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CHAPTER 1 Form HUD-50058

LEARNING OUTCOMES

- Upon completion of this chapter, you should be able to:
    - Read and interpret form HUD-50058 and its accompanying instructions

Section 1.1 Form HUD-50058

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 50058 or transmission should contact the TAC toll-free line:
    - 1(888)245-4860

- PHAs can also receive help via email at:
    - REAC_TAC@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 (HCV only)
    14. Historical adjustment
    15. Void

- Copies of the form HUD-50058 and instructions follow.

- PIH Letter L-2007-04, dated August 28, 2007, implements a new code (TCU) for low-income housing tax credit units on line 2n which applies to such units leased by families on the Housing Choice Voucher program.
    - Used by HUD to track the number of tax credit units occupied by participants of the HCV tenant-based and project-based programs.

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.

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. 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).

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

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	

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.

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) ☐ Family correction of income ☐ PHA correction of family income ☐ Family correction (non-income) ☐ 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) ☐ Enhanced Voucher ☐ 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	**6** = End Participation	**11** = Expiration of Voucher (VO only)
2 = Annual Reexamination	**7** = Other Change of Unit	**12** = Flat Rent Annual Update (PH only)
3 = Interim Reexamination	**8** = FSS/WtW Addendum Only	**13** = Annual HQS Inspection Only (S8 only)
4 = Portability Move-in (VO only)	**9** = Annual Reexamination Searching (VO only)	**14** = Historical Adjustment
5 = Portability Move-out (VO only)	**10** = Issuance of Voucher (VO only)	**15** = Void

	Page Heading
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, ender the date the PHA representative fills out the Form or modified any Form page.
1:	**Agency**
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.
2:	**Action**
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.

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 **H**	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.

3h. Relation codes:	**3k. Race codes:**	**3q. Community service or self-sufficiency codes:**
H = head	**1** = White	**1** = yes
S = spouse	**2** = Black/African American	**2** = no
K = co-head	**3** = American Indian/Alaska Native	**3** = pending
F = foster child/foster Adult	**4** = Asian	**4** = exempt
Y = other youth under 18	**5** = Native Hawaiian/Other Pacific Islander	**5** = n/a
E = full-time student 18+		
L = live-in aide	**3m. Ethnicity codes:**	**3u. Family subsidy status codes:**
A = other adult	**1** = Hispanic or Latino	**C** = qualified for continuation of full assistance
	2 = not Hispanic or Latino	**E** = eligible for full assistance
3i. Citizenship codes:		**F** = eligible for full assistance pending verification of status
EC = eligible citizen		**P** = prorated assistance
EN = eligible noncitizen		
IN = ineligible noncitizen		
PV = pending verification		

3.	Household
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).

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 ☐ Rowhouse/townhouse	
	☐ Low-rise ☐ High rise with elevator ☐ Manufactured home	

4:	**Background at Admission**
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.
5:	**Unit to be Occupied on Effective Date of Action**
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)

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.

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

6:	Assets
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.
7:	Income
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).

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.

8:	Expected Income Per Year
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)

9. Total Tenant Payment (TTP)

9a.	Total monthly income: 8a ÷ 12	$	9a.
9c.	TTP if based on annual income: 9a X 0.10	$	9c.
9d.	Adjusted monthly income: 8y ÷ 12	$	9d.
9e.	Percentage of adjusted monthly income: use 30% for Section 8		9e.
9f.	TTP if based on adjusted annual income: (9d X 9e) ÷ 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.

9:	Total Tenant Payment (TTP)
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)

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: ☐ Income based ☐ Flat

10:	Public Housing
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.

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: ☐ Group Home (prorate gross rent) ☐ 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.

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

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: ☐ Group Home (prorate gross rent) ☐ Own manufactured home, lease space ☐ 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	$	12ai.
		If negative, credit tenant	$	12ai.
12aj.	Prorated HAP to owner: 12k minus 12ai. If 12ai is negative, put 12k		$	12aj.

12:	Housing Choice Vouchers: Tenant Based Vouchers
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).

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.

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

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 to15f)		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.

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.

15.	Homeownership Vouchers
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).

      8/1/25

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

17a.	Participate in special programs? (check all that apply)	☐ FSS	☐ Welfare to Work Voucher			
17b.	FSS report category: (check no more than one)	☐ Enrollment	☐ Progress		☐ 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)	☐ Enrollment	☐ Progress		☐ 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.					
	☐ Full-time (32 hours per week or more) ☐ Part-time ☐ Not employed					
	(2) Date (mm/dd/yyyy) current employment began					17h(2).
	(3) Benefits in current employment: (check all that apply) ☐ Health ☐ Retirement account ☐ 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) ☐ TANF Income Assistance ☐ General Assistance ☐ Food Stamps ☐ Medicaid/Children's Health Insurance Program ☐ 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

17:	Family Self-Sufficiency (FSS)/ Welfare to Work (WtW) Voucher Addendum
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 *grade* or the *full* years of formal schooling that the head of household completed (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.

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:

☐ Left voluntarily ☐ Portability move-out ☐ Contract expired but family did not fulfill obligations
☐ Asked to leave program ☐ 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:

☐ Portability move-out

☐ Family no longer needs subsidy

☐ Subsidy terminated for Housing Choice Voucher program violation, other than WtW obligations

☐ Subsidy terminated for violation of WtW obligations

☐ Family voluntarily withdrew from Housing Choice Voucher program

☐ Other

17:	Family Self-Sufficiency (FSS)/ Welfare to Work (WtW) Voucher Addendum (continued)
Line 17j(1):	FSS enrollment report only. The effective date of the family's FSS contract of participation; the date the family *initially* 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 *initially* 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.

CHAPTER 2   Income

LEARNING OUTCOMES

- Upon completion of this chapter, you should be able to calculate income using 24 CFR 5.609 and Section 7 of the 50058, including:

  - Defining annual income.

  - Differentiating how income is treated for different types of household members.

  - Differentiating between what is included in determining annual income and what is excluded.

  - Calculating income for students.

  - Identifying how to calculate different types of earned income, including employment income, self-employment income, and income that is seasonal.

  - Identifying when imputed welfare income is to be used and calculate imputed welfare income.

Section 2.1   Annual Income

CFR 5.609(a)
- *Annual income* includes, with respect to the family:
  - All amounts, not specifically excluded in 24 CFR 5.609(b), received from all sources by each member of the family who is 18 years of age or older or is the head of household or spouse of the head of household,
  - Unearned income by or on behalf of each dependent who is under 18 years of age

- In addition to this general definition, the regulations at 24 CFR 5.609(b) provide a comprehensive listing of all sources of income that are excluded from annual income.
  - Unlike the previous version of the regulations prior to HOTMA, the current regulations governing annual income do not list sources of income that are included in annual income. Instead, HUD relies on the definition of excluded income under 24 CFR 5.609(b) to provide the scope of what is included. To that end, all income is included unless it is specifically excluded by regulation.

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.

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

Section 2.1: Annual Income

COMPUTING ANNUAL INCOME

Notice PIH 2001-15 (HA)
- Annual income is determined by calculating a family's anticipated total or gross income minus allowable exclusions.
  - Total/Gross Income – Exclusions = Annual Income

CFR 5.609
- PHAs must convert all income to an annual figure to complete rent calculations.

HCV Program GB 5-17
- Convert earned income to annual income as follows:
  - Multiply hourly wages by the number of hours worked/year (2080 hours for full-time employment with a 40-hour work week and no overtime)
  - Multiply weekly wages by 52
  - Multiply biweekly wages by 26
  - Multiply semimonthly wages by 24
  - Multiply monthly wages by 12

Learning Activity 2-1:   Converting Income to an Annual Figure

- Mr. Price receives a gross wage of $275 biweekly.

  Annual Income _____   Monthly Income _____

- Ms. Spiker (age 32) has three children (ages 10, 9, and 6). She receives $150 per week from her mother since she has no income and doesn't want to apply for Welfare.

  Annual Income _____   Monthly Income _____

- Mr. Pfeiffer earns $310 semimonthly from his job as a sales clerk.

  Annual Income _____   Monthly Income _____

- Mrs. Bass works as a receptionist 40 hours per week earning $7.25 per hour.

  Annual Income _____   Monthly Income _____

Section 2.1: Annual Income

ANTICIPATING INCOME

HCV GB 5-17

- Use current circumstances to anticipate income. Project for a full 12 months, even if income is not expected to continue, unless verification forms indicate an imminent change, or income is cyclical (such as seasonal workers).

EXAMPLE OF IMMINENT CHANGE EXPECTED

- Employer reports a full-time employee earning $7.25 per hour will receive this for seven weeks.

- In the eighth week after the effective date of the reexam, the employee will begin to receive $8.00 per hour

- How is annual income calculated?

INCOME OF VARIOUS HOUSEHOLD MEMBERS

- Income inclusions and exclusions vary depending on the status of each household member. As such, it is important that each household member be coded correctly in the PHA's software and on the form HUD-50058.

SUMMARY OF INCOME INCLUDED AND EXCLUDED BY HOUSEHOLD MEMBER	
Live-in aides	Income from all sources (both earned and unearned) is excluded [24 CFR 5.609(b)(8)].
Foster child or foster adult	Income from all sources (both earned and unearned) is excluded [24 CFR 5.609(b)(8)].
Head, spouse, or cohead Other adult family members	All sources of income not specifically excluded by the regulations are included [24 CFR 5.609(a)].
Children under 18 years of age	Earned income is excluded [24 CFR 5.609(b)(3)]. All sources of unearned income, except those specifically excluded by the regulations, are included [24 CFR 5.609(a)].
Full-time students 18 years of age or older (not head, spouse, or cohead)	Earned income in excess of the dependent deduction is excluded [24 CFR 5.609(b)(14)]. All sources of unearned income, except those specifically excluded by the regulations, are included.

MINORS

24 CFR 5.609(a)(1)
24 CFR 5.609(b)(3)

- Employment income earned by children under the age of 18 is not included in annual income.

- All other sources of unearned income, except those specifically excluded by the regulations, are included.
  - This includes all benefit and other non-earned income paid directly to minors.

- The assets and asset income of minors are considered when determining net family assets.

EXAMPLE
Amanda Allen (age 16) is a high school student who lives with her parents who are head and spouse. She works part-time after school earning $15,000 a year in employment income and receives $3,500 in SSI annually. She has a non-interest-bearing checking account.
• Since Amanda is a minor, the PHA will exclude the full amount of her employment income.   • The PHA will include her unearned income from SSI.   • Amanda's checking account is considered when determining net family assets.

FULL-TIME STUDENTS

24 CFR 5.603

- A family member is considered a full time student if they are attending school or vocational training on a full-time basis.

- Therefore, to be considered "full-time," a student must be considered "full-time" by an educational institution with a degree or certificate program.

- The head of household, spouse, and cohead are never considered full-time students. If the head, spouse, or cohead is a full-time student and receives earned income, the full amount of their earned income is included in annual income.

Section 2.1: Annual Income

24 CFR 5.609(a)(1)
24 CFR 5.609(b)(14)

- Earned income of dependent full-time students in excess of the amount of the deduction for a dependent, as specified in 24 CFR 5.611, is not included as income.

    - The amount of the dependent deduction will be adjusted annually for inflation.

    - Currently, the dependent deduction is $480. Therefore, the PHA will include up to $480 of earned income of a dependent full-time student and will exclude any amounts in excess of that amount.

- All sources of unearned income, except those specifically excluded by the regulations, are included.

    - This includes all benefit and other non-earned income paid directly to full-time students.

- The assets and asset income of full-time students is considered when determining net family assets.

EXAMPLE
Miriam Leslie (age 22) lives with her parents who are head of household and spouse. She is a full-time student.
She earns $4,000 in employment income annually at a part-time job and receives $3,500 in SSI annually. Her SSI is deposited into her checking account.

- Since Miriam is a dependent full-time student, the PHA will exclude the amount of her employment income in excess of the dependent deduction.

- The PHA will include all of her income from SSI since this is unearned income.

- Miriam's checking account is considered when determining net family assets.

Section 2.1: Annual Income

TEMPORARILY ABSENT FAMILY MEMBERS

- With the exception of children who are temporarily absent from the home as a result of placement in foster care (24 CFR 5.403), the regulations governing annual income do not specifically address temporarily absent family members.

- The regulations also do not define "temporarily" or "permanently" absent for individual family members or specify a timeframe associated with a temporary versus a permanent absence.

  - The PHA should define these terms in PHA policy.

  - For example, the PHA may consider a family member who is working in another state on assignment to be temporarily absent.

  - Once an individual is considered permanently absent, the individual is removed from the family composition and their income is no longer included.

- Since the regulations state to count all income unless that income is specifically excluded, the income of all family members approved to live in the unit (including temporarily absent family members) is included.

- The PHA should establish a policy regarding these family members since the regulations do not address this issue.

EXAMPLE OF INDIVIDUALS WHO MAY BE DEFINED AS TEMPORARILY ABSENT
Chanda Smith is head of household. She lives with her spouse Kane. Chanda accepts temporary employment in another state for two months. Kane will continue to live in the unit while she is gone.
• Provided PHA policy defines Chanda as temporarily absent, the full amount of her income she earns while working out of state will be included in the family's annual income.

Section 2.1: Annual Income

LIVE-IN AIDES

24 CFR 5.609(b)(8)
- The income of live-in aides, regardless of whether it is earned or unearned income, is fully excluded from annual income.

CFR 5.403
- A live-in aide is 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.

- Live-in aides are considered members of the household, not family members.

- Live-in aides are not eligible for any deductions when the family's adjusted income is calculated.

- Live-in aides and their children are coded as "L" on the 50058.

Section 2.1: Annual Income

FOSTER CHILDREN AND FOSTER ADULTS

24 CFR 5.603 (b)
- A *foster child* is defined as a member of the household who meets the definition of a foster child under state law. In general, a foster child is placed with the family by an authorized placement agency (e.g., public child welfare agency) or by judgment, decree, or other order of any court of competent jurisdiction.

- A *foster adult* is defined as a member of the household who is 18 years of age or older and meets the definition of a foster adult under state law. In general, a foster adult is a person who is 18 years of age or older, is unable to live independently due to a debilitating physical or mental condition and is placed with the family by an authorized placement agency or by judgment, decree, or other order of any court of competent jurisdiction.

24 CFR 5.609(b)(8)
- The income of foster children and foster adults, regardless of whether it is earned or unearned, is fully excluded from annual income.

24 CFR 5.609(b)(4)
- The PHA excludes payments received for the care of foster children or foster adults.

- State or Tribal kinship or guardianship care payments are also excluded from annual income.
  - Kinship care payments are financial support provided to relatives who become legal guardians or foster parents for children who cannot live with their biological parents

- Foster children and foster adults are considered members of the household, not family members.

Learning Activity 2-2:   **Income Inclusions and Exclusions for Different Household Members**

Task: Identify whether the following types of income would be included or excluded based on the household member.

1. The head of household's 16-year-old daughter works a part-time job at a fast-food restaurant and makes $300 per week.

    a. Include $300 per week
    b. Include $480 for the year
    c. Exclude $300 per week

2. The live-in aide works part-time at a hardware store and earns $250 per week.

    a. Include $250 per week
    b. Exclude $250 per week

3. A full-time student who is not head, spouse, or cohead works at a grocery store and earns $310 per week.

    a. Include $310 per week
    b. Include $480 for the year
    c. Include $480 per week
    d. Exclude $310 per week

4. The head of household is temporarily absent (as defined by PHA policy) from the unit because they are working for a month in another state. They earn $500 per week.

    a. Include $500 per week
    b. Exclude $500 per week

Section 2.2   Earned Income

24 CFR 5.100
- Earned income is defined as income or earnings from wages, tips, salaries, other employee compensation, and net income from self-employment.

- Earned income does not include any pension or annuity, transfer payments (meaning payments made or income received in which no goods or services are being paid for, such as welfare, Social Security, and governmental subsidies for certain benefits), or any cash or in-kind benefits.

24 CFR 5.609(a)
- The earned income of each member of the family who is 18 years of age or older, or who is the head of household or spouse/cohead regardless of age, is included in annual income.

PH Occ GB
- The PHA uses the full (gross) amount before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation.

- When a family member's wages or benefits are garnished, levied, or withheld to pay restitution, child support, tax debt, student loan debt, or other applicable debts, must use the gross amount of the income, prior to the reduction, to determine a family's annual income.

PROJECTING EMPLOYMENT INCOME

24 CFR 5.609(c)(1)

- The PHA is required to estimate the income of the family for the upcoming 12-month period.

Notice PIH 2023-27

- When paystubs are used to calculate employment income, HUD requires the PHA collect a minimum of two current and consecutive paystubs. Depending on PHA policy, paystubs must either be dated within 60 days of the reexam or request or be dated within 120 days of the date received by the PHA.

  - The PHA must adopt a policy on how many paystubs are required, which could require more than two.

  - Industry practice is to require paystubs covering a specific period of time (for example, all paystubs received within the last 60 days).

  - The PHA may also have a policy requiring a certain number of paystubs (four to six is common).

  - Regardless of what policy is adopted, the PHA must apply the policy consistently.

- Once paystubs are collected, HUD regulations do not address how employment income should be annualized (i.e., an average of paystubs, year-to-date, or another method)

- Industry practice is typically to annualize an average of paystubs.

  - To do this, the PHA calculates the total gross income for each pay period by adding together gross pay from all paystubs, dividing the total by the number of paystubs to calculate the average pay per pay period, and multiplying the average pay by the number of pay periods in that year (see example below).

Section 2.2: Earned Income

- A less common method of annualization is to use year-to-date (YTD) information. This method can be complicated because the PHA would need to determine the specific period of time covered by the YTD information.

- Regardless of which method is used, in order to create consistency among files, PHAs should adopt one procedure for annualization that staff employs consistently across files, and files should be notated when another method is used.

EXAMPLE OF AVERAGING PAYSTUBS

• PHA policy calls for four pay stubs:
  - Paystub 1: $725.80 for 5/1
  - Paystub 2: $799.93 for 5/15
  - Paystub 3: $730.48 for 6/1
  - Paystub 4: $767.92 for 6/15

• What is the annual income?
  - $725.80 + $799.93 + $730.48 + $767.92 = $3,024.13
  - $3,024.13 / 4 = $756.03
  - Pay is semimonthly (1st and the 15th)
  - $756.03 x 24 = $18,144.72
  - Round to $18,145

Section 2.2: Earned Income

Learning Activity 2-3:   Annual Income on the Form HUD-50058

Scenario: John O'Brien is a new admission effective 10/1. He works part-time in a bakery. He has no other income. PHA policy calls for four current and consecutive paystubs when calculating annual income at admission. You have collected the following information:

Dates	Gross Pay	Net Pay
07/31	$580	$495
08/15	$572	$489
08/31	$582	$497
09/15	$580	$495

Task: Calculate John's annual income and enter his income on Section 7 (7a through 7i) of the 50058.

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.

Section 2.2: Earned Income

SEASONAL EMPLOYMENT

24 CFR 5.609 (b)(24)
24 CFR 5.603 (b)

- Some occupations regularly work less than 12 months per year. Family members may have temporary, variable, or seasonal schedules or may work sporadically throughout the year. Provided this income does not meet the definition of nonrecurring income, seasonal employment is included in annual income.

