage self-sufficiency and to avoid creating disincentives for continued residency by families that are attempting to become economically self-sufficient.
- For a family that chooses the flat rent option, the PHA must conduct a reexamination of family income at least once every three years.

- The flat rent amount is not locked in for three years. The PHA must revise the flat rent annually based on changes in the FMR and must offer the family a choice between their applicable income-based rent and the current flat rent.
- No later than 90 days after the effective date of the new annual FMRs, PHAs must implement new flat rents as necessary based on changes to the FMR/SAFMR/ unadjusted rent or request an exception. If the FMR falls from year to year, the PHA may but is not required to lower the flat rent to 80 percent of the current FMR.

## **PUBLIC HOUSING – FAMILY CHOICE OF RENTAL PAYMENT**

*CFR 960.253(a)(1)*

- PHAs must give families the opportunity to choose between income-based rent and flat rent once a year.
- PHAs must provide families with sufficient information to make an informed choice. This information must include at least the following in writing:
  - The PHA's policies on switching type of rent in circumstances of financial hardship
  - The dollar amount of tenant rent for the family under each option
- If a family chooses flat rent one year, a PHA is required to provide the amount of income-based rent for the subsequent year only under either of the following conditions:
  - It is the year the PHA is conducting an income reexamination.
  - The family requests the information and submits updated income information.
- The PHA must maintain records that:
  - Document flat rents offered to families

*CFR 960.257(a)(2)*

- The PHA must conduct a reexamination of family composition at least annually.

## **PUBLIC HOUSING – SWITCHING FROM FLAT RENT TO INCOME-BASED RENT BECAUSE OF HARDSHIP**

*CFR 960.253(f)*

- A PHA must adopt written policies for determining when payment of flat rent is a financial hardship for a family.
- The policies must include the following situations as well as any others that the PHA determines to be appropriate:
  - The family has experienced a decrease in income because of changed circumstances, including loss or reduction of employment, death in the family, or reduction in or loss of earnings or other assistance.
  - The family has experienced an increase in expenses for medical costs, child care, transportation, education, or similar items.
- A family paying flat rent may at any time request a switch to income-based rent if payment of flat rent is a financial hardship.
- If the PHA determines that the family is unable to pay the flat rent because of financial hardship, the PHA must immediately allow the requested switch to income-based rent.
- The PHA must make the determination within a reasonable time after the family request.

*3/29/00: Changes to Admission and Occupancy Requirements in the Public Housing and Section 8 Housing Assistance Programs; Final Rule, comments*

- When establishing its policies, a PHA should indicate the time frame in which a family must notify the PHA of a financial hardship and the need to switch rent options.
- The PHA should be able to act within 30 days, which includes verifying the financial hardship, before switching the family from one system to the other.
- Once a family switches to income-based rent because of financial hardship, the family must wait until its next annual reexamination to switch back.



## PUBLIC HOUSING – CEILING RENTS

*CFR 960.253(d)*

- The purpose of ceiling rents is to provide a “cap” or maximum rent for higher income families.
- Ceiling rents are determined for **units**, not for families themselves.
- The family living in a unit with a ceiling rent pays rent up to the maximum amount. If their income increases so that the TTP exceeds the ceiling rent, no higher rent can be charged to the family.
- The intention of ceiling rent is to help higher income families make the transition into the private market.
- Families subject to a ceiling rent will have the benefit of a rent savings because their Tenant Rent will be capped if their Total Tenant Payment exceeds the ceiling rent.
- Ceiling rents can be applied inventory-wide, to a type or size of unit (efficiencies, for example), or project-wide.
- Effective 10/1/02, PHAs were required to adjust ceiling rents to the level required for flat rents.

*Public Housing Occupancy Guidebook, 10.5, page 135*

- The Public Housing Occupancy Guidebook suggests using flat rent plus utility allowance for the ceiling rent.
- Ceiling rents are subject to:
  - Annual reexamination requirements
  - The limitation that tenant rent plus any utility allowance may not exceed TTP

*Form HUD-50058, line 10, instructions*

- The tenant rent will be the lower of the TTP or the ceiling rent minus any utility allowance.

## CEILING RENTS AND FLAT RENTS

- A PHA may have ceiling rents and flat rents at the same time.
- Ceiling rents are a function of the formula-based rent in that when the PHA establishes ceiling rents, the family is then charged **the lesser** of the TTP **or** the ceiling rent.
  - So, if a PHA has a flat rent schedule and ceiling rents, the PHA will determine the “lower rent” (line 10d of the 50058) based on the lesser of the TTP or the ceiling rent.
  - The PHA then gives the family the choice of the “formula rent” (which could be the ceiling rent figure), which is called the income-based rent, or the flat rent amount established by the PHA.

### **Learning Activity 5-4: HCV Affordability**

#### **Task**

- Decide whether it is necessary to perform the affordability test in the following scenarios. If so, is the unit affordable?

#### ***McCartney Family***

- The McCartney family is moving to a new unit.
  - Rent to owner: \$550
  - Utility allowance: \$40
  - PHA payment standard: \$620
  - HAP amount: \$314
  - Adjusted annual income: \$10,985

1. Is this tenancy subject to the affordability test?

---

2. If so, is the unit affordable?

---

#### ***Stewart Family***

- The Stewart family is an applicant family who just submitted an RFTA.
  - Rent to owner: \$980
  - Utility allowance: \$80
  - PHA payment standard: \$1,000
  - HAP amount: \$977
  - Adjusted annual income: \$900

1. Is this tenancy subject to the affordability test?

---

2. If so, is the unit affordable?

---

***Williams Family***

- The Williams family's landlord has asked for a rent increase.

- Rent to owner:	\$1,875
- Utility allowance:	\$45
- PHA payment standard:	\$1,800
- HAP amount:	\$1,770
- Adjusted annual income:	\$1,200

1. Is this tenancy subject to the affordability test?

---

2. If so, is the unit affordable?

---

***McCallen Family***

- The McCallen family is moving to a new unit

- Rent to owner:	\$890
- Utility allowance:	\$25
- PHA payment standard:	\$900
- HAP amount:	\$555
- Adjusted annual income:	\$13,785

1. Is this tenancy subject to the affordability test?

---

2. If so, is the unit affordable?

---

-

## Learning Activity 5-5: PH Flat Rents and Ceiling Rents

### Task

- Answer the following questions about the Meyer family.

### *Family Information:*

Relation	Name	Age	Disabled
Head	Quinn	40	N
Youth	Rachel	2	N
Youth	Kurt	4	N

- Flat Rent \$450
- Utility allowance \$50
- Minimum rent \$25

### *Scenario 1*

- At Quinn Meyer's annual recertification (effective February 1st), she reports that she has no assets. She works full time at Milly's Music Shoppe earning \$10 per hour. She has no unreimbursed child care costs.

- Quinn's income-based rent is:
  - \$446
  - \$450
  - \$123
- May Quinn choose the flat rent for her unit?
  - Yes
  - No

***Scenario 2***

- Quinn chose the flat rent at her annual recertification. Then on March 10th Quinn reports, and the PHA verifies, that her hours have been cut at Milly's Music Shoppe. She will continue to make \$10 per hour, but will only work 20 hours per week. The PHA processes an interim recertification effective April 1st.
1. Assuming no other changes in her income or deductions, Quinn's new income based rent is:
    - a) \$186
    - b) \$37
    - c) \$25
  2. May Quinn choose the flat rent for her unit?
    - a) Yes
    - b) No

**Scenario 3**

- Quinn is on income-based rent effective April 1st. Then on June 2nd Quinn reports that she has quit her job at Milly's Music Shoppe and has started working at a grocery store. She will now be working full-time earning \$11.50 per hour.
1. Assuming no other changes in her income or deductions, Quinn's new income-based rent is:
    - a) \$149
    - b) \$524
    - c) \$450
  2. May Quinn switch to the flat rent for her unit?
    - a) Yes
    - b) No
  3. Will Quinn now pay the ceiling rent?
    - a) Yes
    - b) No
  4. What is the ceiling rent for this unit?
    - a) \$500
    - b) \$450
    - c) \$236
  5. What will Quinn's tenant rent in 10f be once she is on the ceiling rent?
    - a) \$500
    - b) \$450
    - c) \$574
  6. When will Quinn be able to switch to the flat rent?
    - a) Quinn currently qualifies for the flat rent
    - b) Not until her annual recertification

## Notes



## CHAPTER 6 Case Studies

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### Case Study 1: Egan Family

- **Situation:** An annual reexamination is being processed for the Egan family.

**Family information:**

Relation	Name	Age	Disabled	Citizenship Status
Head	Ellen Egan	39	N	Eligible citizen
Son	Eddie Egan	17	N	Eligible citizen
Daughter	Ebony Egan	10	N	Eligible citizen

Ellen receives \$475 per month in TANF benefits. Eddie works 15 hours per week and earns \$8.00 per hour. Eddie currently has \$2,500 in his savings account that earns 2.3% interest annually.

The PHA passbook rate is 0.0075.

- **HCV unit information:**
  - Unit size: 3 bedrooms
  - Family unit size (voucher size): 3 bedrooms
  - Rent to owner: \$515
  - 3 bedroom payment standard: \$500
  - 3 bedroom utility allowance: \$25
- **Public Housing information**
  - Flat rent: \$550
  - Utility allowance: \$25
  - Ceiling rent: \$575
- **PHA policy:**
  - The PHA's minimum rent is \$50
  - In determining the cash value of assets, PHA policy calls for using:
    - The current balance of savings accounts
    - The average 6 month balance for checking accounts.

**Using the HUD-50058 forms following, please compute the following for the Egan family:**

Total Annual Income (7i):	\$ _____
Final Asset Income (6j):	\$ _____
Total Allowances (8x):	\$ _____

**HCV Only:**

Total Family Share (12t):	\$ _____
HAP to Owner (12u):	\$ _____
Tenant Rent to Owner (12v):	\$ _____
Utility Reimbursement to Family (12w):	\$ _____

**PH Only:**

TTP (9j)	\$ _____
Tenant rent (10f)	\$ _____

Head of household name <b>Egan</b>	Social Security Number	Date modified (mm/dd/yyyy)
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## 6. Assets

6a. Family member name	No.	6b. Type of asset	6c. Calculation (PHA use)	6d. Cash value of asset	6e. Anticipated Income
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
6f, 6g. Column totals				\$	6f. \$ 6g.
6h. Passbook rate (written as decimal)					0. _____ 6h.
6i. Imputed asset income: 6f X 6h (if 6f is \$5,000 or less, put 0)					\$ 6i.
6j. Final asset income: larger of 6g or 6i					\$ 6j.

## 7. Income

7a. Family member name	No.	7b. Income Code	7c. Calculation (PHA use)	7d. Dollars per year	7e. Income exclusions	7f. Income after exclusions (7d minus 7e)
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
7g. Column total						\$ 7g.
7h. Reserved						
7i. Total annual income: 6j + 7g						\$ 7i.

<b>7b: Income Codes</b> <b>Wages:</b> B = own business F = federal wage HA = PHA wage M = military pay W = other wage	<b>Welfare:</b> G = general assistance IW = annual imputed welfare income T = TANF assistance  <b>SS/SSI/Pensions:</b> P = pension S = SSI SS = Social Security	<b>Other Income Sources:</b> C = child support E = medical reimbursement I = Indian trust/per capita N = other nonwage sources U = unemployment benefits
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Head of household name <b>Egan</b>	Social Security Number	Date modified (mm/dd/yyyy)
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## 8. Expected Income Per Year

8a. Total annual income: copy from 7i	\$	8a.
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### Permissible Deductions (Public Housing Only. If Section 8, Skip to 8f or 8q)

8b. Family member name	No.	8c. Type of permissible deduction	8d. Amount
			\$
			\$
			\$
			\$
			\$
			\$

8e. Total permissible deductions (sum of column 8d)	\$	8e.
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### If head/spouse/co-head is under 62 and no family member is disabled, skip to 8q

8f. Medical/disability threshold: 8a X 0.03	\$	8f.
8g. Total annual unreimbursed disability assistance expense (if no disability expenses, skip to 8k)	\$	8g.
8h. Maximum disability allowance: If 8g minus 8f is positive or zero, put amount	\$	8h.
	If negative and head/spouse/co-head is under 62 and not disabled, put 0	\$ 8h.
	If negative and head/spouse/co-head is elderly or disabled, copy from 8g	\$ 8h.
8i. Earnings in 7d made possible by disability assistance expense	\$	8i.
8j. Allowable disability assistance expense: lower of 8h or 8i (if 8g is less than 8f and head/spouse/co-head elderly or disabled, copy from 8h)	\$	8j.
8k. Total annual unreimbursed medical expenses (if head/spouse/co-head under 62 and not disabled, put 0)	\$	8k.
8m. Total annual disability assistance and medical expense: 8j + 8k (if no disability expenses, copy from 8k)	\$	8m.
8n. Medical/disability assistance allowance:	If no disability assistance expenses or if 8g is less than 8f, put 8m minus 8f (if 8m minus 8f is negative, put zero)	\$ 8n.
	If disability assistance expenses and 8g is greater than or equal to 8f, copy from 8m	\$ 8n.
8p. Elderly/disability allowance (default = \$400)	\$	8p.
8q. Number of dependents (people under 18, or with disability, or full-time student. Do not count head of household, spouse, co-head, foster child/adult, or live-in aide.)	\$	8q.
8r. Allowance per dependent (default = \$480)	\$	8r.
8s. Dependent allowance: 8q X 8r	\$	8s.
8t. Total annual unreimbursed childcare costs	\$	8t.
8x. Total allowances: 8e + 8n + 8p + 8s + 8t	\$	8x.
8y. Adjusted annual income: 8a minus 8x (if 8x is larger, put 0)	\$	8y.

Head of household name <b>Egan</b>	Social Security Number	Date modified (mm/dd/yyyy)
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### 9. Total Tenant Payment (TTP)

9a. Total monthly income: $8a \div 12$	\$	9a.
9c. TTP if based on annual income: $9a \times 0.10$	\$	9c.
9d. Adjusted monthly income: $8y \div 12$	\$	9d.
9e. Percentage of adjusted monthly income: use 30% for Section 8		9e.
9f. TTP if based on adjusted annual income: $(9d \times 9e) \div 100$	\$	9f.
9g. Welfare rent per month (if none, put 0)	\$	9g.
9h. Minimum rent (if waived, put 0)	\$	9h.
9i. Enhanced Voucher minimum rent	\$	9i.
9j. TTP, highest of lines 9c, 9f, 9g, 9h, or 9i	\$	9j.
9k. Most recent TTP	\$	9k.
9m. Qualify for minimum rent hardship exemption? (Y or N)	\$	9m.

Head of household name	<b>Egan</b>	Social Security Number	Date modified (mm/dd/yyyy)
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## 10. Public Housing and Turnkey III

10a.	TTP: copy from 9j	\$	10a.
10b.	Unit's flat rent (see Instruction Booklet for prorated flat rent calculation)	\$	10b.

### Income Based Rent Calculation (if prorated rent, skip to 10h)

10c.	Income based ceiling rent, if any	\$	10c.
10d.	Lower of TTP or income based ceiling rent (if no income based ceiling rent, put 10a)	\$	10d.
10e.	Utility allowance, if any	\$	10e.
10f.	Tenant rent: 10d minus 10e	If positive or 0, put tenant rent	\$ 10f.
		If negative, credit tenant	\$ 10f.

### Income Based Prorated Rent Calculation (if not prorated, skip to 10u)

10h.	Public Housing maximum rent	\$	10h.
10i.	Family maximum subsidy: 10h minus 10a	\$	10i.
10j.	Total number eligible		10j.
10k.	Total number in family		10k.
10n.	Eligible subsidy (10i ÷ 10k) X 10j	\$	10n.
10p.	Mixed family TTP: 10h minus 10n	\$	10p.
10r.	Utility allowance, if any	\$	10r.
10s.	Mixed family tenant rent: 10p minus 10r	If positive or 0, put tenant rent	\$ 10s.
		If negative, credit tenant	\$ 10s.

### Type of Rent

10u.	Type of rent selected:	<input type="checkbox"/> Income based	<input type="checkbox"/> Flat
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Head of household name <b>Egan</b>	Social Security Number	Date modified (mm/dd/yyyy)
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## 12. Housing Choice Vouchers: Tenant Based Vouchers

12a.	Number of bedrooms on Voucher		12a.
12b.	Is family now moving to this unit? (Y or N)		12b.
12c.	Does the family qualify as a Hard to House family? (Y or N)		12c.
12d.	Did family move into your PHA jurisdiction under portability? (Y or N) (if no, skip to 12g)		12d.
12e.	Cost billed per month (put 0 if absorbed)	\$	12e.
12f.	PHA code billed		12f.
12g.	Housing type:	<input type="checkbox"/> Group Home (prorate gross rent) <input type="checkbox"/> Own manufactured home, lease space <input type="checkbox"/> SRO: 1 room occupied by 1 person	
12h.	Owner name		12h.
12i.	Owner TIN/SSN		12i.
12j.	Payment standard for the family	\$	12j.
12k.	Rent to owner	\$	12k.
12m.	Utility allowance, if any	\$	12m.
12p.	Gross rent of unit: 12k + 12m (or Space Rent)	\$	12p.
12q.	Lower of 12j or 12p	\$	12q.
12r.	TTP: copy from 9j	\$	12r.
12s.	Total HAP: 12q minus 12r	\$	12s.

### Rent Calculation (if prorated rent, skip to 12ab)

12t.	Total family share: 12p minus 12s	\$	12t.
12u.	HAP to owner: lower of 12k or 12s	\$	12u.
12v.	Tenant rent to owner: 12k minus 12u	\$	12v.
12w.	Utility reimbursement to family: 12s minus 12u, but do not exceed 12m	\$	12w.

### Prorated Rent Calculation

12ab.	Normal total HAP: copy from 12s, but do not exceed 12p	\$	12ab.
12ac.	Total number eligible		12ac.
12ad.	Total number in family		12ad.
12ae.	Proration percentage: 12ac ÷ 12ad	\$	12ae.
12af.	Prorated total HAP: 12ab X 12ae	\$	12af.
12ag.	Mixed family total family contribution: 12p minus 12af	\$	12ag.
12ah.	Utility allowance: copy from 12m	\$	12ah.
12ai.	Mixed family tenant rent to owner: 12ag minus 12ah	If positive or 0, put tenant rent If negative, credit tenant	12ai.
			12ai.
12aj.	Prorated HAP to owner: 12k minus 12ai. If 12ai is negative, put 12k	\$	12aj.

## Notes



**Case Study 2: Foss Family**

- **Situation:** An annual reexamination is being processed for the Foss family.

***Family information:***

Relation	Name	Age	Disabled	Citizenship Status
Head	Floyd Foss	69	N	Eligible citizen
Spouse	Flora Foss	67	N	Eligible citizen

Floyd Foss receives Social Security of \$665 per month. This includes his \$55 per month Medicare premium. Flora receives Social Security of \$400 per month. Mr. Foss has a savings account with a current balance of \$7,222. This account earns 1.3% interest. Mrs. Foss has a Certificate of Deposit with a current value of \$3,677. This account earns 2.4% interest and has a \$67 penalty for early withdrawal.

Mr. Foss just had surgery last month and incurred a bill for \$2,900. They will pay this bill off at \$125 per month. Mrs. Foss will be undergoing corrective eye surgery. The surgery will cost her \$1,000, but her insurance will pay \$700. She will pay the balance at the time of the surgery. Her insurance premium is \$25 per month.

The HUD-determined passbook rate is 0.0075.

- **HCV unit information:**
  - Unit size: 1 bedroom
  - Family unit size (voucher size): 1 bedroom
  - Rent to owner: \$350
  - 1 bedroom payment standard: \$325
  - 1 bedroom utility allowance: \$20
- **Public Housing information**
  - Flat rent: \$590
  - Utility allowance: \$20
  - This PHA does not have a ceiling rent
- **PHA policy:**
  - The PHA's minimum rent is \$35
  - In determining the cash value of assets, PHA calls for using:
    - The current balance of savings accounts
    - The average 6 month balance for checking accounts

**Using the HUD-50058 forms following, please compute the following for the Foss family:**

Total Annual Income (7i):	\$ _____
Final Asset Income (6j):	\$ _____
Total Allowances (8x):	\$ _____

**HCV Only:**

Total Family Share (12t):	\$ _____
HAP to Owner (12u):	\$ _____
Tenant Rent to Owner (12v):	\$ _____
Utility Reimbursement to Family (12w):	\$ _____

**PH Only:**

TTP (9j)	\$ _____
Tenant rent (10f)	\$ _____

Head of household name	<b>Foss</b>	Social Security Number	Date modified (mm/dd/yyyy)
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## 6. Assets

6a. Family member name	No.	6b. Type of asset	6c. Calculation (PHA use)	6d. Cash value of asset	6e. Anticipated Income
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
6f, 6g. Column totals				\$	6f. \$ 6g.
6h. Passbook rate (written as decimal)					0. _____ 6h.
6i. Imputed asset income: 6f X 6h (if 6f is \$5,000 or less, put 0)					\$ 6i.
6j. Final asset income: larger of 6g or 6i					\$ 6j.

## 7. Income

7a. Family member name	No.	7b. Income Code	7c. Calculation (PHA use)	7d. Dollars per year	7e. Income exclusions	7f. Income after exclusions (7d minus 7e)
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
7g. Column total						\$ 7g.
7h. Reserved						
7i. Total annual income: 6j + 7g						\$ 7i.

<b>7b: Income Codes</b> <b>Wages:</b> B = own business F = federal wage HA = PHA wage M = military pay W = other wage	<b>Welfare:</b> G = general assistance IW = annual imputed welfare income T = TANF assistance  <b>SS/SSI/Pensions:</b> P = pension S = SSI SS = Social Security	<b>Other Income Sources:</b> C = child support E = medical reimbursement I = Indian trust/per capita N = other nonwage sources U = unemployment benefits
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Head of household name <b>Foss</b>	Social Security Number	Date modified (mm/dd/yyyy)
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## 8. Expected Income Per Year

8a. Total annual income: copy from 7i	\$	8a.
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### Permissible Deductions (Public Housing Only. If Section 8, Skip to 8f or 8q)

8b. Family member name	No.	8c. Type of permissible deduction	8d. Amount
			\$
			\$
			\$
			\$
			\$
			\$

8e. Total permissible deductions (sum of column 8d)	\$	8e.
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### If head/spouse/co-head is under 62 and no family member is disabled, skip to 8q

8f. Medical/disability threshold: 8a X 0.03	\$	8f.
8g. Total annual unreimbursed disability assistance expense (if no disability expenses, skip to 8k)	\$	8g.
8h. Maximum disability allowance: If 8g minus 8f is positive or zero, put amount	\$	8h.
	If negative and head/spouse/co-head is under 62 and not disabled, put 0	\$ 8h.
	If negative and head/spouse/co-head is elderly or disabled, copy from 8g	\$ 8h.
8i. Earnings in 7d made possible by disability assistance expense	\$	8i.
8j. Allowable disability assistance expense: lower of 8h or 8i (if 8g is less than 8f and head/spouse/co-head elderly or disabled, copy from 8h)	\$	8j.
8k. Total annual unreimbursed medical expenses (if head/spouse/co-head under 62 and not disabled, put 0)	\$	8k.
8m. Total annual disability assistance and medical expense: 8j + 8k (if no disability expenses, copy from 8k)	\$	8m.
8n. Medical/disability assistance allowance:	If no disability assistance expenses or if 8g is less than 8f, put 8m minus 8f (if 8m minus 8f is negative, put zero)	\$ 8n.
	If disability assistance expenses and 8g is greater than or equal to 8f, copy from 8m	\$ 8n.
8p. Elderly/disability allowance (default = \$400)	\$	8p.
8q. Number of dependents (people under 18, or with disability, or full-time student. Do not count head of household, spouse, co-head, foster child/adult, or live-in aide.)	\$	8q.
8r. Allowance per dependent (default = \$480)	\$	8r.
8s. Dependent allowance: 8q X 8r	\$	8s.
8t. Total annual unreimbursed childcare costs	\$	8t.
8x. Total allowances: 8e + 8n + 8p + 8s + 8t	\$	8x.
8y. Adjusted annual income: 8a minus 8x (if 8x is larger, put 0)	\$	8y.

Head of household name	<b>Foss</b>	Social Security Number	Date modified (mm/dd/yyyy)
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### 9. Total Tenant Payment (TTP)

9a.	Total monthly income: $8a \div 12$	\$	9a.
9c.	TTP if based on annual income: $9a \times 0.10$	\$	9c.
9d.	Adjusted monthly income: $8y \div 12$	\$	9d.
9e.	Percentage of adjusted monthly income: use 30% for Section 8		9e.
9f.	TTP if based on adjusted annual income: $(9d \times 9e) \div 100$	\$	9f.
9g.	Welfare rent per month (if none, put 0)	\$	9g.
9h.	Minimum rent (if waived, put 0)	\$	9h.
9i.	Enhanced Voucher minimum rent	\$	9i.
9j.	TTP, highest of lines 9c, 9f, 9g, 9h, or 9i	\$	9j.
9k.	Most recent TTP	\$	9k.
9m.	Qualify for minimum rent hardship exemption? (Y or N)	\$	9m.

Head of household name	<b>Foss</b>	Social Security Number	Date modified (mm/dd/yyyy)
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## 10. Public Housing and Turnkey III

10a.	TTP: copy from 9j	\$	10a.
10b.	Unit's flat rent (see Instruction Booklet for prorated flat rent calculation)	\$	10b.

### Income Based Rent Calculation (if prorated rent, skip to 10h)

10c.	Income based ceiling rent, if any	\$	10c.
10d.	Lower of TTP or income based ceiling rent (if no income based ceiling rent, put 10a)	\$	10d.
10e.	Utility allowance, if any	\$	10e.
10f.	Tenant rent: 10d minus 10e	If positive or 0, put tenant rent	\$ 10f.
		If negative, credit tenant	\$ 10f.

### Income Based Prorated Rent Calculation (if not prorated, skip to 10u)

10h.	Public Housing maximum rent	\$	10h.
10i.	Family maximum subsidy: 10h minus 10a	\$	10i.
10j.	Total number eligible		10j.
10k.	Total number in family		10k.
10n.	Eligible subsidy (10i ÷ 10k) X 10j	\$	10n.
10p.	Mixed family TTP: 10h minus 10n	\$	10p.
10r.	Utility allowance, if any	\$	10r.
10s.	Mixed family tenant rent: 10p minus 10r	If positive or 0, put tenant rent	\$ 10s.
		If negative, credit tenant	\$ 10s.

### Type of Rent

10u.	Type of rent selected:	<input type="checkbox"/> Income based	<input type="checkbox"/> Flat
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Head of household name <b>Foss</b>	Social Security Number	Date modified (mm/dd/yyyy)
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## 12. Housing Choice Vouchers: Tenant Based Vouchers

12a.	Number of bedrooms on Voucher		12a.
12b.	Is family now moving to this unit? (Y or N)		12b.
12c.	Does the family qualify as a Hard to House family? (Y or N)		12c.
12d.	Did family move into your PHA jurisdiction under portability? (Y or N) (if no, skip to 12g)		12d.
12e.	Cost billed per month (put 0 if absorbed)	\$	12e.
12f.	PHA code billed		12f.
12g.	Housing type:	<input type="checkbox"/> Group Home (prorate gross rent) <input type="checkbox"/> Own manufactured home, lease space <input type="checkbox"/> SRO: 1 room occupied by 1 person	
12h.	Owner name		12h.
12i.	Owner TIN/SSN		12i.
12j.	Payment standard for the family	\$	12j.
12k.	Rent to owner	\$	12k.
12m.	Utility allowance, if any	\$	12m.
12p.	Gross rent of unit: 12k + 12m (or Space Rent)	\$	12p.
12q.	Lower of 12j or 12p	\$	12q.
12r.	TTP: copy from 9j	\$	12r.
12s.	Total HAP: 12q minus 12r	\$	12s.

### Rent Calculation (if prorated rent, skip to 12ab)

12t.	Total family share: 12p minus 12s	\$	12t.
12u.	HAP to owner: lower of 12k or 12s	\$	12u.
12v.	Tenant rent to owner: 12k minus 12u	\$	12v.
12w.	Utility reimbursement to family: 12s minus 12u, but do not exceed 12m	\$	12w.

### Prorated Rent Calculation

12ab.	Normal total HAP: copy from 12s, but do not exceed 12p	\$	12ab.
12ac.	Total number eligible		12ac.
12ad.	Total number in family		12ad.
12ae.	Proration percentage: 12ac ÷ 12ad	\$	12ae.
12af.	Prorated total HAP: 12ab X 12ae	\$	12af.
12ag.	Mixed family total family contribution: 12p minus 12af	\$	12ag.
12ah.	Utility allowance: copy from 12m	\$	12ah.
12ai.	Mixed family tenant rent to owner: 12ag minus 12ah	If positive or 0, put tenant rent If negative, credit tenant	12ai.
			12ai.
12aj.	Prorated HAP to owner: 12k minus 12ai. If 12ai is negative, put 12k	\$	12aj.

## Notes



**Case Study 3: Green Family**

**Situation:** An annual reexamination is being processed for Georgia Green.

**Family information:**

Relation	Name	Age	Disabled	Citizenship Status
Head	Georgia Green	79	N	Eligible citizen

Ms. Green receives \$475 per month in Social Security benefits, and \$285 per month from her deceased husband's pension. She has the following assets: (1) A savings account earning 2.5% interest, with a current balance of \$3,800. (2) A checking account paying 1.1% interest. The average six month balance is \$1,190. (3) Stocks valued at \$4,122, paying dividends of \$12 per month, and which require payment of a 3% broker fee if cashed in. (4) CD currently valued at \$6,700 which pays 5.5% interest and carries a \$400 penalty for early withdrawal. (5) CD currently valued at \$4,400 which pays 4.4% interest and carries a \$470 penalty for early withdrawal. (6) A rental home, valued at \$225,000, with a mortgage of \$18,000. If sold, Ms. Green would pay a 3% broker's fee and \$350 closing costs. She receives rent of \$500 per month. She pays a property manager \$45 per month, property tax of \$275 twice a year, and pays a total monthly mortgage of \$300 (\$50 interest, \$250 principal). (7) A life insurance policy with a surrender value of \$2,500 and which pays \$50 dividends annually.

The PHA passbook rate is 0.0075.

- **HCV unit information:**
  - Unit size: 1 bedroom
  - Family unit size (voucher size): 1 bedroom
  - Rent to owner: \$425
  - 1 bedroom payment standard: \$490
  - 1 bedroom utility allowance: \$35
- **Public Housing information**
  - Flat rent: \$650
  - Utility allowance: \$55
  - The PHA does not have a ceiling rent
- **PHA policy:**
  - The PHA's minimum rent is \$50
  - In determining the cash value of assets, PHA calls for using:
    - The current balance of savings accounts
    - The average 6 month balance for checking accounts

**Using the HUD-50058 forms following, please compute the following for the Green family:**

Total Annual Income (7i):	\$ _____
Final Asset Income (6j):	\$ _____
Total Allowances (8x):	\$ _____

**HCV Only:**

Total Family Share (12t):	\$ _____
HAP to Owner (12u):	\$ _____
Tenant Rent to Owner (12v):	\$ _____
Utility Reimbursement to Family (12w):	\$ _____

**PH Only:**

TTP (9j)	\$ _____
Tenant rent (10f)	\$ _____

Head of household name	<b>Green</b>	Social Security Number	Date modified (mm/dd/yyyy)
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## 6. Assets

6a. Family member name	No.	6b. Type of asset	6c. Calculation (PHA use)	6d. Cash value of asset	6e. Anticipated Income
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
6f, 6g. Column totals				\$	6f. \$ 6g.
6h. Passbook rate (written as decimal)					0. _____ 6h.
6i. Imputed asset income: 6f X 6h (if 6f is \$5,000 or less, put 0)					\$ 6i.
6j. Final asset income: larger of 6g or 6i					\$ 6j.

## 7. Income

7a. Family member name	No.	7b. Income Code	7c. Calculation (PHA use)	7d. Dollars per year	7e. Income exclusions	7f. Income after exclusions (7d minus 7e)
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
7g. Column total						\$ 7g.
7h. Reserved						
7i. Total annual income: 6j + 7g						\$ 7i.

<b>7b: Income Codes</b> <b>Wages:</b> B = own business F = federal wage HA = PHA wage M = military pay W = other wage	<b>Welfare:</b> G = general assistance IW = annual imputed welfare income T = TANF assistance  <b>SS/SSI/Pensions:</b> P = pension S = SSI SS = Social Security	<b>Other Income Sources:</b> C = child support E = medical reimbursement I = Indian trust/per capita N = other nonwage sources U = unemployment benefits
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Head of household name <b>Green</b>	Social Security Number	Date modified (mm/dd/yyyy)
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## 8. Expected Income Per Year

8a. Total annual income: copy from 7i	\$	8a.
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### Permissible Deductions (Public Housing Only. If Section 8, Skip to 8f or 8q)

8b. Family member name	No.	8c. Type of permissible deduction	8d. Amount
			\$
			\$
			\$
			\$
			\$
			\$

8e. Total permissible deductions (sum of column 8d)	\$	8e.
---	----	-----

### If head/spouse/co-head is under 62 and no family member is disabled, skip to 8q

8f. Medical/disability threshold: 8a X 0.03	\$	8f.
8g. Total annual unreimbursed disability assistance expense (if no disability expenses, skip to 8k)	\$	8g.
8h. Maximum disability allowance: If 8g minus 8f is positive or zero, put amount	\$	8h.
	If negative and head/spouse/co-head is under 62 and not disabled, put 0	\$ 8h.
	If negative and head/spouse/co-head is elderly or disabled, copy from 8g	\$ 8h.
8i. Earnings in 7d made possible by disability assistance expense	\$	8i.
8j. Allowable disability assistance expense: lower of 8h or 8i (if 8g is less than 8f and head/spouse/co-head elderly or disabled, copy from 8h)	\$	8j.
8k. Total annual unreimbursed medical expenses (if head/spouse/co-head under 62 and not disabled, put 0)	\$	8k.
8m. Total annual disability assistance and medical expense: 8j + 8k (if no disability expenses, copy from 8k)	\$	8m.
8n. Medical/disability assistance allowance:	If no disability assistance expenses or if 8g is less than 8f, put 8m minus 8f (if 8m minus 8f is negative, put zero)	\$ 8n.
	If disability assistance expenses and 8g is greater than or equal to 8f, copy from 8m	\$ 8n.
8p. Elderly/disability allowance (default = \$400)	\$	8p.
8q. Number of dependents (people under 18, or with disability, or full-time student. Do not count head of household, spouse, co-head, foster child/adult, or live-in aide.)	\$	8q.
8r. Allowance per dependent (default = \$480)	\$	8r.
8s. Dependent allowance: 8q X 8r	\$	8s.
8t. Total annual unreimbursed childcare costs	\$	8t.
8x. Total allowances: 8e + 8n + 8p + 8s + 8t	\$	8x.
8y. Adjusted annual income: 8a minus 8x (if 8x is larger, put 0)	\$	8y.

Head of household name <b>Green</b>	Social Security Number	Date modified (mm/dd/yyyy)
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### 9. Total Tenant Payment (TTP)

9a. Total monthly income: $8a \div 12$	\$	9a.
9c. TTP if based on annual income: $9a \times 0.10$	\$	9c.
9d. Adjusted monthly income: $8y \div 12$	\$	9d.
9e. Percentage of adjusted monthly income: use 30% for Section 8		9e.
9f. TTP if based on adjusted annual income: $(9d \times 9e) \div 100$	\$	9f.
9g. Welfare rent per month (if none, put 0)	\$	9g.
9h. Minimum rent (if waived, put 0)	\$	9h.
9i. Enhanced Voucher minimum rent	\$	9i.
9j. TTP, highest of lines 9c, 9f, 9g, 9h, or 9i	\$	9j.
9k. Most recent TTP	\$	9k.
9m. Qualify for minimum rent hardship exemption? (Y or N)	\$	9m.

Head of household name <b>Green</b>	Social Security Number	Date modified (mm/dd/yyyy)
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## 10. Public Housing and Turnkey III

10a. TTP: copy from 9j	\$	10a.
10b. Unit's flat rent (see Instruction Booklet for prorated flat rent calculation)	\$	10b.

### Income Based Rent Calculation (if prorated rent, skip to 10h)

10c. Income based ceiling rent, if any	\$	10c.
10d. Lower of TTP or income based ceiling rent (if no income based ceiling rent, put 10a)	\$	10d.
10e. Utility allowance, if any	\$	10e.
10f. Tenant rent: 10d minus 10e	If positive or 0, put tenant rent	\$ 10f.
	If negative, credit tenant	\$ 10f.

### Income Based Prorated Rent Calculation (if not prorated, skip to 10u)

10h. Public Housing maximum rent	\$	10h.
10i. Family maximum subsidy: 10h minus 10a	\$	10i.
10j. Total number eligible		10j.
10k. Total number in family		10k.
10n. Eligible subsidy (10i ÷ 10k) X 10j	\$	10n.
10p. Mixed family TTP: 10h minus 10n	\$	10p.
10r. Utility allowance, if any	\$	10r.
10s. Mixed family tenant rent: 10p minus 10r	If positive or 0, put tenant rent	\$ 10s.
	If negative, credit tenant	\$ 10s.

### Type of Rent

10u. Type of rent selected: <input type="checkbox"/> Income based <input type="checkbox"/> Flat
---

Head of household name <b>Green</b>	Social Security Number	Date modified (mm/dd/yyyy)
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## 12. Housing Choice Vouchers: Tenant Based Vouchers

12a.	Number of bedrooms on Voucher		12a.
12b.	Is family now moving to this unit? (Y or N)		12b.
12c.	Does the family qualify as a Hard to House family? (Y or N)		12c.
12d.	Did family move into your PHA jurisdiction under portability? (Y or N) (if no, skip to 12g)		12d.
12e.	Cost billed per month (put 0 if absorbed)	\$	12e.
12f.	PHA code billed		12f.
12g.	Housing type:	<input type="checkbox"/> Group Home (prorate gross rent) <input type="checkbox"/> Own manufactured home, lease space <input type="checkbox"/> SRO: 1 room occupied by 1 person	
12h.	Owner name		12h.
12i.	Owner TIN/SSN		12i.
12j.	Payment standard for the family	\$	12j.
12k.	Rent to owner	\$	12k.
12m.	Utility allowance, if any	\$	12m.
12p.	Gross rent of unit: 12k + 12m (or Space Rent)	\$	12p.
12q.	Lower of 12j or 12p	\$	12q.
12r.	TTP: copy from 9j	\$	12r.
12s.	Total HAP: 12q minus 12r	\$	12s.

### Rent Calculation (if prorated rent, skip to 12ab)

12t.	Total family share: 12p minus 12s	\$	12t.
12u.	HAP to owner: lower of 12k or 12s	\$	12u.
12v.	Tenant rent to owner: 12k minus 12u	\$	12v.
12w.	Utility reimbursement to family: 12s minus 12u, but do not exceed 12m	\$	12w.

### Prorated Rent Calculation

12ab.	Normal total HAP: copy from 12s, but do not exceed 12p	\$	12ab.
12ac.	Total number eligible		12ac.
12ad.	Total number in family		12ad.
12ae.	Proration percentage: 12ac ÷ 12ad	\$	12ae.
12af.	Prorated total HAP: 12ab X 12ae	\$	12af.
12ag.	Mixed family total family contribution: 12p minus 12af	\$	12ag.
12ah.	Utility allowance: copy from 12m	\$	12ah.
12ai.	Mixed family tenant rent to owner: 12ag minus 12ah	If positive or 0, put tenant rent If negative, credit tenant	12ai.
			12ai.
12aj.	Prorated HAP to owner: 12k minus 12ai. If 12ai is negative, put 12k	\$	12aj.

## Answers to Case Studies

### Case Study 1: Egan Family

Total Annual Income (7i):	\$ 5,758
Final Asset Income (6j):	\$ 58
Total Allowances (8x):	\$ 960
Total Family Share (12t):	\$ 160
HAP to Owner (12u):	\$ 380
Tenant Rent to Owner (12v):	\$ 135
Utility Reimbursement (12w):	\$ 0
TTP (9j)	\$ 120
Tenant Rent (10f)	\$ 95

### Case Study 2: Foss Family

Total Annual Income (7i):	\$ 12,962
Final Asset Income (6j):	\$ 182
Total Allowances (8x):	\$ 2,771
Total Family Share (12t):	\$ 300
HAP to Owner (12u):	\$ 70
Tenant Rent to Owner (12v):	\$ 280
Utility Reimbursement (12w):	\$ 0
TTP (9j)	\$ 255
Tenant Rent (10f)	\$ 235

### Case Study 3: Green Family

Total Annual Income (7i):	\$ 14,295
Final Asset Income (6j):	\$ 5,175
Total Allowances (8x):	\$ 400
Total Family Share (12t):	\$ 347
HAP to Owner (12u):	\$ 113
Tenant Rent to Owner (12v):	\$ 312
Utility Reimbursement (12w):	\$ 0
TTP (9j)	\$ 347
Tenant Rent (10f)	\$ 292



## CHAPTER 7      Review Quiz

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### Assets

1. The formula for calculating the cash value of a CD is:
  - a. Market value times anticipated income
  - b. Cash value times market value
  - c. Market value minus expenses
  - d. Cash value minus expenses
2. The formula for calculating the anticipated income from a CD:
  - a. Market value times anticipated income
  - b. Market value times interest rate
  - c. Cash value times interest rate
  - d. Interest divided by annual dividend
3. Which of the following determines the cash value of a checking account?
  - a. Average six month balance
  - b. Current balance
  - c. PHA policy
4. The formula for converting equity in property to cash value of assets for calculation of rent is:
  - a. Market value less current loan balance, if any, less anticipated expenses to sell
  - b. Cash value less 6% Realtor fee
  - c. Market value less annual taxes
  - d. Cash value minus mortgage
5. The following verifications are available to you for the Tanner family. According to the verification hierarchy, which do you use to calculate their annual income?
  - a. EIV quarterly wage information
  - b. Verification form filled out by their employer
  - c. A tax return from two years ago
  - d. Current and consecutive pay stubs
6. Jennifer Smith (age 63) owns a home appraised at \$100,000 and there is no mortgage balance. She recently sold the house to her son for \$10,000. Her son paid all the realtor fees and transfer costs. The PHA should:
  - a. Multiply \$100,000 times the PHA passbook rate to calculate the cash value of this imputed asset
  - b. Count \$90,000 in the total cash value of her assets for two years subsequent to the sale of the home
  - c. Not apply the imputed asset rule because she is elderly
  - d. Include the \$10,000 in her annual income

## Income

7. Even when calculating seasonal income that will last for less than one year, PHAs must always account for twelve months of income in their calculations.
  - a. True
  - b. False
8. Which of the following ranks highest on HUD's verification hierarchy?
  - a. Written third-party verification from the employer
  - b. Pay stubs
  - c. EIV report
  - d. Credit report
9. Which of the following are included in annual income?
  - a. Food stamps
  - b. The unearned income of a minor
  - c. Student loans
  - d. Sporadic income
10. When a person receives income from participation in a qualified state or local training program, how much of their income is excluded?
  - a. The incremental earnings and benefits
  - b. All earned income
  - c. Only income from HUD-funded training programs is excluded
  - d. Depends on the type of program
11. Bob Watson earns \$15,400 from employment. His wife Cathy collects SSI in the amount of \$13,500 per year. Their 21 year-old daughter Mallory lives with them. She is a full-time student. She works part time at Clothes Time earning \$8,900 per year. What is the family's annual income?
  - a. \$37,800
  - b. \$28,900
  - c. \$29,380
  - d. \$13,980
12. Which of the following events would not result in imputed welfare income being included in annual income?
  - a. Fraud
  - b. Expiration of lifetime benefit
  - c. Failure to comply with economic self sufficiency requirements
13. The Sykes family informs the PHA that their TANF has been reduced. They have been paying \$95 in rent. Taking into account the new amount received under TANF, the new income based rent would be \$75. However, the PHA has verified with the welfare department that their welfare reduction is a result of Ms. Sykes noncompliance with economic self sufficiency requirements. The Sykes family pays the following rent:
  - a. \$95
  - b. \$75
  - c. Minimum rent
  - d. \$0

14. Which of the following is a criterion to qualify for the EID?
- a. TANF benefits or services in the last 6 months
  - b. During participation in an economic self sufficiency or job training program
  - c. Previously unemployed for one or more years
  - d. Any of the above
15. In the public housing program, the family member who qualifies for the EID must be a person with disabilities.
- a. True
  - b. False
16. During the initial exclusion period of the EID, \_\_\_\_\_% of the incremental increase in earnings and benefits is excluded.
- a. 100
  - b. 200
  - c. 50
  - d. 25
17. When determining the pre-qualifying income for a person who qualifies for the earned income disallowance, only earned income should be counted.
- a. True
  - b. False

### Allowances

- Review the family information below and answer the questions following.
    - a. Head, age 45
    - b. Spouse, age 45
    - c. Son age 29, who is a full time student
    - d. Daughter age 16, who has quit school
    - e. Foster child (male), age 12
    - f. Grandmother, age 70
    - g. Disabled brother of head, age 39
    - h. Granddaughter, age 1
    - i. No one
18. Who qualifies this family for a \$400 allowance?  
Write letter of family member(s):  
\_\_\_\_\_
19. Who qualifies for a \$480 allowance? Write letter of family member(s):  
\_\_\_\_\_
20. Who qualifies for the medical allowance? Write letter of family member(s):  
\_\_\_\_\_
21. If the spouse was disabled, who would qualify for the medical allowance?  
Write letter of family member(s):  
\_\_\_\_\_
22. Disability assistance expenses may be deducted if they enable a family member to work, actively seek work or further their education.
  - a. True
  - b. False
23. Which of the following would qualify as a disability assistance expense?
  - a. An auxiliary apparatus enabling work
  - b. An assistance animal for school
  - c. Dental expenses for a dependent
  - d. Prescription costs for an elderly family member

24. PHAs must base allowable medical expenses on IRS Publication 502.
- a. True
  - b. False

**TTP**

25. TTP is always based on 30% of adjusted monthly income.
- a. True
  - b. False
26. Which of the following is not an allowable minimum rent?
- a. \$0
  - b. \$25
  - c. \$50
  - d. \$75

**Rent Calculation PH**

27. Ceiling rents are a function of income based rents, flat rents are not.
- a. True
  - b. False
28. Families are allowed to switch from income based to flat rent at any time, but they are only allowed to switch from flat rent to income based rent at annual recertification.
- a. True
  - b. False
29. When the family's utility allowance is greater than their TTP, the family will receive a:
- a. Flat rent
  - b. Utility reimbursement payment
  - c. Ceiling rent
  - d. Termination notice

**Rent Calculation HCV**

30. At initial assisted occupancy of a unit, the family may pay no more than \_\_\_\_% of their monthly adjusted income toward rent and utilities when the gross rent exceeds the payment standard.
- a. 30%
  - b. 40%
  - c. 100%
  - d. 10%
31. A family is given a 3 bedroom voucher. They lease up in a 4 bedroom unit. The payment standard for the family is the \_\_\_\_\_ bedroom payment standard.
- a. 3
  - b. 4
  - c. The family is not allowed to lease up in a larger unit.
  - d. 0
32. When the HAP amount exceeds the rent to owner, the family will receive:
- a. Utility reimbursement payment
  - b. Termination notice
  - c. HAP check
  - d. Flat rent

*Answers to Rent Calculation Quizzes*

**Assets:**

1. c
2. b
3. c
4. a
5. d
6. b

**Income:**

7. a
8. c
9. b
10. a
11. c
12. b
13. a
14. d
15. b
16. a
17. b

**Adjusted Income:**

18. i
19. c, d, g, h
20. i
21. a, b, c, d, f, g, h
22. b
23. a
24. b

**TTP:**

25. b
26. d

**Rent Calculation PH**

27. a
28. b
29. b

**Rent Calculation HCV**

30. b
31. a
32. a

## **CHAPTER 8      Additional File Reviews**

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### **LEARNING OUTCOMES**

- Develop the tools and skills to identify and correct errors in files using the knowledge gained in the course.