- Earnings of seasonal workers or day laborers are included in annual income, even if the source, date, or amount of the income varies. Income earned as a day laborer is not considered nonrecurring income.

- A *seasonal worker* is defined as an individual who is hired into a short-term position (e.g., for which the customary employment period for the position is six months or fewer); and the employment begins about the same time each year (such as summer or winter). Typically, the individual is hired to address seasonal demands that arise for the particular employer or industry. Income earned as a seasonal worker is not considered nonrecurring income.

  - Examples include employment limited to holidays or agricultural seasons.
  - Seasonal work may include employment as a lifeguard, ballpark vendor, or snowplow driver.

- A *day laborer* is defined as an individual hired and paid one day at a time without an agreement that the individual will be hired or work again in the future.

PROJECTING INCOME FROM SEASONAL EMPLOYMENT

- Annualizing income from seasonal employment can be a challenge since it may not be possible to determine income for a 12-month period.

Section 2.2: Earned Income

PH Occ GB, Income Determination, p. 23

- The PHA should gather income from all sources over a specific time frame (e.g., all pay from a one-month or three-month period, depending on frequency), average the amount over that time frame, and annualize it over a full year.

- If it is not feasible to anticipate a level of income over a 12-month period or the PHA believes that past income is the best available indicator of expected future income, the PHA may annualize the income anticipated for a shorter period, subject to redetermination at the end of the shorter period.

EXAMPLE 1: SEASONAL INCOME
Maggie Price is currently a tile setter earning $1,200/month. For the last 3 years, she worked this job for 8 months during the construction season. For the rest of the year (4 months) she worked part-time earning $500 per month.
Based on her current paystubs and her tax information, the PHA performs the following calculation: • $1,200 x 8 months = $9,600 • + $500 x 4 months = $2,000 • $11,600 annually.

EXAMPLE 2: SEASONAL EMPLOYMENT
Derrick Jones works as a house painter. He works from April through September. He does not work in rain or windstorms. He does not receive paystubs, but the PHA contacts his employer who verifies that over the last 3 years he works on average 30 hours per week and his current rate of pay is $12 per hour.
• To calculate Derrick's income, the PHA uses the average number of regular hours over the past 3 years (30 hours) multiplied by his current regular pay rate ($12).

SELF-EMPLOYMENT

24 CFR 5.609(b)(28)

- Annual income includes net income from the operation of a business or through self-employment.

    - Net income equals gross income less expenses.

- Families may treat as a business expense depreciation (straight-line), interest payments on loans, and all expenses other than those for expansion or capital improvements.

EXAMPLE
PH Occ GB, Income Determination, p. 14 A self-employed house painter owns a truck he uses for his business as well as several ladders, buckets, and spray paint guns. He also purchases paint rollers and hand brushes each time he is hired to do a job.
• The painter may deduct as business expenses the depreciation on his truck and ladders (capital equipment) as well as the cost of the paint, paint thinner, disposable rollers and paint brushes he purchases throughout the year (business expenses).

24 CFR 5.609(b)(28)(ii)

- Any 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.

EXAMPLE
Donna Edwards is starting a new business as a dog walker. She is using $500 of her own money to purchase leashes, dog treats, to print fliers, and to advertise. After several months in business, Donna withdraws $500 from the business's checking account as a reimbursement of her initial investment.
• The $500 is not considered income as it is a reimbursement of her own investment.

Section 2.2: Earned Income

PH Occ GB, Income Determination, p. 14

- If the net income from a business is negative, no business income will be included in annual income; a negative amount will not be used to offset other family income.

EXAMPLE
Martin West is the head of household. He earns $35,000 in wages. His spouse Amanda is self-employed and has negative business income of $1,500.

- The family's annual income is $35,000.
- Amanda's business loss of -$1,500 does not offset Martin's wages.

24 CFR 5.609(b)(24)

- Income received as an independent contractor is included in annual income, even if the source, date, or amount of the income varies. Independent contractors are considered self-employed, and the net income is included in annual income.

24 CFR 5.603(b)

- An *independent contractor* is defined as an individual who qualifies as an independent contractor instead of an employee in accordance with the Internal Revenue Code Federal income tax requirements and whose earnings are consequently subject to the Self-Employment Tax. In general, an individual is an independent contractor if the payer has the right to control or direct only the result of the work and not what will be done and how it will be done.

Section 2.2: Earned Income

- This includes "gig" workers such as contractors who work for companies such as Uber and Lyft. These employees may work varying amounts from week-to-week, which can present a challenge for the PHA when calculating income. For individuals working for rideshare companies, the PHA may request a summary of payments.

EXAMPLE
Belinda Baker drives for Uber. When she pays her taxes, she files a 1099.   • She is considered self-employed. Whether she works full-time or part-time, her net income is included in annual income, even if her hours and pay vary.

MILITARY PAY

- Count all regular pay, special pay, and allowances of a member of the armed forces (whether temporarily absent or not).

24 CFR 5.609(b)(11)

- Exclude the special pay for exposure to hostile fire.

EARNED INCOME DISALLOWANCE

24 CFR 5.617(e) and (f)

- HOTMA removed the statutory authority for the EID.

- The EID was available only to families that are eligible for and participating in the program before January 1, 2024 (the effective date of the HOTMA final rule); no new families qualified on or after January 1, 2024.

- If a family was receiving the EID prior to January 1, 2024, they are entitled to the full amount of the benefit under the current regulations for a full 24 months.

- The EID will fully sunset on January 1, 2026.

Section 2.3   Income of Students

EDUCATIONAL SAVINGS ACCOUNTS

24 CFR 5.609(b)(10)

- Any amount in or from, or any benefits, income, or distributions from, any Coverdell educational savings account of or any qualified tuition program under IRS sections 529 and 530 is excluded from income.

STUDENT LOANS

24 CFR 5.609(b)(20)

- Student loans are excluded from annual income since the regulations exclude loan proceeds (the net amount disbursed by a lender to or on behalf of a borrower, under the terms of a loan agreement) received by the family or a third party (e.g., proceeds received by the family from a private loan to enable attendance at an educational institution or to finance the purchase of a car).

STUDENT FINANCIAL ASSISTANCE

- In 2005, Congress imposed restrictions on housing assistance to college students in Section 8 programs only (HCV, PBV, PBRA). This is known as "Section 8 student rule"

- Language is in each years' HUD appropriations

- The rule does not apply to public housing

- The Section 8 student rule had two parts: Determining if the student is eligible for the program (still applies to all Section 8 families under HOTMA) and calculating student financial assistance (this might apply to a Section 8 family under HOTMA)

Section 2.3: Income of Students

- The Section 8 Student Rule requires that financial aid exceeding amounts received for tuition/required fees and charges is included in annual income. However, it is excluded when financial aid is paid to a student over the age of 23 with dependent children or if student lives with their parents.

FR Notice 2/14/2023

- Section 479B of the HEA requires that all assistance under Title IV of the HEA and Bureau of Indian Affairs student financial assistance, even assistance provided to students in excess of tuition and required fees or charges, be excluded from HUD income calculations.

  - For Section 8 programs, including HCV, however, for over 10 years HUD appropriations have included a provision that for Section 8 students who are age 23 and under and without dependent children, any amounts received in excess of tuition and any other required fees and charges must be considered income. Under HOTMA, HUD has interpreted this limitation to apply when the student is the head of household or spouse, but not when the student resides with their parents.

- For any funds from a year where HUD's appropriations continue to include this Section 8 student financial assistance limitation, if the student does not reside with their parents is the head of household, cohead, or spouse and is under the age of 23 or without dependent children, then both the assistance received under Title Iv HEA and other student financial assistance received by the student is included as income to the extent that it exceeds the total of tuition and any other required fees and charges.

Section 2.3: Income of Students

- In contrast, student financial assistance received by a Section 8 student who is the head of household, spouse, or co-head and is over the age of 23 with dependent children or a student who resides with their parents in a Section 8 unit is governed by the HOTMA student rule, which is described below.

- During years in which an appropriations act does not contain this Section 8 student financial assistance limitation (or any other such limitation), then the determination of student financial assistance for all Section 8 students defaults to the methodology for public housing.

- The treatment of student financial assistance depends on the HUD program, student/household characteristics, and the type of financial assistance received by the student.

Public Housing	HOTMA student rule
Section 8 living with their parents	HOTMA student rule
Section 8 student over the age of 23 with a dependent child	HOTMA student rule
Section 8 student under the age of 23 or no dependent children and not living with parents	Section 8 student rule

Section 2.3: Income of Students

STUDENT FINANCIAL ASSISTANCE UNDER HOTMA

24 CFR 5.609(b)(9)

- The regulations distinguish between two categories of student financial assistance paid to both full-time and part-time students.

- Title IV HEA assistance: Any assistance to students under section 479B of the Higher Education Act of 1965 (Title IV of the HEA) must be excluded from the family's annual income.

- Examples of assistance under Title IV of the HEA include:
  - Pell grants
  - Teach grants
  - Federal Work-Study programs
  - Federal Perkins Loans
  - Income earned in employment and training programs under Section 134 of the Workforce Innovation and Opportunity Act (WIOA) (starting 1/1/24)
  - Bureau of Indian Affairs/Education student assistance programs
  - The Higher Education Tribal Grant
  - The Tribally Controlled Colleges or Universities Grant program
  - Note: Income received under the GI Bill is not Title IV financial aid

- **Other student financial assistance:** Any other grant-in-aid, scholarship, or other assistance amounts an individual receives for the actual covered costs charged by the institute of higher education not otherwise excluded by the federally mandated income exclusions are excluded.

- *Actual covered costs* are defined as the actual costs of:

Section 2.3: Income of Students

- Tuition, books, and supplies;
  - Including supplies and equipment to support students with learning disabilities or other disabilities
- Room and board; and
- Other fees required and charged to a student by the education institution.

- For a student who is not the head of household or spouse/cohead, actual covered costs also include the reasonable and actual costs of housing while attending the institution of higher education and not residing in an assisted unit.

- The educational institution must meet the definition of an institution of higher education (as defined under section 102 of the Higher Education Act of 1965 (20 U.S.C. 1002)).

- To qualify, other student financial assistance must be expressly:
  - For tuition, book, supplies, room and board, or other fees required and charged to the student by the education institution;
  - To assist a student with the costs of higher education; or
  - To assist a student who is not the head of household or spouse with the reasonable and actual costs of housing while attending the education institution and not residing in an assisted unit.

- The student financial assistance may be paid directly to the student or to the educational institution on the student's behalf. However, any student financial assistance paid to the student must be verified by the PHA.

- The financial assistance must be a grant or scholarship received from:
  - The federal government;
  - A state, tribal, or local government;

Section 2.3: Income of Students

- A private foundation registered as a nonprofit;

- A business entity (such as corporation, general partnership, limited liability company, limited partnership, joint venture, business trust, public benefit corporation, or nonprofit entity); or

- An institution of higher education.

- Student financial assistance, does not include:

    - Financial support provided to the student in the form of a fee for services performed;

    - Gifts, including gifts from family or friends; or

    - Any amount of the scholarship or grant that, either by itself or in combination with assistance excluded under the HEA, exceeds the actual covered costs of the student.

- When the student is receiving assistance that is excluded under both categories, the Title IV HEA Assistance must be applied first. Student financial assistance is then applied to any remaining actual covered costs. Once actual costs are covered, any remaining student financial assistance would be considered income.

EXAMPLE 1: HEA ASSISTANCE ONLY
If a student only receives financial assistance under Title IV of the HEA and does not receive any other student financial assistance, exclude the full amount of the assistance received under Title IV of the HEA.
• Student received $10,000 annually from a Pell Grant (which is assistance under Title IV of the HEA).   • The PHA excludes all $10,000 since this is assistance under Title IV of the HEA.

Section 2.3: Income of Students

EXAMPLE 2: OTHER ASSISTANCE ONLY
If the student does not receive any assistance under Title IV of the HEA but does receive financial assistance from another source: • Calculate actual covered costs. • Subtract the total amount of the student's financial assistance from the student's actual covered costs. • Include any amount of financial assistance in excess of the student's actual covered costs.
- Actual covered costs: $20,000 - Title IV HEA assistance: $0 - Other student financial assistance: $25,000 - $25,000 in financial assistance - $20,000 in actual covered costs - Include in income: $5,000

Section 2.3: Income of Students

EXAMPLE 3: BOTH
When a student receives assistance from both Title IV of the HEA and from other sources: • Calculate the actual covered costs. • Assistance received under Title IV of the HEA is applied to the student's actual covered costs first. • Then apply the other student financial assistance to any remaining actual covered costs:

• If the amount of assistance excluded under Title IV of the HEA equals or exceeds the actual covered costs, none of the student financial assistance is excluded from income.
 	
  - Actual covered costs: $25,000
  - Title IV HEA assistance: $26,000
  - Other student financial assistance: $5,000
  - Exclude the entire Title IV HEA assistance.
  - Include in income: $5,000 of other financial assistance

• If the amount of assistance excluded under Title IV of the HEA is less than the actual covered costs, exclude the amount of other student financial assistance up to the amount of the remaining actual covered costs.
 	
  - Actual covered costs: $18,000
  - Title IV HEA assistance: $15,000
  - $18,000 actual covered costs - $15,000 Title IV HEA assistance = $3,000 remaining
  - Other student financial assistance: $5,000
  - $5,000 other financial assistance - $3,000 remaining
  - Include in income: $2,000

- Actual covered costs: $22,000
  - Title IV HEA assistance: $15,000
  - $22,000 actual covered costs - $15,000 Title IV HEA assistance = $7,000 remaining
  - Other student financial assistance: $5,000
  - $5,000 other financial assistance - $7,000 remaining
  - Include in income: $0

SECTION 8 STUDENT RULE

- If the student does not live with their parents and is the head of household, cohead, or spouse and is 23 or younger or does not have dependent children, then Title IV HEA assistance will be considered when determining the student's total financial assistance to be include in annual income.

    - The PHA may use notice PIH 2015-21 as a guide to determine the total amount of the student's tuition plus required fees and charges.

- The PHA will subtract the total tuition plus required fees and charges from the total student financial assistance.

    - If the result is zero or exceeds the amount of total financial assistance from all sources, then no student financial assistance will be included in annual income.

    - Any amount of student financial assistance that exceeds the total tuition plus required fees and charges will be included in annual income.

EXAMPLE 1
• Tuition and required fees and charges: $20,000
• Title IV HEA assistance: $10,000
• Other student financial assistance: $15,000
• Total student financial assistance: $10,000 + $15,000 = $25,000
• Included income: $25,000 in financial assistance - $20,000 tuition and required fees = $5,000

Learning Activity 2-4:   Student Financial Assistance

1.   Maria (age 32) is an HCV program participant. She lives with her daughter Grace (age 2). She attends school at a community college part-time. She receives a Pell Grant in the amount of $8,000 per year. Her actual covered costs to attend school year are $7,500.

   a.   How much of her Pell Grant does the PHA include in her annual income?

   b.   Does the Section 8 student rule apply?

2.   Martin (age 21) lives in public housing. He goes to college full-time and receives a scholarship of $30,000 per school year to help pay for his tuition and other covered costs of $45,000 per school year.

   a.   How much does the PHA include in his annual income?

3.   Manny (age 40) is an HCV program participant who lives with his mom and attends graduate school full-time. He receives a scholarship to offset his tuition costs of $20,000 per year. The PHA verifies his actual covered costs to attend school are $30,000 per year.

   a.   How much does the PHA include in his annual income?

   b.   Does the Section 8 student rule apply?

4.   Angel (age 25) is public housing program participant. He attends college full-time. He receives a scholarship of $50,000 per year. The PHA verifies his actual covered costs to attend school are $40,000 per year.

   a.   How much does the PHA include in his annual income?

Section 2.4   Periodic Payments and Nonrecurring Income

PERIODIC PAYMENTS

- *Periodic payments* are forms of income received on a regular, periodic basis.

- HUD regulations specify which periodic payments are not included in annual income but do not specify which types of periodic payments are included.

  - In general, periodic payments to be included in income include payments from Social Security, annuities, insurance policies, retirement funds, pensions, lotteries, disability benefits, and other similar types of periodic receipts and withdrawals from investments as income.

    Notice PIH 2019-09

  - 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.

  - Unemployment benefits are not considered nonrecurring and are included in annual income as periodic payments.

LUMP-SUM PAYMENTS COUNTED AS INCOME

24 CFR 5.609(a)

- Generally, lump sums received by the family such as lottery or contest winnings are not considered income since they are nonrecurring income.

- However, lump-sum payments caused by delays in processing periodic payments (such as unemployment or welfare assistance benefits) are included as income since they are not explicitly excluded under the regulations.

Section 2.4: Periodic Payments and Nonrecurring Income

EXAMPLE: LUMP SUMS AS INCOME
Beverly Boone is head of household. She lost her job on 10/19 and applies for unemployment benefits. She received a lump-sum payment of $900 on 12/6 to cover the period from 10/20 to 12/5 and begins to receive $200 a week effective 12/6.
• The lump sum for the delayed start of her unemployment benefits is included in annual income as well as her weekly unemployment benefit amount.

24 CFR 5.609(b)(16)

• However, deferred periodic amounts (whether received as a lump sum or prospective monthly payments) from the following sources are excluded:

- Social Security and Supplemental Security Income (SSI)

- Department of Veterans Affairs (VA) disability benefits

EXAMPLE: PERIODIC PAYMENTS FROM RETIREMENT ACCOUNTS
Amanda Martinez applied for SSI two years ago. When it was awarded, she received a one-time lump-sum payment for the delayed start of $8,000. She also started receiving gross monthly SSI payments of $500.
• The PHA includes the gross monthly SSI payment as income but excludes the full amount of the lump sum from her income.

SOCIAL SECURITY

*PH Occ GB, Income
Determination, pp. 38-39*

- Include the gross amount of Social Security prior to the Medicare deduction.

- The monthly Medicare premium may be deducted as a health and medical care expense for qualifying families.

EXAMPLE: SOCIAL SECURITY INCOME
Brian Bruce (age 68) is the head of household. His gross SS payment is $800 per month, however $174.70 is subtracted each month for his Medicare premium.
• Include the gross amount of Brian's SS payment prior to the Medicare deduction ($800 x 12 = $9,600).

- If a 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 other similar benefits as well as SS.

- If a recipient's Social Security income is reduced because of an IRS garnishment, or other similar garnishment, use the gross amount to calculate income.

EXAMPLE: SS REDUCTION
A family member received $1,200 per month for the past 6 months in SS income.
SSA notifies the individual that they should have received only $1,100 per month.
SSA adjusted their monthly payment to recoup overpayment. They will now receive $1,000 per month for the next 6 months and will then receive their regular payment of $1,100 per month after that.
• For the next 6 months, use the lower amount $1,000 x 12 = $12,000
• Once the reduction ends, use the gross amount $1,100 x 12 = $13,200

APPLYING THE COLA

- The Social Security Administration announces the cost-of-living adjustment (COLA) for Social Security benefits each October.

- In some years, there is no COLA for Social Security (SS) benefits

Notice PIH 2023-27

- Effective the day after the SSA has announced the COLA, PHAs are required to factor in the COLA when determining SS and Supplemental Security Income (SSI) income for all annual reexaminations and interim reexaminations that have not yet been completed and will be effective January 1 or later of the following year.

EXAMPLE: APPLYING THE COLA
The PHA is processing an annual recertification in November for participant Edward Prescott. The recertification is effective February 1 of the following year.
The COLA was announced in October as 3.6% for the following year.
EIV shows Edward currently receives $500 a month in SS income.
Provided Edward self-certifies he agrees with the amount in EIV, how should his SS income be annualized?   - First calculate the COLA   - $500 x 3.6% = $18   - His new benefit amount for the following year is $518 per month   - Effective for his February 1 recertification the following year: $518 x 12 = $6,216

- For program participants, use EIV to verify SS income provided the family member confirms that the current listed benefit amount on the EIV Income Report is correct.

- Since EIV is not available for applicants, the PHA reviews a copy of the applicant's benefit letter dated within the appropriate benefit year (written third-party from the source).

RETIREMENT ACCOUNTS

24 CFR 5.609(b)(26)
- Any distribution of periodic payments received from any account under a retirement plan recognized as such by the IRS, including individual retirement arrangements (IRAs), employer retirement plans, and retirement plans for self-employed individuals is included in annual income at the time it is received by the family.

ALIMONY AND CHILD SUPPORT

Notice PIH 2023-27
- Annual income includes "all amounts received," not the amount that a family may be legally entitled to receive but which they do not receive.
  - For example, a family's child support or alimony income must be based on payments received, not the amounts to which the family is entitled by court or agency orders.

24 CFR 5.609(a)
- Include periodic and determinable amounts such as alimony and child support since they are not specifically excluded under the regulation.

PH Occ GB, Income Determination, p. 16
- HUD strongly encourages PHAs to determine in their policies what documentation is required to show what the family receives.
  - For example, if the household has filed with the local support enforcement agency, printouts from the agency may indicate the frequency and amount of payments actually received.

HUD Handbook 4350.3
- Child support paid to the custodial parent through a state child support enforcement or welfare agency may be included in the family's monthly welfare check and may be designated in different ways. In some states, these payments are not identified as separate from the welfare grant. In these states, it is important to determine which portion is child support and not to count it twice. In other states, the payment may be listed as child support or as "pass-through" payments. These amounts are counted as income.

- When no documentation of child support, divorce, or separation is available, the PHA may require the family to sign a certification stating the amount of child support received.

NONRECURRING INCOME

- Income that has a discrete end date and will not be repeated beyond the coming year during the family's upcoming annual reexamination period is excluded from annual income as nonrecurring.

- However, periodic payments are included if they are received at regular intervals for a period of greater than one year and can be extended.

EXAMPLE: NONRECURRING INCOME
• The Watts family is a new admission. They receive income from a guaranteed income program in their city. The payments will end 6 months after the family is admitted to the program.
• While the guaranteed income will be repeated in the coming year, it will end before the family's next annual.
• The income is fully excluded.

EXAMPLE: REGULAR INCOME
• In February 2025, the PHA is conducting Lillian Gonzalez's annual reexam. It is effective 5/1/25. She reports she receives monthly payments for participation in a research project that is expected to last for 18 months and will end on 9/30/26.
• The PHA includes this as income because the amounts will be received through the next annual effective 5/1/26.
• For the 5/1/26 annual reexam, Lillian provides a letter stating that the income will end on 9/30/26.
• The PHA will exclude the income received after the 5/1/26 annual reexamination.

Section 2.4: Periodic Payments and Nonrecurring Income

- Any workers' compensation is always excluded from annual income, regardless of the frequency or length of the payments.

EXAMPLE: WORKERS' COMP
• Heather Cooper is a program participant. She was injured in a work accident. At her 3/1 annual reexam she states she is receiving worker's compensation equal to her salary paid in biweekly installments for a period of 18 months. The payments are excluded.

- PHAs may accept a self-certification from the family stating that the income will not be repeated in the coming year.

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- Income excluded as nonrecurring includes:
  - Nonrecurring payments made to the family or to a third-party on behalf of the family to assist with utilities;
  - Payments for eviction prevention;
  - Security deposits to secure housing;
  - Payments for participation in research studies (depending on the duration); and
  - General one-time payments received by or on behalf of the family.

24 CFR 5.609(b)(24)

- Nonrecurring income includes:
  - U.S. Census Bureau for employment income (relating to decennial census or the American Community Survey) lasting no longer than 180 days and not resulting in permanent employment.
  - Direct federal or state payments for economic stimulus or recovery.
  - Amounts received directly by the family as a result of state or federal refundable tax credits or state or federal tax refunds at the time they are received.
  - Gifts for significant life events or milestones (e.g., holidays, birthdays, wedding gifts, baby showers, anniversaries).

Section 2.4: Periodic Payments and Nonrecurring Income

- Nonmonetary, in-kind donations, such as food, clothing, or toiletries, received from a food bank or similar organization.

- Lump-sum additions to net family assets, including but not limited to lottery or other contest winnings.

EXAMPLE 1: LUMP SUMS
• Trevor Lucky bought 10 lottery tickets and discovered that one of the tickets won $1,000. Trevor reported his winnings as part of an interim reexamination. The PHA determined that the lottery winnings are a one-time, lump-sum addition to net family assets and should not be included in the annual income calculation.

EXAMPLE 2: LUMP SUMS
• Logan fund raises $5,000 online to help pay for personal expenses (e.g., "Go Fund Me"). The PHA verified with Logan that this was a one-time solicitation for donations of cash and that Logan does not intend for this to be a recurring source of income. The $5,000 is a one-time, lump-sum addition to net family assets and should not be included in the annual income calculation.
• At his next annual reexamination, the PHA determines that Logan solicited for donations online a second time and raised an additional $4,500. Again, Logan certified that he does not intend for this to be a recurring source of income, but, because the PHA can establish a pattern, the $4,500 is not considered a lump-sum addition to net family assets and should be included in the annual income calculation.

• Nonmonetary in-kind donations, such as food or toiletries, received from a food bank or similar organization are excluded from annual income.

- When calculating annual income, PHAs are prohibited from assigning monetary value to nonmonetary in-kind donations received by the family.

- Nonrecurring, nonmonetary in-kind donations from friends and family may be excluded as nonrecurring income.

- The exclusion of non-monetary in-kind donations applies only to donations from a food bank or similar organization, not from family members outside of the household.

- The PHA includes regular contributions (cash or noncash) provided on a regular basis.

  - May include rent and utility payments paid on behalf of the family.

- Nonrecurring payments made to the family or to a third-party on behalf of the family to assist with utilities are excluded from annual income.

  - The PHA may accept a self-certification from the family stating that the income will not be repeated in the coming year.

  - However, if a family repeatedly says that a payment is nonrecurring, but the PHA can establish a pattern of the payments actually recurring year after year, the PHA would no longer considered the payments nonrecurring.

EXAMPLE 1
• Jonas Crandall receives a basket weekly from the local food bank that includes both food and toiletries. Because this is an in-kind donation from the local food bank, the PHA must not include the basket items in the calculation of annual income.

EXAMPLE 2
• Holly Hawes (age 22) lives alone. Her father does not live in her unit. On average, he gives her $100 each month to pay her utility bills. Holly self-certifies that he has been paying her utility bills for the last two year and will continue to pay them for the upcoming year. The $100 per month is included as income.

EXAMPLE 3
• Martha Allen (age 37) is a program participant. She receives a bag of groceries every Friday from her mother who does not live with her. She has been receiving this for the last year. She certifies she will continue to receive them. The value of the groceries donated by a family member who lives outside of the household on a recurring basis is included income.

EXAMPLE 4
• John Martin (age 42) lives alone. He states he is zero income. However, John is responsible for the electric bill for his unit. The PHA asks him how he pays the bill. He says his mother (who does not live in the unit) pays the bill, but she will only be paying it for the next 6 months and then John is uncertain how he will pay his electric bill. He signs a self-certification with this information. The PHA is to exclude the payment of the utility bill as non-recurring income.

ZERO INCOME FAMILIES

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• PHAs may accept a self-certification of zero income from the family at admission and reexamination without taking any additional steps to verify zero reported income. HUD does not require they be notarized.

• PHAs may, but are not required to, establish reasonable procedures to manage the risk of unreported income, such as asking families to complete a zero-income worksheet.

• PHAs may only conduct interims in accordance with the regulations and PHA policies. Families who begin receiving income which does not trigger an interim should not be considered zero income even though the family's income is not reflected on 50058.

Learning Activity 2-5:   Periodic Payments and Non-recurring Income

Task: Indicate how much income is included in annual income for the following types of families

Scenario 1: Stan Marshall (age 63) is head of household. He collects $900 per month in Social Security, although $178 is taken out for the Medicare premium. His daughter Wendy (age 32) and his grandson Eric (age 3) live with him. Wendy is entitled to collect $300 per month in child support for her son Eric. However, the PHA verifies that she only collects an average of $150 per month. This is her only source of income. What is the family's annual income?

Scenario 2: Paul Frink (age 42) is head household. He was recently injured on the job. At his 3/1 annual, he states he collects $1,500 per month workers' compensation. This will last for six months after the effective date of his annual. He also states that he receives food from a local food pantry every Friday. What is his annual income?

Scenario 3: Wayland Burns (age 39) is head of household. He claims that he is zero income. When the PHA asks how he pays his expenses, he says he won the lottery last year and received a $10,000 lump sum. He is living off the money. What is his annual income?

Scenario 4: Edna Kerr (age 63) and her husband Seymour (age 64) both receive Social Security benefits. She receives $900 per month, but she was just informed the SSA overpaid her benefits for the last two years so she will only be receiving $800 a month for the next year. Seymour's gross benefit amount is $1,000 but he has $200 per month taken out for a garnishment for back child support. What is their income?

PUBLIC ASSISTANCE

- Since the following public assistance is not specifically excluded under the regulation, it is included as income:
  - Temporary Assistance to Needy Families (TANF)
  - SSI
  - General Assistance/General Relief

PUBLIC ASSISTANCE INCOME IN AS-PAID LOCALITIES ("WELFARE RENT")

- The income regulations at 24 CFR 5.609 no longer include a reference to welfare assistance in as-paid states.

- 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.

- In an email dated 7/6/23, HUD's HOTMAquestions@HUD.gov stated: *The regulations at 5.609(b), which define what is not considered income under the final rule, do not include the exclusions to the welfare assistance payment or instructions that were previously codified at 5.609(b)(6). Therefore, all PHAs will include the monthly amount the family receives in TANF assistance in the determination of annual income.*

- However, the definition of TTP at 24 CFR 5.628 still includes a reference to the welfare rent. Additional guidance from HUD is needed on this topic.

IMPUTED WELFARE INCOME

24 CFR 5.615
- Families who receive welfare benefits from a welfare agency may be required under a federal, state, or local law to participate in an economic self-sufficiency program as a condition of assistance.

- The welfare agency may reduce welfare benefit payments to sanction a family for noncompliance with welfare economic self-sufficiency requirements.

- The PHA may not reduce the family rent contribution due to sanctions imposed by the welfare agency for noncompliance with welfare self-sufficiency requirements, or because of fraud relating to 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.

24 CFR 5.615
- A "specified welfare benefit reduction" is:
  - A reduction in welfare benefits due to:
    - Fraud in connection with the welfare program
    - Sanction for noncompliance with the 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 2.4: Periodic Payments and Nonrecurring Income

24 CFR 5.615 (c)(2)

- 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.

24 CFR 5.615

- The amount of annual income not actually received by a family as a result of a specified welfare benefit reduction, which 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 additional income 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 EXAMPLE 2	
A family is receiving $600/mo. TANF benefits.	
Benefits are reduced to $200 due to fraud.	
TANF income	= $200
Imputed welfare income	= $400
The head begins working, earning $300/mo.	
TANF income	= $200
Employment income	= $300
Imputed welfare income?	
$400–$300	= $100
Total 50058 monthly income	= $600

IMPUTED WELFARE INCOME EXAMPLE 3	
A family is receiving $600/mo. TANF benefits.	
Benefits stop due to failing to participate in required economic self-sufficiency program.	
Imputed welfare income	= $600
The head begins working, earning $800/mo.	
Employment income	= $800
Imputed welfare income?	= $0

- NOTE: The PHA may not include imputed welfare income in annual income if the family was not assisted at the time of the sanction.

Section 2.4: Periodic Payments and Nonrecurring Income

24 CFR 5.615(d)

- A participant in the HCV tenant-based assistance program may request an informal hearing to review the PHA determination of the amount of imputed welfare income.

- If the family claims that the imputed welfare income has not been correctly calculated, but the PHA denies the family's request to modify the imputed welfare income amount, the PHA must give the family written notice of such denial, explaining the basis for the PHA determined amount of imputed welfare income.

- The PHA notice must state that if the family disagrees with the PHA determination, the family may request an informal hearing on the determination.

Learning Activity 2-6:   **Imputed Welfare Income**

- Betty Childs 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. Childs' benefits are being reduced because of fraud. Ms. Childs' regular TANF amount is $650 per month. Her TANF is being reduced to $450 per month, and the reduction is expected to last for the next 12 months. She continues to receive the reduced TANF benefits of $450 each month.

- Using section 7 of the 50058s on the following pages, calculate the Childs family's total annual income (lines 7a through 7i) using the scenarios below.

  - *Scenario 1:* Calculate the imputed welfare income and total income for the family.

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

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.

7b: Income Codes	**Welfare:**	**Other Income Sources:**
Wages: B = own business F = federal wage HA = PHA wage M = military pay W = other wage	G = general assistance IW = annual imputed welfare income T = TANF assistance **SS/SSI/Pensions:** P = pension S = SSI SS = Social Security	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	**Childs**	Social Security Number	Date modified (mm/dd/yyyy)

- *Scenario 2:* It is three months later, Ms. Childs now begins to receive $150 per month in alimony. She continues to receive the $450 per month in TANF. The welfare sanction reducing her TANF benefits from $650 a month to $450 a month is still in place. Calculate the imputed welfare income and total annual income on part 7 of the form HUD-50058.

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.

7b: Income Codes	**Welfare:**	**Other Income Sources:**
Wages: B = own business F = federal wage HA = PHA wage M = military pay W = other wage	G = general assistance IW = annual imputed welfare income T = TANF assistance **SS/SSI/Pensions:** P = pension S = SSI SS = Social Security	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	**Childs**	Social Security Number	Date modified (mm/dd/yyyy)

- *Scenario 3:* It is now six months later. Ms. Childs has a new job at which she earns $500 monthly. She continues to receive the $150 a month in alimony. The welfare sanction reducin her TANF benefits from $650 a month to $450 a month is still in place. Calculate the imputed welfare and total annual income on part 7 of the form HUD-50058.

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.

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

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Section 2.5   Other Types of Income

HEALTH AND MEDICAL CARE REIMBURSEMENTS

24 CFR 5.609(b)(6)

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

AID AND ATTENDANCE FOR VETERANS

24 CFR 5.609(b)(17)

- Exclude payments related to aid and attendance to veterans in need to regular aid and attendance (38 USC 1521).

  - Certain veterans are eligible for "aid and attendance" payments from the VA. These payments are distinct from payments made to veterans under other VA programs, including the Veterans Pension program. PHAs should carefully review any income documentation provided by the family because many types of VA income, including the Veterans Pension and the VA Survivors Pension, are included in annual income.

HOME-BASED CARE PAYMENTS FOR A FAMILY MEMBER WITH DISABILITIES

24 CFR 5.609(b)(19)

- Exclude payments made by or authorized by a state Medicaid agency (including through a managed care entity) or other state or federal agency to a family to enable a family member who has a disability to reside in the family's assisted unit.

  - Federal Medicaid rules allow states to cover a wide range of institutional and home and community-based long-term services and supports (LTSS), but the type of services, populations covered, and delivery models differ substantially across states based on their individual Medicaid program structure. Many states provide benefits to individuals with a variety of disabilities, which allow such individuals to remain at home rather than reside in institutional settings such as hospitals, nursing homes, or other institutional or segregated settings.

Section 2.5: Other Types of Income

- - The previous requirement that these payments offset the cost of services or equipment has been eliminated.

  - The exclusion applies to any family member with a disability, not just a developmental disability as in previous versions of the regulation.

- • Authorized payments may include payments to a member of the assisted family through the state Medicaid agency (including through a managed care entity) or other state or federal agency for caregiving services the family member provides to enable a family member who has a disability to reside in the family's assisted unit.

  - For example, an adult providing personal care services for a parent or other family member with a disability could receive direct payments from the state agency for performing those services. Amounts paid directly to a member of the assisted family by the state Medicaid agency (including through a managed care entity) or other state or federal agency (or other entities authorized by the agencies to make such payments) to enable a family member who has a disability who wishes to remain living in the assisted unit, under the applicable terms and conditions for the family member to be eligible for such payments, are excluded from the family's income.

  - This income exclusion applies only to payments to the family member for caregiving services for another member of the family residing in the assisted unit. For example, payments to the family member for caregiving services for someone who is not a member of the assisted family (such as for a relative that resides elsewhere) are not excluded from income.

- If the agency was making payments for caregiving services to the family member for not only another member of the assisted family but also for a person outside of the assisted family, only the payments attributable to the caregiving services for the caregiver's assisted family member would be excluded from income.

EXAMPLE: HOME-BASED CARE PAYMENTS
Sally lives in a unit with her mother Barbara who is disabled and needs care services. Barbara wishes to remain in the unit. Sally is providing care services for her mom and gets direct payments from the state Medicaid agency. • Amounts paid directly to Sally by the state Medicaid agency to care for Barbara are excluded.

CIVIL ACTION SETTLEMENTS

24 CFR 5.609(b)(7)

- Exclude any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member arising out of law, which resulted in a member of the family becoming disabled.

BABY BOND ACCOUNTS

- Income earned by government contributions to, and distributions from, "baby bond" accounts created, authorized, or funded by federal, state, or local government are excluded.

  - While there is currently no federal baby bond program, many states and cities have such programs.

PLAN FOR ACHIEVING SELF-SUFFICIENCY (PASS)

24 CFR 5.609(b)(12)(i)

- Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS).

Section 2.5: Other Types of Income

PUBLICLY ASSISTED PROGRAMS

24 CFR 5.609(b)(12)(ii)

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

RESIDENT SERVICE STIPENDS

24 CFR 5.609(b)(12)(iii)

- *Resident services stipends* are generally modest amounts of money received by residents for performing services such as hall monitoring, fire patrol, lawn maintenance, and resident management that enhance the quality of life in the development.

- Exclude amounts received under a resident service stipend provided they do not exceed $200 per month.
    - If the individual receives an amount that exceeds $200 per month, the PHA must include the entire amount in annual income.
    - The individual cannot receive more than one such stipend at a time.

TRAINING PROGRAMS

24 CFR 5.609(b)(12)(iv)

- Exclude incremental earnings and benefits from training programs funded by HUD or qualifying federal, state, tribal, or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff.
    - *Incremental earnings* means 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.

Section 2.5: Other Types of Income

- Excluded amounts must be received under employment training programs with clearly defined goals and objectives and only excluded during participation in the program unless the amounts are excluded as federal financial aid under 24 CFR 5.609(b)(12)(iv)).