### **Section 8.1      File Review One**

#### *Scenario*

#### **Public Housing**

- Donna Sheridan is a public housing resident at Towncity PHA. She lives in a 3 bedroom unit at Main Street Manor with her brother Sam and her daughter Sophie. No family member is disabled. The flat rent for their unit is \$900. The Sheridans chose income based rent. There is no ceiling rent.
- Her annual recertification has just been completed by her case worker Sally Washington. Sally collected verification for the Sheridan family and then filled out a 50058 form. The annual recertification is effective September 1st. All identity and age verification forms were collected at intake and are correct. Use the Family Declaration for all identity information.
- The PHA passbook rate is 0.0075.

#### **HCV**

- Donna Sheridan is a participant in Towncity PHA's HCV program. She lives with her brother Sam and her daughter Sophie. No family member is disabled. She was issued a 2 bedroom voucher, but she lives in a 3 bedroom high rise apartment. The Sheridan family is responsible for natural gas heating, natural gas water heating, water, and electric cooking.
- Her annual recertification has just been completed by her case worker Sally Washington. Sally collected verification for the Sheridan family and then filled out a 50058 form. The annual recertification is effective September 1st. All identity and age verification forms were collected at intake and are correct. Use the Family Declaration for all identity information.
- The PHA passbook rate is 0.0075.

**Task**

1. Go over the verifications found in the Sheridan family's file and fill out the blank 50058 provided.
2. Once you have completed your 50058, review Sally Washington's completed 50058 using the File Checklist provided. Note any errors you find in the comments section of the checklist.



Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
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## 6. Assets

6a. Family member name	No.	6b. Type of asset	6c. Calculation (PHA use)	6d. Cash value of asset	6e. Anticipated Income
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
6f. 6g. Column totals				\$	6f. \$ 6g.
6h. Passbook rate (written as decimal)					0. _____ 6h.
6i. Imputed asset income: 6f X 6h (if 6f is \$5,000 or less, put 0)					\$ 6i.
6j. Final asset income: larger of 6g or 6i					\$ 6j.

## 7. Income

7a. Family member name	No.	7b. Income Code	7c. Calculation (PHA use)	7d. Dollars per year	7e. Income exclusions	7f. Income after exclusions (7d minus 7e)
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
7g. Column total						\$ 7g.
7h. Reserved						
7i. Total annual income: 6j + 7g						\$ 7i.

<b>7b: Income Codes</b> <b>Wages:</b> B = own business F = federal wage HA = PHA wage M = military pay W = other wage	<b>Welfare:</b> G = general assistance IW = annual imputed welfare income T = TANF assistance  <b>SS/SSI/Pensions:</b> P = pension S = SSI SS = Social Security	<b>Other Income Sources:</b> C = child support E = medical reimbursement I = Indian trust/per capita N = other nonwage sources U = unemployment benefits
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Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
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## 8. Expected Income Per Year

8a. Total annual income: copy from 7i	\$	8a.
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### Permissible Deductions (Public Housing Only. If Section 8, Skip to 8f or 8q)

8b. Family member name	No.	8c. Type of permissible deduction	8d. Amount
			\$
			\$
			\$
			\$
			\$
			\$

8e. Total permissible deductions (sum of column 8d)	\$	8e.
---	----	-----

### If head/spouse/co-head is under 62 and no family member is disabled, skip to 8q

8f. Medical/disability threshold: 8a X 0.03	\$	8f.
8g. Total annual unreimbursed disability assistance expense (if no disability expenses, skip to 8k)	\$	8g.
8h. Maximum disability allowance: If 8g minus 8f is positive or zero, put amount	\$	8h.
	If negative and head/spouse/co-head is under 62 and not disabled, put 0	\$ 8h.
	If negative and head/spouse/co-head is elderly or disabled, copy from 8g	\$ 8h.
8i. Earnings in 7d made possible by disability assistance expense	\$	8i.
8j. Allowable disability assistance expense: lower of 8h or 8i (if 8g is less than 8f and head/spouse/co-head elderly or disabled, copy from 8h)	\$	8j.
8k. Total annual unreimbursed medical expenses (if head/spouse/co-head under 62 and not disabled, put 0)	\$	8k.
8m. Total annual disability assistance and medical expense: 8j + 8k (if no disability expenses, copy from 8k)	\$	8m.
8n. Medical/disability assistance allowance:	If no disability assistance expenses or if 8g is less than 8f, put 8m minus 8f (if 8m minus 8f is negative, put zero)	\$ 8n.
	If disability assistance expenses and 8g is greater than or equal to 8f, copy from 8m	\$ 8n.
8p. Elderly/disability allowance (default = \$400)	\$	8p.
8q. Number of dependents (people under 18, or with disability, or full-time student. Do not count head of household, spouse, co-head, foster child/adult, or live-in aide.)	\$	8q.
8r. Allowance per dependent (default = \$480)	\$	8r.
8s. Dependent allowance: 8q X 8r	\$	8s.
8t. Total annual unreimbursed childcare costs	\$	8t.
8x. Total allowances: 8e + 8n + 8p + 8s + 8t	\$	8x.
8y. Adjusted annual income: 8a minus 8x (if 8x is larger, put 0)	\$	8y.

Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
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## 9. Total Tenant Payment (TTP)

9a. Total monthly income: $8a \div 12$	\$	9a.
9c. TTP if based on annual income: $9a \times 0.10$	\$	9c.
9d. Adjusted monthly income: $8y \div 12$	\$	9d.
9e. Percentage of adjusted monthly income: use 30% for Section 8		9e.
9f. TTP if based on adjusted annual income: $(9d \times 9e) \div 100$	\$	9f.
9g. Welfare rent per month (if none, put 0)	\$	9g.
9h. Minimum rent (if waived, put 0)	\$	9h.
9i. Enhanced Voucher minimum rent	\$	9i.
9j. TTP, highest of lines 9c, 9f, 9g, 9h, or 9i	\$	9j.
9k. Most recent TTP	\$	9k.
9m. Qualify for minimum rent hardship exemption? (Y or N)	\$	9m.

Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
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## 10. Public Housing and Turnkey III

10a.	TTP: copy from 9j	\$	10a.
10b.	Unit's flat rent (see Instruction Booklet for prorated flat rent calculation)	\$	10b.

### Income Based Rent Calculation (if prorated rent, skip to 10h)

10c.	Income based ceiling rent, if any	\$	10c.
10d.	Lower of TTP or income based ceiling rent (if no income based ceiling rent, put 10a)	\$	10d.
10e.	Utility allowance, if any	\$	10e.
10f.	Tenant rent: 10d minus 10e	If positive or 0, put tenant rent	\$ 10f.
		If negative, credit tenant	\$ 10f.

### Income Based Prorated Rent Calculation (if not prorated, skip to 10u)

10h.	Public Housing maximum rent	\$	10h.
10i.	Family maximum subsidy: 10h minus 10a	\$	10i.
10j.	Total number eligible		10j.
10k.	Total number in family		10k.
10n.	Eligible subsidy (10i ÷ 10k) X 10j	\$	10n.
10p.	Mixed family TTP: 10h minus 10n	\$	10p.
10r.	Utility allowance, if any	\$	10r.
10s.	Mixed family tenant rent: 10p minus 10r	If positive or 0, put tenant rent	\$ 10s.
		If negative, credit tenant	\$ 10s.

### Type of Rent

10u.	Type of rent selected:	<input type="checkbox"/> Income based	<input type="checkbox"/> Flat
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Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
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## 12. Housing Choice Vouchers: Tenant Based Vouchers

12a.	Number of bedrooms on Voucher		12a.
12b.	Is family now moving to this unit? (Y or N)		12b.
12c.	Does the family qualify as a Hard to House family? (Y or N)		12c.
12d.	Did family move into your PHA jurisdiction under portability? (Y or N) (if no, skip to 12g)		12d.
12e.	Cost billed per month (put 0 if absorbed)	\$	12e.
12f.	PHA code billed		12f.
12g.	Housing type:	<input type="checkbox"/> Group Home (prorate gross rent) <input type="checkbox"/> Own manufactured home, lease space <input type="checkbox"/> SRO: 1 room occupied by 1 person	
12h.	Owner name		12h.
12i.	Owner TIN/SSN		12i.
12j.	Payment standard for the family	\$	12j.
12k.	Rent to owner	\$	12k.
12m.	Utility allowance, if any	\$	12m.
12p.	Gross rent of unit: 12k + 12m (or Space Rent)	\$	12p.
12q.	Lower of 12j or 12p	\$	12q.
12r.	TTP: copy from 9j	\$	12r.
12s.	Total HAP: 12q minus 12r	\$	12s.

### Rent Calculation (if prorated rent, skip to 12ab)

12t.	Total family share: 12p minus 12s	\$	12t.
12u.	HAP to owner: lower of 12k or 12s	\$	12u.
12v.	Tenant rent to owner: 12k minus 12u	\$	12v.
12w.	Utility reimbursement to family: 12s minus 12u, but do not exceed 12m	\$	12w.

### Prorated Rent Calculation

12ab.	Normal total HAP: copy from 12s, but do not exceed 12p	\$	12ab.
12ac.	Total number eligible		12ac.
12ad.	Total number in family		12ad.
12ae.	Proration percentage: 12ac ÷ 12ad	\$	12ae.
12af.	Prorated total HAP: 12ab X 12ae	\$	12af.
12ag.	Mixed family total family contribution: 12p minus 12af	\$	12ag.
12ah.	Utility allowance: copy from 12m	\$	12ah.
12ai.	Mixed family tenant rent to owner: 12ag minus 12ah	If positive or 0, put tenant rent If negative, credit tenant	12ai.
			12ai.
12aj.	Prorated HAP to owner: 12k minus 12ai. If 12ai is negative, put 12k	\$	12aj.

## **Towncity PHA Policy**

### **Minimum Rent**

The PHA's minimum rent is \$50.

### **Income lasting less than one year**

The PHA will use Method 1 to annualize current income and conduct interim when there is a change in income.

### **Determining the Value of Assets**

The current balance will be used to determine the market value of all assets.

### **Assets Disposed of for Less than Fair Market Value**

The PHA must count assets disposed of for less than fair market value during the two years preceding certification or reexamination. The PHA will count the difference between the cash value and the actual payment received in calculation total assets. Assets disposed of as a result of foreclosure or bankruptcy, divorce or separation, are not considered to be assets disposed of for less than fair market value.

*PHA threshold.* The PHA's minimum threshold for counting assets disposed of for less than fair market value is \$1,000.

### **Equity in Real Property**

Equity is the estimated current market value of an asset (such as a house) less the unpaid balance on all loans secured by the asset and reasonable costs (such as broker fees) that would be incurred in selling the asset.

In the case of a property owned by a family member, the anticipated asset income generally will be in the form of rent or other payment for the use of the property. If the property generates no income, actual anticipated income from the asset will be zero.

*Net rental income.* Families who receive an income from rental property must provide adequate information for the PHA to anticipate net rental income.

A current executed lease for the property that shows the rental amount or certification from the current tenant. A self-certification from the family members engaged in the rental of property providing an estimate of expenses for the coming year and the most recent IRS Form 1040 with Schedule E (Rental Income). If schedule E was not prepared, the PHA will require the family members involved in the rental of property to provide a self-certification of income and expenses for the previous year and may request documentation to support the statement including: tax statements, insurance invoices, bills for reasonable maintenance and utilities, and bank statements or amortization schedules showing monthly interest expense.

## **Towncity PHA Utility Allowance Schedule for the PH Program**

### **Maine Street Manor**

0 BR	1 BR	2 BR	3 BR	4 BR
23	29	38	50	55

### **Maple Grove Apartments**

0 BR	1 BR
47	55

### **Albany Arms**

3 BR	4 BR	5 BR
65	78	102

## **Towncity PHA Utility Allowance Schedule for the HCV Program**

### **Apartment (high rise)**

	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR	7 BR	8 BR
<b>Heating</b>									
Natural gas	22	31	45	49	62	71	82	94	108
Electric	8	13	17	22	29	34	39	45	52
<b>Cooking</b>									
Natural gas	3	5	6	8	10	11	13	15	17
Electric	5	6	13	14	14	15	17	19	22
<b>Water heating</b>									
Natural gas	6	9	12	14	18	21	24	27	31
Electric	10	14	18	22	28	32	27	43	29
<b>Water</b>	12	14	25	26	24	42	51	62	74
<b>Sewer</b>	21	21	21	21	21	21	21	21	21
<b>Trash</b>	28	28	28	55	55	83	83	83	83
<b>Range/microwave</b>	7	7	7	7	7	7	7	7	7
<b>Refrigerator</b>	7	7	7	7	7	7	7	7	7

### **Semi-detached rowhouse, townhouse and duplex**

	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR	7 BR	8 BR
<b>Heating</b>									
Natural gas	6	8	9	10	13	17	20	24	29
Electric	7	11	14	18	25	29	24	29	45
<b>Cooking</b>									
Natural gas	3	5	6	8	10	11	13	15	17
Electric	5	6	8	10	13	15	17	19	22
<b>Water heating</b>									
Natural gas	12	14	18	26	34	42	51	62	74
Electric	10	14	18	22	28	32	37	43	49
<b>Water</b>	12	14	18	26	34	41	51	62	74
<b>Sewer</b>	21	21	21	21	21	21	21	21	21
<b>Trash</b>	28	28	28	55	55	83	83	83	83
<b>Range/microwave</b>	7	7	7	7	7	7	7	7	7
<b>Refrigerator</b>	7	7	7	7	7	7	7	7	7



### Single family detached

	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR	7 BR	8 BR
<b>Heating</b>									
Natural gas	7	10	13	16	18	22	28	35	42
Electric	10	14	18	23	35	42	49	55	61
<b>Cooking</b>									
Natural gas	3	5	6	8	10	11	18	20	22
Electric	10	14	18	23	28	32	37	42	48
<b>Water heating</b>									
Natural gas	6	9	12	14	18	21	24	27	31
<b>Other Electric</b>	10	15	19	23	29	33	38	44	51
<b>Water</b>	13	16	19	22	28	32	41	49	52
<b>Sewer</b>	21	21	21	21	21	21	21	21	21
<b>Trash</b>	28	28	28	55	55	83	83	83	83
<b>Range/microwave</b>	7	7	7	7	7	7	7	7	7
<b>Refrigerator</b>	7	7	7	7	7	7	7	7	7

### Towncity PHA Payment Standards for the HCV Program

0	\$925	3	\$1925
1	\$1500	4	\$2300
2	\$1800	5	\$2800

**TOWNCITY HOUSING AUTHORITY**  
**Family Declaration**

1. Name of head of household: Donna Sheridan
2. Name of spouse/co-head: \_\_\_\_\_
3. Address, Street, Apt. # and Zip Code: 1234 Maple Street, Towncity CZ 12345
4. Contact Numbers: Home: (555) 555-5587 Cell: (555) 555-3287 Email: DSheridan@CZ.org

**FAMILY INFORMATION**

5. List all persons who live in the unit. Include foster children and/or live-in aides (for care of a family member). All boxes must be completed for each member. No one not listed on this form may live in the unit.

	First Name, Last Name	Date of Birth	Age	Sex	Social Security Number	Relation to Head	Disabled Person? (Y/N)	Full-time Student? (No Fulltime Part time)
H	Donna Sheridan	3-12-19XX	42	F	123-45-6789	Head	N	No
2	Sam Carmichael	2-22-19XX	36	M	123-00-4567	Brother	N	full
3	Sophie Sheridan	1-17-20XX	13	F	123-09-0909	Daughter	N	full

*If you or anyone in your family is a person with disabilities, and you require a specific accommodation in order to fully utilize our programs and services, please contact the housing authority*

**INCOME: List all income sources and amounts expected for the next 12 months for all family members.**  
**Answer questions completely. If a question does not apply, note 'None' or '0'.**

6. Does or will anyone in the family receive any income from **employment** (not including self-employment)? *Yes* If Yes, provide pay stubs and complete the below:

Family Member	Employer Name, Address, Phone Number	Gross Amount Received	Frequency (weekly, bi-weekly, monthly, etc.)
Donna Sheridan	Mamma Mia Pizzeria, 43 Ivy Ct, Towncity, CZ	\$ 1,320	monthly
Sam Carmichael	Hudson's Lawncare, 1112 Garden St, Towncity, CZ	\$ 400	Monthly

7. Does or will anyone in the family receive income from self-employment or a family-operated business?  
*No* If Yes, provide records and complete the below:

Family Member	Type of Income	Gross Amount Received	Frequency (weekly, bi-weekly, monthly, etc.)
		\$	

8. Does or will anyone in the family receive **Social Security or SSI Benefits**?

*No* If Yes, provide a benefit award letter and complete the below:

Family Member	Type of Income	Gross Amount Received	Frequency (weekly, bi-weekly, monthly, etc.)
		\$	
		\$	

9. Does or will anyone in the family receive **regular periodic payments** from annuities, insurance policies, retirement funds, pensions, disability or death benefits, lottery winnings, or other similar amounts *No* If Yes, provide documentation and complete the below:

Family Member	Type of Periodic Payment	Gross Amount Received	Frequency (weekly, bi-weekly, monthly, etc.)
		\$	
		\$	

10. Does or will anyone in the family receive **unemployment** compensation, **disability** compensation, **workers' compensation** or **severance pay**? *No* If Yes, provide award letter / other documentation and complete the below:

Family Member	Type of Compensation	Gross Amount Received	Frequency (weekly, bi-weekly, monthly, etc.)
		\$	
		\$	

11. Does or will anyone in the family receive **public assistance benefits**? *Yes* If Yes, provide the award letter and complete the below:

Family Member	Type of Benefit (TANF, SNAP, state supplement, etc.)	Gross Amount Received	Frequency (weekly, bi-weekly, monthly, etc.)
<i>Donna</i>	<i>TANF</i>	<i>\$ 350</i>	<i>Month</i>
<i>Donna</i>	<i>SNAP</i>	<i>\$ 80</i>	<i>Month</i>

12. Does or will anyone in the family receive alimony or child support payments? *No* If Yes, provide court or other official records and proof of receipt and complete the below:

Family Member	Alimony or Child Support?	Court ordered? (Y or N)	Court ordered amount, if any?	Gross Amount Received	Frequency (weekly, bi-weekly, monthly, etc.)
			\$	\$	
			\$	\$	

13. Does anyone who is not in the assisted family pay any bills (utilities, telephone, insurance, car payments, rent, etc.) for any member of the family? *Yes* If Yes, complete the below:

Family Member	Type of Bill	Average Bill Amount	Name and Address of the Person Paying the Bill	Frequency (weekly, bi-weekly, monthly, etc.)
<i>Donna</i>	<i>Electric</i>	<i>\$ 40</i>	<i>Mary Sheridan, 43 Grape St, Towncity, CZ</i>	<i>monthly</i>

14. Is any family member receiving regular contributions (food, diapers, clothing, money, etc.) from a person who is not on your lease? *No* If Yes, provide a statement from the provider and complete the below:

Family Member	Type of Contribution	Amount or Value	Name and Address of the Provider	Frequency (weekly, bi-weekly, monthly, etc.)
		<i>\$</i>		

**ASSETS: List all assets held by all family members. Answer all questions completely.** Provide original documentation of each asset.

	Who owns?	Value of Asset	Type	Company/Bank Name/Address
15. Do you have checking or savings accounts? List all.				
Acct 1234567	<i>Yes Sophie</i>	<i>\$ 4,750</i>	<i>Savings</i>	<i>B of A 123 Main</i>
Acct 2345678	<i>Yes Donna</i>	<i>\$ 2,500</i>	<i>checking</i>	<i>B of A 123 Main</i>
16. Do you have trust funds available to anyone in your household?	<i>No</i>	<i>\$</i>		
17. Do you have any equity in real estate, rental property or capital investments?	<i>No</i>	<i>\$</i>		
18. Do you have stocks, bonds, treasury bills, CDs, or money market funds?	<i>No</i>	<i>\$</i>		
19. Do you have any retirement or pension funds?	<i>No</i>	<i>\$</i>		
20. Are you holding personal items as investments?	<i>No</i>	<i>\$</i>		
21. Do you have a "Whole Life" life insurance policy?	<i>No</i>	<i>\$</i>		
22. Have you disposed of any assets for less than market value in the past two years?	<i>No</i>	<i>\$</i>		

**EXPENSES: Answer all questions completely. If a question does not apply, note 'None' or '0'.**

24. Do you have unreimbursed, out of pocket childcare expenses for a child 12 or under? *Yes*

If Yes, do these costs enable a family member to work, attend school, or seek work? *Yes* If Yes, answer the questions below and **provide receipts**.