EXAMPLE: TRAINING PROGRAM INCOME	
Horatio Smith receives $600 per month in TANF. He then enrolls in a qualified state employment training program and receives $750 per month in training income. His TANF benefits stop.	
1. What income is counted?	$600
2. How long will the income be excluded?	While he is in the program

REPARATION PAYMENTS

24 CFR 5.609(b)(13)

- 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 are excluded.

REFUNDS AND REBATES FOR PROPERTY TAXES

24 CFR 5.609(b)(18)

- 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 are excluded.

ADOPTION ASSISTANCE PAYMENTS

24 CFR 5.609(b)(15)

- Adoption assistance payments for a child in excess of the amount of the dependent deduction, specified in 24 CFR 5.611, are excluded.
  - Note, the dependent deduction will be adjusted annually for inflation.

Section 2.5: Other Types of Income

LOAN PROCEEDS

24 CFR 5.609(b)(20)

- Exclude the net amount disbursed by a lender to or on behalf of a borrower under the terms of the loan agreement.

- Funds may be received by the family or a third party.
    - For example, funds may be received by an educational institution or by a car dealership to finance the purchase of a car.

MISMANAGEMENT OF ASSETS CLAIMS

24 CFR 5.609(b)(21)

- Exclude payments received by tribal members as a result of claims relating to the mismanagement of assets held in trust by the United States, to the extent such payments are also excluded from gross income under the Internal Revenue Code or other federal law.

HOUSING GAP PAYMENTS

24 CFR 5.609(b)(23)

- Replacement housing "gap" payments that offset increased rent and utility costs to families that are displaced from one federally subsidized housing unit and move into another federally subsidized housing unit (49 CFR part 24).

- If the gap is reduced or eliminated because of a subsequent move by the tenant or change in the subsidy, and the tenant continues to receive the payment, the payment that is no longer needed to close the gap should be counted as income.

CIVIL RIGHTS SETTLEMENTS AND JUDGMENTS

24 CFR 5.609(b)(25)

- Exclude income from civil rights settlements or judgments, including settlements or judgments for back pay regardless of how the settlement or judgment is structures (i.e., as a lump sum or structured payment).

Section 2.5: Other Types of Income

- This may include amounts received as a result of litigation or other actions, such as conciliation agreements, voluntary compliance agreements, consent orders, other forms of settlement agreements, or administrative or judicial orders under the Fair Housing Act, Title VI of the Civil Rights Act, Section 504 of the Rehabilitation Act (Section 504), the Americans with Disabilities Act, or any other civil rights or fair housing statute or requirement.

- While these civil rights settlement or judgment amounts are excluded from income, the settlement or judgment amounts will generally be counted toward the family's net family assets.

  - For example, if the funds are deposited into the family's savings account or a revocable trust under the control of the family.

FAMILY SELF SUFFICIENCY ACCOUNT

24 CFR 5.609(b)(27)

- Exclude income earned on amounts placed in a family's Family Self-Sufficiency (FSS) account.

  - The exclusion does not address distributions from a family's FSS account, because such distributions (either as a final or interim distribution under the terms of the Contract of Participation) will be excluded from income under 24 CFR5.609(b)(24)(vii) as a lump-sum addition to net family assets.

FEDERALLY MANDATED INCOME EXCLUSIONS

Federal Register 1/31/2024; 24 CFR 5.609 (b)(22)

- Value of Food Stamps

  - Value of allotment provided to an eligible household under the Food Stamp Act of 1977.

  - This exclusion also applies to assets.

- Benefits under Section 1780 of the Richard B. Russel School Lunch Act and Child Nutrition Act of 1966

  - Includes WIC and reduced-price lunches.

  - This exclusion also applies to assets.

Section 2.5: Other Types of Income

- Domestic Volunteer Services Act
  - Payments, including for supportive services and reimbursement of out-of-pocket expenses, under the Domestic Volunteer Services Act of 1973 are excluded.
  - Except the exclusion does not apply when the Chief Executive Officer of the Corporation for National and Community Service determines that the value of all such payments, adjusted to reflect the number of hours such volunteers are serving, is equivalent to or greater than the minimum wage then in effect under the Fair Labor Standards Act of 1938 (29 U.S.C. 201 et seq.) or the minimum wage, under the laws of the State where such volunteers are serving, whichever is the greater (42 U.S.C. 5044(f)(1)).
  - This exclusion also applies to assets.
  - These programs include:
    - VISTA - Volunteers in Service to America
    - RSVP - Retired Senior Volunteer Program
    - Foster Grandparents
    - Senior Companions Programs

- Heating assistance payments
  - Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624(f)(1)).
  - This exclusion also applies to assets.

- Workforce Innovation and Opportunity Act of 2014
  - Allowances, earnings, and payments to individuals participating in programs under the Workforce Investment Act of 1998 reauthorized as the Workforce Innovation and Opportunity Act of 2014 (29 U.S.C. 3241(a)(2))

- Allowances, earnings, and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d))

Section 2.5: Other Types of Income

- Deferred disability benefits from the Department of Veterans Affairs

    - Received in a lump sum or in prospective monthly amounts

- Indian Settlements/Trusts (these exclusions also apply to assets)

    - Payments received under the Maine Indian Claim Settlement Act of 1980. (Pub. L. 96-420, 94 section 9(c)).

    - Certain payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(c)).

    - Income derived from certain submarginal land of the United States held in trust for particular Indian tribes (25 U.S.C. 5506).

    - Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation (Pub. L. 95-433 section 2).

    - Income derived from the disposition of funds of the Grand River Band of Ottawa Indians (Pub. L. 94-540 section 6).

    - 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. This exclusion does not include proceeds of gaming operations regulated by the Commission (25 U.S.C. 1407-1408).

    - Payments, funds, or distributions authorized, established, or directed by the Seneca Nation Settlement Act of 1990 (25 U.S.C. 1774f(b))

Section 2.5: Other Types of Income

- Any amounts (i) not actually received by the family, (ii) that would be eligible for exclusion under 42 U.S.C. 1382b(a)(7), and (iii) received for service-connected disability under 38 U.S.C. chapter 11 or dependency and indemnity compensation under 38 U.S.C. chapter 13 (25 U.S.C. 4103(9)(C)) as provided by an amendment by the Indian Veterans Housing Opportunity Act of 2010 (Pub. L. 111-269 section 2) to the definition of income applicable to programs under the Native American Housing Assistance and Self-Determination Act (NAHASDA) (25 U.S.C. 4101 et seq.)

- 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., for a period of one year from the time of receipt of that payment as provided in the Claims Resolution Act of 2010

- Per capita payments made from the proceeds of Indian Tribal Trust Settlements listed in IRS Notice 2013- 1 and 2013-55 must be excluded from annual income unless the per capita payments exceed the amount of the original Tribal Trust Settlement proceeds and are made from a Tribe's private bank account in which the Tribe has deposited the settlement proceeds. Such amounts received in excess of the Tribal Trust Settlement are included in the gross income of the members of the Tribe receiving the per capita payments as described in IRS Notice 2013-1. The first $2,000 of per capita payments are also excluded from assets unless the per capita payments exceed the amount of the original Tribal Trust Settlement proceeds and are made from a Tribe's private bank account in which the Tribe has deposited the settlement proceeds (25 U.S.C. 117b(a), 25 U.S.C. 1407)

- Title IV of the Higher Education Act of 1965

  - Amounts of student financial assistance 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).

Section 2.5: Other Types of Income

- For Section 8 programs only, any financial assistance in excess of amounts received by an individual for tuition and any other required fees and charges under the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.), from private sources, or an institution of higher education (as defined under the Higher Education Act of 1965 (20 U.S.C. 1002)),shall be considered income if the individual is over the age of 23 with dependent children (Pub. L. 109-115, section 327 (as amended)).

- Spina Bifida and Agent Orange settlements (these exclusions also apply to assets)

  - Payments received on or 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 and Thailand service veterans born with spina bifida (42 U.S.C. 12637(d)).

- Child Care and Development Block Grant Act of 1990

  - The value of any childcare 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 (EITC) refund payments

  - This exclusion also applies to assets.

- Any amount in an Achieving Better Life Experience (ABLE) account, distributions from and certain contributions to an ABLE account established under the ABLE Act of 2014 (Pub. L. 113-295.), as described in Notice PIH 2019-09/H 2019-06 or subsequent or superseding notice is excluded from income and assets.

Section 2.5: Other Types of Income

- Major disaster and emergency assistance received under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, and comparable disaster assistance provided by states, local governments, and disaster assistance organizations.

    - This exclusion also applies to assets.

- Title V of the Older Americans Act of 1965

    - 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 percent federal and 10 percent local funding, 100 percent of the income funded through Title V is excluded.

- Crime Victim Compensation

    - Any amount of crime victim compensation that provides medical or other assistance (or payment or reimbursement of the cost of such assistance) under the Victims of Crime Act of 1984 received through a crime victim assistance program, unless the total amount of assistance that the applicant receives from all such programs is sufficient to fully compensate the applicant for losses suffered as a result of the crime (34 U.S.C. 20102(c)).

    - This exclusion also applies to assets.

Section 2.5: Other Types of Income

- Any amounts in an "individual development account" are excluded from assets and any assistance, benefit, or amounts earned by or provided to the individual development account are excluded from income, as provided by the Assets for Independence Act, as amended (42 U.S.C. 604(h)(4)).

- The amount of any refund (or advance payment with respect to a refundable credit) issued under the Internal Revenue Code is excluded from income and assets for a period of 12 months from receipt (26 U.S.C. 6409)

- Assistance received by a household under the Emergency Rental Assistance Program pursuant to the Consolidated Appropriations Act, 2021 (Pub. L. 116-260, section 501(j)), and the American Rescue Plan Act of 2021.

CHAPTER 3   Assets and Asset Income

LEARNING OUTCOMES

- Upon completion of this chapter, you should be able to:
  - Identify assets and calculate income from assets using 24 CFR and Section 6 of the 50058, including:
    - Calculating the cash value, market value, and anticipated income of assets
    - Calculating imputed asset income when the total cash value of assets exceeds $5000
    - Distinguishing between which assets are included, and which are not
    - Identifying assets disposed of for less than fair market value and calculating the amount to be imputed for two years from the date of sale

OVERVIEW

- Annual income includes amounts derived from assets to which family members have access.

- Therefore, the value of assets *may* affect family's annual income.

  - When assets are included in annual income, it is the income earned from the asset that is counted, not the asset.

ASSETS INCLUDE

HCV Program GB 5-25

- Amounts in savings and checking accounts

  - PHAs must establish a policy on how to determine the value of savings and checking accounts.

  - PHAs may elect to count:

    - The current balance in an account

    - The average balance in an account over a given period (e.g., 2 months, 6 months, 1 year)

Notice PIH 2019-09

  - There are some exceptions regarding tax-advantaged savings accounts under the Achieving a Better Life Experience (ABLE) Act of 2014.

    - These accounts are for persons with disabilities. The beneficiary must meet the statutory eligibility requirements and there is a cap on annual deposits per state law.

    - Withdrawals and disbursements, contributions by third parties, and actual or imputed interest under these accounts are excluded.

    - However, if the ABLE beneficiary is employed, all earned income is counted, even if a portion is deposited into the ABLE account.

    - Contributions made by someone other than the beneficiary directly into the ABLE account are also excluded. That is, if a third party or relative contributes $100 per month directly to the beneficiary, it would count as income, but if the third party or relative contributes $100 per month directly into the ABLE account, it would be excluded.

HCV Program GB 5-25
Public Housing Occupancy
Guidebook 10.1, page 121

- Stocks, bonds, savings certificates, money market funds, and other investment accounts

HCV Program GB 5-26

- Equity in real property (land owned or bequeathed) or other capital investments
  - Equity is the estimated current market value of an asset less:
    - The unpaid balance on all loans secured by the asset
  - Calculate equity in real property as follows:
    - Market Value – Loan (mortgage) = Equity
  - Calculate the cash value of real property as follows:
    - Equity – Expense to convert to cash = Cash Value
- Expenses to convert to cash may include such costs as broker fees, sales commissions, settlement costs, and transfer taxes

HCV Program GB 5-25

- IRA, Keogh, and similar retirement savings accounts, even though withdrawal would result in a penalty

HCV Program GB 5-26

- Contributions to company retirement/pension funds if any member of the family has access to the asset
  - While an individual is employed, count as an asset only those amounts the family can withdraw without retiring or terminating employment.
  - After retirement, include in annual income any benefits received through periodic payments from a retirement or pension fund.

HCV Program GB 5-25

- Assets that, although owned by more than one person, allow unrestricted access by the applicant

    - 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 asset according to ownership percentage

    - If no percentage is specified or provided by state/local law, PHA prorates asset evenly among all owners

CFR 5.609(c)(3)

- One time lump-sum payments such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains, and settlements for personal or property losses *are reported as assets* in Section 6 of the 50058 when these one-time payments are *retained and verified*.

FR Notice 11/24/08

- **REMINDER:** A lump sum for a deferred periodic payment (such as unemployment and disability compensation, workers compensation, child support and severance pay) is included in annual income in Section 7 of the 50058. The exception to the deferred period payment rule is a lump sum for the delayed start of Social Security or SSI benefits, or a lump sum or prospective monthly amounts of deferred disability benefits from the Department of Veterans Affairs. Lump sums for the delayed start of these payments are *not* included in annual income and only become assets if the lump sum is retained and verified (i.e., put into a savings account or CD).

HCV Program GB 5-25

- Personal property held as an investment, such as gems, jewelry, coin collections, antique cars, etc.

- Cash value of life insurance policies.

TRUSTS

HUD Handbook 4350.3

- A trust is a legal arrangement generally regulated by state law in which one party (the creator or grantor) transfers property to a second party (the trustee) who holds the property for the benefit of one or more third parties (the beneficiaries).

- There are two types of trust: revocable and irrevocable.

- A revocable trust is a trust that the creator of the trust may amend or end (revoke). When there is a revocable trust, the creator has access to the funds in the trust account.

- When the creator sets up an irrevocable trust, the creator has no access to the funds in the account.

  - The beneficiary frequently will be unable to touch any of the trust funds until a specified date or event (e.g., the beneficiary's 21st birthday or the grantor's death). In some instances, the beneficiary may receive the regular investment income from the trust but not be able to withdraw any of the principal.

  - The beneficiary and the grantor may be members of the same family. A parent or grandparent may have placed funds in trust to a child. If the trust is revocable, the funds may be accessible to the parent or grandparent but not to the child.

24 CFR 5.603(b)(4)

- For revocable trusts:

  - A revocable trust that is under the control of the family is included in net family assets when the grantor is a member of the assisted family.

  - If a revocable trust is included in the calculation of net family assets, then the actual income earned by the revocable trust is also included in the family's income. For example, interest earned or rental income if property is held in the trust.

- When a member of the assisted family is the beneficiary of a revocable trust, but the grantor is not a member of the assisted family, the value of the trust is excluded from net family assets. For the revocable trust to be considered excluded, no household member may be the account's trustee.

- For irrevocable trusts:

  - Irrevocable trusts are not under the control of the family. They are excluded from net family assets.

  - Where an irrevocable trust is excluded from net family assets, actual income earned by the trust is excluded for as long as the income from the trust is not distributed.

- For both irrevocable and revocable trusts, if the value of the trust is not considered part of the family's net assets, then:

  - Distributions of the principal or corpus of the trust are excluded;

  - Distributions of income earned by the trust (i.e., interest, dividends, realized gains, and other earnings on the trust's principal) are included;

  - However, distributions of income from the trust when the distributions are used to pay the costs of health and medical care expenses for a minor are excluded.

Type of trust	Irrevocable or revocable
	Grantor is not a member of the household
Is it an asset?	Excluded from net family assets
Actual interest earned	Actual income earned by the trust (e.g., interest) is excluded
Distributions	Counted, unless the distributions are part of the principal (corpus) or used to pay for the health and medical expenses of a minor

Type of trust	Revocable
	Grantor is a member of the household
Is it an asset?	Included from net family assets
Actual interest earned	Actual income earned by the trust (e.g., interest) included as asset income
Distributions	Not considered income to the family

EXAMPLE: REVOCABLE TRUST
Adam Chara lives alone. He has placed $100,000 in a revocable trust for his grandson to be available to the grandson upon his death. The trust is revocable, that is, Adam has control of the principal and interest in the account and can amend the trust or remove the funds at any time.
• The PHA must count the $100,000 in Adam's net family assets. The PHA will also count the interest earned on the trust as actual income from Adam's assets.

EXAMPLE: IRREVOCABLE TRUST
Candy Kim has an irrevocable trust established by her parents for her care.
Last year she received $18,000 payable in $1,500 monthly increments.
The attorney managing the trust reported that $3,500 of the funds was interest and $14,500 was principal.
• Since the trust is irrevocable, it is not counted as an asset.
• The $3,500 in interest payments each year are counted as income.
• The $14,500 in principal is not counted as income.

WHAT ASSETS DO NOT INCLUDE

CFR 5.603(b)

- Necessary items of personal property such as furniture and automobiles

- Assets not accessible to the family

- Interest in Indian Trust lands

- Value of a home being purchased through the HCV Homeownership program

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 asset to cash
  - Actual anticipated income from each asset

WHAT IS MARKET VALUE?

- Market value is the worth of an asset, that is:
    - Amount in a Certificate of Deposit (CD)
    - What a buyer would pay for real property

- PHAs must consider ownership of the asset.

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.

EXAMPLE		
Dave owns a $7,000 CD. The penalty for early withdrawal is $400.		
Market Value		$7,000
Less expenses to convert to cash		$400
Equals cash value	=	$6,600

- Determining the cash value of an asset is a step the PHA must complete in calculating income from assets.

- The family is not required to actually convert an asset to cash.

ACTUAL INCOME FROM ASSETS

- PHAs must anticipate income from assets. This is the actual amount of income the asset will generate for the family over the coming 12 months.

- Some assets generate no income, such as:
  - Non-interest-bearing checking account
  - Coin collection

- 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 = anticipated income

QUIZ

The value of Dave's CD is $7,000, earning 4 percent interest. There is a $400 penalty for early withdrawal. What is the actual anticipated income from this asset?

Market value		$7,000
Times interest rate	x	0.04
Equals anticipated income	=	

---

6. Assets

6a. Family member name	No.	6b. Type of asset	6c. Calculation (PHA use)	6d. Cash value of asset	6e. Anticipated Income
Dave		CD	7,000 – 400	$ 6,600	$ 280
				$	$
				$	$
				$	$
				$	$
				$	$
				$	$
				$	$

6f, 6g. Column totals	$ 6,600 6f.	$ 280 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.

- 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 *exceeds $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)

- Notice PIH 2012-29 was published 6/21/12 and establishes the method by which PHAs set the passbook rate. PHAs may set rate within 0.75% (3/4 of 1%) of the Savings National Rate.

EXAMPLE
Dave's actual anticipated income: $280
Cash value: $7,000 - $400 = $6,600
Does total cash value exceed $5,000? Yes
Multiply cash value by passbook rate
Example: PHA passbook rate is .0075
$6,600 x .0075 = $50
Final asset income is larger of:
• Actual $280
• Imputed $50

Learning Activity 3-1: Income from Assets- Interest Income

- John O'Brien has a savings account with a current balance of $775. He will earn 1 percent interest on the account. The PHA determined passbook rate is .0075.

- Assume that Mr. O'Brien's PHA has a policy of using the current balance of a savings account as its cash value.

Task

1. List the savings account in section 6 of the 50058 and calculate the anticipated income from the asset. (Complete 6a through 6e.)

2. Calculate final asset income (6f through 6j).

3. Compute total annual income (7i).

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)
John	1	W	578.50 x 24	$ 13,884	$	$ 13,884
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$

7g.	Column total				$ 13,884 7g.
7h.	Reserved				
7i.	Total annual income: 6j + 7g				$ 7i.

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

Learning Activity 3-2:   Cash Value of Assets

- Jenny Day has a house which has a market value of $250,000. She has an outstanding mortgage balance of $120,000. If she were to sell, she would pay a realtor $6,500 commission and closing (settlement) costs of $500. What is the cash value of the asset?

    Market Value   _____

    Less HUD Asset Expenses:*****

        Broker Fee   _____

        Legal Fee   _____

        Settlement Costs   _____

        Penalty for Early Withdrawal   _____

    Less Mortgage Balance   _____

    Cash Value   _____

*   *Note:* HUD does not specify what "reasonable costs" may be deducted in determining the cash value of an asset. Therefore, PHAs must establish policies that clarify what costs they will deduct.

Task

1.   Obtain the market value of the asset.

2.   Subtract the allowable HUD asset expenses, which could include:
   - Broker fee
   - Legal fees
   - Settlement costs
   - Penalty for early withdrawal of the invested asset
   - Subtract mortgage balance the family owes (if any) on the asset.

Learning Activity 3-3:   Calculating Cash Value and Anticipated Income

- Harriett Mustard has a non-interest-bearing checking account with a market value of $345. She has a savings account with a market value of $700. The savings account has an interest rate of 1.5 percent. The PHA passbook rate is .75 percent.

Task

1.   List the checking and savings accounts in Section 6 of the 50058 and calculate the anticipated income from the assets. (Complete 6a through 6e).

2.   Calculate the final asset income (6f through 6j)

Head of household name **Mustard**	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.

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 verify only those certifications that warrant documentation.

Notes

Learning Activity 3-4:   Assets Disposed of For Less than Fair Market Value

- Amanda Blum is disabled and could no longer maintain her home. Several months ago, Amanda "sold" the house to her son for $10,000, of which she put $5,000 into a savings account and bought a car with the remaining $5,000. Her son assumed the mortgage, which has a balance of $50,000, on the house. The house is appraised at $85,000. What is the imputed value of the asset?

- The savings account is earning 1 percent interest. This PHA uses the current value of savings accounts as asset value. Mrs. Blum has no other assets.

- The PHA determined passbook rate is .0075.

Market Value   _____

Less HUD Asset Expenses:

      Realtor's Commission   _____

      Legal Fee   _____

      Settlement Costs   _____

      Penalty for Early Withdrawal   _____

Less Mortgage Balance   _____

Less Amount Received   _____

Imputed Asset Cash Value (6d)   _____

Instructions

1. Obtain the market value of the asset.

2. Subtract the allowable HUD asset expenses, which could include:
   - Broker fee
   - Legal fees
   - Settlement costs
   - Penalty for early withdrawal of the invested asset

3. Subtract any mortgage balance the family owes on the asset.

4. Subtract any amount the family received in payment for receipt of the asset.

5. Complete final asset income on Section 6 of the HUD-50058.

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.

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

Learning Activity 3-5:   Asset Income

- Adam East   71   Head

- Janine East   72   Spouse

Assets & Income from Assets

- Checking account: 6-month average balance $525; no interest earned

- CD: Market value $5,500; penalty for early withdrawal $600; interest rate 3.5 percent

- Savings account: Current balance $4,130; anticipated annual interest rate 1percent.

- Stocks: Market value $4,070; broker fees $370; anticipated annual dividend $125

- Undeveloped Property: Market value $12,840; zero mortgage balance. Recently sold to daughter for $7,000.

- The PHA determined passbook rate is .0075.

- Assume that the East's PHA has a policy of using the current balance of a savings account and the 6-month average balance of a checking account as the cash value of the account.

Task

1. List the East's assets on the following 50058; compute the cash value of and the anticipated income from the assets (6a through 6e).

2. Compute the East's final asset income (6f through 6j).

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.

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

ASSET INCLUSIONS AND EXCLUSIONS

Inclusions	Notes
Savings and checking accounts	PHA must establish policy for determining cash value (current balance, average balance for preceding 6 months, or other alternative)
Stocks, bonds	Probably a broker's fee
Savings certificates, money market funds, other investments	Penalty for early withdrawal Income on market value
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 separations/divorce where court determines value

Exclusions

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 in Indian trust lands	
Equity in a home being purchased through the HCV Homeownership program	

CHAPTER 4   Adjusted Income

LEARNING OUTCOMES

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

  - Calculate adjusted income by correctly deducting HUD-defined allowances and expenses from annual income using 24 CFR and Section 8 of the 50058, including:

    - Identifying who qualifies for the dependent and elderly/disabled allowances

    - Calculating the childcare allowance and the income cap (when it applies), and identifying who and what expenses qualify for the deduction

    - Calculating the disability assistance expense, income cap, and 3 percent threshold, and identifying who and what expenses qualify for the deduction

    - Calculating the health and medical care expense deduction and 3 percent threshold, and identifying who qualifies and how to set policies for what expenses qualify

    - Determining how family composition affects qualifications for deductions and calculating adjusted income using the five major HUD deductions

DEFINITION

CFR 5.611

- Adjusted income is annual income after making allowable deductions for:

  - Dependents

  - Elderly or disabled Family status

  - Childcare

  - Medical expenses

  - Disability expenses.

- Elderly families are families in which the head, spouse, or cohead is 62 or older.
  - Disabled families are families where the head, spouse, or cohead is a person with disabilities.
  - While live-in aides and foster children and adults are not considered family members, the household includes everyone who lives in the unit, including any PHA-approved live-in aides or foster children/adults.

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
  - Over 18 and
    - A full-time student, or
    - A person with a disability
- The head, spouse, cohead, 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, spouse, or cohead 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 cohead are elderly or disabled, the allowance is not doubled. It is still $400, not $800.

CHILDCARE 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 childcare.

HCV Program GB 5-30
Public Housing Occupancy
Guidebook 10.2, pp. 123, 124

    - PHAs shall determine whether childcare 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)

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

VERIFICATION GUIDE

- A PHA may not disallow a deduction for childcare expenses because there is an unemployed adult family member who may be available to provide the care.

- A PHA may not decide who will provide childcare for an applicant's or a participant's child(ren).

- A PHA may not decide the type of childcare available for a participant's child(ren).

HCV Program GB 5-29/30

- When more than one family member works, the PHA must determine which family member is being enabled to work because childcare is provided.

- A general rule is to assume that the childcare expenses enable the lowest paid individual to work unless this is obviously not the case.

- When a family member works and goes to school, the PHA must prorate the childcare expense so that the portion of the total childcare expense that is specifically related to the hours the family member works can be compared with the amount earned.

Notice PIH 2001-15 (HA)

- Tip – for unconventional childcare payments (e.g., cash) inform residents of acceptable documentation – notarized statements of payment by childcare provider or PHA-generated third-party forms.

Notes

Learning Activity 4-1:   Dependent and Childcare Allowance

- Becky Walker's annual income is $16,120, all from employment.

- Becky, age 30, has three children, all under 13 years of age. She is paying a total of $60 per week for childcare while she works. The PHA has determined that the childcare expense is reasonable.

Task

- Complete section 8 of the HUD-50058 to get Adjusted Annual Income.

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 percent of total annual income.

HCV Program GB 5-30
Public Housing Occupancy Guidebook 10.2, p. 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, p. 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 childcare and disability assistance expenses.

HEALTH AND MEDICAL CARE EXPENSES

HCV Program GB 5-31/32

- If the household is eligible for a health and medical care expense deduction, the medical expenses of all family members may be counted.

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

- The PHA must deduct unreimbursed health and medical care 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.

24 CFR 5.603(b)(2)

- HUD regulations define health and medical care expenses as any costs incurred in the diagnosis, cure, mitigation, treatment, or prevention of disease or payments for treatments affecting any structure or function of the body. Health and medical care expenses include medical insurance premiums and long-term care premiums.

- Although HUD revised the definition of health and medical care expenses to reflect the Internal Revenue Service (IRS) general definition of medical expenses, HUD is not permitting PHAs to specifically align their policies with IRS Publication 502. PHAs must review each expense to determine whether it is eligible in accordance with HUD's definition of health and medical care expenses.

- While PHA policies may not specifically align with IRS Publication 502, HUD recommends PHAs use it as a standard for determining allowable medical expenses.

- The PHA may list examples of allowable expenses in their policy as long as they comply with the definition of health and medical care expenses in 24 CFR 5.603.

- The PHA may not define health and medical care expenses more narrowly than the regulation.

:

Learning Activity 4-2: Health and Medical Care Expenses

• Glenn and Geri Rodney have annual income in the amount of $12,794.

• Glenn is 71 and Geri is 72. There are no other household members.

• Glenn visits his doctor twice a year. His out-of-pocket cost is $25 per visit.

• Glenn wears a hearing aid. Battery replacement costs $10 every six months.

• Glenn's Medicare premium is $30 per month.

• Geri fills a prescription each month. It costs $9 per prescription.

Task

• Complete section 8 of the HUD-50058 to determine adjusted annual income.

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.

:

HOUSEHOLDS ELIGIBLE FOR DISABILITY ASSISTANCE EXPENSE AND HEALTH AND MEDICAL CARE EXPENSES

HCV Program GB 5-32/33

- If an elderly or disabled family has both medical and disability assistance expenses, a special calculation is required to insure that the family's three percent share is only applied once.

- Because the disability assistance expense is limited by the amount earned by the person enabled to work, the disability allowance must be calculated before the medical allowance.

- When the family has disability assistance expenses greater than or equal to three percent of annual income, the allowance for medical expenses will be equal to the family's total medical expenses.

EXAMPLE OF DISABILITY/MEDICAL EXPENSES	
Disability Expense	$2,000
Minus 3% of Annual Income	-500
Equals "Proposed" expense	$1,500
Amount earned	$1,000
Allowable disability expense	$1,000
ALL medical expense is added	$300
Total deduction	$1,300

:

- When a family has disability assistance expenses that are less than three percent of annual income, the family will receive no allowance for disability assistance expense.

- However, the medical expense allowance will be equal to the amount by which the sum of both disability and medical expenses exceeds three percent of annual income. (Total disability assistance expense is added to the total medical expenses, and then the three percent threshold is subtracted to determine the medical/disability assistance allowance.)

EXAMPLE OF DISABILITY/MEDICAL EXPENSES	
Disability Expense	$400
3% of Annual Income	$500
Amount Earned	$1,000
Disability Expense	$400
Plus Medical Expense	+ $900
Total of both Expenses	$1,300
Less 3% of annual income	– 500
Allowable deduction for both	$800

- If the disability assistance expense exceeds the amount earned by the person enabled to work, the disability assistance allowance will be capped at the amount earned by that individual.

- However, when the household is also eligible for a medical expense allowance, the three percent may have been exhausted in the first calculation. Then it will not be also applied to medical expenses.

:

Learning Activity 4-3:   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 Health and Medical Care Expenses: $ 1,100

Task

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

Head of household name Eva	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 4-4:   Assets, Income, and Adjusted Income

- Chance Wright is 63 years old. Chance has a non-interest-bearing checking account with a market value of $120. He also has a CD that has a market value of $5,500, an early withdraw penalty of $200, and will earn 3 percent interest. Chance works 20 hours per week earning $15 per hour. He has annual unreimbursed health and medical care expenses totaling $700. The PHA passbook rate is .75 percent.

Task

- Using the information above, complete sections 6, 7, and 8 of the 50058 to determine asset income, total annual income, and adjusted annual income.

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.

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

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   Verification

LEARNING OUTCOMES

- Upon completion of this chapter, you should be able to:
    - Recognize the requirements for verification of income, allowances, and expenses, including:
        - Discussing HUD's verification hierarchy and how it relates to PHA practice and policy
        - 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
    - Review consent form requirements.
    - Understand when Safe Harbor verification of income may be used.

Section 5.1   Consent Form Requirements

AUTHORIZATION FOR RELEASE OF INFORMATION/PRIVACY ACT NOTICE

CFR 5.230
HUD-50058 IB, p. 2

- Form HUD-9886-A, *Authorization for Release of Information/Privacy Act Notice*, is a consent form that all adult family members (including the head and spouse, regardless of age) must sign.

24 CFR 5.230(b)(2)

- HOTMA removed the requirement for participants to sign and submit the Form HUD-9886-A at every annual reexamination.

- On or after January 1, 2024, current program participants must sign the Form HUD-9886-A at the next interim or regularly scheduled reexamination. After all applicants or participants over the age of 18 in a family have signed a consent form once on or after January 1, 2024, family members do not need to sign and submit subsequent consent forms at the next annual or interim reexamination except:

  - When any person 18 or older becomes a member of the family
  - When a family member turns 18 years of age
  - As required by HUD or in the PHA administrative instructions

- The PHA has the discretion to establish policies around when family members must sign consent forms when they turn 18. PHAs must establish these policies stating when family members will be required to sign consent forms at intervals other than at reexamination.

- The executed form remains effective until:

  - The family is denied assistance, or
  - Assistance is terminated, or
  - The family provides written notification to the PHA to revoke consent

EIV User's Manual

- PHA staff may not view information available through HUD's EIV system unless there is a signed Form HUD-9886-A in the household's file.

- Form HUD-9886-A authorizes both HUD and PHAs to obtain:

  - Information about wages and unemployment compensation from state wage information collection agencies (SWICAs)

  - Information about salary and wages from current and former employers

  - Information about unearned income from financial institutions

HUD-9886

- In addition, Form HUD-9886-A authorizes HUD alone to obtain:

  - Information about wages, self-employment income, and payments of retirement income from the Social Security Administration (SSA)

  - Information about unearned income from the Internal Revenue Service (IRS)

- Form HUD-9886-A may be used only for the purposes specified on the form.

- PHAs must generate other types of consent forms to verify items not covered under the Form HUD-9886-A.

24 CFR 5.323(c)

- While the family is obligated to release information to the PHA, this does not apply if the applicant or participant, or any member of the assistance applicant's or participant's family revokes their consent with respect to the ability of the PHA to access financial records from financial institutions, unless the PHA establishes a policy that revocation of consent to access financial records will result in denial or termination of assistance or admission.

Section 5.2   Use of Other Programs' Determination of Income

24 CFR 5.609(c)(3)
Notice PIH 2023-27

- PHAs may, but are not required to, determine a family's annual income, including income from assets, prior to the application of any deductions, based on income determinations made within the previous 12- month period, using income determinations from means-tested federal public assistance programs. This is known as a "Safe Harbor" income determination.

- PHAs are not required to accept or use determinations of income from other federal means-tested forms of assistance.

- If the PHA adopts a policy to accept this type of verification, the PHA must establish in policy:
  - When they will accept Safe Harbor income determinations
  - From which programs the PHA will accept Safe Harbor determinations
  - The course of action when families present multiple verifications from the same or different acceptable Safe Harbor programs

- Means-tested federal public assistance programs include:
  - Temporary Assistance for Needy Families (TANF) (42 U.S.C. 601, et seq.);
  - Medicaid (42 U.S.C. 1396 et seq.);
  - Supplemental Nutrition Assistance Program (SNAP) (42 U.S.C. 2011 et seq.);
  - Earned Income Tax Credit (EITC) (26 U.S.C. 32);
  - Low-Income Housing Credit (LIHTC) program (26 U.S.C. 42);
  - Special Supplemental Nutrition Program for Woman, Infants, and Children (WIC) (42 U.S.C. 1786);
  - Supplemental Security Income (SSI) (42 U.S.C. 1381 et seq.);
  - Other programs administered by the HUD Secretary;

Section 5.2: Use of Other Programs' Determination of Income

- Other means-tested forms of federal public assistance for which HUD has established a memorandum of understanding; and

- Other federal benefit determinations made in other forms of means-tested federal public assistance that the Secretary determines to have comparable reliability and announces through the Federal Register.

• If the PHA elects to use the annual income determination from one of the above-listed forms of means-tested federal public assistance, then they must obtain the income information by means of a third-party verification.

  - The third-party verification must state the family size, must be for the entire family, and must state the amount of the family's annual income.

  - The annual income need not be broken down by family member or income type.

  - Annual income includes income earned from assets, therefore when using Safe Harbor to verify a family's income, PHAs will neither further inquire about a family's net family assets, nor about the income earned from those assets, except with respect to whether or not the family owns assets that exceed the asset limitation in 24 CFR 5.618.

• The Safe Harbor documentation will be considered acceptable if any of the following dates fall into the 12-month period prior to the receipt of the documentation by the PHA:

  - Income determination effective date;

  - Program administrator's signature date;

  - Family's signature date;

  - Report effective date; or

  - Other report-specific dates that verify the income determination date.

- The only information that PHAs are permitted to use to determine income under this method is the total income determination made by the federal means-tested program administrator. Other federal programs may provide additional information about income inclusions and exclusions in their award letters; however, these determinations and any other information must not be considered by the PHA. PHAs are not permitted to mix and match Safe Harbor income determinations and other income verifications.

- If the PHA is unable to obtain Safe Harbor documentation or if the family disputes the other program's income determination, the PHA must calculate the family's annual income using traditional methods.

- If the PHA uses a Safe Harbor determination to determine the family's income, the family is obligated to report changes in income that meet the PHA's reporting requirement and occur after the effective date of the transaction.

  - For example, the PHA completed an annual for the Heeler family effective 3/1/25 using Safe Harbor. The Heelers start receiving a new source of income 2/15/25. The family does not need to report the change to the PHA. If the family has a change in adjusted income after 3/1/25, then the family must report the change in accordance with PHA policy.

- Safe harbor income determinations only apply to the family's annual income, including income from assets. They do not apply when calculating any deductions to calculate adjusted income.

- The amounts of unreimbursed reasonable attendant care expenses and childcare expenses deducted from a family's annual income, except for when a family is approved for a child care expense hardship exemption, must still be capped by the amount earned by any family member who is enabled to work as a result of the expense. PHAs are therefore required to obtain third-party verification of the applicable employment income and cap the respective expense deductions accordingly.

- The PHA is not required to use the EIV Income, IVT, or New Hires reports at annual reexam if a Safe Harbor income determination is used.

EXAMPLE: THE SMITH FAMILY

A PHA implements the Safe Harbor provision for annuals only. PHA policy says they will accept determinations from SNAP. At the Smith family's annual, the family provides the PHA with an original printout from the agency that administers SNAP.
 	
• The printout from SNAP:
  - Shows the correct family size of four
  - Shows the current household composition
  - Shows the family's annual income is $1,625 per month
  - Is dated 30 days prior to the PHA's request
  - Shows the income was determined six months ago
• The PHA lists $19,500 as the family's annual income
  - $1,625 earned income + $0 unearned income x 12 months
• The PHA does not need to take any additional steps to verify or calculate annual income, including comparing the income to EIV data or verifying the amount of the family's assets. The PHA must verify any applicable deductions to calculate the family's adjusted income.