Child's Name	Childcare Provider Name, Address, Phone Number	Who is enabled to work, attend school, or seek work?	Hours of Provided Care	Amount Paid	Frequency (weekly, monthly, etc.)
<i>Sophie Sheridan</i>	<i>Yin Yan's childcare 654 Juniper Rd, Towncity</i>	<i>Donna</i>	<i>8 - 5</i>	<i>\$ 1,200</i>	<i>Monthly</i>

25. Is the head of household, spouse, or co-head elderly (62 or older) or disabled? *No*

If Yes, will *any* family member incur or pay unreimbursed, out of pocket medical expenses in the next 12 months? (Medical expenses include doctor fees, hospital bills, prescription costs, etc. ☐ Yes ☒ No If Yes, provide the below information, and **provide receipts**.

Family Member	Type of Expense	Paid to: Name, Address, Phone	Amount to be Paid	Frequency

26. Is there a disabled family member? *No*

If Yes, does the family pay unreimbursed, out of pocket attendant care expenses or special equipment expenses (wheelchair, wheelchair lift, etc.) that enable any family member to work? ☐ Yes ☒ No If yes, provide the below information, and **provide receipts**.

Disabled Family Member	Type of Expense	Paid to: Name, Address, Phone	Amount Paid	Frequency

The adult family member enabled to work as a result of these expenses is: \_\_\_\_\_.



# Anytown Bank

1234 Main Street, Towncity, CZ 12345

Donna Sheridan  
1234 Maple Street  
Towncity, Cz 12346



townCITY@EMOZ.com



555-555-5555



ANYTOWNNOZBANK.COM

***We treat your money like our own***

**PLATINUM savings account for SOPHIE SHERIDAN– Monthly Statement**

**Account LIN2177726**

**Statement Period**

**From July 1, 20XX to July 31, 20XX**

Starting Balance	Total Withdrawals	Total Deposits	Ending Balance
\$4,774.95	\$0.00	\$25.00	\$4,799.95

Interest rate: 1.49%

## TRANSACTIONS

July 27, 20XX Deposit \$ 25.00

**NON-INTEREST CHECKING account – Monthly Statement**

**Account SCA3334474**

**Statement Period**

**From July 1, 20XX to July 31, 20XX**

Starting Balance	Total Withdrawals	Total Deposits	Ending Balance
\$2864.38	\$371.94	\$290.00	\$2,946.32

Not FDIC Insured

## TRANSACTIONS

July 2, 20XX Check 1274 \$ 130.00  
July 3, 20XX Deposit \$ 217.51  
July 10, 20XX Check 1275 \$ 120.00  
July 12, 20XX Withdrawal ATM \$ 40.00  
July 22, 20XX Deposit \$ 154.43

**Mamma Mia Pizzeria 43 Ivy Ct, Towncity, CZ 12345**

Employee Name			Employee SSN		Period Start	Period End	Check Date	
Donna Sheridan			123-45-6789		7/1/XX	7/15/XX	7/18/XX	
Earnings						Deductions/Taxes/Misc		
Description	Rate	Hours	Amount	YTD		Description	Amount	Year-to-Date
Wages	15.21	43	\$654.03	\$4,471.74		Fed withheld	\$ 78.48	\$ 536.62
						State W/H	\$ 7.85	\$ 53.66
						FICA	\$ 50.03	\$ 342.09
						Medicare	\$ 9.48	\$ 64.82
Gross Pay: \$ 654.03			Deductions: \$ 145.85			Net Pay: \$ 508.18		

**Mamma Mia Pizzeria 43 Ivy Ct, Towncity, CZ 12345**

Employee Name			Employee SSN		Period Start	Period End	Check Date	
Donna Sheridan			123-45-6789		6/16/XX	6/30/XX	7/3/XX	
Earnings						Deductions/Taxes/Misc		
Description	Rate	Hours	Amount	YTD		Description	Amount	Year-to-Date
Wages	17.56	41	\$623.61	\$3,817.71		Fed withheld	\$ 74.84	\$ 458.14
						State W/H	\$ 7.48	\$ 45.81
						FICA	\$ 47.71	\$ 292.06
						Medicare	\$ 9.04	\$ 55.34
Gross Pay: \$ 623.61			Deductions: \$ 139.07			Net Pay: \$ 484.54		

**Hudson's Lawncare 1112 Garden St, Towncity, CZ 12345**

Employee Name			Employee SSN		Period Start	Period End	Check Date	
Sam Carmichael			123-00-4567		6/1/XX	6/30/XX	7/1/XX	
Earnings						Deductions/Taxes/Misc		
Description	Rate	Hours	Amount	YTD		Description	Amount	Year-to-Date
Wages	10.00	40	\$400.00	\$2,400.00		Fed withheld	\$ 48.00	\$ 288.00
						State W/H	\$ 4.80	\$ 28.80
						FICA	\$ 30.65	\$ 183.90
						Medicare	\$ 5.80	\$ 34.80
Gross Pay: \$ 400.00			Deductions: \$ 89.25			Net Pay: \$ 310.75		

**Hudson's Lawncare 1112 Garden St, Towncity, CZ 12345**

Employee Name			Employee SSN		Period Start	Period End	Check Date	
Sam Carmichael			123-00-4567		5/1/XX	5/31/XX	6/1/XX	
Earnings						Deductions/Taxes/Misc		
Description	Rate	Hours	Amount	YTD		Description	Amount	Year-to-Date
Wages	10.00	40	\$400.00	\$2,000.00		Fed withheld	\$ 48.00	\$ 240.00
						State W/H	\$ 4.80	\$ 24.00
						FICA	\$ 30.65	\$ 153.25
						Medicare	\$ 5.80	\$ 29.00
Gross Pay: \$ 400.00			Deductions: \$ 89.25			Net Pay: \$ 310.75		



*July 3, 20XX*

*To Whom it May Concern;*

*I, Mary Sheridan, pay \$40.00 each month towards my daughter's gas and light bill. My daughter is Donna Sheridan.*

*If you have any questions, you can reach me at (555) 555-1155. Thank you.*

*Mary Sheridan*

DEPARTMENT OF SOCIAL SERVICES

July 1, 20XX

Claim Number: 513-37-1114

Cubic Zirconia Department of Social Services  
43 Kalmia St  
Towncity, CZ 12345

Donna Sheridan  
1823 Laurel Ave  
Towncity, CZ 12345

Your benefits for July 1, 20XX are as follows:

	<b>Benefit</b>	<b>Withheld</b>	<b>Net Amount</b>
TANF	\$ 550	\$200	\$350
SNAP	\$ 80	\$ 0	\$ 80

TANF benefits are reduced due to:

- ☒ welfare fraud  
☐ Failure to participate in the required self-sufficiency program  
☐ Other:

Please contact your case worker should you have questions regarding these benefits.

Caseworker: Moira Green  
(555) 555-5678

# Uni University



July 8, 20XX

8877 Maple St  
Towncity, CZ 12345  
(555)555-8755

Sam Carmichael  
1823 Laurel Ave  
Towncity, CZ 12345

In response to your telephone request of July 7, this is to confirm you are currently enrolled as a full-time student at our educational institution.

You are currently carrying 12 units, which is considered full-time.

Should you have any questions regarding enrollment, student status, or college guidelines, please do not hesitate to contact our Student Support Center.

Best wishes for an enjoyable and productive college year.

Sincerely,

*Gina George*

Administrative Assistant

(555) 555-0009



TOWNCITY PHA, 123 MAIN STREET, TOWNCITY CZ 12345  
(555-555-5555)

Yin Yan Childcare  
654 Juniper Rd  
Towncity, CZ 12345

The below-signed individual has signed authorization to allow you to provide the PHA with the requested information regarding childcare. We would appreciate your completing the below form and returning to us within 10 business days. Should you have any questions, please do not hesitate to contact us at the above telephone number. Thank you for your assistance.

I authorize the release of the requested information: Printed Name Donna Sheridan

Signature: Donna Sheridan Date: 7/8/XX

Childcare is provided for the child(ren) listed below, as follows:

Child's Name	Hours (from/to)	Days	Amount charged	Amount paid by Individual Above
<i>Sophie Sheridan</i>	<i>8:00 – 5:00 (normally)</i>	<i>Monday Wednesday Friday</i>	<i>\$1,200 per month</i>	<i>\$1,200 per month</i>

1. Is any amount paid by any other individual or organization? *No*
2. To your knowledge, is any amount reimbursed by any individual or organization? *Not to my knowledge*
3. Comments:

Agency Name: *Yin Yan Childcare*

Address: *654 Juniper St, Towncity, CZ 12345*

Name of person completing form: *Haley Dann* Date: *7/22/XX*

Title: *Childcare provider* Signature: *Haley Dann* Phone: *(555) 555-8810*

Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
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## 6. Assets

6a. Family member name	No.	6b. Type of asset	6c. Calculation (PHA use)	6d. Cash value of asset	6e. Anticipated Income
<b>Donna</b>	<b>1</b>	<b>Checking</b>		<b>\$ 2,946</b>	<b>\$ 2,946</b>
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
6f. 6g. Column totals				<b>\$ 2,946</b> 6f.	<b>\$ 2,946</b> 6g.
6h. Passbook rate (written as decimal)					0. <b>0075</b> 6h.
6i. Imputed asset income: 6f X 6h (if 6f is \$5,000 or less, put 0)					\$ <b>0</b> 6i.
6j. Final asset income: larger of 6g or 6i					\$ <b>2946</b> 6j.

## 7. Income

7a. Family member name	No.	7b. Income Code	7c. Calculation (PHA use)	7d. Dollars per year	7e. Income exclusions	7f. Income after exclusions (7d minus 7e)
<b>Donna</b>	<b>1</b>	<b>W</b>	<b>496.36 x 24</b>	<b>\$ 11,913</b>	\$	<b>\$ 11,913</b>
<b>Donna</b>	<b>1</b>	<b>T</b>	<b>350 x 12</b>	<b>\$ 4,200</b>	\$	<b>\$ 4,200</b>
<b>Sam</b>	<b>2</b>	<b>W</b>	<b>400 x 12</b>	<b>\$ 4,800</b>	\$	<b>\$ 4,800</b>
<b>Donna</b>	<b>1</b>	<b>N</b>	<b>550 x 12</b>	<b>\$ 6,600</b>	\$	<b>\$ 6,600</b>
<b>Donna</b>	<b>1</b>	<b>N</b>	<b>40 x 12</b>	<b>\$ 480</b>	\$	<b>\$ 480</b>
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
7g. Column total						<b>\$ 23,793</b> 7g.
7h. Reserved						
7i. Total annual income: 6j + 7g						<b>\$ 26,739</b> 7i.

<b>7b: Income Codes</b> <b>Wages:</b> B = own business F = federal wage HA = PHA wage M = military pay W = other wage	<b>Welfare:</b> G = general assistance IW = annual imputed welfare income T = TANF assistance  <b>SS/SSI/Pensions:</b> P = pension S = SSI SS = Social Security	<b>Other Income Sources:</b> C = child support E = medical reimbursement I = Indian trust/per capita N = other nonwage sources U = unemployment benefits
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Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
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## 8. Expected Income Per Year

8a. Total annual income: copy from 7i	\$ <b>26,739</b>	8a.
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### Permissible Deductions (Public Housing Only. If Section 8, Skip to 8f or 8q)

8b. Family member name	No.	8c. Type of permissible deduction	8d. Amount
			\$
			\$
			\$
			\$
			\$
			\$

8e. Total permissible deductions (sum of column 8d)	\$	8e.
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### If head/spouse/co-head is under 62 and no family member is disabled, skip to 8q

8f. Medical/disability threshold: 8a X 0.03	\$	8f.
8g. Total annual unreimbursed disability assistance expense (if no disability expenses, skip to 8k)	\$	8g.
8h. Maximum disability allowance: If 8g minus 8f is positive or zero, put amount	\$	8h.
	If negative and head/spouse/co-head is under 62 and not disabled, put 0	\$ 8h.
	If negative and head/spouse/co-head is elderly or disabled, copy from 8g	\$ 8h.
8i. Earnings in 7d made possible by disability assistance expense	\$	8i.
8j. Allowable disability assistance expense: lower of 8h or 8i (if 8g is less than 8f and head/spouse/co-head elderly or disabled, copy from 8h)	\$	8j.
8k. Total annual unreimbursed medical expenses (if head/spouse/co-head under 62 and not disabled, put 0)	\$	8k.
8m. Total annual disability assistance and medical expense: 8j + 8k (if no disability expenses, copy from 8k)	\$	8m.
8n. Medical/disability assistance allowance:	If no disability assistance expenses or if 8g is less than 8f, put 8m minus 8f (if 8m minus 8f is negative, put zero)	\$ 8n.
	If disability assistance expenses and 8g is greater than or equal to 8f, copy from 8m	\$ 8n.
8p. Elderly/disability allowance (default = \$400)	\$	8p.
8q. Number of dependents (people under 18, or with disability, or full-time student. Do not count head of household, spouse, co-head, foster child/adult, or live-in aide.)	\$ <b>1</b>	8q.
8r. Allowance per dependent (default = \$480)	\$ <b>480</b>	8r.
8s. Dependent allowance: 8q X 8r	\$ <b>480</b>	8s.
8t. Total annual unreimbursed childcare costs	\$ <b>14,400</b>	8t.
8x. Total allowances: 8e + 8n + 8p + 8s + 8t	\$ <b>14,880</b>	8x.
8y. Adjusted annual income: 8a minus 8x (if 8x is larger, put 0)	\$ <b>11,859</b>	8y.

Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
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### 9. Total Tenant Payment (TTP)

9a. Total monthly income: $8a \div 12$	\$	<b>2,228</b>	9a.
9c. TTP if based on annual income: $9a \times 0.10$	\$	<b>223</b>	9c.
9d. Adjusted monthly income: $8y \div 12$	\$	<b>988</b>	9d.
9e. Percentage of adjusted monthly income: use 30% for Section 8		<b>30</b>	9e.
9f. TTP if based on adjusted annual income: $(9d \times 9e) \div 100$	\$	<b>296</b>	9f.
9g. Welfare rent per month (if none, put 0)	\$	<b>0</b>	9g.
9h. Minimum rent (if waived, put 0)	\$	<b>50</b>	9h.
9i. Enhanced Voucher minimum rent	\$		9i.
9j. TTP, highest of lines 9c, 9f, 9g, 9h, or 9i	\$	<b>296</b>	9j.
9k. Most recent TTP	\$		9k.
9m. Qualify for minimum rent hardship exemption? (Y or N)	\$	<b>N</b>	9m.

Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
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## 10. Public Housing and Turnkey III

10a.	TTP: copy from 9j	\$	<b>296</b>	10a.
10b.	Unit's flat rent (see Instruction Booklet for prorated flat rent calculation)	\$	<b>900</b>	10b.

### Income Based Rent Calculation (if prorated rent, skip to 10h)

10c.	Income based ceiling rent, if any	\$		10c.
10d.	Lower of TTP or income based ceiling rent (if no income based ceiling rent, put 10a)	\$	<b>296</b>	10d.
10e.	Utility allowance, if any	\$	<b>50</b>	10e.
10f.	Tenant rent: 10d minus 10e			
		If positive or 0, put tenant rent	\$	<b>246</b> 10f.
		If negative, credit tenant	\$	10f.

### Income Based Prorated Rent Calculation (if not prorated, skip to 10u)

10h.	Public Housing maximum rent	\$		10h.
10i.	Family maximum subsidy: 10h minus 10a	\$		10i.
10j.	Total number eligible			10j.
10k.	Total number in family			10k.
10n.	Eligible subsidy (10i ÷ 10k) X 10j	\$		10n.
10p.	Mixed family TTP: 10h minus 10n	\$		10p.
10r.	Utility allowance, if any	\$		10r.
10s.	Mixed family tenant rent: 10p minus 10r			
		If positive or 0, put tenant rent	\$	10s.
		If negative, credit tenant	\$	10s.

### Type of Rent

10u.	Type of rent selected:	<input checked="" type="checkbox"/> ] Income based	<input type="checkbox"/> ] Flat
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Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
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## 12. Housing Choice Vouchers: Tenant Based Vouchers

12a.	Number of bedrooms on Voucher		12a.
12b.	Is family now moving to this unit? (Y or N)		12b.
12c.	Does the family qualify as a Hard to House family? (Y or N)		12c.
12d.	Did family move into your PHA jurisdiction under portability? (Y or N) (if no, skip to 12g)		12d.
12e.	Cost billed per month (put 0 if absorbed)	\$	12e.
12f.	PHA code billed		12f.
12g.	Housing type:	<input type="checkbox"/> Group Home (prorate gross rent) <input type="checkbox"/> Own manufactured home, lease space <input type="checkbox"/> SRO: 1 room occupied by 1 person	
12h.	Owner name		12h.
12i.	Owner TIN/SSN		12i.
12j.	Payment standard for the family	\$ 1,925	12j.
12k.	Rent to owner	\$ 1,900	12k.
12m.	Utility allowance, if any	\$ 103	12m.
12p.	Gross rent of unit: 12k + 12m (or Space Rent)	\$ 2,003	12p.
12q.	Lower of 12j or 12p	\$ 1,925	12q.
12r.	TTP: copy from 9j	\$ 296	12r.
12s.	Total HAP: 12q minus 12r	\$ 1,629	12s.

### Rent Calculation (if prorated rent, skip to 12ab)

12t.	Total family share: 12p minus 12s	\$ 374	12t.
12u.	HAP to owner: lower of 12k or 12s	\$ 1,629	12u.
12v.	Tenant rent to owner: 12k minus 12u	\$ 271	12v.
12w.	Utility reimbursement to family: 12s minus 12u, but do not exceed 12m	\$ 0	12w.

### Prorated Rent Calculation

12ab.	Normal total HAP: copy from 12s, but do not exceed 12p	\$	12ab.
12ac.	Total number eligible		12ac.
12ad.	Total number in family		12ad.
12ae.	Proration percentage: 12ac ÷ 12ad	\$	12ae.
12af.	Prorated total HAP: 12ab X 12ae	\$	12af.
12ag.	Mixed family total family contribution: 12p minus 12af	\$	12ag.
12ah.	Utility allowance: copy from 12m	\$	12ah.
12ai.	Mixed family tenant rent to owner: 12ag minus 12ah	If positive or 0, put tenant rent If negative, credit tenant	12ai.
			12ai.
12aj.	Prorated HAP to owner: 12k minus 12ai. If 12ai is negative, put 12k	\$	12aj.

## **File Review Checklist**

<b>Family Composition</b>				
Relation	Name	Age	Disability Y/N	Dependent Y/N

Section 6: Assets			
	PHA		HUD
Final asset income in 6j:	\$		\$
	Yes	No	N/A
Are all assets verified and documented?			
Did PHA accurately calculate net cash value of all assets?			
Did PHA accurately calculate actual income from assets?			
For assets with a cash value in excess of \$5,000, did PHA accurately calculate imputed asset income?			
Did PHA accurately calculate final asset income using larger of actual or imputed?			
Comments:			

Section 7: Income			
	PHA		HUD
Column total from 7g:	\$		\$
	Yes	No	N/A
Is all income verified and documented?			
Are the following types of income calculated correctly:			
Earned income?			
Earned income disallowance?			
SS/SSI income?			
Pension income?			
Full time student income?			
Income of a minor?			
Welfare benefit income?			
Where family is subject to a specified benefit reduction, is imputed welfare income calculated accurately?			
Income exclusions?			
Comments:			
Total Annual Income			
	PHA		HUD
Total annual income in 7i:	\$		\$

<b>Section 8: Adjusted Income</b>			
	<b>PHA</b>		<b>HUD</b>
Total allowances in 8x:	\$		\$
Total adjusted income in 8y:	\$		\$
<b>Dependent deduction</b>	<b>PHA</b>		<b>HUD</b>
Total in 8s:	\$		\$
	<b>Yes</b>	<b>No</b>	<b>N/A</b>
Deduction accurately verified?			
All dependents accounted for?			
<b>Elderly/disabled family deduction</b>	<b>PHA</b>		<b>HUD</b>
Total in 8p:	\$		\$
	<b>Yes</b>	<b>No</b>	<b>N/A</b>
Deduction accurately verified?			
Is head, spouse or cohead elderly or disabled?			
<b>Childcare deduction</b>	<b>PHA</b>		<b>HUD</b>
Total in 8t:	\$		\$
	<b>Yes</b>	<b>No</b>	<b>N/A</b>
Deduction accurately verified?			
Are there children under age 13?			
Is the family member who is claiming child care working, seeking work or furthering their education?			
For child care enabled by work, is the earnings cap utilized?			
<b>Medical expense deduction</b>	<b>PHA</b>		<b>HUD</b>
Total in 8n:	\$		\$
	<b>Yes</b>	<b>No</b>	<b>N/A</b>
Medical expenses accurately verified?			
Is the head, spouse or cohead elderly or disabled?			
Were the medical expenses of all family members deducted?			
Did the PHA correctly calculate 3% of annual income?			
Were all medical expenses unreimbursed?			
Were medical expenses correctly calculated?			
<b>Disability assistance expense</b>	<b>PHA</b>		<b>HUD</b>
Total in 8n:	\$		\$
	<b>Yes</b>	<b>No</b>	<b>N/A</b>
Disability assistance expense accurately verified?			

Is there a disabled family member with attendant care or an auxiliary apparatus?			
Is someone in the family working because of the attendant care or auxiliary apparatus?			
Did the PHA correctly calculate 3% of annual income?			
Was the income cap correctly applied?			
Was disability assistance expense incorrectly coded as child care expense?			
Comments:			

Section 9: TTP			
	PHA		HUD
TTP in 9j:	\$		\$
	Yes	No	N/A
TTP calculated correctly?			
If family qualified for a minimum rent hardship exemption was it correctly applied?			
If family qualified for a minimum rent hardship exemption was it verified and documented?			
Comments:			

Section 10: Public Housing Rent Calculation			
	PHA		HUD
Tenant rent in 10f:	\$		\$
	Yes	No	N/A
Was tenant rent calculated correctly?			
Comments:			

Section 12: Housing Choice Voucher Rent Calculation			
	PHA		HUD
Payment standard in 12j:	\$		\$
HAP to owner in 12u:	\$		\$
Family rent to owner in 12v:	\$		\$
Utility allowance in 12m:	\$		\$
	Yes	No	N/A
Was the correct payment standard applied?			
Was the correct utility allowance used?			
Comments:			

## **Section 8.2      File Review Two**

### ***Scenario***

#### **Public Housing**

- Tim Allen, his spouse Avery, and his granddaughter Maya are residents of Towncity PHA's public housing program. They live in a 2 bedroom unit at Albany Arms.
- Case worker Sally Washington has collected verifications for the Allen family and then filled out a 50058 with an effective date of June 1. The Allen family chose income based rent. Assume that all identity and age verification forms have been collected at intake and are correct. Use the Family Declaration for all identity information. Flat rent for the unit is \$750. There is no ceiling rent.