Section 5.3   Streamlining Verification of Fixed Income

24 CFR 982.516(b)
Notice PIH 2023-27

- PHAs may adopt policies for streamlining the annual reexamination verification process for fixed sources of income.

- While third-party documentation must be obtained during the intake process and at least once every three years thereafter, in the intervening years, the PHA may determine income from fixed sources by applying a verified cost of living adjustment (COLA) or other inflationary adjustment factor.

- Streamlining policies are optional. PHAs may choose to obtain third-party verification for every annual reexamination.

- The PHA may choose to verify income from fixed sources at admission and once every three years thereafter.

- Fixed income sources include periodic payments such as Social Security, SSI, government and private pensions, annuities and other retirement programs, and other income sources subject to a verifiable COLA or rate of interest. The determination of fixed income may be streamlined even if the family also receives income from other non-fixed sources.

- Two streamlining options are available, depending upon the percentage of the family's income that is received from fixed sources.

Verification

Section 5.3: Streamlining Verification of Fixed Income

- When 90 percent or more of a family's unadjusted income is from fixed sources, the PHA may apply the inflationary adjustment factor to the family's fixed-income sources, provided that the family certifies both that 90 percent or more of their unadjusted income is fixed and that their sources of fixed income have not changed from the previous year. Sources of non-fixed income are not required to be adjusted and must not be adjusted by a COLA, but PHAs may choose to adjust sources of non-fixed income based on third-party verification. PHAs have the discretion to either adjust the non-fixed income or carry over the calculation of non-fixed income from the first year to years two and three.

  - Example: Manuel receives $1,000 a month from a pension and a $50 regular contribution from his mother who does not live with him. The PHA must third-party verify all income at admission. In years two and three, the PHA may apply a COLA (if any) to his pension income and is not required to verify the regular contribution from his mother.

- When less than 90 percent of a family's unadjusted income is fixed, PHAs must apply a COLA to each of the family's sources of fixed income. All non-fixed income must be verified annually.

  - Example: Marla receives $500 from SSI and a $500 regular contribution from her father each month. The PHA must third-party verify all income at admission. In years two and three, the PHA may apply any adjustment to the pension and must verify the regular contribution from her father.

- The PHA must use the COLA that applies to each specific source of fixed income.

- The COLA or interest rate must be verified through a public source or tenant-provided third-party documentation. If no public verification or tenant-provided documentation of the COLA is available, then the PHA must obtain third-party verification of the income amounts in order to calculate the change in income for the source.

Section 5.4   Regulatory Verification Requirement

- The regulations governing verification are located at 24 CFR 982.516(a) and 982.516(b).

- 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.

- In some cases, third-party verification is not required. The PHA may establish policies for streamlining the verification process for:
  - Asset value and asset income
  - Fixed sources of 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.

Section 5.4: Regulatory Verification Requirement

LEVELS OF VERIFICATION

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

HIGHEST: 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 believes that UIV offers the best opportunity for making the biggest impact on reducing subsidy errors.

- 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 participant income.

- 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.

Section 5.4: Regulatory Verification Requirement

USING EIV AND IVT FOR VERIFICATION

- PHAs are required to obtain an EIV Income Report for each family any time the PHA conducts an annual reexamination. However, PHAs are not required to use the EIV Income Report:

  - At annual reexamination if the PHA used safe harbor verification from another means-test federal assistance program to determine the family's income; or

  - During any 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

Section 5.4: Regulatory Verification Requirement

- 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 differs under Notice PIH 2018-18.

- For new admissions (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 maintain 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 (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 maintain copies of the reports in the family file

  - Resolves any income discrepancy with the family within 60 days of the report dates

Section 5.4: Regulatory Verification Requirement

- 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
  - 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.

Section 5.4: Regulatory Verification Requirement

- 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

HIGHEST (OPTIONAL): 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)

HIGH: WRITTEN THIRD-PARTY DOCUMENTS PROVIDED BY THE FAMILY (LEVEL FOUR)

- An original or authentic document generated by a third-party Source, either dated within 60 days prior to the reexamination or PHA request date or within 120 days of receipt by the PHA depending on if the PHA adopts the optional HOTMA verification policy.

  - PHAs must have third-party written verification to project annual income from earnings.

  - Includes documents provided by the family.

  - If the PHA adopts the HOTMA provisions, documents from fixed income sources may be dated within the appropriate benefit year rather than 120 days of receipt by the PHA.

- 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

Section 5.4: Regulatory Verification Requirement

MEDIUM-LOW: 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.

- 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 email third-party written verification form requests to third-party sources.

LOW: 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.

LOW: 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.

Section 5.4: Regulatory Verification Requirement

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

Section 5.4: Regulatory Verification Requirement

ASSETS

- PHAs may streamline the verification of asset value and asset income for families whose net assets total $5,000 or less.

- The PHA may accept family self-certification of the value of family assets and the anticipated asset income.
  - Certification on the annual reexamination form is acceptable.

- However, the PHA is required to obtain third-party verification of all assets regardless of the amount during the intake process and at least every three years thereafter.

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.

Section 5.4: Regulatory Verification Requirement

- 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.

Notes

CHAPTER 6   Subsidy and Family Share Calculation

LEARNING OUTCOMES

- Upon completion of this chapter, you should be able to:
    - Calculate rent using annual and adjusted income by applying Sections 9 and 12 of the 50058
    - Calculate TTP using total monthly income, minimum rent, welfare rent, and adjusted monthly income
    - Determine the role of the utility allowance and when a family would receive a utility reimbursement payment
    - Describe the regulations governing the minimum rent and the process for minimum rent hardship exemptions
    - Calculate gross rent
    - Calculate the maximum family share at initial occupancy
    - Calculate the HAP and family share for an HCV family using the payment standard, utility allowance, and gross rent
    - Calculate prorated rent for mixed families

Section 6.1   Total Tenant Payment and Utility Allowance

TOTAL TENANT PAYMENT

CFR 5.628

- In the HCV program, 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:
    - 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.

Learning Activity 6-1:   Calculation of TTP

- Using the information below, complete the 50058 on the page following from 9a through 9j.

Total annual income from 8a	$15,780
Adjusted annual income from 8y	$11,392
PHA's minimum rent	$35

9. Total Tenant Payment (TTP)

9a.	Total monthly income: 8a ÷ 12	$	9a.
9c.	TTP if based on annual income: 9a X 0.10	$	9c.
9d.	Adjusted monthly income: 8y ÷ 12	$	9d.
9e.	Percentage of adjusted monthly income: use 30% for Section 8		9e.
9f.	TTP if based on adjusted annual income: (9d X 9e) ÷ 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.

Learning Activity 6-2:   Assets, Income, Adjusted Income, and TTP

- Troi Hunter is 28 years old. She has two children under the age of 12. Nobody in the family has a disability. Troi has a non-interest-bearing checking account with a market value of $175, and a savings account that has a market value of $200 which will earn 2.5 percent interest. Troi works full time earning $20 per hour. She has annual unreimbursed child care expenses of $250 per week. The PHA passbook rate is .75 percent. The PHA minimum rent is $50.

Task

- Using the information above, complete sections 6, 7, 8 and 9 on the 50058 to determine asset income, total annual income, adjusted annual income, and the family's TTP.

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.

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

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.

9. Total Tenant Payment (TTP)

9a.	Total monthly income: 8a ÷ 12	$	9a.
9c.	TTP if based on annual income: 9a X 0.10	$	9c.
9d.	Adjusted monthly income: 8y ÷ 12	$	9d.
9e.	Percentage of adjusted monthly income: use 30% for Section 8		9e.
9f.	TTP if based on adjusted annual income: (9d X 9e) ÷ 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.

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 if the PHA adopts a minimum rent of any amount other than $0.

- 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.

- The financial hardship exemption only applies to the payment of minimum rent and not to other elements used to calculate the total tenant payment.

Section 6.1: Total Tenant Payment and Utility Allowance

- 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 housing assistance payment will be increased accordingly.

- 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, a 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

- If the PHA determines a qualifying financial hardship is temporary, a 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.

EXAMPLE: TEMPORARY HARDSHIP
• A PHA has a minimum rent of $50.
• A family whose TTP is the minimum rent requests a minimum rent hardship exemption on 8/15.
• The PHA grants a temporary hardship exemption and waives the minimum rent.
• The minimum rent is waived starting 9/1 and for 10/1 and 11/1 (a period of 90 days).

• During this time, the family's TTP is calculated as follows:
  - 30% of monthly adjusted income: $45
  - 10% of monthly income: $27

• During the term of the hardship, the family's TTP will be $45 since the minimum rent will be waived.
• The family's hardship ends after 90 days on 12/1.
• Assuming no changes in the family's income, once the hardship ends, the family's TTP is the PHA's minimum rent of $50.

• The family is responsible for repaying the PHA the difference between the PHA's minimum rent and the family's TTP for the 3 months in which the minimum rent was waived.
  - $50 - $45 = $5
  - $5 x 3 = $15

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.

Section 6.1: Total Tenant Payment and Utility Allowance

Learning Activity 6-3:   **Minimum Rent Hardship**

- The Diamond family has requested a hardship exemption from the minimum rent. You have verified that the family does have a hardship.

- Using the information below, calculate the family's TTP while they are exempt from paying minimum rent.

Total annual income	$900
Adjusted annual income	$55
PHA's minimum rent	$50

9. Total Tenant Payment (TTP)

9a.	Total monthly income: 8a ÷ 12	$	9a.
9c.	TTP if based on annual income: 9a X 0.10	$	9c.
9d.	Adjusted monthly income: 8y ÷ 12	$	9d.
9e.	Percentage of adjusted monthly income: use 30% for Section 8		9e.
9f.	TTP if based on adjusted annual income: (9d X 9e) ÷ 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.

UTILITY ALLOWANCE

HCV Program GB 6-3
- 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)
- A family's utility allowance is the smaller of the unit the family actually leases or the family's voucher size.

- The PHA must provide a copy of the utility allowance schedule to HUD.

24 CFR 982.517(b)(2)(ii)
- In addition to the area-wide utility allowance standard, the PHA may maintain an area-wide, energy efficient utility allowance schedule to be used for units that are in a building that meets Leadership in Energy and Environmental Design (LEED) or Energy Star standards.

24 CFR 982.517(b)(2)(iii)
- The PHA may base its utility allowance payments on actual flat fees charged by an owner for utilities that are billed directly by the owner, but only if the flat fee charged by the owner is no greater than the PHA's applicable utility allowance for the utilities covered by the fee.

- If the owner charges a flat fee for some but not all utilities, the PHA must pay a separate allowance for any tenant-paid utilities not covered in the flat fee.

Section 6.1: Total Tenant Payment and Utility Allowance

24 CFR 982.517(b)(2)(iv)

- If a tenant-based voucher holder resides in a project with project-based voucher (PBV) units and the PBV units use a site-specific utility allowance in accordance with PBV regulations, the PHA must use the project-specific utility allowance schedule.

TAX CREDIT UNITS

Notice PIH 2002-22

- If the family selects a unit in a development that receives a low-income housing tax credit, rent is calculated according to regular housing choice voucher rules.

Section 6.2   Payment Standards

DEFINITIONS

CFR 982.4

- *Housing assistance payment.* The monthly assistance payment by a PHA, which includes: (1) a payment to the owner for rent to the owner under the family's lease; and (2) An additional payment to the family if the total assistance payment exceeds the rent to owner.

- *Payment standard.* The maximum monthly assistance payment for a family assisted in the voucher program (before deducting the total tenant payment by the family).

- *Family unit size.* The appropriate number of bedrooms for a family, as determined by the PHA under the PHA subsidy standards.

- *Subsidy standards.* Standards established by a PHA to determine the appropriate number of bedrooms and amount of subsidy for families of different sizes and compositions.

CFR 982.4

- *Fair market rent (FMR).* The rent, including the cost of utilities (except telephone), as established by HUD for units of varying sizes (by number of bedrooms), that must be paid in the housing market area to rent privately owned, existing, decent, safe, and sanitary rental housing of modest (non-luxury) nature with suitable amenities. In the HCV program, the FMR may be established at the:
  - Zip code level (see definition of small area fair market rents);
  - Metropolitan area level; or
  - Nonmetropolitan county level

Section 6.2: Payment Standards

24 CFR 888.113(d)(2)
- *Small area FMRs (SAFMRs).* U.S. Postal or ZIP code areas within certain designated metropolitan areas that meet criteria outlined at 24 CFR 888.113(c). If a metropolitan area meets the criteria for application of SAFMRs, then all PHAs administering HCV programs in that area must use the SAFMR.

PAYMENT STANDARD SCHEDULE

24 CFR 982.505(a)
- The payment standard sets the maximum subsidy payment a family can receive from the PHA each month.

- Payment standards are based on fair market rents (FMRs) published annually by HUD.

- FMRs are set at a percentile within the rent distribution of standard quality rental housing units in each FMR area. For most jurisdictions, FMRs are set at the 40th percentile of rents in the market area.

- In the HCV program, the FMR may be established at the zip code level, metropolitan market area level, or nonmetropolitan county level. Within each FMR area, the applicable FMR is the HUD-published:
  - Small area FMR (SAFMR);
    - For any metropolitan area designated as an SAFMR area; or
    - Anywhere a PHA has notified HUD will voluntarily use SAFMRs;
  - Metropolitan FMR for any other metropolitan area; or
  - FMR for any other nonmetropolitan county.

- The PHA must establish a payment standard schedule that establishes payment standard amounts for each FMR area within the PHA's jurisdiction and for each unit size within each of the FMR areas.

SMALL AREA FMRS

24 CFR 888.113

- On November 16, 2016, HUD published the final rule "Establishing a More Effective Fair Market Rent System; Using Small Area Fair Market Rents in the Housing Choice Voucher program Instead of the Current 50th Percentile FMRs."

- The final rule specified that HUD will set small area fair market rents (SAFMRs) for all unit sizes in each metropolitan FMR area that meets the specific criteria outlined in the rule. If a metropolitan area meets these criteria, all PHAs administering HCV programs in that area would be required to use SAFMRs.

    - The regulations state that PHAs administering an HCV program in an area not subject to SAFMRs may opt to use them by seeking approval from HUD's Office of Public and Indian Housing (PIH) through a written request. PIH will expedite the approval process for this request for PHAs impacted by the decision to suspend the SAFMR designation for their metro areas.

- Additional guidance regarding implementation of the final rule was subsequently set forth in Notice PIH 2018-01 and Notice PIH 2023-32.

- In general, HUD will designate SAFMR areas at the beginning of the federal fiscal year and will make new designations every five years thereafter as data becomes available.

- Designations are considered permanent once made, although HUD may suspend a SAFMR designation or temporarily exempt a PHA in a SAFMR area by notice if HUD makes a documented determination that such an action is warranted.

Section 6.2: Payment Standards

- PHAs may also request suspension or exemption from the use of the SAFMR designation for the metro area due to an adverse housing condition.

    - The PHA would need to administer more than 50 percent of the vouchers leased in that metro area to make the request.

    - Notice PIH 2018-01 defines what constitutes an adverse housing condition.

- PHAs that administer vouchers in a metropolitan area where the adoption of SAFMRs is not required or in a nonmetropolitan area for which HUD publishes small area FMRs may choose to use small area FMRs after notification to HUD.

ESTABLISHING PAYMENT STANDARD AMOUNTS

CFR 982.503(b)

- The PHA may establish the payment standard amount for a unit at any level between 90 percent and 110 percent of the published FMR or SAFMR for that unit size.

- PHAs do not need HUD approval to establish payment standards in the "basic range."

- The PHA must revise the payment standard amount no later than three months following the effective date of the published FMR or SAFMR if a change is necessary to stay within the basic range.

- The basic range payment standard amount for each unit size may be based on the same percentage of the published FMR (for example, all units at 100 percent of FMR), or the PHA may set different payment standards for different unit sizes (for example, 1-bedrooms at 90 percent and 2-bedrooms at 100 percent of the FMR).

Section 6.2: Payment Standards

DESIGNATED PAYMENT STANDARD AREAS

24 CFR 982.503(a)(3)]

- The PHA may establish designated payment standard areas within each FMR area where the PHA establishes different payment standards, provided each area is no smaller than a census tract block group.

EXCEPTION PAYMENT STANDARDS

- An exception payment standard is a payment standard that exceeds 110 percent of the published FMR.

- The PHA may establish exception payment standards for all units or for units of a particular size.

- Exception payment standard may be for the entire FMR area or for a designated part of the FMR area (called an "exception area") provided each area is no smaller than a census tract block group.

- The PHA has two options when establishing exception payment standards.

  - First, a PHA that is not located in an SAFMR area or that has not opted to voluntarily adopt SAFMRs may establish an exception payment standard for a zip code area that exceeds the basic range for the metropolitan area or county FMR of up to and including 110 percent of the SAFMR for that zip code area. If an exception area crosses one or more FMR boundaries, then the maximum exception payment standard amount that a PHA may adopt for the area without HUD approval is 110 percent of the zip code area with the lowest SAFMR amount. A PHA that adopts an exception payment standard pursuant to this authority must apply it to the entire ZIP code area.

Section 6.2: Payment Standards

- Second, by notice to HUD, a PHA may establish exception payment standards between 110 percent and 120 percent of the applicable FMR if the PHA meets one of the following criteria:

  - Fewer than 75 percent of families to which the PHA has issued tenant-based vouchers during the most recent 12-month period for which there is a success rate data available have become participants on the program; or

  - More than 40 percent of families with tenant-based assistance pay more than 30 percent of their adjusted income as their family share.

- Otherwise, the PHA must request HUD approval to establish a payment standard that exceeds 110 percent of the applicable FMR.

- If the PHA qualifies for an exception payment standard above 110 percent of the applicable FMR, it may establish exception payment standards up to the same percentage of the SAFMR for the applicable zip code.

- In addition, HUD allows PHAs to establish a HUD-Veterans Affairs Supportive Housing (HUD-VASH) exception payment standard. PHAs may go up to but no higher than 120 percent of the FMR or SAFMR specifically for VASH families.

USE OF PAYMENT STANDARD

CFR 982.505

- A payment standard is used to calculate the monthly housing assistance payment for the family.

  - The payment standard for the family is the lower of:

    - The payment standard amount for the family unit size; or

    - The payment standard amount for the size of the dwelling unit rented by the family.

Section 6.2: Payment Standards

APPLICATION OF THE PAYMENT STANDARD

- When the PHA revises its payment standards during the term of the HAP contract for a family's unit, it will apply the new payment standards in accordance with HUD regulations.

- Regulations governing increases and decreases in the payment standard have changed, with a required compliance date of December 3, 2024.

DECREASES

24 CFR 982.505(c)(3)

- If a PHA changes its payment standard schedule, resulting in a lower payment standard amount, during the term of a HAP contract, the PHA is not required to reduce the payment standard used to calculate subsidy for families under HAP contract as long as the HAP contract remains in effect.

- The PHA must administer decreases in the payment standard amount for the family in accordance with the PHA policy as described in the administrative plan.

- **Changes effective 12/2/24 and earlier:** If the PHA does choose to reduce the payment standard for families currently under HAP contract, the initial reduction to the payment standard may not be applied any earlier than the effective date of the family's second regular reexamination following the effective date of the decrease in the payment standard amount.

- **Changes effective 12/3/24 and later:** If the PHA does choose to reduce the payment standard for families currently under HAP contract, the initial reduction to the payment standard may not be applied any earlier than two years following the effective date of the decrease in the payment standard and only with proper written notice to the family in accordance with 24 CFR 982.505(c)(3)(iii). At that point, the PHA may either reduce the payment standard to the current amount in effect on the PHA's payment standard schedule or may reduce the payment standard to another amount that is higher than the normally applicable amount on the schedule. The PHA may also establish different policies for designated areas within their jurisdiction (e.g., different zip code areas). In any case, the PHA must provide the family with at least 12 months' notice that the payment standard is being reduced before the effective date of the change.

  - In the written notice, the PHA must state the new payment standard amount, explain that the family's new payment standard amount will be the greater of the amount listed in the current written notice or the new amount (if any) on the PHA's payment standard schedule at the end of the 12-month period, and make clear where the family will find the PHA's payment standard schedule.

- The PHA's policy on decreases in the payment standard during the term of the HAP contract apply to all families under HAP contract at the time of the effective date of the decrease in the payment standard within the designated area

Section 6.2: Payment Standards

INCREASES

24 CFR 982.505(c)(4)

- **Changes effective 12/2/24 and earlier:** If the payment standard is increased during the term of the HAP contract, the increased payment standard will be used to calculate the monthly housing assistance payment for the family beginning on the effective date of the family's first regular reexamination on or after the effective date of the increase in the payment standard.

- Families requiring or requesting interim reexaminations will not have their HAP payments calculated using the higher payment standard until their next annual reexamination.

- **Changes effective 12/3/24 and later:** If the payment standard is increased during the term of the HAP contract, the increased payment standard will be applied no later than the earliest of:

  - The effective date of an increase in the gross rent that would result in an increase in the family share;

  - The family's first regular or interim reexamination; or

  - One year following the effective date of the increase in the payment standard amount.

- The PHA may adopt a policy to apply a payment standard increase at any time earlier than the date calculated above.

CHANGES IN FAMILY UNIT SIZE (VOUCHER SIZE)

24 CFR 982.505(c)(6)

- **Changes effective 12/2/24 and earlier:** Irrespective of any increase or decrease in the payment standard, if the family unit size increases or decreases during the HAP contract term, the new family unit size must be used to determine the payment standard for the family beginning at the family's first regular reexamination following the change in family unit size.

Section 6.2: Payment Standards

- **Changes effective 12/3/24 and later:** Irrespective of any increase or decrease in the payment standard, if the family unit size increases or decreases during the HAP contract term, the new family unit size may be used to determine the payment standard immediately but no later than the family's first regular reexamination following the change in family unit size.

MOVES

- If the family moves to a new unit, or a new HAP contract is executed due to changes in the lease (even if the family remains in place), the current payment standard applicable to the family will be used when the new HAP contract is processed.

REASONABLE ACCOMMODATION

24 CFR 982.503(d)(5)

- If a family requires a higher payment standard as a reasonable accommodation for a family member who is a person with disabilities, the PHA is allowed to establish a higher payment standard for the family of not more than 120 percent of the published FMR without HUD approval or prior notification to HUD.

- A PHA may establish a payment standard greater than 120 percent of the applicable FMR as a reasonable accommodation in accordance with 24 CFR part 8, after requesting and receiving HUD approval.

Notice PIH 2025-12

- When a family requires a unit with specific features or for other disability-related reasons to accommodate a family member with a disability, and the family is unable to find a unit with those features or that otherwise meets the disability-related need within the established payment standard, the family may request an exception to the established payment standard as a reasonable accommodation.

Section 6.2: Payment Standards

- Examples of circumstances that may qualify for an exception payment standard include, but are not limited to:

  - Accessibility features such as accessible bathrooms or larger doorways;

  - Access to ground-level units or elevators for wheelchair/mobility devices;

  - Units with features to benefit individuals with hearing or visual impairments;

  - Proximity to medical providers or other services/supports;

  - Accessible parking on the premises;

  - Accessible to essential services or daily life activities;

  - Proximity to public transit or to other accessible transportation; and

  - Location with sidewalks for individuals who use wheelchairs/mobility devices.

- The PHA must evaluate each request on a case-by-case basis.

- If required as a reasonable accommodation, the PHA may make an exception to the payment standard without HUD approval if the exception amount does not exceed 120 percent of the applicable FMR/SAFMR for the unit size (or in the case of VASH, up to 140 percent of the FMR/SAFMR). The PHA may request HUD approval in accordance with Notice PIH 2025-12 for an exception to the payment standard for a particular family if the required amount exceeds 120 percent of the FMR/SAFMR.

Section 6.2: Payment Standards

- Unless the disability or the disability-related need is obvious, readily apparent, or already known, the family must document the disability-related need for the exception payment standard. In order to approve an exception, or request an exception from HUD, the PHA must determine that:

  - There is a disability-related need for the particular unit (which may include location);

  - The gross rent for the unit is above the PHA's payment standard;

  - The family share would otherwise exceed 40 percent of adjusted monthly income; and

  - The rent for the unit is reasonable.

- The exception payment standard for the specific dollar amount approved by the PHA or HUD remains effective as long as the family has a disability-related need for the features of the approved unit, and the rent remains reasonable. Requests for a higher exception payment standard for the same unit due to rent increases or changes in the family' income should only be submitted to HUD when the rent is no longer affordable to the family, typically (though not exclusively) when the family share exceeds 40 percent of adjusted monthly income, and if the higher payment standard is above 120 percent of the FMR/SAFMR in effect at the time the PHA determines that the higher payment standard is necessary.

- Guidelines for processing requests for exception payment standards as a reasonable accommodation can be found in Notice PIH 2025-12.

Section 6.3   Housing Choice Voucher Rent Calculation

CFR DEFINITIONS

CFR 982.4

- *Rent to owner.* The total monthly rent payable to the owner under the lease for the unit. Rent to owner covers payment for any housing services, maintenance, and utilities that the owner is required to provide and pay for.

- *Gross rent.* The sum of the rent to owner plus any utility allowance.

- *Family share.* The portion of rent and utilities paid by the family.

- *Family rent to owner.* In the voucher program, the portion of rent to owner paid by the family.

- *Utility reimbursement payment.* If the HAP exceeds the rent to owner, the family will receive a utility reimbursement.

  - It is the PHA's option whether to pay directly to the family or to the utility provider.

Section 6.3: Housing Choice Voucher Rent Calculation

- The PHA may establish a policy for making quarterly utility reimbursements if the quarterly amount is $45 or less ($15 per month).

  • Must establish hardship exemption policies.

  • Must make prorated payment if the family moves or leaves the program.

  • This policy is optional. The PHA may choose to make monthly payments for all utility reimbursements.

  • The PHA must state its policy for utility allowance payments in the administrative plan and apply it consistently to all households.

EXAMPLE	
Family's TTP (Family Share)	$35
Utility Allowance	$45
Family Rent to Owner	$ 0
Utility Reimbursement Payment	$10

Section 6.3: Housing Choice Voucher Rent Calculation

RENT CALCULATION FACTS

- The total subsidy for the family is based on the lower of the payment standard or gross rent minus the family TTP.

- Family rent to owner may not be more than rent to owner minus HAP.

- The family will not pay less than the TTP toward rent and utilities.

HCV Program GB 6-5

- The family share may be the TTP or a higher amount, depending on the unit the family selects.

- For a family leasing a unit with a gross rent at or below the payment standard for the family, the family share will be the same as the TTP.

- If a family leases a unit with a gross rent above the payment standard for the family, the family share is the TTP plus any amount by which the gross rent exceeds the payment standard.

- Although it is important for families to understand this concept while searching for housing, the family share cannot be calculated until a unit is selected.

Section 6.3: Housing Choice Voucher Rent Calculation

Learning Activity 6-4:   Gross Rent Above Payment Standard

- Using the information below, complete the 50058 on the page following from 12j to 12w.

PS	$800	Rent to Owner	$765
TTP	$220	UA	$75

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:	☐ Group Home (prorate gross rent)	☐ Own manufactured home, lease space
		☐ 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	$	12ai.
		If negative, credit tenant	$	12ai.
12aj.	Prorated HAP to owner: 12k minus 12ai. If 12ai is negative, put 12k		$	12aj.

Learning Activity 6-5:   Utility Reimbursement Payment

- Using the information below, complete the 50058 on the page following from 12j to 12w.

PS	$675	Rent to Owner	$525
TTP	$125	UA	$175

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

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: ☐ Group Home (prorate gross rent) ☐ Own manufactured home, lease space ☐ 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	$	12ai.
		If negative, credit tenant	$	12ai.
12aj.	Prorated HAP to owner: 12k minus 12ai. If 12ai is negative, put 12k		$	12aj.

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 percent 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.

Section 6.3: Housing Choice Voucher Rent Calculation

Learning Activity 6-6:   Affordability Check

- Using the information provided below, answer the following questions for this initial leasing of a unit.

    - Rent to owner: 750
    - Utility allowance: 35
    - PHA payment standard: 775
    - Monthly adjusted income: 1,300
    - Family share: 400

1. Is this tenancy subject to the affordability test?   ☐ Yes   ☐ No

   Why?

   _____

   _____

2. If so, is the unit affordable?   ☐ Yes   ☐ No

Learning Activity 6-7:   Case Study of Prorated Assistance

- **Situation:** The Fulton family is leasing up a townhouse using a one-bedroom voucher issued by the Eastlake Housing Authority (EHA).

- **Family Information:** The Fulton family consists of the following members:

Relation	Name	Age	Disabled	Citizenship Status
Head	Henry Fulton	72	Y	Eligible immigrant
Spouse	Tai Fulton	66	N	Eligible immigrant

- Henry Fulton receives $670 a month in SSI. He and his wife have a savings account earning 1.75 percent interest per year with a current balance of $7,800. They also have a non-interest bearing checking account with an average six-month balance of $900. The Fultons are paying off an old hospital bill of $1,200 at $90 a month.

- **Unit information:**

  - Size: One bedroom

  - Utility allowance: None

  - Rent to owner: $535

- **PHA information:**

  - In determining the cash value of assets, EHA policy calls for using:
    - The current balance in savings accounts
    - The six-month average balance in checking accounts.
  - EHA's minimum rent is $50.
  - EHA's one-bedroom payment standard is $540.

- **PHA determined passbook rate:** .0075

Task

1.   Based on the information above, complete the following Form HUD-50058 through line 12w.

2.   Now assume that Tai Fulton's brother, an ineligible immigrant, comes to live with the family. Given no other change in the information above, complete lines 12ab through 12aj to calculate prorated rent for the Fultons.

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.

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

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.

9. Total Tenant Payment (TTP)

9a.	Total monthly income: 8a ÷ 12	$	9a.
9c.	TTP if based on annual income: 9a X 0.10	$	9c.
9d.	Adjusted monthly income: 8y ÷ 12	$	9d.
9e.	Percentage of adjusted monthly income: use 30% for Section 8		9e.
9f.	TTP if based on adjusted annual income: (9d X 9e) ÷ 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.

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: ☐ Group Home (prorate gross rent) ☐ Own manufactured home, lease space
☐ 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	$	12ai.
		If negative, credit tenant	$	12ai.
12aj.	Prorated HAP to owner: 12k minus 12ai. If 12ai is negative, put 12k		$	12aj.

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CHAPTER 7 Rent Calculation Quiz

Part I - True/False **T/F**

1. A family's household composition changes. As a result, the family' voucher changes from a three-bedroom voucher to a two-bedroom voucher. The family resides in a three-bedroom unit. The three-BR payment standard must be applied at the first annual reexamination. . . . . ____

2. Earned income of full-time students 18 and older (who are not the head, spouse, or co-head) in excess of $480 is excluded from annual income. . . . ____

3. Actual income from assets is to be included when the total cash value of all family assets is $5,000 or less . . . . ____

4. The income of a temporarily absent spouse must be included in the annual income. . . . . ____

5. A PHA may establish a minimum rent of $0 . . . . ____

6. Lump-sum payments are always counted as assets. ____

7. Disability assistance expenses may be deducted if they enable a family member to work or attend school. . . . . ____

8. Income of a 17-year-old mother who has quit school to work but is still living with her parents is included in annual income. . . . . ____

9. The interest on the savings account of a seven-year-old boy is included in annual income. . . . . ____

10. A PHA may deny a family the child care allowance if there is an unemployed adult family member in the household who may be available to provide the child care. . . . . ____

Part I - True/False   **T/F**

11. A family consists of a 61-year-old head of household and his 62-year-old spouse. Their annual income is $12,000. They have anticipated verified health and medical care expenses of $1,000. The family's adjusted annual income is $10,960. . . . .   _____

12. The gross income from self-employment is used when calculating annual income. . . . .   _____

13. Jeremy Cook has been receiving $350 per month in TANF. He just enrolled in a qualifying state training program, from which he is now receiving $500 a month. TANF benefits ended. He has no other income. The PHA must exclude the entire $500 from his annual income. . . . .   _____

14. If a family has had their welfare reduced for fraud or noncompliance with the welfare department's economic self-sufficiency program, the PHA must include imputed welfare income in the family's rent calculation. . . . .   _____

15. The average balance for six months is always counted as the cash value of a savings account. . . . .   _____

16. Only disabled families are eligible for a disability assistance allowance. . . .   _____

17. Food stamp benefits are included in annual income.   _____

18. When income from employment is annualized, the gross income is used. . .   _____

19. A deferred periodic payment from the late start of TANF benefits is treated as an asset and therefore excluded from the family's annual income. . . . .   _____

PART II - Multiple Choice

20. When net family assets are greater than $5,000, income from assets is based upon:
    a. Actual income from assets
    b. Imputed income from assets
    c. The greater of imputed or actual income from assets

21. The formula for finding the cash value of assets for calculation of rent is:
    a. Market value less current loan balance, if any, less anticipated expenses to sell
    b. Market value less 6 percent realtor fee
    c. Market value less annual taxes

22. Assets do not include:
    a. Checking accounts
    b. The family car
    c. Personal property held as an investment such as coin collections
    d. The cash surrender value of a life insurance policy

23. Jenna Jones owned a home appraised at $300,000. There was no mortgage balance. Last month, she sold the house to her son for $1. Her son paid all fees and costs of the sale. The PHA must:
    a. Count $299,999 in the total cash value of her assets for two years from the date she sold the home
    b. Count the $1 in annual income
    c. Count $299,999 in her annual income from two years from the date she sold the home
    d. Terminate Jenna's assistance

24. Income of minors to be included in annual income is:
    a. $100 birthday gift from grandpa
    b. Interest on savings account
    c. Social Security
    d. Wages
    e. b and c

25. If known income will be less than one year:
    a. Treat as sporadic income
    b. May annualize and conduct interim if change
    c. Use $100 per family member for time no income is expected
    d. Use 10 percent of last year's income

26. To convert biweekly income to annual income, multiply by:
    a. 52
    b. 24
    c. 26
    d. 12

27. The Smith family's total tenant payment is based on the PHA's minimum rent of $50. They have just requested the minimum rent hardship exemption, and the PHA has determined that the family qualifies. The Smith family has the following income information:
    - 10 percent of their monthly income is $15
    - 30 percent of the adjusted monthly income is $4
    - Welfare rent does not apply.
    The Smith family's TTP will now be:
    a. $0
    b. $4
    c. $15
    d. $50

28. Irrespective of any increase or decrease in the payment standard, if the family unit size increases or decreases during the HAP contract term, the new family unit size may be used to determine the payment standard immediately but no later than the family's first regular reexamination following the change in family unit size.
    a. True
    b. False

PART III - Review this family and answer the questions below

a. Head, age 45
b. Spouse, age 45
c. Son, age 19, who is a full-time student
d. Daughter, age 16, who has quit school
e. Foster child (male), age 12

f. Granddaughter, age one
g. Grandmother, age 70
h. Disabled brother of head, age 39
i. No one

29. Who qualifies this family for a $400 elderly/disabled allowance?
[Fill in correct letter (s)]:

_____ _____ _____ _____ _____ _____ _____ _____ _____

30. Who gets a $480 dependent allowance? [Fill in correct letter (s)]

_____ _____ _____ _____ _____ _____ _____ _____

31. Who gets a health and medical care allowance? [Fill in correct letter (s)]

_____ _____ _____ _____ _____ _____ _____ _____

32. If the spouse has a disability, who gets a health medical care allowance?
[Fill in correct letter(s)]

_____ _____ _____ _____ _____ _____ _____ _____

PART IV - Fill In The Blanks

33. Annual income minus HUD allowances = _____

34. There are _____ HUD allowances; they include:

($400) _____

($480) _____

_____

_____

_____

Answer Key for Rent Calculation Quiz

1.	F	27.	c
2.	T	28.	b
3.	T	29.	i
4.	T	30.	c, d, f, h
5.	T	31.	i
6.	F	32.	a, b, c, d, f, g, h
7.	F	33.	Adjusted annual income
8.	F	34.	Five allowances:
9.	T		Elderly/disabled; Dependent; Child care; Allowable medical expenses; Allowable disability assistance expenses
10.	F		
11.	T		
12.	F		
13.	F		
14.	T		
15.	F		
16.	F		
17.	F		
18.	T		
19.	F		
20.	c		
21.	b		
22.	b		
23.	a		
24.	e		
25.	b		
26.	c		

CHAPTER 8   Study Guide

I.   TERMINOLOGY: Define the following terms

1.   Annual income:

2.   Earned income:

3.   Adjusted annual income:

4.   Nonrecurring monthly income:

5.   Disabled family:

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6.   Elderly family:

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7.   Health and medical care expenses:

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II.   ANNUAL INCOME

8.   To convert income to annual amounts, multiply:

    a) Monthly income   x _____   c) Biweekly   x _____

    b) Weekly income   x _____   d) Semimonthly   x _____

9.   If someone is paid on the 1st and 15th of the month, which calculation would be used?

10. Who is considered a dependent?

11. What income of a minor is included in annual income?

12. What income of a full-time student is included in annual income?

13. HUD requires that the PHA use a minimum of _____ current and consecutive paystubs when annualizing income from employment.

14. Does annual income include employment income before or after taxes are taken out?

15. Does annual income include the gross or net amount of income from self-employment?

16. When an individual receives Social Security benefits, does annual income include the amount with or without Medicare premiums?

17. If a family receives foster child care payments, is it included in annual income?

18. List at least 2 examples of nonrecurring income.

19. When someone is in the military, what pay is included in annual income?

20. When a family is sanctioned by the welfare department, what are the two reasons to include imputed welfare income in annual income?