**Note:** The lease in the file is for the HCV program only. No PH lease is included.

#### **HCV**

- Tim Allen, his spouse Avery, and his granddaughter Maya are participants of Towncity PHA's HCV program. They were issued a 2 bedroom voucher, but are living in a 3 bedroom townhouse. The Allen family is responsible for natural gas heating, natural gas water heating, and electric cooking. The rent to owner is \$1,600.
- Case worker Sally Washington has collected verification for the Allen family and then filled out a 50058 with an effective date of June 1. Assume that all identity and age verification forms have been collected at intake and are correct. Use the Family Declaration for all identity information.

#### **Task**

1. Go over the verifications found in the Allen family's file and fill out the blank 50058 provided.
2. Once you have completed your 50058, review Sally Washington's completed 50058 using the File Checklist provided. Note any errors you find in the comments section of the checklist.

## Notes

Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
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## 6. Assets

6a. Family member name	No.	6b. Type of asset	6c. Calculation (PHA use)	6d. Cash value of asset	6e. Anticipated Income
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
6f, 6g. Column totals				\$	6f. \$ 6g.
6h. Passbook rate (written as decimal)					0. _____ 6h.
6i. Imputed asset income: 6f X 6h (if 6f is \$5,000 or less, put 0)					\$ 6i.
6j. Final asset income: larger of 6g or 6i					\$ 6j.

## 7. Income

7a. Family member name	No.	7b. Income Code	7c. Calculation (PHA use)	7d. Dollars per year	7e. Income exclusions	7f. Income after exclusions (7d minus 7e)
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
7g. Column total						\$ 7g.
7h. Reserved						
7i. Total annual income: 6j + 7g						\$ 7i.

<b>7b: Income Codes</b> <b>Wages:</b> B = own business F = federal wage HA = PHA wage M = military pay W = other wage	<b>Welfare:</b> G = general assistance IW = annual imputed welfare income T = TANF assistance  <b>SS/SSI/Pensions:</b> P = pension S = SSI SS = Social Security	<b>Other Income Sources:</b> C = child support E = medical reimbursement I = Indian trust/per capita N = other nonwage sources U = unemployment benefits
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Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
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## 8. Expected Income Per Year

8a. Total annual income: copy from 7i	\$	8a.
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### Permissible Deductions (Public Housing Only. If Section 8, Skip to 8f or 8q)

8b. Family member name	No.	8c. Type of permissible deduction	8d. Amount
			\$
			\$
			\$
			\$
			\$
			\$

8e. Total permissible deductions (sum of column 8d)	\$	8e.
---	----	-----

### If head/spouse/co-head is under 62 and no family member is disabled, skip to 8q

8f. Medical/disability threshold: 8a X 0.03	\$	8f.
8g. Total annual unreimbursed disability assistance expense (if no disability expenses, skip to 8k)	\$	8g.
8h. Maximum disability allowance: If 8g minus 8f is positive or zero, put amount	\$	8h.
	If negative and head/spouse/co-head is under 62 and not disabled, put 0	\$ 8h.
	If negative and head/spouse/co-head is elderly or disabled, copy from 8g	\$ 8h.
8i. Earnings in 7d made possible by disability assistance expense	\$	8i.
8j. Allowable disability assistance expense: lower of 8h or 8i (if 8g is less than 8f and head/spouse/co-head elderly or disabled, copy from 8h)	\$	8j.
8k. Total annual unreimbursed medical expenses (if head/spouse/co-head under 62 and not disabled, put 0)	\$	8k.
8m. Total annual disability assistance and medical expense: 8j + 8k (if no disability expenses, copy from 8k)	\$	8m.
8n. Medical/disability assistance allowance:	If no disability assistance expenses or if 8g is less than 8f, put 8m minus 8f (if 8m minus 8f is negative, put zero)	\$ 8n.
	If disability assistance expenses and 8g is greater than or equal to 8f, copy from 8m	\$ 8n.
8p. Elderly/disability allowance (default = \$400)	\$	8p.
8q. Number of dependents (people under 18, or with disability, or full-time student. Do not count head of household, spouse, co-head, foster child/adult, or live-in aide.)	\$	8q.
8r. Allowance per dependent (default = \$480)	\$	8r.
8s. Dependent allowance: 8q X 8r	\$	8s.
8t. Total annual unreimbursed childcare costs	\$	8t.
8x. Total allowances: 8e + 8n + 8p + 8s + 8t	\$	8x.
8y. Adjusted annual income: 8a minus 8x (if 8x is larger, put 0)	\$	8y.



Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
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### 9. Total Tenant Payment (TTP)

9a. Total monthly income: $8a \div 12$	\$	9a.
9c. TTP if based on annual income: $9a \times 0.10$	\$	9c.
9d. Adjusted monthly income: $8y \div 12$	\$	9d.
9e. Percentage of adjusted monthly income: use 30% for Section 8		9e.
9f. TTP if based on adjusted annual income: $(9d \times 9e) \div 100$	\$	9f.
9g. Welfare rent per month (if none, put 0)	\$	9g.
9h. Minimum rent (if waived, put 0)	\$	9h.
9i. Enhanced Voucher minimum rent	\$	9i.
9j. TTP, highest of lines 9c, 9f, 9g, 9h, or 9i	\$	9j.
9k. Most recent TTP	\$	9k.
9m. Qualify for minimum rent hardship exemption? (Y or N)	\$	9m.

Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
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## 10. Public Housing and Turnkey III

10a.	TTP: copy from 9j	\$	10a.
10b.	Unit's flat rent (see Instruction Booklet for prorated flat rent calculation)	\$	10b.

### Income Based Rent Calculation (if prorated rent, skip to 10h)

10c.	Income based ceiling rent, if any	\$	10c.
10d.	Lower of TTP or income based ceiling rent (if no income based ceiling rent, put 10a)	\$	10d.
10e.	Utility allowance, if any	\$	10e.
10f.	Tenant rent: 10d minus 10e	If positive or 0, put tenant rent	\$ 10f.
		If negative, credit tenant	\$ 10f.

### Income Based Prorated Rent Calculation (if not prorated, skip to 10u)

10h.	Public Housing maximum rent	\$	10h.
10i.	Family maximum subsidy: 10h minus 10a	\$	10i.
10j.	Total number eligible		10j.
10k.	Total number in family		10k.
10n.	Eligible subsidy (10i ÷ 10k) X 10j	\$	10n.
10p.	Mixed family TTP: 10h minus 10n	\$	10p.
10r.	Utility allowance, if any	\$	10r.
10s.	Mixed family tenant rent: 10p minus 10r	If positive or 0, put tenant rent	\$ 10s.
		If negative, credit tenant	\$ 10s.

### Type of Rent

10u.	Type of rent selected:	<input type="checkbox"/> Income based	<input type="checkbox"/> Flat
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Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
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## 12. Housing Choice Vouchers: Tenant Based Vouchers

12a.	Number of bedrooms on Voucher		12a.
12b.	Is family now moving to this unit? (Y or N)		12b.
12c.	Does the family qualify as a Hard to House family? (Y or N)		12c.
12d.	Did family move into your PHA jurisdiction under portability? (Y or N) (if no, skip to 12g)		12d.
12e.	Cost billed per month (put 0 if absorbed)	\$	12e.
12f.	PHA code billed		12f.
12g.	Housing type:	<input type="checkbox"/> Group Home (prorate gross rent) <input type="checkbox"/> Own manufactured home, lease space <input type="checkbox"/> SRO: 1 room occupied by 1 person	
12h.	Owner name		12h.
12i.	Owner TIN/SSN		12i.
12j.	Payment standard for the family	\$	12j.
12k.	Rent to owner	\$	12k.
12m.	Utility allowance, if any	\$	12m.
12p.	Gross rent of unit: 12k + 12m (or Space Rent)	\$	12p.
12q.	Lower of 12j or 12p	\$	12q.
12r.	TTP: copy from 9j	\$	12r.
12s.	Total HAP: 12q minus 12r	\$	12s.

### Rent Calculation (if prorated rent, skip to 12ab)

12t.	Total family share: 12p minus 12s	\$	12t.
12u.	HAP to owner: lower of 12k or 12s	\$	12u.
12v.	Tenant rent to owner: 12k minus 12u	\$	12v.
12w.	Utility reimbursement to family: 12s minus 12u, but do not exceed 12m	\$	12w.

### Prorated Rent Calculation

12ab.	Normal total HAP: copy from 12s, but do not exceed 12p	\$	12ab.
12ac.	Total number eligible		12ac.
12ad.	Total number in family		12ad.
12ae.	Proration percentage: 12ac ÷ 12ad	\$	12ae.
12af.	Prorated total HAP: 12ab X 12ae	\$	12af.
12ag.	Mixed family total family contribution: 12p minus 12af	\$	12ag.
12ah.	Utility allowance: copy from 12m	\$	12ah.
12ai.	Mixed family tenant rent to owner: 12ag minus 12ah	If positive or 0, put tenant rent If negative, credit tenant	12ai.
			12ai.
12aj.	Prorated HAP to owner: 12k minus 12ai. If 12ai is negative, put 12k	\$	12aj.

## **Towncity PHA Policy**

**The PHA's passbook rate is 0.0075.**

### **Minimum Rent**

The PHA's minimum rent is \$50.

### **Income lasting less than one year**

The PHA will use Method 1 to annualize current income and conduct interim when there is a change in income.

### **Determining the Value of Assets**

The current balance will be used to determine the market value of all assets.

### **Assets Disposed of for Less than Fair Market Value**

The PHA must count assets disposed of for less than fair market value during the two years preceding certification or reexamination. The PHA will count the difference between the cash value and the actual payment received in calculation total assets. Assets disposed of as a result of foreclosure or bankruptcy, divorce or separation, are not considered to be assets disposed of for less than fair market value.

*PHA threshold.* The PHA's minimum threshold for counting assets disposed of for less than fair market value is \$1,000.

### **Equity in Real Property**

Equity is the estimated current market value of an asset (such as a house) less the unpaid balance on all loans secured by the asset and reasonable costs (such as broker fees) that would be incurred in selling the asset.

In the case of a property owned by a family member, the anticipated asset income generally will be in the form of rent or other payment for the use of the property. If the property generates no income, actual anticipated income from the asset will be zero.

*Net rental income.* Families who receive an income from rental property must provide adequate information for the PHA to anticipate net rental income.

A current executed lease for the property that shows the rental amount or certification from the current tenant. A self-certification from the family members engaged in the rental of property providing an estimate of expenses for the coming year and the most recent IRS Form 1040 with Schedule E (Rental Income). If schedule E was not prepared, the PHA will require the family members involved in the rental of property to provide a self-certification of income and expenses for the previous year and may request documentation to support the statement including: tax statements, insurance invoices, bills for reasonable maintenance and utilities, and bank statements or amortization schedules showing monthly interest expense.

## **Towncity PHA Utility Allowance Schedule for the PH Program**

### **Maine Street Manor**

0 BR	1 BR	2 BR	4 BR
38	52	74	89

### **Maple Grove Apartments**

0 BR	1 BR
101	127

### **Albany Arms**

2 BR	3 BR	5 BR
52	68	97

## Towncity PHA Utility Allowance Schedule for the HCV Program

### Apartment (high rise)

	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR	7 BR	8 BR
<b>Heating</b>									
Natural gas	22	31	45	49	62	71	82	94	108
Electric	8	13	17	22	29	34	39	45	52
<b>Cooking</b>									
Natural gas	3	5	6	8	10	11	13	15	17
Electric	5	6	13	14	14	15	17	19	22
<b>Water heating</b>									
Natural gas	6	9	12	14	18	21	24	27	31
Electric	10	14	18	22	28	32	27	43	29
<b>Water</b>	12	14	25	26	24	42	51	62	74
<b>Sewer</b>	21	21	21	21	21	21	21	21	21
<b>Trash</b>	28	28	28	55	55	83	83	83	83
<b>Range/microwave</b>	7	7	7	7	7	7	7	7	7
<b>Refrigerator</b>	7	7	7	7	7	7	7	7	7

### Semi-detached rowhouse, townhouse and duplex

	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR	7 BR	8 BR
<b>Heating</b>									
Natural gas	6	8	9	10	13	17	20	24	29
Electric	7	11	14	18	25	29	24	29	45
<b>Cooking</b>									
Natural gas	3	5	6	8	10	11	13	15	17
Electric	5	6	8	10	13	15	17	19	22
<b>Water heating</b>									
Natural gas	12	14	18	26	34	42	51	62	74
Electric	10	14	18	22	28	32	37	43	49
<b>Water</b>	12	14	18	26	34	41	51	62	74
<b>Sewer</b>	21	21	21	21	21	21	21	21	21
<b>Trash</b>	28	28	28	55	55	83	83	83	83
<b>Range/microwave</b>	7	7	7	7	7	7	7	7	7
<b>Refrigerator</b>	7	7	7	7	7	7	7	7	7

## Single family detached

	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR	7 BR	8 BR
<b>Heating</b>									
Natural gas	7	10	13	16	18	22	28	35	42
Electric	10	14	18	23	35	42	49	55	61
<b>Cooking</b>									
Natural gas	3	5	6	8	10	11	18	20	22
Electric	10	14	18	23	28	32	37	42	48
<b>Water heating</b>									
Natural gas	6	912	14	18	21	24	27	31	42
<b>Other Electric</b>	10	15	19	23	29	33	38	44	51
<b>Water</b>	13	16	19	22	28	32	41	49	52
<b>Sewer</b>	21	21	21	21	21	21	21	21	21
<b>Trash</b>	28	28	28	55	55	83	83	83	83
<b>Range/microwave</b>	7	7	7	7	7	7	7	7	7
<b>Refrigerator</b>	7	7	7	7	7	7	7	7	7

### Towncity PHA Payment Standards for the HCV Program

0	\$925	3	\$1925
1	\$1500	4	\$2300
2	\$1800	5	\$2800

**TOWNCITY HOUSING AUTHORITY**  
**Family Declaration**

1. Name of head of household: Tim Allen
2. Name of spouse/co-head: Avery Allen
3. Address, Street, Apt. # and Zip Code: 99 Upas Street, Towncity CZ 12345
4. Contact Numbers: Home: (555) 555-8575 Cell: (555) 555-3155 Email: Tallen@CZ.org

**FAMILY INFORMATION**

5. List all persons who live in the unit. Include foster children and/or live-in aides (for care of a family member). All boxes must be completed for each member. No one not listed on this form may live in the unit.

	First Name, Last Name	Date of Birth	Age	Sex	Social Security Number	Relation to Head	Disabled Person? (Y/N)	Full-time Student? (No Fulltime Part time)
H	Tim Allen	3-15-19XX	63	M	123-00-6733	Head	N	No
2	Avery Allen	2-7-19XX	60	F	123-00-0067	Wife	N	No
3	Maya Allen	1-15-20XX	7	F	123-09-8000	Grand Daughter	N	full

*If you or anyone in your family is a person with disabilities, and you require a specific accommodation in order to fully utilize our programs and services, please contact the housing authority*

**INCOME: List all income sources and amounts expected for the next 12 months for all family members.**

**Answer questions completely. If a question does not apply, note 'None' or '0'.**

6. Does or will anyone in the family receive any income from **employment** (not including self-employment)? **No** If Yes, provide pay stubs and complete the below:

Family Member	Employer Name, Address, Phone Number	Gross Amount Received	Frequency (weekly, bi-weekly, monthly, etc.)

7. Does or will anyone in the family receive income from self-employment or a family-operated business?

**No**

If Yes, provide records and complete the below:

Family Member	Type of Income	Gross Amount Received	Frequency (weekly, bi-weekly, monthly, etc.)
		\$	



8. Does or will anyone in the family receive **Social Security or SSI Benefits**? **Yes** If Yes, provide a benefit award letter and complete the below:

Family Member	Type of Income	Gross Amount Received	Frequency (weekly, bi-weekly, monthly, etc.)
<i>Tim Allen</i>	<i>SSA</i>	<i>\$ 504</i>	<i>Monthly</i>
		\$	

9. Does or will anyone in the family receive **regular periodic payments** from annuities, insurance policies, retirement funds, pensions, disability or death benefits, lottery winnings, or other similar amounts **Yes** If Yes, provide documentation and complete the below:

Family Member	Type of Periodic Payment	Gross Amount Received	Frequency (weekly, bi-weekly, monthly, etc.)
<i>Tim Allen</i>	<i>Pension - Towncity Employee Association</i>	<i>\$ 300</i>	<i>Monthly</i>
<i>Tim Allen</i>	<i>Annuity - Good Neighbor Insurance</i>	<i>\$ 200</i>	<i>Monthly</i>

10. Does or will anyone in the family receive **unemployment** compensation, **disability** compensation, **workers' compensation** or **severance pay**? **No** If Yes, provide the award letter / documentation and complete the below:

Family Member	Type of Compensation	Gross Amount Received	Frequency (weekly, bi-weekly, monthly, etc.)
		\$	
		\$	

11. Does or will anyone in the family receive **public assistance benefits**? **Yes** If Yes, provide the award letter and complete the below:

Family Member	Type of Benefit (TANF, SNAP, state supplement, etc.)	Gross Amount Received	Frequency (weekly, bi-weekly, monthly, etc.)
<i>Tim Allen</i>	<i>TANF</i>	<i>\$ 600</i>	<i>Monthly</i>
		\$	

12. Does or will anyone in the family receive alimony or child support payments? **No** If Yes, provide court or other official records and proof of receipt and complete the below:

Family Member	Alimony or Child Support?	Court ordered? (Y or N)	Court ordered amount, if any?	Gross Amount Received	Frequency (weekly, bi-weekly, monthly, etc.)
			\$	\$	
			\$	\$	

13. Does anyone who is not in the assisted family pay any bills (utilities, telephone, insurance, car payments, rent, etc.) for any member of the family? **No** If Yes, complete the below:

Family Member	Type of Bill	Average Bill Amount	Name and Address of the Person Paying the Bill	Frequency (weekly, bi-weekly, monthly, etc.)
		\$		

14. Is any family member receiving regular contributions (food, diapers, clothing, money, etc.,) from a person who is not on your lease? **No** If Yes, provide a statement from the provider and complete the below:

Family Member	Type of Contribution	Amount or Value	Name and Address of the Provider	Frequency (weekly, bi-weekly, monthly, etc.)
		\$		

**ASSETS: List all assets held by all family members. Answer all questions completely.** Provide original documentation of each asset.

	Who owns?	Value of Asset	Type	Company/Bank Name/Address
15. Do you have checking or savings accounts? List all.				
	<b>No</b>	\$		
	<b>No</b>	\$		
17. Do you have trust funds available to anyone in your household?	<b>No</b>	\$		
18. Do you have any equity in real estate, rental property or capital investments?	<b>No</b>	\$		
19. Do you have any stocks, bonds, treasury bills, certificates of deposit or money market funds?	<b>Yes</b>	<i>Tim Allen</i> \$ 15,783	<b>CD</b>	Towncity Bank 123 Main St, Towncity, CZ
20. Do you have any retirement or pension funds?	<b>No</b>	\$		
21. Are you holding any personal items as investments (antique cars, coin or stamp collections, etc.)?	<b>No</b>	\$		
22. Do you have a "Whole Life" life insurance policy?	<b>No</b>	\$		

23. Have you disposed of any asset for less than market value in the past two years? **Yes** If yes, complete the below and provide documentation.

A. Describe the asset: **Our Home**

B. Provide the date of property disposition: **2/1/XX (this year)**

C. What was the market value of the property on the date of disposition? **\$150,000**

D. How much did you receive for the property? **\$8,000**

E. Did you incur any expenses in disposing of the property? **Yes**

If yes, describe and include your out-of-pocket costs: **Realtor fees: \$7,500 Settlement fees: \$1,200 Transaction fees: \$450 Loan origination fee \$150**

**EXPENSES: Answer all questions completely. If a question does not apply, note 'None' or '0'.**

24. Do you have unreimbursed, out of pocket childcare expenses for a child 12 or under? **No**

If Yes, do these costs enable a family member to work, attend school, or seek work? ☐ Yes ☒ No If Yes, answer the questions below and **provide receipts**.

Child's Name	Childcare Provider Name, Address, Phone Number	Who is enabled to work, attend school, or seek work?	Hours of Provided Care	Amount Paid	Frequency (weekly, monthly...)

25. Is the head of household, spouse, or co-head elderly (62 or older) or disabled? **Yes**

If Yes, will any family member incur or pay unreimbursed, out of pocket medical expenses in the next 12 months? (Medical expenses include doctor fees, hospital bills, prescription costs, etc. **Yes** If Yes, provide the below information, and **provide receipts**.

Family Member	Type of Expense	Paid to: Name, Address, Phone	Amount to be Paid	Frequency
<b>Tim</b>	<b>Prescription</b>	<b>CVS, 654 Main, Towncity</b>	<b>70</b>	<b>Monthly</b>
<b>Avery Allen</b>	<b>Glasses</b>	<b>Dr C. Moore, 655 Elm, Towncity</b>	<b>\$84</b>	<b>Once a year</b>
<b>Tim Allen</b>	<b>Co-pay</b>	<b>Dr B. Good, 654 Elm, Towncity</b>	<b>10</b>	<b>Monthly</b>

26. Is there a disabled family member? **No**

If Yes, does the family pay unreimbursed, out of pocket attendant care expenses or special equipment expenses (wheelchair, wheelchair lift, etc.) that enable any family member to work? ☐ Yes ☒ No If yes, provide the below information, and **provide receipts**.

Disabled Family Member	Type of Expense	Paid to: Name, Address, Phone	Amount Paid	Frequency

The adult family member enabled to work as a result of these expenses is: \_\_\_\_\_.

SOCIAL SECURITY ADMINISTRATION

Claim Number: 123-00-6733

Social Security Administration  
51 E Bernard St  
Towncity, CZ12345

Tim Allen  
99 Upas Steet  
Towncity, CZ12345

You asked us for information from your record. The information that you requested is shown below.

Information about current Social Security Benefits

BEGINNING JUNE 20xx YOUR FULL BENEFIT AMOUNT WILL BE REDUCED TO \$600 EACH MONTH DUE TO A PRIOR OVERPAYMENT. YOUR REGULAR FULL BENEFIT OF \$700 WILL RESUME EFFECTIVE NOVEMBER 1, 20XX (SAME YEAR).

Beginning June 20XX, the full monthly Social Security benefit before deductions is .....\$600.00.

We deduct \$96.00 for medical insurance premiums each month.

The net monthly Social Security payment beginning June 20XX is.....\$504.00.

Beginning November 20XX (same year), the full monthly Social Security benefit will be.....\$700.00

We deduct \$96.00 for medical insurance premiums each month.

The net monthly Social Security payment beginning November 20XX is.....\$604.00

1777 Nutmeg St  
Towncity, CZ 12345  
(555)555-0155

July 8, 20XX

Tim Allen  
99 Upas St  
Towncity, CZ 12345

Pension 33211555  
Reporting Period: April 1, 20XX – June 30, 20XX

ACCOUNT ACTIVITY

DATE	PAYMENTS	PAYMENT TYPE	INTEREST EARNED
April 1, 20XX	\$300.00	Monthly distribution	
May 1, 20XX	\$300.00	Monthly distribution	
June 1, 20XX	\$300.00	Monthly distribution	
June 30, 20XX			\$2.50
Starting Balance	\$49,097.50	Ending Balance	\$50,000

TOTAL EMPLOYEE CONTRIBUTION: \$45,000.00

TOTAL AMOUNT PAID TO ACCOUNT HOLDER TO DATE: \$7,500.00

Should you have any questions please contact your account manager.

Account Manager: Scott Black  
(555) 555-7769

annuity

ANNIVERSARY STATEMENT  
STATEMENT AS OF JUNE 30, 20XX

Tim Allen  
99 Upas St  
Towncity, CZ 12345

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Annuitant: Tim Allen  
Cash Surrender Value: None. Balance may not be withdrawn once periodic payments have begun.  
Contract Date: June 27, 20XX  
Payment Start Date: March 1, 20XX

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Original Investment:	\$ 10,000.00
Current Balance:	\$ 16,200.00
Current Monthly Allocation to Payee:	\$ 300.00
Total Amount Withdrawn to Date:	\$ 3,600.00

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If you have any questions regarding your account or investment, contact your representative, or call the service center at 800-555-5555

Claim Number: 513-37-1114

Cubic Zirconia Department of Social Services  
43 Kalmia St  
Towncity, CZ 12345

Tim Allen  
99 Upas St  
Towncity, CZ 12345

Your benefits for August 1, 20XX are as follows:

	<b>Benefit</b>	<b>Withheld</b>	<b>Net Amount</b>
TANF	\$ 0		\$ 0
SNAP	\$ 75	\$ 0	\$ 75

TANF benefits are reduced due to:

- ☐ welfare fraud
- ☐ Failure to participate in the required self-sufficiency program
- ☒ Other: Your \$600 monthly TANF benefits are reduced to \$0 due to lifetime expiration of benefits. This means your TANF case is permanently closed.

Please contact your case worker should you have questions regarding these benefits.

Caseworker: Moira Green  
(555) 555-5678



# Citytown Bank

1234 Main Street, Towncity, CZ 12345

**Tim Allen**

**99 Upas St**

**Towncity, Cz 12346**



**townCITY@EMOZ.com**



**555-555-5555**



**TOWNCITYBANK.COM**

***We treat your money like our own***

**Certificate of Deposit – Annual Statement**

**Account GL232234**

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Term: 60 month

Date of Initial Deposit: April 1, 20XX

Date CD reaches maturity: March 31, 20XX

Amount of original deposit: \$ 15,000

Rate of return: 1.75%

**Statement Period**

**Period starting: June 1, 20XX ending June 30, 20XX**

Starting Balance	Ending Balance	Change
\$15,511.95	\$15,783.41 *	+ \$271.46

\* \$25 plus 2.3% Penalty for early withdrawal

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**Objective**

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To make you more money

---



Towncity  
Housing  
Authority

MEDICAL VERIFICATION FORM

June 10, 20XX

RE: Tim Allen

Public Housing Authorities are required by law to verify the medical expenses certain families. To comply with this requirement, we ask your cooperation in supplying the information requested below regarding the above referenced individual. The individual has signed a release form below giving you permission to supply us with this information. Please fill out the form below and return it at your earliest convenience.

Sincerely yours, Sally Washington, Housing Specialist II, (555) 555-5434

---

(1) Is this individual's condition likely to continue for the coming 12 months? X Yes \_\_\_ No

(2) Please check the type(s) of service(s) you provide:

- |                             |              |             |
|-----------------------------|--------------|-------------|
| (a) Physician Care          | <u>X</u> Yes | ___ No      |
| (b) Dental Care             | ___ Yes      | <u>X</u> No |
| (c) Hospital/Clinic Care    | ___ Yes      | <u>X</u> No |
| (d) Prescription Dispensing | ___ Yes      | <u>X</u> No |
| (e) Therapy                 | ___ Yes      | <u>X</u> No |
| (f) Medical Insurance       | ___ Yes      | <u>X</u> No |
| (g) Medical Transportation  | ___ Yes      | <u>X</u> No |
| (h) Other (please specify)  | ___ Yes      | <u>X</u> No |

Projected out-of-pocket, unreimbursed costs during the next 12 months: \$120

Name and Title Dr. B Good Date 6/11/20X Signature Dr. B. Good Phone (555) 555-3876

---

TENANT/APPLICANT RELEASE

I, Tim Allen, hereby authorize the release of the requested information.

Signature Tim Allen Date 6/122/20XX

Towncity  
Housing  
Authority

MEDICAL VERIFICATION FORM

June 10, 20XX

RE: Avery Allen

Public Housing Authorities are required by law to verify the medical expenses certain families. To comply with this requirement, we ask your cooperation in supplying the information requested below regarding the above referenced individual. The individual has signed a release form below giving you permission to supply us with this information. Please fill out the form below and return it at your earliest convenience.

Sincerely yours, Sally Washington, Housing Specialist II, (555) 555-5434

---

(1) Is this individual's condition likely to continue for the coming 12 months? X Yes \_\_\_ No

(2) Please check the type(s) of service(s) you provide:

- |                             |              |                                    |
|-----------------------------|--------------|------------------------------------|
| (a) Physician Care          | ___ Yes      | ___ No                             |
| (b) Dental Care             | ___ Yes      | <u>X</u> No                        |
| (c) Hospital/Clinic Care    | ___ Yes      | <u>X</u> No                        |
| (d) Prescription Dispensing | ___ Yes      | <u>X</u> No                        |
| (e) Therapy                 | ___ Yes      | <u>X</u> No                        |
| (f) Medical Insurance       | ___ Yes      | <u>X</u> No                        |
| (g) Medical Transportation  | ___ Yes      | <u>X</u> No                        |
| (h) Other (please specify)  | <u>X</u> Yes | ___ No <u>prescription glasses</u> |

Projected out-of-pocket, unreimbursed costs during the next 12 months: \$84

Name and Title Dr. C Moore Date 6/11/20X Signature Dr. C Moore Phone (555) 555-1176

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TENANT/APPLICANT RELEASE

I, Avery Allen, hereby authorize the release of the requested information.

Signature Avery Allen

Date 6/12/20XX

Towncity  
Housing  
Authority

MEDICAL VERIFICATION FORM

June 10, 20XX

RE: Tim Allen

Public Housing Authorities are required by law to verify the medical expenses certain families. To comply with this requirement, we ask your cooperation in supplying the information requested below regarding the above referenced individual. The individual has signed a release form below giving you permission to supply us with this information. Please fill out the form below and return it at your earliest convenience.

Sincerely yours, Sally Washington, Housing Specialist II, (555) 555-5434

Please provide information regarding any ongoing prescriptions the above individual has filled at your pharmacy, including costs and frequency. Please do not include the name of the prescription or any information regarding the individual's medical condition. Please only include the cost to the individual; there is no need to list any prescription fully covered by medical insurance. Thank you for your assistance

No.	Cost per refill	Frequency
1	\$70	Monthly
2		
3		
4		
5		
6		
7		
8		
9		
10		

Name, Title, and Pharmacy Name Sally Ward, Pharmacist, CVS Phone (555) 555-2336

TENANT/APPLICANT RELEASE

I, Tim Allen, hereby authorize the release of the requested information.

Signature Tim Allen

Date 6/10/20XX



Tim Allen  
99 Upas Street

Towncity, Cz 12346



HASELLERS@EMOZ.COM



555-555-5558



TOWNCITYHA.COM

# Homesellers Association

1945 Main Street, Towncity, CZ 12345

*Your Hometown Mortgage Source*

## CLOSING SETTLEMENT STATEMENT

Account MA9939373

Property Address: 198 Antler Rd, Towncity, Cz 12346

Date of Sale: Feb 2, 20XX (this year)

Appraised value at time of sale: \$150,000

Sale Price: \$47,300

## CLOSING COSTS

Realtor fees: \$7,500

Settlement costs: \$1,200

Transaction fees: \$ 450

Loan Origination fees: \$ 150

Total \$9,300

Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
------------------------	------------------------	----------------------------

## 6. Assets

6a. Family member name	No.	6b. Type of asset	6c. Calculation (PHA use)	6d. Cash value of asset	6e. Anticipated Income
<b>Tim</b>	<b>1</b>	<b>CD</b>	<b>15,783</b>	<b>\$ 15,783</b>	<b>\$ 269</b>
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
6f. 6g. Column totals				<b>\$ 15,783</b> 6f.	<b>\$ 269</b> 6g.
6h. Passbook rate (written as decimal)					0. <b>0075</b> 6h.
6i. Imputed asset income: 6f X 6h (if 6f is \$5,000 or less, put 0)					<b>\$ 118</b> 6i.
6j. Final asset income: larger of 6g or 6i					<b>\$ 269</b> 6j.

## 7. Income

7a. Family member name	No.	7b. Income Code	7c. Calculation (PHA use)	7d. Dollars per year	7e. Income exclusions	7f. Income after exclusions (7d minus 7e)
<b>Tim</b>	<b>1</b>	<b>S</b>	<b>700 x 12</b>	<b>\$ 8,400</b>	<b>\$ 1,152</b>	<b>\$ 7,248</b>
<b>Tim</b>	<b>1</b>	<b>IW</b>	<b>600 x 12</b>	<b>\$ 7,200</b>		<b>\$ 7,200</b>
<b>Tim</b>	<b>1</b>	<b>P</b>	<b>300 x 12</b>	<b>\$ 3,600</b>		<b>\$ 3,600</b>
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
7g. Column total						<b>\$ 18,048</b> 7g.
7h. Reserved						
7i. Total annual income: 6j + 7g						<b>\$ 18,317</b> 7i.

<b>7b: Income Codes</b> <b>Wages:</b> B = own business F = federal wage HA = PHA wage M = military pay W = other wage	<b>Welfare:</b> G = general assistance IW = annual imputed welfare income T = TANF assistance  <b>SS/SSI/Pensions:</b> P = pension S = SSI SS = Social Security	<b>Other Income Sources:</b> C = child support E = medical reimbursement I = Indian trust/per capita N = other nonwage sources U = unemployment benefits
---	---	---

Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
------------------------	------------------------	----------------------------

## 8. Expected Income Per Year

8a. Total annual income: copy from 7i	\$ <b>18,317</b>	8a.
---------------------------------------	------------------	-----

### Permissible Deductions (Public Housing Only. If Section 8, Skip to 8f or 8q)

8b. Family member name	No.	8c. Type of permissible deduction	8d. Amount
			\$
			\$
			\$
			\$
			\$
			\$

8e. Total permissible deductions (sum of column 8d)	\$	8e.
---	----	-----

### If head/spouse/co-head is under 62 and no family member is disabled, skip to 8q

8f. Medical/disability threshold: 8a X 0.03	\$ <b>550</b>	8f.
8g. Total annual unreimbursed disability assistance expense (if no disability expenses, skip to 8k)	\$	8g.
8h. Maximum disability allowance: If 8g minus 8f is positive or zero, put amount	\$	8h.
	If negative and head/spouse/co-head is under 62 and not disabled, put 0	\$ 8h.
	If negative and head/spouse/co-head is elderly or disabled, copy from 8g	\$ 8h.
8i. Earnings in 7d made possible by disability assistance expense	\$	8i.
8j. Allowable disability assistance expense: lower of 8h or 8i (if 8g is less than 8f and head/spouse/co-head elderly or disabled, copy from 8h)	\$	8j.
8k. Total annual unreimbursed medical expenses (if head/spouse/co-head under 62 and not disabled, put 0)	\$ <b>1,500</b>	8k.
8m. Total annual disability assistance and medical expense: 8j + 8k (if no disability expenses, copy from 8k)	\$ <b>1,500</b>	8m.
8n. Medical/disability assistance allowance:	If no disability assistance expenses or if 8g is less than 8f, put 8m minus 8f (if 8m minus 8f is negative, put zero)	\$ <b>950</b> 8n.
	If disability assistance expenses and 8g is greater than or equal to 8f, copy from 8m	\$ 8n.
8p. Elderly/disability allowance (default = \$400)	\$ <b>400</b>	8p.
8q. Number of dependents (people under 18, or with disability, or full-time student. Do not count head of household, spouse, co-head, foster child/adult, or live-in aide.)	\$ <b>1</b>	8q.
8r. Allowance per dependent (default = \$480)	\$ <b>480</b>	8r.
8s. Dependent allowance: 8q X 8r	\$ <b>480</b>	8s.
8t. Total annual unreimbursed childcare costs	\$	8t.
8x. Total allowances: 8e + 8n + 8p + 8s + 8t	\$ <b>1,830</b>	8x.
8y. Adjusted annual income: 8a minus 8x (if 8x is larger, put 0)	\$ <b>16,487</b>	8y.

Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
------------------------	------------------------	----------------------------

### 9. Total Tenant Payment (TTP)

9a. Total monthly income: $8a \div 12$	\$	<b>1,526</b>	9a.
9c. TTP if based on annual income: $9a \times 0.10$	\$	<b>153</b>	9c.
9d. Adjusted monthly income: $8y \div 12$	\$	<b>1,374</b>	9d.
9e. Percentage of adjusted monthly income: use 30% for Section 8		<b>30</b>	9e.
9f. TTP if based on adjusted annual income: $(9d \times 9e) \div 100$	\$	<b>412</b>	9f.
9g. Welfare rent per month (if none, put 0)	\$	<b>0</b>	9g.
9h. Minimum rent (if waived, put 0)	\$	<b>50</b>	9h.
9i. Enhanced Voucher minimum rent	\$		9i.
9j. TTP, highest of lines 9c, 9f, 9g, 9h, or 9i	\$	<b>412</b>	9j.
9k. Most recent TTP	\$		9k.
9m. Qualify for minimum rent hardship exemption? (Y or N)	\$	<b>N</b>	9m.

Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
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## 10. Public Housing and Turnkey III

10a.	TTP: copy from 9j	\$	<b>412</b>	10a.
10b.	Unit's flat rent (see Instruction Booklet for prorated flat rent calculation)	\$		10b.

### Income Based Rent Calculation (if prorated rent, skip to 10h)

10c.	Income based ceiling rent, if any	\$	<b>0</b>	10c.
10d.	Lower of TTP or income based ceiling rent (if no income based ceiling rent, put 10a)	\$	<b>412</b>	10d.
10e.	Utility allowance, if any	\$	<b>52</b>	10e.
10f.	Tenant rent: 10d minus 10e			
	If positive or 0, put tenant rent	\$	<b>360</b>	10f.
	If negative, credit tenant	\$		10f.

### Income Based Prorated Rent Calculation (if not prorated, skip to 10u)

10h.	Public Housing maximum rent	\$		10h.
10i.	Family maximum subsidy: 10h minus 10a	\$		10i.
10j.	Total number eligible			10j.
10k.	Total number in family			10k.
10n.	Eligible subsidy (10i ÷ 10k) X 10j	\$		10n.
10p.	Mixed family TTP: 10h minus 10n	\$		10p.
10r.	Utility allowance, if any	\$		10r.
10s.	Mixed family tenant rent: 10p minus 10r			
	If positive or 0, put tenant rent	\$		10s.
	If negative, credit tenant	\$		10s.

### Type of Rent

10u.	Type of rent selected:	<input type="checkbox"/>	Income based	<input type="checkbox"/>	Flat
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Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
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## 12. Housing Choice Vouchers: Tenant Based Vouchers

12a.	Number of bedrooms on Voucher		12a.
12b.	Is family now moving to this unit? (Y or N)		12b.
12c.	Does the family qualify as a Hard to House family? (Y or N)		12c.
12d.	Did family move into your PHA jurisdiction under portability? (Y or N) (if no, skip to 12g)		12d.
12e.	Cost billed per month (put 0 if absorbed)	\$	12e.
12f.	PHA code billed		12f.
12g.	Housing type:	<input type="checkbox"/> Group Home (prorate gross rent) <input type="checkbox"/> Own manufactured home, lease space <input type="checkbox"/> SRO: 1 room occupied by 1 person	
12h.	Owner name		12h.
12i.	Owner TIN/SSN		12i.
12j.	Payment standard for the family	\$ <b>1,925</b>	12j.
12k.	Rent to owner	\$ <b>1,600</b>	12k.
12m.	Utility allowance, if any	\$ <b>46</b>	12m.
12p.	Gross rent of unit: 12k + 12m (or Space Rent)	\$ <b>1,646</b>	12p.
12q.	Lower of 12j or 12p	\$ <b>1,646</b>	12q.
12r.	TTP: copy from 9j	\$ <b>412</b>	12r.
12s.	Total HAP: 12q minus 12r	\$ <b>1,234</b>	12s.

### Rent Calculation (if prorated rent, skip to 12ab)

12t.	Total family share: 12p minus 12s	\$ <b>412</b>	12t.
12u.	HAP to owner: lower of 12k or 12s	\$ <b>1,234</b>	12u.
12v.	Tenant rent to owner: 12k minus 12u	\$ <b>366</b>	12v.
12w.	Utility reimbursement to family: 12s minus 12u, but do not exceed 12m	\$	12w.

### Prorated Rent Calculation

12ab.	Normal total HAP: copy from 12s, but do not exceed 12p	\$	12ab.
12ac.	Total number eligible		12ac.
12ad.	Total number in family		12ad.
12ae.	Proration percentage: 12ac ÷ 12ad	\$	12ae.
12af.	Prorated total HAP: 12ab X 12ae	\$	12af.
12ag.	Mixed family total family contribution: 12p minus 12af	\$	12ag.
12ah.	Utility allowance: copy from 12m	\$	12ah.
12ai.	Mixed family tenant rent to owner: 12ag minus 12ah	If positive or 0, put tenant rent If negative, credit tenant	12ai.
			12ai.
12aj.	Prorated HAP to owner: 12k minus 12ai. If 12ai is negative, put 12k	\$	12aj.

## **File Review Checklist**

<b>Family Composition</b>				
Relation	Name	Age	Disability Y/N	Dependent Y/N

Section 6: Assets			
	PHA		HUD
Final asset income in 6j:	\$		\$
	Yes	No	N/A
Are all assets verified and documented?			
Did PHA accurately calculate net cash value of all assets?			
Did PHA accurately calculate actual income from assets?			
For assets with a cash value in excess of \$5,000, did PHA accurately calculate imputed asset income?			
Did PHA accurately calculate final asset income using larger of actual or imputed?			
Comments:			

Section 7: Income			
	PHA		HUD
Column total from 7g:	\$		\$
	Yes	No	N/A
Is all income verified and documented?			
Are the following types of income calculated correctly:			
Earned income?			
Earned income disallowance?			
SS/SSI income?			
Pension income?			
Full time student income?			
Income of a minor?			
Welfare benefit income?			
Where family is subject to a specified benefit reduction, is imputed welfare income calculated accurately?			
Income exclusions?			
Comments:			
Total Annual Income			
	PHA		HUD
Total annual income in 7i:	\$		\$

<b>Section 8: Adjusted Income</b>			
	<b>PHA</b>		<b>HUD</b>
Total allowances in 8x:	\$		\$
Total adjusted income in 8y:	\$		\$
<b>Dependent deduction</b>	<b>PHA</b>		<b>HUD</b>
Total in 8s:	\$		\$
	<b>Yes</b>	<b>No</b>	<b>N/A</b>
Deduction accurately verified?			
All dependents accounted for?			
<b>Elderly/disabled family deduction</b>	<b>PHA</b>		<b>HUD</b>
Total in 8p:	\$		\$
	<b>Yes</b>	<b>No</b>	<b>N/A</b>
Deduction accurately verified?			
Is head, spouse or cohead elderly or disabled?			
<b>Childcare deduction</b>	<b>PHA</b>		<b>HUD</b>
Total in 8t:	\$		\$
	<b>Yes</b>	<b>No</b>	<b>N/A</b>
Deduction accurately verified?			
Are there children under age 13?			
Is the family member who is claiming child care working, seeking work or furthering their education?			
For child care enabled by work, is the earnings cap utilized?			
<b>Medical expense deduction</b>	<b>PHA</b>		<b>HUD</b>
Total in 8n:	\$		\$
	<b>Yes</b>	<b>No</b>	<b>N/A</b>
Medical expenses accurately verified?			
Is the head, spouse or cohead elderly or disabled?			
Were the medical expenses of all family members deducted?			
Did the PHA correctly calculate 3% of annual income?			
Were all medical expenses unreimbursed?			
Were medical expenses correctly calculated?			
<b>Disability assistance expense</b>	<b>PHA</b>		<b>HUD</b>
Total in 8n:	\$		\$
	<b>Yes</b>	<b>No</b>	<b>N/A</b>
Disability assistance expense accurately verified?			

Is there a disabled family member with attendant care or an auxiliary apparatus?			
Is someone in the family working because of the attendant care or auxiliary apparatus?			
Did the PHA correctly calculate 3% of annual income?			
Was the income cap correctly applied?			
Was disability assistance expense incorrectly coded as child care expense?			
Comments:			

Section 9: TTP			
	PHA		HUD
TTP in 9j:	\$		\$
	Yes	No	N/A
TTP calculated correctly?			
If family qualified for a minimum rent hardship exemption was it correctly applied?			
If family qualified for a minimum rent hardship exemption was it verified and documented?			
Comments:			

Section 10: Public Housing Rent Calculation			
	PHA		HUD
Tenant rent in 10f:	\$		\$
	Yes	No	N/A
Was tenant rent calculated correctly?			
Comments:			

Section 12: Housing Choice Voucher Rent Calculation			
	PHA		HUD
Payment standard in 12j:	\$		\$
HAP to owner in 12u:	\$		\$
Family rent to owner in 12v:	\$		\$
Utility allowance in 12m:	\$		\$
	Yes	No	N/A
Was the correct payment standard applied?			
Was the correct utility allowance used?			
Comments:			

## **Section 8.3      File Review Answers**

# Sheridan Family Completed 50058

Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
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## 6. Assets

6a. Family member name	No.	6b. Type of asset	6c. Calculation (PHA use)	6d. Cash value of asset	6e. Anticipated Income
<b>Sophie</b>	<b>3</b>	<b>Savings</b>		\$ <b>4,800</b>	\$ <b>72</b>
<b>Donna</b>	<b>1</b>	<b>Checking</b>		\$ <b>2,946</b>	\$ <b>0</b>
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
6f, 6g. Column totals				\$ <b>7,746</b> 6f.	\$ <b>72</b> 6g.
6h. Passbook rate (written as decimal)					0. <b>0075</b> 6h.
6i. Imputed asset income: 6f X 6h (if 6f is \$5,000 or less, put 0)					\$ <b>58</b> 6i.
6j. Final asset income: larger of 6g or 6i					\$ <b>72</b> 6j.

## 7. Income

7a. Family member name	No.	7b. Income Code	7c. Calculation (PHA use)	7d. Dollars per year	7e. Income exclusions	7f. Income after exclusions (7d minus 7e)
<b>Donna</b>	<b>1</b>	<b>W</b>	<b>638.82 x 24</b>	\$ <b>15,332</b>	\$	\$ <b>15,332</b>
<b>Sam</b>	<b>2</b>	<b>W</b>	<b>400 x 12</b>	\$ <b>4,800</b>	\$ <b>4,320</b>	\$ <b>480</b>
<b>Donna</b>	<b>1</b>	<b>T</b>	<b>350 x 12</b>	\$ <b>4,200</b>	\$ <b>0</b>	\$ <b>4,200</b>
<b>Donna</b>	<b>1</b>	<b>IW</b>	<b>200 x 12</b>	\$ <b>2,400</b>	\$ <b>0</b>	\$ <b>2,400</b>
<b>Donna</b>	<b>1</b>	<b>G</b>	<b>80 x 12</b>	\$ <b>960</b>	\$ <b>960</b>	\$ <b>0</b>
<b>Donna</b>	<b>1</b>	<b>N</b>	<b>40 x 12</b>	\$ <b>480</b>	\$ <b>0</b>	\$ <b>480</b>
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
7g. Column total						\$ <b>22,892</b> 7g.
7h. Reserved						
7i. Total annual income: 6j + 7g						\$ <b>22,964</b> 7i.

<b>7b: Income Codes</b> <b>Wages:</b> B = own business F = federal wage HA = PHA wage M = military pay W = other wage	<b>Welfare:</b> G = general assistance IW = annual imputed welfare income T = TANF assistance  <b>SS/SSI/Pensions:</b> P = pension S = SSI SS = Social Security	<b>Other Income Sources:</b> C = child support E = medical reimbursement I = Indian trust/per capita N = other nonwage sources U = unemployment benefits
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Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
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## 8. Expected Income Per Year

8a. Total annual income: copy from 7i	\$ <b>22,964</b>	8a.
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### Permissible Deductions (Public Housing Only. If Section 8, Skip to 8f or 8q)

8b. Family member name	No.	8c. Type of permissible deduction	8d. Amount
			\$
			\$
			\$
			\$
			\$
			\$

8e. Total permissible deductions (sum of column 8d)	\$	8e.
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### If head/spouse/co-head is under 62 and no family member is disabled, skip to 8q

8f. Medical/disability threshold: 8a X 0.03	\$	8f.
8g. Total annual unreimbursed disability assistance expense (if no disability expenses, skip to 8k)	\$	8g.
8h. Maximum disability allowance: If 8g minus 8f is positive or zero, put amount	\$	8h.
	If negative and head/spouse/co-head is under 62 and not disabled, put 0	\$ 8h.
	If negative and head/spouse/co-head is elderly or disabled, copy from 8g	\$ 8h.
8i. Earnings in 7d made possible by disability assistance expense	\$	8i.
8j. Allowable disability assistance expense: lower of 8h or 8i (if 8g is less than 8f and head/spouse/co-head elderly or disabled, copy from 8h)	\$	8j.
8k. Total annual unreimbursed medical expenses (if head/spouse/co-head under 62 and not disabled, put 0)	\$	8k.
8m. Total annual disability assistance and medical expense: 8j + 8k (if no disability expenses, copy from 8k)	\$	8m.
8n. Medical/disability assistance allowance:	If no disability assistance expenses or if 8g is less than 8f, put 8m minus 8f (if 8m minus 8f is negative, put zero)	\$ 8n.
	If disability assistance expenses and 8g is greater than or equal to 8f, copy from 8m	\$ 8n.
8p. Elderly/disability allowance (default = \$400)	\$	8p.
8q. Number of dependents (people under 18, or with disability, or full-time student. Do not count head of household, spouse, co-head, foster child/adult, or live-in aide.)	\$ <b>2</b>	8q.
8r. Allowance per dependent (default = \$480)	\$ <b>480</b>	8r.
8s. Dependent allowance: 8q X 8r	\$ <b>960</b>	8s.
8t. Total annual unreimbursed childcare costs	\$	8t.
8x. Total allowances: 8e + 8n + 8p + 8s + 8t	\$ <b>960</b>	8x.
8y. Adjusted annual income: 8a minus 8x (if 8x is larger, put 0)	\$ <b>22,004</b>	8y.

Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
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### 9. Total Tenant Payment (TTP)

9a. Total monthly income: $8a \div 12$	\$ <b>1,914</b>	9a.
9c. TTP if based on annual income: $9a \times 0.10$	\$ <b>191</b>	9c.
9d. Adjusted monthly income: $8y \div 12$	\$ <b>1,834</b>	9d.
9e. Percentage of adjusted monthly income: use 30% for Section 8	<b>30</b>	9e.
9f. TTP if based on adjusted annual income: $(9d \times 9e) \div 100$	\$ <b>550</b>	9f.
9g. Welfare rent per month (if none, put 0)	\$ <b>0</b>	9g.
9h. Minimum rent (if waived, put 0)	\$ <b>50</b>	9h.
9i. Enhanced Voucher minimum rent	\$ <b>550</b>	9i.
9j. TTP, highest of lines 9c, 9f, 9g, 9h, or 9i	\$	9j.
9k. Most recent TTP	\$ <b>N</b>	9k.
9m. Qualify for minimum rent hardship exemption? (Y or N)	\$	9m.



Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
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## 10. Public Housing and Turnkey III

10a.	TTP: copy from 9j	\$	<b>550</b>	10a.
10b.	Unit's flat rent (see Instruction Booklet for prorated flat rent calculation)	\$	<b>900</b>	10b.

### Income Based Rent Calculation (if prorated rent, skip to 10h)

10c.	Income based ceiling rent, if any	\$		10c.
10d.	Lower of TTP or income based ceiling rent (if no income based ceiling rent, put 10a)	\$	<b>550</b>	10d.
10e.	Utility allowance, if any	\$	<b>50</b>	10e.
10f.	Tenant rent: 10d minus 10e			
	If positive or 0, put tenant rent	\$	<b>500</b>	10f.
	If negative, credit tenant	\$		10f.

### Income Based Prorated Rent Calculation (if not prorated, skip to 10u)

10h.	Public Housing maximum rent	\$		10h.
10i.	Family maximum subsidy: 10h minus 10a	\$		10i.
10j.	Total number eligible			10j.
10k.	Total number in family			10k.
10n.	Eligible subsidy (10i ÷ 10k) X 10j	\$		10n.
10p.	Mixed family TTP: 10h minus 10n	\$		10p.
10r.	Utility allowance, if any	\$		10r.
10s.	Mixed family tenant rent: 10p minus 10r			
	If positive or 0, put tenant rent	\$		10s.
	If negative, credit tenant	\$		10s.

### Type of Rent

10u.	Type of rent selected:	<input checked="" type="checkbox"/> ] Income based	<input type="checkbox"/> ] Flat
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Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
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## 12. Housing Choice Vouchers: Tenant Based Vouchers

12a.	Number of bedrooms on Voucher		12a.
12b.	Is family now moving to this unit? (Y or N)		12b.
12c.	Does the family qualify as a Hard to House family? (Y or N)		12c.
12d.	Did family move into your PHA jurisdiction under portability? (Y or N) (if no, skip to 12g)		12d.
12e.	Cost billed per month (put 0 if absorbed)	\$	12e.
12f.	PHA code billed		12f.
12g.	Housing type:	<input type="checkbox"/> Group Home (prorate gross rent) <input type="checkbox"/> Own manufactured home, lease space <input type="checkbox"/> SRO: 1 room occupied by 1 person	
12h.	Owner name		12h.
12i.	Owner TIN/SSN		12i.
12j.	Payment standard for the family	\$ 1,800	12j.
12k.	Rent to owner	\$ 1,900	12k.
12m.	Utility allowance, if any	\$ 95	12m.
12p.	Gross rent of unit: 12k + 12m (or Space Rent)	\$ 1,995	12p.
12q.	Lower of 12j or 12p	\$ 1,800	12q.
12r.	TTP: copy from 9j	\$ 550	12r.
12s.	Total HAP: 12q minus 12r	\$ 1,505	12s.

### Rent Calculation (if prorated rent, skip to 12ab)

12t.	Total family share: 12p minus 12s	\$ 745	12t.
12u.	HAP to owner: lower of 12k or 12s	\$ 1,250	12u.
12v.	Tenant rent to owner: 12k minus 12u	\$ 650	12v.
12w.	Utility reimbursement to family: 12s minus 12u, but do not exceed 12m	\$	12w.

### Prorated Rent Calculation

12ab.	Normal total HAP: copy from 12s, but do not exceed 12p	\$	12ab.
12ac.	Total number eligible		12ac.
12ad.	Total number in family		12ad.
12ae.	Proration percentage: 12ac ÷ 12ad	\$	12ae.
12af.	Prorated total HAP: 12ab X 12ae	\$	12af.
12ag.	Mixed family total family contribution: 12p minus 12af	\$	12ag.
12ah.	Utility allowance: copy from 12m	\$	12ah.
12ai.	Mixed family tenant rent to owner: 12ag minus 12ah	If positive or 0, put tenant rent If negative, credit tenant	12ai.
			12ai.
12aj.	Prorated HAP to owner: 12k minus 12ai. If 12ai is negative, put 12k	\$	12aj.

# Allen Family Completed 50058

Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
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## 6. Assets

6a. Family member name	No.	6b. Type of asset	6c. Calculation (PHA use)	6d. Cash value of asset	6e. Anticipated Income
<b>Tim</b>	<b>1</b>	<b>CD</b>	<b>15,783 - 363 - 25</b>	<b>\$ 15,395</b>	<b>\$ 276</b>
<b>Tim</b>	<b>1</b>	<b>Home</b>	<b>150,000 - 56,600</b>	<b>\$ 93,400</b>	<b>\$ 0</b>
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
6f, 6g. Column totals				<b>\$ 108,795</b>	<b>\$ 276</b>
6h. Passbook rate (written as decimal)					<b>0. 0075</b>
6i. Imputed asset income: 6f X 6h (if 6f is \$5,000 or less, put 0)					<b>\$ 816</b>
6j. Final asset income: larger of 6g or 6i					<b>\$ 816</b>

## 7. Income

7a. Family member name	No.	7b. Income Code	7c. Calculation (PHA use)	7d. Dollars per year	7e. Income exclusions	7f. Income after exclusions (7d minus 7e)
<b>Tim</b>	<b>1</b>	<b>S</b>	<b>600 x 12</b>	<b>\$ 7,200</b>		<b>\$ 7,200</b>
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
7g. Column total						<b>\$ 7,200</b>
7h. Reserved						
7i. Total annual income: 6j + 7g						<b>\$ 8,016</b>

<b>7b: Income Codes</b> <b>Wages:</b> B = own business F = federal wage HA = PHA wage M = military pay W = other wage	<b>Welfare:</b> G = general assistance IW = annual imputed welfare income T = TANF assistance  <b>SS/SSI/Pensions:</b> P = pension S = SSI SS = Social Security	<b>Other Income Sources:</b> C = child support E = medical reimbursement I = Indian trust/per capita N = other nonwage sources U = unemployment benefits
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Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
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## 8. Expected Income Per Year

8a. Total annual income: copy from 7i	\$ <b>8,016</b>	8a.
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### Permissible Deductions (Public Housing Only. If Section 8, Skip to 8f or 8q)

8b. Family member name	No.	8c. Type of permissible deduction	8d. Amount
			\$
			\$
			\$
			\$
			\$
			\$

8e. Total permissible deductions (sum of column 8d)	\$	8e.
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### If head/spouse/co-head is under 62 and no family member is disabled, skip to 8q

8f. Medical/disability threshold: 8a X 0.03	\$ <b>240</b>	8f.
8g. Total annual unreimbursed disability assistance expense (if no disability expenses, skip to 8k)	\$	8g.
8h. Maximum disability allowance: If 8g minus 8f is positive or zero, put amount	\$	8h.
	If negative and head/spouse/co-head is under 62 and not disabled, put 0	\$ 8h.
	If negative and head/spouse/co-head is elderly or disabled, copy from 8g	\$ 8h.
8i. Earnings in 7d made possible by disability assistance expense	\$	8i.
8j. Allowable disability assistance expense: lower of 8h or 8i (if 8g is less than 8f and head/spouse/co-head elderly or disabled, copy from 8h)	\$	8j.
8k. Total annual unreimbursed medical expenses (if head/spouse/co-head under 62 and not disabled, put 0)	\$ <b>2,196</b>	8k.
8m. Total annual disability assistance and medical expense: 8j + 8k (if no disability expenses, copy from 8k)	\$ <b>2,196</b>	8m.
8n. Medical/disability assistance allowance:	If no disability assistance expenses or if 8g is less than 8f, put 8m minus 8f (if 8m minus 8f is negative, put zero)	\$ <b>1,956</b> 8n.
	If disability assistance expenses and 8g is greater than or equal to 8f, copy from 8m	\$ 8n.
8p. Elderly/disability allowance (default = \$400)	\$ <b>400</b>	8p.
8q. Number of dependents (people under 18, or with disability, or full-time student. Do not count head of household, spouse, co-head, foster child/adult, or live-in aide.)	\$ <b>1</b>	8q.
8r. Allowance per dependent (default = \$480)	\$ <b>480</b>	8r.
8s. Dependent allowance: 8q X 8r	\$ <b>480</b>	8s.
8t. Total annual unreimbursed childcare costs	\$	8t.
8x. Total allowances: 8e + 8n + 8p + 8s + 8t	\$ <b>2,836</b>	8x.
8y. Adjusted annual income: 8a minus 8x (if 8x is larger, put 0)	\$ <b>5,180</b>	8y.

Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
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### 9. Total Tenant Payment (TTP)

9a. Total monthly income: $8a \div 12$	\$	<b>668</b>	9a.
9c. TTP if based on annual income: $9a \times 0.10$	\$	<b>67</b>	9c.
9d. Adjusted monthly income: $8y \div 12$	\$	<b>432</b>	9d.
9e. Percentage of adjusted monthly income: use 30% for Section 8		<b>30</b>	9e.
9f. TTP if based on adjusted annual income: $(9d \times 9e) \div 100$	\$	<b>130</b>	9f.
9g. Welfare rent per month (if none, put 0)	\$	<b>0</b>	9g.
9h. Minimum rent (if waived, put 0)	\$	<b>50</b>	9h.
9i. Enhanced Voucher minimum rent	\$	<b>130</b>	9i.
9j. TTP, highest of lines 9c, 9f, 9g, 9h, or 9i	\$		9j.
9k. Most recent TTP	\$	<b>N</b>	9k.
9m. Qualify for minimum rent hardship exemption? (Y or N)	\$		9m.

Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
------------------------	------------------------	----------------------------

## 10. Public Housing and Turnkey III

10a.	TTP: copy from 9j	\$	<b>130</b>	10a.
10b.	Unit's flat rent (see Instruction Booklet for prorated flat rent calculation)	\$	<b>750</b>	10b.

### Income Based Rent Calculation (if prorated rent, skip to 10h)

10c.	Income based ceiling rent, if any	\$		10c.
10d.	Lower of TTP or income based ceiling rent (if no income based ceiling rent, put 10a)	\$	<b>130</b>	10d.
10e.	Utility allowance, if any	\$	<b>52</b>	10e.
10f.	Tenant rent: 10d minus 10e			
	If positive or 0, put tenant rent	\$	<b>78</b>	10f.
	If negative, credit tenant	\$		10f.

### Income Based Prorated Rent Calculation (if not prorated, skip to 10u)

10h.	Public Housing maximum rent	\$		10h.
10i.	Family maximum subsidy: 10h minus 10a	\$		10i.
10j.	Total number eligible			10j.
10k.	Total number in family			10k.
10n.	Eligible subsidy (10i ÷ 10k) X 10j	\$		10n.
10p.	Mixed family TTP: 10h minus 10n	\$		10p.
10r.	Utility allowance, if any	\$		10r.
10s.	Mixed family tenant rent: 10p minus 10r			
	If positive or 0, put tenant rent	\$		10s.
	If negative, credit tenant	\$		10s.

### Type of Rent

10u.	Type of rent selected:	<input checked="" type="checkbox"/> Income based	<input type="checkbox"/> Flat
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Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
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## 12. Housing Choice Vouchers: Tenant Based Vouchers

12a.	Number of bedrooms on Voucher		12a.
12b.	Is family now moving to this unit? (Y or N)		12b.
12c.	Does the family qualify as a Hard to House family? (Y or N)		12c.
12d.	Did family move into your PHA jurisdiction under portability? (Y or N) (if no, skip to 12g)		12d.
12e.	Cost billed per month (put 0 if absorbed)	\$	12e.
12f.	PHA code billed		12f.
12g.	Housing type:	<input type="checkbox"/> Group Home (prorate gross rent) <input type="checkbox"/> Own manufactured home, lease space <input type="checkbox"/> SRO: 1 room occupied by 1 person	
12h.	Owner name		12h.
12i.	Owner TIN/SSN		12i.
12j.	Payment standard for the family	\$ <b>1,800</b>	12j.
12k.	Rent to owner	\$ <b>1,600</b>	12k.
12m.	Utility allowance, if any	\$ <b>35</b>	12m.
12p.	Gross rent of unit: 12k + 12m (or Space Rent)	\$ <b>1,635</b>	12p.
12q.	Lower of 12j or 12p	\$ <b>1,635</b>	12q.
12r.	TTP: copy from 9j	\$ <b>130</b>	12r.
12s.	Total HAP: 12q minus 12r	\$ <b>1,5205</b>	12s.

### Rent Calculation (if prorated rent, skip to 12ab)

12t.	Total family share: 12p minus 12s	\$ <b>130</b>	12t.
12u.	HAP to owner: lower of 12k or 12s	\$ <b>1,505</b>	12u.
12v.	Tenant rent to owner: 12k minus 12u	\$ <b>95</b>	12v.
12w.	Utility reimbursement to family: 12s minus 12u, but do not exceed 12m	\$	12w.

### Prorated Rent Calculation

12ab.	Normal total HAP: copy from 12s, but do not exceed 12p	\$	12ab.
12ac.	Total number eligible		12ac.
12ad.	Total number in family		12ad.
12ae.	Proration percentage: 12ac ÷ 12ad	\$	12ae.
12af.	Prorated total HAP: 12ab X 12ae	\$	12af.
12ag.	Mixed family total family contribution: 12p minus 12af	\$	12ag.
12ah.	Utility allowance: copy from 12m	\$	12ah.
12ai.	Mixed family tenant rent to owner: 12ag minus 12ah	If positive or 0, put tenant rent If negative, credit tenant	12ai.
			12ai.
12aj.	Prorated HAP to owner: 12k minus 12ai. If 12ai is negative, put 12k	\$	12aj.

## Notes



## CHAPTER 9     Income and Rent Calculation Study Guides

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### Section 8 and Public Housing Study Guide

**Define the following terms:**

1. Annual income: \_\_\_\_\_  
\_\_\_\_\_
2. Adjusted income: \_\_\_\_\_
3. Total tenant payment: \_\_\_\_\_  
\_\_\_\_\_
4. Tenant rent: \_\_\_\_\_  
\_\_\_\_\_
5. Monthly adjusted income: \_\_\_\_\_
6. Utility allowance: \_\_\_\_\_  
\_\_\_\_\_
7. Imputed asset income: \_\_\_\_\_  
\_\_\_\_\_
8. Elderly family: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
9. Disabled family: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## Annual Income

10. How do you compute income that you know will last for a part of the year (i.e. unemployment)?  
\_\_\_\_\_
11. Income received during which time period is used in computing annual income?  
\_\_\_\_\_
12. To convert income to annual amounts, multiply:
- |                     |   |       |
|---------------------|---|-------|
| a) Monthly income   | x | _____ |
| b) Weekly income    | x | _____ |
| c) Bi-weekly        | x | _____ |
| d) Semi-monthly     | x | _____ |
| e) Hourly full-time | x | _____ |
13. If someone is paid on the 1st and 15th of the month, which calculation would be used? \_\_\_\_\_
14. Who is considered a dependent?  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
15. Describe the two methods for annualizing seasonal income.  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
16. What income of a minor is counted?  
\_\_\_\_\_
17. What is the difference in what income is counted if the minor is head or spouse?  
\_\_\_\_\_

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Rent Calculation II: Hands-on Workshop

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Income and Rent Calculation Study Guides

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Section 8 and Public Housing Study Guide

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18. What income is counted for a person 18 years of age or older:
- a) If the person is a full-time student? \_\_\_\_\_
  - b) If the person is a part-time student? \_\_\_\_\_
  - c) If the person is not a student? \_\_\_\_\_
19. Is employment income before taxes (gross) or after taxes (net) taken? \_\_\_\_\_
20. When an individual receives Social Security benefits, is the amount with or without Medicare premiums included in annual income? \_\_\_\_\_
21. If Social Security benefits are reduced to make up for a prior overpayment by Social Security, what amount is included in annual income? \_\_\_\_\_
22. If a family receives foster child care payments, is it counted in annual income? Explain your answer: \_\_\_\_\_
23. What is counted as income if a spouse is in the military and stationed out of the home? \_\_\_\_\_
24. How do you treat income received from persons outside the household? \_\_\_\_\_
25. Describe the differences in how the income is treated if the outside person is a family member. \_\_\_\_\_
26. If a person is receiving alimony or child support payments on an irregular basis, what is used as income? \_\_\_\_\_

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Rent Calculation II: Hands-on Workshop

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Income and Rent Calculation Study Guides

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Section 8 and Public Housing Study Guide

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27. What expenses may be deducted from income from a business?

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28. What expenses may not be deducted from income from a business?

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29. How is the income the family takes out of the business treated?

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30. Give two (2) examples of lump-sum payments that are counted as income.

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31. When a family is sanctioned by the welfare department, what are the two reasons to include imputed welfare income in annual income?

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32. What part of grants and scholarships is treated as income?

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33. How are student loans treated?

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34. When a participant family experiences an increase in annual income as a result of new employment or an increase in earnings, list the three events that would qualify them for the EID:

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35. What is the definition of *previously unemployed* for the EID?

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36. If a family member is enrolled in a state or local employment training program, what part of their earnings is excluded?

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37. Is a live-in aide's income included in or excluded from annual income?

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38. List nine (9) examples of income that is counted for HUD purposes.

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39. List eleven (11) examples of income that is not counted for HUD purposes:

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40. How is rental income from a property treated?

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### **Assets**

41. What is the income calculation formula when the family's total cash value of assets is less than or equal to \$5,000?

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42. What is the income calculation formula when the family's total cash value of assets is greater than \$5,000?

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43. How is imputed income from assets calculated?

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Rent Calculation II: Hands-on Workshop

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Income and Rent Calculation Study Guides

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Section 8 and Public Housing Study Guide

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44. List ten (10) examples of assets counted for HUD purposes.

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45. List four (4) examples of assets not counted for HUD purposes.

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46. How is the cash value of a checking or savings account determined?

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47. What is the formula for finding the cash value of a property?

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48. Are trusts always considered an asset? If not, what is the exception?

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49. Are lump sums always considered an asset?

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50. What amount is used when an asset is owned jointly by a family member and a person outside the household?

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51. When is personal property counted as an asset?  
\_\_\_\_\_
52. How do you treat life insurance policies?  
\_\_\_\_\_
53. What happens if a family member has “given away” an asset for less than fair market value?  
\_\_\_\_\_  
\_\_\_\_\_
54. How long is the asset counted in that situation?  
\_\_\_\_\_
55. What are the three (3) exceptions to assets being disposed of for less than fair market value?  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

### **HUD Allowances**

56. Name the four (4) categories of people who are never considered a dependent.  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
57. What is a full-time student?  
\_\_\_\_\_  
\_\_\_\_\_
58. How much is the dependent allowance?  
\_\_\_\_\_
59. What age of children are eligible for child care?  
\_\_\_\_\_



60. In what situations is a family eligible for child care?

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61. What are three (3) restrictions on the use of child care?

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62. Can child support payments be counted as child care?

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63. What two (2) expenses are eligible as a disability assistance expense?

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64. What two (2) conditions qualify a family for the disability assistance allowance?

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65. What is the maximum amount of disability assistance?

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66. Give three (3) examples of auxiliary apparatus.

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67. What type of family qualifies for a medical allowance?

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68. Who in the family qualifies for a medical allowance if the head is disabled?

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69. List nine (9) examples of medical expenses.

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## Study Guide for Public Housing Only

### Rent Calculation

1. What is the formula for determining tenant rent?  
\_\_\_\_\_  
\_\_\_\_\_
2. What is the formula for determining URP?  
\_\_\_\_\_  
\_\_\_\_\_
3. What is flat rent?  
\_\_\_\_\_  
\_\_\_\_\_
4. Do flat rent families get a URP?  
\_\_\_\_\_  
\_\_\_\_\_
5. What are ceiling rents?  
\_\_\_\_\_  
\_\_\_\_\_
6. What is the formula for determining total tenant payment?  
\_\_\_\_\_  
\_\_\_\_\_
7. When a family qualifies for a temporary hardship exemption from the minimum rent, the PHA must:  
\_\_\_\_\_  
\_\_\_\_\_
8. How often must a PHA review the income of families paying flat rent?  
\_\_\_\_\_

9. How often are families given a choice between income-based and flat rent?

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10. For mixed families, how is rent calculated?

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### **Verifications**

11. Verifications are valid for how many days?

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12. May the PHA charge a participant for obtaining verifications?

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13. What are the six (6) levels of the verification hierarchy?

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14. What does the PHA do when a family member disputes EIV employer data?

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## Study Guide for Section 8 Only

### Define the following terms:

1. Total family share: \_\_\_\_\_  
\_\_\_\_\_
2. Tenant rent to owner: \_\_\_\_\_
3. Utility reimbursement: \_\_\_\_\_  
\_\_\_\_\_
4. Rent to owner: \_\_\_\_\_  
\_\_\_\_\_
5. Gross rent: \_\_\_\_\_
6. Housing assistance payment (HAP): \_\_\_\_\_  
\_\_\_\_\_
7. Fair market rent (FMR): \_\_\_\_\_  
\_\_\_\_\_
8. Payment standard (PS): \_\_\_\_\_  
\_\_\_\_\_

## Rent Calculation

9. Describe what happens if the PHA lowers its payment standard during the term of the HAP contract:

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10. What is the formula for determining total tenant payment?

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11. What is the formula for determining tenant rent?

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12. What is the formula for determining URP?

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13. What is the formula for determining HAP?

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14. When is maximum family share applied?

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15. If a family with a 3-bedroom voucher leases a 4-bedroom unit:

What payment standard is used? 

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What utility allowance is used? 

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## Verifications

16. May the PHA charge a participant for obtaining verifications?

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17. What are the six (6) levels of the verification hierarchy?

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18. What does the PHA do when a family member disputes EIV employer data?

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## Notes



## CHAPTER 10 Income and Rent Calculation Study Guides—Answers

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### Answers to Section 8 and Public Housing Study Guide

#### Define the following terms:

1. Annual income: Anticipated total gross income of all household members  
for 12 months following certification or recertification, minus exclusions from income.
2. Adjusted income: Annual income, less the HUD-allowed deductions
3. Total tenant payment: The total amount the HUD rent formula requires  
the tenant to pay toward rent and utilities
4. Tenant rent: Total tenant payment less utility allowance  
– the amount tenant pays towards rent
5. Monthly adjusted income: Adjusted annual income divided by 12
6. Utility allowance: Estimate calculated from schedule of utility costs for utilities not  
included in rent – an allowance for families toward payment of utilities
7. Imputed asset income: PHA passbook rate x total cash value of assets.  
Calculated when cash value of assets exceeds \$5,000.
8. Elderly family: Head, spouse, cohead or sole member is 62 or older
9. Disabled family: Head, spouse, cohead or sole member is person with disabilities

## Annual Income

10. How do you compute income that you know will last for a part of the year (i.e., unemployment)?

Annualize it for average known sources

11. Income received during which time period is used in computing annual income?

12 months following certification or recertification

12. To convert income to annual amounts, multiply:

a) Monthly income	x	<u>12</u>
b) Weekly income	x	<u>52</u>
c) Bi-weekly	x	<u>26</u>
d) Semi-monthly	x	<u>24</u>
e) Hourly full-time	x	<u>2080</u>

13. If someone is paid on the 1st and 15th of the month, which calculation would be used?

Semi-monthly

14. Who is considered a dependent?

A member of the family (excluding foster children/adults) other than the family head or spouse, or cohead who is under 18 years of age or who is 18 years of age or over and is a disabled person, or is a full-time student

15. Describe the two methods for annualizing seasonal income.

Method 1: Annualize current income and conduct an interim reexam when income changes.

Method 2: Calculate anticipated income from all known sources for the entire year. No interim reexam is needed.

16. What income of a minor is counted?

All income except employment

17. What is the difference in what income is counted if the minor is head or spouse?

All income of head or spouse is counted

18. What income is counted for a person 18 years of age or older:
  - a) If the person is a full-time student? Earned income up to \$480
  - b) If the person is a part-time student? All
  - c) If the person is not a student? All
19. Is employment income before taxes (gross) or after taxes (net) taken? Gross
20. When an individual receives Social Security benefits, is the amount with or without Medicare premiums included in annual income?  
The amount should include Medicare when computing annual income.
21. If Social Security benefits are reduced to make up for a prior overpayment by Social Security, what amount is included in annual income?  
Include the amount provided, not the amount that would have been provided if no error had been made.
22. If a family receives foster child care payments, is it counted in annual income? Explain your answer: **NO.** As long as the child is a qualified foster child with payment coming from the agency responsible for making foster child care payments.
23. What is counted as income if a spouse is in the military and stationed out of the home?  
All except special pay for exposure to hostile fire.
24. How do you treat income received from persons outside the household?  
Count regular, not sporadic, contributions as income.
25. Describe the differences in how the income is treated if the outside person is a relative.  
There is no difference.
26. If a person is receiving alimony or child support payments on an irregular basis, what is used as income?  
Count amounts awarded unless applicant/tenant certifies that the entire amount is not provided, if that is PHA policy.

27. What expenses may be deducted from income from a business?  
Straight-line depreciation, interest, and  
all other operating expenses except those in #28
28. What expenses may not be deducted from income from a business?  
Business expansion and  
capital improvements
29. How is the income the family takes out of the business treated?  
As income except  
for reimbursement of investment
30. Give two (2) examples of lump-sum payments that are counted as income.  
1) Delayed start of unemployment benefits;  
2) Delayed start of TANF benefits.
31. When a family is sanctioned by the welfare department, what are the two reasons to include imputed welfare income in annual income?  
The family commits welfare fraud or fails to comply with welfare's economic  
self-sufficiency program or work activity requirements.
32. What part of grants and scholarships is treated as income?  
PH: Exclude all financial aid  
S8: Amount exceeding tuition unless student is over 23 and has dependent children or lives  
or lives with parents. If over 23 with dependent children or lives with parents,  
exclude all financial aid
33. How are student loans treated?  
Student loans are not considered income.

34. When a participant family experiences an increase in annual income as a result of new employment or an increase in earnings, list the three events that would qualify them for the EID:
- 1) Employment by a family member (for HCV, who is a person with disabilities), who was previously unemployed for one or more years prior to employment.
  - 2) Increased earnings by a family member (for HCV, who is a person with disabilities), whose earnings increased during participation in an economic self-sufficiency or job training program.
  - 3) New employment or increased earnings by a family member (for HCV, who is a person with disabilities), who has received TANF benefits or services within the past six months
35. What is the definition of *previously unemployed* for the EID?
- A person who earned not more than could be earned working 10 hours per week, 50 weeks a year at the established minimum wage.
36. If a family member is enrolled in a state or local employment training program, what part of their earnings is excluded?
- Incremental earnings and benefits from state or local employment training programs are excluded.
37. Is a live-in aide's income included in or excluded from annual income?
- Excluded
38. List nine (9) examples of income that is counted for HUD purposes.
- 1) Wages
  - 2) Net business income
  - 3) Interest, dividends, and other income from assets for which the family has access
  - 4) Social Security including Medicare, if applicable
  - 5) Unemployment
  - 6) Welfare assistance
  - 7) Alimony and child support
  - 8) Military pay
  - 9) Retirement, pensions, etc.

39. List eleven (11) examples of income that is not counted for HUD purposes:

- 1) Employment income of children under 18
- 2) Payments for care of foster children
- 3) Agent Orange settlements
- 4) Amounts specifically for or in reimbursement of medical expenses
- 5) Income of a live-in aide
- 6) Special military pay for exposure to hostile fire
- 7) Income from training programs such as Workforce, HUD-funded training programs, PASS
- 8) Sporadic income
- 9) Wages earned from the U.S. Census Bureau as a temporary census taker
- 10) Student loans
- 11) Earned income tax credit

40. How is rental income from a property treated?

Rent less operating expenses (net income)

## Assets

41. What is the income calculation formula when the family's total cash value of assets is less than or equal to \$5,000?

Use actual income from assets.

42. What is the income calculation formula when the family's total cash value of assets is greater than \$5,000?

Use the greater of actual income or imputed asset income.

43. How is imputed income from assets calculated?

PHA passbook rate x total cash value of assets.

Use calculation when cash value of assets exceeds \$5,000.

44. List ten (10) examples of assets counted for HUD purposes.

1) Savings and checking accounts

2) Stocks/bonds

3) Equity in property

4) Cash value of trusts, if accessible

5) IRA, Keogh funds

6) Money market funds

7) Certificates of deposit

8) Personal property as investments

9) Cash value of life insurance

10) Assets disposed of for less than fair market value within past two years

45. List four (4) examples of assets not counted for HUD purposes.

1) Personal property

2) Interest in Indian trust lands

3) Assets not accessible by applicant

4) Assets part of active business or farming operation

46. How is the cash value of a savings or checking account determined?

PHAs must establish a policy on how to determine the cash value of savings and checking accounts

47. What is the formula for finding the cash value of a property?

Market value less current loan balance, if any, less anticipated expenses to sell

48. Are trusts always considered an asset? If not what is the exception?

Revocable/accessible trusts are counted.

Irrevocable trusts are not counted.

49. Are lump sums always considered an asset?

No. Processing delays of periodic payments such as welfare and unemployment are considered income, with the exception of deferred Social Security, SSI, and VA disability lump sums. For all other lump sums, the amount must be retained and verifiable in order to be counted as an asset.

50. What amount is used when an asset is owned jointly by a family member and a person outside the household?

If the family member has access to total, count it all.

51. When is personal property counted as an asset?  
When it is an investment
52. How do you treat life insurance policies?  
Cash surrender value treated as asset
53. What happens if a family member has “given away” an asset for less than fair market value within the past two years?  
Count as if it were still owned.  
(Count market value less expenses, less what was received.)
54. How long is the asset counted in that situation?  
Two years from date disposed of
55. What are the three (3) exceptions to assets being disposed of for less than fair market value?
- 1) When the result of foreclosure
  - 2) When the result of bankruptcy
  - 3) When the result of divorce or separation agreement

## HUD Allowances

56. Name the four (4) categories of people who are never considered a dependent.
- 1) Head
  - 2) Spouse or cohead
  - 3) Foster children/adults
  - 4) Live-in attendants and their family members
57. What is a full-time student?  
A person who is attending school or vocational training on a full-time basis,  
as defined by the educational institution.
58. How much is the dependent allowance?  
\$480 per dependent
59. What age of children are eligible for child care?  
12 and younger



60. In what situations is a family eligible for child care?
- 1) Adult working
  - 2) Adult attending school
  - 3) Adult looking for work
61. What are three (3) restrictions on the use of child care?
- 1) Reasonable
  - 2) Not paid by someone else
  - 3) Expense does not exceed earnings of person enabled to work
62. Can child support payments be counted as child care?
- No, they cannot be counted as child care payments
63. What two (2) expenses are eligible as a disability assistance expense?
- 1) Care attendants
  - 2) Auxiliary apparatus
64. What two (2) conditions qualify a family for the disability assistance allowance?
- 1) Enable a family member to work
  - 2) Must be a disabled person in household
65. What is the maximum amount of disability assistance?
- Earned income of household member enabled to work
66. Give three (3) examples of auxiliary apparatus.
- 1) Wheelchairs
  - 2) Ramps
  - 3) Adaptations to vehicles
67. What type of family qualifies for a medical allowance?
- Head, spouse or cohead is 62 or older, or disabled
68. Who in the family qualifies for a medical allowance if the head is disabled?
- Everyone except foster children/adults or live-in attendants or their family members

69. List nine (9) examples of medical expenses.

- |    |  |
|----|--|
| 1) | Doctors                                      |
| 2) | Health-care facilities                       |
| 3) | Medical insurance premiums                   |
| 4) | Prescription drugs/non-prescription drugs    |
| 5) | Transportation                               |
| 6) | Dental                                       |
| 7) | Live-in/periodic assistance                  |
| 8) | Monthly payment on accumulated medical bills |
| 9) | Eyeglasses, hearing aids                     |

## Answers to Study Guide for Public Housing Only

### Rent Calculation

1. What is the formula for determining tenant rent?  
Total tenant payment minus utility allowance

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2. What is the formula for determining URP?  
Total tenant payment minus utility allowance

---
3. What is flat rent?  
Rental amount established by the PHA for each public housing unit, based on the rental value of the unit. Designed to create an incentive for continued occupancy in the unit.

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4. Do flat rent families get a URP?  
No, only families paying income-based rent will see a utility allowance applied to their rent calculation.

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5. What are ceiling rents?  
They are a function of income-based rent. The family is then charged the lesser of the TTP or the ceiling rent.

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6. What is the formula for determining total tenant payment?  
Greatest of: 30% of monthly adjusted income; 10% of monthly income; welfare rent (if applicable); or the PHA's minimum rent.

---
7. When a family qualifies for a temporary hardship exemption from the minimum rent, the PHA must:  
Protect the family from eviction due to inability to pay the minimum rent for 90 days from the date of the exemption request, reinstate the minimum rent retroactively to the beginning of the suspension, and offer a reasonable repayment agreement.

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8. How often must a PHA review the income of families paying flat rent?  
Not less than once every three years.

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9. How often are families given a choice between income-based and flat rent?  
At annual reexam only.
- 
10. For mixed families, how is rent calculated?  
Mixed families will have their rent prorated, which means they will pay more in rent than they would if everyone in the household was eligible under the noncitizens rule.
- 

### **Verifications**

11. Verifications are valid for how many days?  
PHA Policy
- 
12. May the PHA charge a participant for obtaining verifications?  
No, the PHA must not pass verification costs along to the participant.
- 
13. What are the six (6) levels of the verification hierarchy?
- 1) UIV using EIV
  - 2) UIV using other sources
  - 3) Written third-party documents provided by the family
  - 4) Written third-party verification form
  - 5) Third-party oral
  - 6) Tenant declaration
- 
14. What does the PHA do when a family member disputes EIV employer data?  
The PHA must obtain additional third-party verification.
-

## Answers to Study Guide for Section 8 Only

### Define the following terms:

1. Total family share: The total amount the HUD rent formula requires the tenant to pay toward rent plus the PHA's utility allowance for the unit.
2. Tenant rent to owner: The portion of the rent paid to the owner by the family
3. Utility reimbursement: The portion of the housing assistance payment which exceeds the amount of the rent to owner
4. Rent to owner: The amount that the owner is paid for rent from both the family and the PHA
5. Gross rent: Rent to owner plus utility allowance
6. Housing assistance payment (HAP): The monthly assistance payment by the PHA
7. Fair market rent (FMR): A figure established by HUD by bedroom size to assist the PHA in the determination of the payment standard schedule
8. Payment standard (PS): A figure which determines the maximum amount of subsidy a family can receive in the tenant-based assistance program

## Rent Calculation

9. Describe what happens if the PHA lowers its payment standard during the term of the HAP contract:
- The lower payment standard will be applied at the family's second annual reexam after the payment standard was lowered. PHAs may also adopt a policy to never decrease payment standards for families under HAP contract at the time of the decrease, providing the family remains in the unit and the voucher size does not change. The PHA may also gradually reduce the payment standard starting at the family's second annual reexam.
10. What is the formula for determining total tenant payment?
- Greatest of 30% of monthly adjusted income; 10% of monthly income; welfare rent (if applicable); or the PHA's minimum rent.
11. What is the formula for determining tenant rent?
- Rent to owner minus HAP
12. What is the formula for determining URP?
- Total HAP minus HAP to owner
13. What is the formula for determining HAP?
- Rent to owner less tenant rent to owner
14. When is maximum family share applied?
- At new admission or moves when the gross rent exceeds the payment standard.
15. If a family with a 3-bedroom voucher leases a 4-bedroom unit:
- |                                 |           |
|---------------------------------|-----------|
| What payment standard is used?  | 3 bedroom |
| What utility allowance is used? | 3 bedroom |

## Verifications

16. May the PHA charge a participant for obtaining verifications?  
No, the PHA must not pass verification costs along to the participant.
- 
17. What are the six (6) levels of the verification hierarchy?
- 1) UIV using EIV
  - 2) UIV using other sources
  - 3) Written third-party documents provided by the family
  - 4) Written third-party verification form
  - 5) Third-party oral
  - 6) Tenant declaration
- 
18. What does the PHA do when a family member disputes EIV employer data?  
The PHA must obtain additional third-party verification.
-

## Notes



## **TRAINING ACTION PLAN**

The measure of a successful seminar is determined by what happens *after* the seminar. Successful training is not just the acquisition of knowledge; it is the *application* of the knowledge. This Action Plan will help you to stay focused as you apply your skills and knowledge to contribute to the overall success of your housing agency. It is designed to help you *and* your PHA to derive the maximum benefit from this training opportunity. It contains four parts:

### **PERSONAL “TO-DO” LIST**

During the seminar you may hear ideas and suggestions intended to improve your competency and performance. Your instructor may recommend that you read a HUD Notice or a Regulation, or that you review certain course materials or case studies. You may learn of a more efficient way to organize a work function or to complete a task. As you become aware of individual items that you want to accomplish when you return to your Agency, record them on your “TO-DO” LIST, so that you do not forget them. Your personal development and success is our goal. Do this for *you*.

### **HOUSING PROGRAM “TO-DO” LIST**

During the seminar there will be much discussion of HUD regulations pertaining to the topic of this course. Your instructor will show you how to use your NMA workbook as a reference tool to research regulations and HUD guidance so that you can apply them properly. You will also hear how other agencies perform the same functions that you do, but in a very different way. Your housing program “TO-DO” list is designed for you to make notes of things you may want to check when you get back to your agency. Jot them down and make a note of any reference pages in your workbook that apply.

Training Action Plan

**ADMINISTRATIVE POLICY  
REVIEW CHECKLIST**

As the HUD regulations and program guidelines are discussed, your instructor will point out areas where PHAs have discretion to develop policies and may suggest that you check yours. Make note of these on your ADMINISTRATIVE POLICY REVIEW CHECKLIST. You may also learn of areas in which policy *should* be developed.

**IDEA DESIGN WORKSHEET**

As the result of this training, if you identify an area in your program operation in which you want to make constructive recommendations to a Supervisor or to Management, this form will help you to organize your ideas. It is important that you present your ideas in a positive, professional way, explain the benefits of your idea, and provide the appropriate HUD reference, if applicable.

[illegible]



[illegible]

**IDEA DESIGN WORKSHEET**

**IDEA**

**CURRENT POLICY, PROCEDURE OR PRACTICE**

**BENEFIT(S) OF THIS RECOMMENDATION**

**STEPS NECESSARY TO IMPLEMENT**

**APPLICABLE HUD REFERENCE(S)**

<b>IMPROVING TEST-TAKING SKILLS</b>
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Below are some pointers that may assist you in minimizing the pressure many test-takers place on themselves during testing.

**1. Only ONE answer is correct for each question**

Marking two answers to the same question on the Scantron answer sheets will be scored as a wrong answer.

**2. Answer one question at a time**

You can only answer one question at a time. Don't be overwhelmed by the total number of questions on the test. Isolate each question as you read and answer it. If possible, cover the questions above and below the one you are working on.

**3. Work through the questions at a steady pace**

When you read a question and have absolutely no idea what the answer is, make a check mark next to it in the test booklet and move on. Don't waste a lot of time pondering over questions you can't answer; go back to them after you have finished the test. Often, another question later on in the test will trigger the answer to the one you thought you didn't know.

**4. Identify the core topic**

Sometimes when reading multiple-choice test questions, test takers get hung up in the words. Try to find the core topic of the question, isolate it, and ask yourself questions that trigger what you know about the topic.

For example, let's take a question that pertains to income limits. Here are questions to ask yourself that may help identify the correct answer.

- Does this question pertain to applicants or participants? (because the rules are different)
- Does this question pertain to families entering the program or families moving/transferring to another unit?
- What is this question trying to see if I know?

**5. Identify key words and phrases**

When you read a true/false question, remember that if *any part* of the question is false, the *whole statement* is false. Ask yourself, “Does this statement stand on its own as totally true?” If you find yourself thinking, “Well, it would be true if...”– it’s probably false.

Also use this method to evaluate the multiple choice answer options– if *any part* of an answer is wrong, then it is the *wrong* answer.

**6. Turn a multiple-choice question into true or false questions**

If you cannot quickly identify the correct answer, you can usually eliminate one or two incorrect answers. After you have done this, take each of the remaining answers, add it to the end of the multiple choice question and see if it is a true or false statement.

**7. When you review, focus on the tough questions**

When they finish a test, some test-takers go back and review every question– and sometimes they begin to doubt their answers. When they start to second-guess themselves, they often change answers that were correct. If you make a check mark next to the questions in your test booklet that you are not sure of, you can quickly identify the tough ones and use your time to review them.

**8. Answer all the questions, even if you have to guess at some**

If, after going through the whole exam, there are still questions that have you stumped, first rule out the obviously wrong answer(s), then make your best guess at which of the remaining options is the right answer. Even a blind guess improves your chances of scoring a point.

**9. Visually inspect your answer sheet before you turn it in to the instructor**

Look for incidental or unintentional pencil marks and erase them. If you changed an answer, make sure that the pencil mark for the first answer is completely erased.

**10. Make sure that you did not inadvertently skip a question, or skip a line on the Scantron answer sheet. This would cause all of the following answers to be incorrect.**

Before turning in your Scantron sheet, review it to make sure that the number of lines filled in matches the number of questions on the test, and that no lines are blank.