21. If a person is temporarily absent, what income is included in annual income?

22. How do you treat income received from persons outside the household?

23. When are lump-sum payments treated as income?

24. Explain how retirement accounts are treated:

25. What is the difference between how SS/SSI income is verified for program applicants versus program participants?

26. How is income from a training program treated?

27. Is a live-in aide's income included in or excluded from annual income?

    ☐ Included   ☐ Excluded

28. List nine examples of income that is included in annual income.

    1) _____   6) _____

    2) _____   7) _____

    3) _____   8) _____

    4) _____   9) _____

    5) _____

29. List 5 examples of income that is not included in annual income.

    1) _____

    2) _____

    3) _____

    4) _____

    5) _____

30. How is the cash value of a savings or checking account determined?

31. What is the formula for finding the cash value of a property?

32. Are trusts always considered an asset? If not, what is the exception?

33. When is personal property counted as an asset?

34. What happens if a tenant has "given away" an asset for less than fair market value within the past two years?

35. How long is the asset counted in that situation?

36. What is the formula for calculating anticipated income?

III. HUD ALLOWANCES

37. Name the four categories of people who are never considered a dependent.

1) _____

2) _____

3) _____

4) _____

38. What is a full-time student?

39. How much is the dependent allowance?

40. What ages of children are eligible for child care allowance?

41. When is a family eligible for child care allowance? (Name three situations)

1) _____

2) _____

3) _____

42. What are three (3) restrictions on the use of child care allowances?

1) _____

2) _____

3) _____

43. Can child support payments be counted as a child care allowance?

[ ] Yes   [ ] No

44. What two expenses are eligible as a disability assistance allowance?

   1) _____

   2) _____

45. What two conditions qualify a family for the disability assistance allowance?

   1) _____

   2) _____

46. What type of family qualifies for a medical allowance?

   _____

47. Who in the household qualifies for the medical allowance if the head is disabled?

   _____

IV.   VERIFICATIONS

48.   When must the Form HUD-9886-A be signed?

49.   When is the PHA required to use the EIV Income Report?

50.   What does the PHA do when a family member disputes EIV employer data?

51.   What are the six levels of the verification hierarchy?

1) _____

2) _____

3) _____

4) _____

5) _____

6) _____

52.   For fully excluded sources of income, such as food stamps, HUD does not require that the PHA obtain third-party verification.

☐ True   ☐ False

V. RENT CALCULATION

53. What is the formula for determining total tenant payment in the Housing Choice Voucher program?

54. What is the formula for determining tenant rent?

55. Describe what happens if the PHA lowers its payment standard during the term of the HAP contract.

56. Describe what happens if the PHA increases its payment standard during the term of the HAP contract.

57. When is maximum family share applied?

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58. If a family with a three-bedroom voucher leases a four-bedroom unit:

    a)   What payment standard is used?   _____

    b)   What utility allowance is used?   _____

CHAPTER 9   Study Guide Answers

I.   TERMINOLOGY: Define the following terms

1. Annual income:

> **All amounts not specifically excluded under the regulations received by each family member 18 or older.**

2. Earned income:

> **Earned income is defined as income or earnings from wages, tips, salaries, other employee compensation, and net income from self-employment.**
>
> **Earned income does not include any pension or annuity, transfer payments (meaning payments made or income received in which no goods or services are being paid for, such as welfare, social security, and governmental subsidies for certain benefits), or any cash or in-kind benefits.**

3. Adjusted annual income:

> **Annual income minus HUD allowances.**

4. Nonrecurring income:

> **Income that will not be repeated in the coming year based on information provided by the family.**

5.   Disabled family:

> **A family where the head, spouse, or cohead is a person with disabilities.**

6.   Elderly family:

> **A family where the head, spouse, or cohead is 62 or older.**

7.   Health and medical care expenses:

> **Any costs incurred in the diagnosis, cure, mitigation, treatment, or prevention of disease or payments for treatments affecting any structure or function of the body. Health and medical care expenses include medical insurance premiums and long-term care premiums that are paid or anticipated during the period for which annual income is computed.**

II.   ANNUAL INCOME

8.   To convert income to annual amounts, multiply:

   a) Monthly income x __**12**__   c) Biweekly   x __**26**__

   b) Weekly income x __**52**__   d) Semimonthly   x __**24**__

9.   If someone is paid on the 1st and 15th of the month, which calculation would be used?

> **Semimonthly**

10.   Who is considered a dependent?

> **A member of the family (excluding foster children/adults), other than the family head, spouse, or cohead, who is under 18 years of age or is a person with a disability, or is a full-time student.**

11.   What income of a minor is included in annual income?

> **Earned income is excluded [24 CFR 5.609(b)(3)].**
>
> **All sources of unearned income, except those specifically excluded by the regulations, are included [24 CFR 5.609(a)].**

12.   What income of a full-time student is included in annual income?

> **Earned income in excess of the dependent deduction is excluded [24 CFR 5.609(b)(14)].**
>
> **All sources of unearned income, except those specifically excluded by the regulations, are included.**

13.   HUD requires that the PHA use a minimum of __**two**__ current and consecutive paystubs when annualizing income from employment.

14.   Does annual income include employment income before or after taxes are taken out?

> **The PHA uses the full (gross) amount before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation.**

15.   Does annual income include the gross or net amount of income from self-employment?

> **The PHA uses net income from self-employment.**

16. When an individual receives Social Security benefits, does annual income include the amount with or without Medicare premiums?

> **The gross amount with the Medicare premium is used.**

17. If a family receives foster child care payments, is it included in annual income?

> **No, as long as they are a qualified foster child with payment coming from the agency responsible for making foster child care payments.**

18. List at least 2 examples of nonrecurring income.

> **U.S. Census Bureau for employment income (relating to decennial census or the American Community Survey) lasting no longer than 180 days and not resulting in permanent employment.**
>
> **Direct federal or state payments for economic stimulus or recovery.**
>
> **Amounts received directly by the family as a result of state or federal refundable tax credits or state or federal tax refunds at the time they are received.**
>
> **Gifts for significant life events or milestones (e.g., holidays, birthdays, wedding gifts, baby showers, anniversaries).**
>
> **Nonmonetary, in-kind donations, such as food, clothing, or toiletries, received from a food bank or similar organization.**
>
> **Lump-sum additions to net family assets, including but not limited to lottery or other contest winnings.**

19. When someone is in the military, what pay is included in annual income?

> **Count all regular pay, special pay, and allowances of a member of the Armed Forces (whether temporarily absent or not).**
>
> **Exclude the special pay for exposure to hostile fire.**

20. 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 fraud or fails to comply with welfare's economic self-sufficiency program or work activity program.**

21. If a person is temporarily absent, what income is included in annual income?

> **Since the PHA counts all income unless that income is specifically excluded, the income of all family members approved to live in the unit, including temporarily absent family members, is included**

22. How do you treat income received from persons outside the household?

> **Include regular, recurring, contributions in annual income.**

23. When are lump-sum payments treated as income?

> **Lump-sum payments caused by delays in processing periodic payments (such as unemployment or welfare assistance benefits) are included as income since they are not explicitly excluded under the regulations.**

24. Explain how retirement accounts are treated:

> **Income received from any account under a retirement plan recognized as such by the IRS, including individual retirement arrangements (IRAs), employer retirement plans, and retirement plans for self-employed individuals are excluded from annual income.**
>
> **However, any distribution of periodic payments from such accounts is included in annual income at the time they are received by the family.**

25. What is the difference between how SS/SSI income is verified for program applicants versus program participants?

> **For program participants, PHAs are required to view the EIV Income Report and confirm with the participant that the current listed benefit amount is correct.**
>
> **Applicants must provide a copy of their SS and/or SSI benefit letter, dated within the appropriate benefit year, for each household member that receives SS and/or SSI benefits.**

26. How is income from a training program treated?

> **Exclude incremental earnings and benefits from training programs funded by HUD or qualifying federal, state, tribal, or local employment training programs.**

27. Is a live-in aide's income included in or excluded from annual income?

☐ Included   **X** Excluded

28. List nine examples of income that is included in annual income.

1) **Wages**

2) **Net business income**

3) **Interest, dividends/other income from assets**

4) **Social Security, including Medicare, if applicable**

5) **Unemployment**

6) **Welfare assistance**

7) **Alimony and child support**

8) **Military pay**

9) **Retirement, pensions, etc.**

29. List 5 examples of income that is not included in annual income.

1) **Employment income of children under 18**

2) **Workers' compensation payments**

3) **Amounts specifically for, or in reimbursement of, medical expenses**

4) **Nonrecurring income**

5) **Student loans**

30. 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.

31. 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.

32. Are trusts always considered an asset? If not, what is the exception?

Revocable/accessible trusts are assets. Irrevocable trusts are not assets.

33. When is personal property counted as an asset?

When it is held as an investment.

34. 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.)**

35. How long is the asset counted in that situation?

> **Two years from the date disposed of.**

36. What is the formula for calculating anticipated income?

> **Market value x interest rate = anticipated income**

III.   HUD ALLOWANCES

37. Name the four categories of people who are never considered a dependent.

1) **Head**

2) **Spouse or cohead**

3) **Foster child/adult**

4) **Live-in attendant**

38. What is a full-time student?

A person other than the head, spouse, or cohead who is attending school or vocational training on a full-time basis.

39. How much is the dependent allowance?

$480

40. What ages of children are eligible for child care allowance?

Under 13 years of age.

41. When is a family eligible for child care allowance? (Name three situations)

1) **Adult working**

2) **Adult attending school**

3) **Adult actively seeking employment**

42. What are three restrictions on the use of child care allowances?

1) **Reasonable**

2) **Not paid by someone else**

3) **Expense does not exceed money earned by person enabled to work**

43. Can child support payments be counted as a child care allowance?

☐ Yes   **X** No

44. What two expenses are eligible as a disability assistance allowance?

1) **Care attendants**

2) **Auxiliary apparatus**

45. What two conditions qualify a family for the disability assistance allowance?

1) **Enable a family member to work.**

2) **Must be a person with disabilities in household.**

46. What type of family qualifies for a medical allowance?

Head, spouse, or cohead is 62 or older or a person with disabilities.

47. Who in the household qualifies for the medical allowance if the head is disabled?

Everyone except live-in aide and foster children or foster adults.
(All family members)

IV.   VERIFICATIONS

48.   When must the Form HUD-9886-A be signed?

> **When eligibility is determined, when a person 18 or older becomes a member of the family, when a family member turns 18.**

49.   When is the PHA required to use the EIV Income Report?

> **At annual and streamlined reexaminations of family income and composition.**

50.   What does the PHA do when a family member disputes EIV employer data?

> **The PHA must obtain additional third-party verification.**

51.   What are the six levels of the verification hierarchy?

   1)   **EIV**

   2)   **UIV using other sources**

   3)   **Written third-party verification from the source**

   4)   **Written third-party verification form**

   5)   **Third-party oral**

   6)   **Self-certification**

52.   For fully excluded sources of income, such as food stamps, HUD does not require that the PHA obtain third-party verification.

   X True   False

V.   RENT CALCULATION

53.   What is the formula for determining total tenant payment in the Housing Choice Voucher program?

> **Greatest of 30 percent of monthly adjusted income, 10 percent of monthly income, welfare rent (if applicable), or PHA's minimum rent.**

54.   What is the formula for determining tenant rent?

> **Rent to owner minus HAP.**

55.   Describe what happens if the PHA lowers its payment standard during the term of the HAP contract.

> **If the PHA does choose to reduce the payment standard for families currently under HAP contract, the initial reduction to the payment standard may not be applied any earlier than two years following the effective date of the decrease in the payment standard and only with proper written notice to the family in accordance with 24 CFR 982.505(c)(3)(iii). At that point, the PHA may either reduce the payment standard to the current amount in effect on the PHA's payment standard schedule or may reduce the payment standard to another amount that is higher than the normally applicable amount on the schedule. The PHA may also establish different policies for designated areas within their jurisdiction (e.g., different zip code areas). In any case, the PHA must provide the family with at least 12-month notice that the payment standard is being reduced before the effective date of the change.**

56.   Describe what happens if the PHA increases its payment standard during the term of the HAP contract.

> **If the payment standard is increased during the term of the HAP contract, the increased payment standard will be applied no later than the earliest of:**
>
> **- The effective date of an increase in the gross rent that would result in an increase in the family share;**
>
> **- The family's first regular or interim reexamination; or**
>
> **- One year following the effective date of the increase in the payment standard amount.**
>
> **The PHA may adopt a policy to apply a payment standard increase at any time earlier than the date calculated above.**

57. When is maximum family share applied?

> **At new admission or moves when the gross rent exceeds the payment standard.**

58. If a family with a three-bedroom voucher leases a four-bedroom unit:

   a)   What payment standard is used?   **Three-bedroom**

   b)   What utility allowance is used?   **Three-bedroom**

CHAPTER 10   Case Studies

Directions

- Using the HUD-50058 form provided, calculate the family share and housing assistance payment. Then answer the follow-up questions at the end of the case studies.

- **Note**: Not all case studies have follow-up questions.

Case Study 1:   Alexander Family

- **Situation:** The Alexander family is entering the program.

- **Family information:**

Relation	Name	Age	Disabled	Citizenship Status
Head	Aaron Alexander	33	N	Eligible citizen
Daughter	Alice Alexander	12	N	Eligible citizen
Son	Allan Alexander	10	N	Eligible citizen

Aaron works 40 hours per week and earns $8.00 per hour. He pays $35 per week to take care of his two children (Alice and Allan) while he is at work.

The PHA determined passbook rate is .0075.

- **Unit information:**
  - Unit size: three bedrooms
  - Family unit size (voucher size): three bedrooms
  - Rent to Owner: $575
  - Three-bedroom payment standard: $640
  - The utility allowance is $55.

- **PHA policy:**
  - The PHA's minimum rent is $35
  - In determining the cash value of assets, PHA policy calls for using:
    - The current balance of savings accounts
    - The average six month balance for checking accounts

Using the HUD-50058 forms following, please compute the following for the Alexander family:

Total Annual Income (7i): $ _____

Final Asset Income (6j): $ _____

Total Allowances (8x): $ _____

Total Family Share (12t): $ _____

HAP to Owner (12u): $ _____

Tenant Rent to Owner (12v): $ _____

Utility Reimbursement to Family (12w): $ _____

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.

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

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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.

9. Total Tenant Payment (TTP)

9a.	Total monthly income: 8a ÷ 12	$	9a.
9c.	TTP if based on annual income: 9a X 0.10	$	9c.
9d.	Adjusted monthly income: 8y ÷ 12	$	9d.
9e.	Percentage of adjusted monthly income: use 30% for Section 8		9e.
9f.	TTP if based on adjusted annual income: (9d X 9e) ÷ 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.

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: ☐ Group Home (prorate gross rent) ☐ Own manufactured home, lease space		
	☐ 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	$	12ai.
		If negative, credit tenant	$	12ai.
12aj.	Prorated HAP to owner: 12k minus 12ai. If 12ai is negative, put 12k		$	12aj.

Case Study 2:   Baldwin Family

- **Situation:** The interim reexamination is being processed for the Baldwin family, based on changes reported by Betty.

- **Family information:**

Relation	Name	Age	Disabled	Citizenship Status
Head	Betty Baldwin	43	N	Eligible citizen
Daughter	Bobbie Baldwin	18	N	Eligible citizen
Son	Bert Baldwin	14	N	Eligible citizen
Daughter	Bryte Baldwin	12	N	Eligible citizen

Betty has a non-interest-bearing checking account with a six-month average balance of $120. Bobbie has a savings account with a current balance of $500 and an interest rate of 1.8 percent. Betty receives $550 a month in TANF benefits for herself and her children. She was recently sanctioned from the welfare agency for noncompliance with the economic self-sufficiency program and her TANF has been reduced to $250. Bobbie, a full-time senior in high school, works part-time at the Bagger's Bigger Burger Barn, earning $50 a week. Betty pays a neighbor $20 per week to care for Bryte while she attends school.

The PHA determined passbook rate is .0075.

- **Unit information:**
  - Unit size: four bedrooms
  - Family unit size (voucher size): three bedrooms
  - Rent to owner: $650
  - Four-bedroom payment standard: $690
  - Three-bedroom payment standard: $520
  - Four-bedroom utility allowance: $70
  - Three-bedroom utility allowance: $45

- **PHA policy:**
  - The PHA's minimum rent is $25
  - In determining the cash value of assets, PHA calls for using:
    - The current balance of savings accounts
    - The average six month balance for checking accounts

Using the HUD-50058 forms following, please compute the following for the Baldwin family:

Total Annual Income (7i): $ _____

Final Asset Income (6j): $ _____

Total Allowances (8x): $ _____

Total Family Share (12t): $ _____

HAP to Owner (12u): $ _____

Tenant Rent to Owner (12v): $ _____

Utility Reimbursement to Family (12w): $ _____

Head of household name	**Baldwin**	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.

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

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.

9. Total Tenant Payment (TTP)

9a.	Total monthly income: 8a ÷ 12	$	9a.
9c.	TTP if based on annual income: 9a X 0.10	$	9c.
9d.	Adjusted monthly income: 8y ÷ 12	$	9d.
9e.	Percentage of adjusted monthly income: use 30% for Section 8		9e.
9f.	TTP if based on adjusted annual income: (9d X 9e) ÷ 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.

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: ☐ Group Home (prorate gross rent)   ☐ Own manufactured home, lease space
☐ 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	$	12ai.
		If negative, credit tenant	$	12ai.
12aj.	Prorated HAP to owner: 12k minus 12ai. If 12ai is negative, put 12k		$	12aj.

Case Study 3: Carlson Family

- **Situation:** An interim reexamination is being conducted for Chloe Carlson because the owner has proposed a rent increase.

- **Family information:**

Relation	Name	Age	Disabled	Citizenship Status
Head	Chloe Carlson	53	Y	Eligible citizen
Son	Cameron Carlson	16	Y	Eligible citizen

Chloe currently has $2,918 in her savings account, earning 2.15 percent interest. The last six-month average balance on Chloe's checking account is $89, that pays 1.1 percent interest annually. Cameron currently has $1,092 in his savings account, earning 2.25 percent interest.

Chloe works at a Senior Center earning $260 biweekly. She also receives child support in the amount of $140 per month.

Chloe's annual prescription costs are expected to be $250. Cameron's annual health care expenses are expected to be $800. None of these expenses are reimbursed.

The PHA determined passbook rate is .0075.

- **Unit information:**
  - Unit size: two bedrooms
  - Family unit size (voucher size): two bedrooms
  - Rent to owner: $475
  - Two-bedroom payment standard: $450
  - Two-bedroom utility allowance: $15

- **PHA policy:**
  - The PHA's minimum rent is $25
  - In determining the cash value of assets, PHA calls for using:
    - The current balance of savings accounts
    - The average six month balance for checking accounts

Using the HUD-50058 forms following, please compute the following for the Carlson family:

Total Annual Income (7i): $ _____

Final Asset Income (6j): $ _____

Total Allowances (8x): $ _____

Total Family Share (12t): $ _____

HAP to Owner (12u): $ _____

Tenant Rent to Owner (12v): $ _____

Utility Reimbursement to Family (12w): $ _____

Head of household name **Carlson**	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.

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

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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.

9. Total Tenant Payment (TTP)

9a.	Total monthly income: 8a ÷ 12	$	9a.
9c.	TTP if based on annual income: 9a X 0.10	$	9c.
9d.	Adjusted monthly income: 8y ÷ 12	$	9d.
9e.	Percentage of adjusted monthly income: use 30% for Section 8		9e.
9f.	TTP if based on adjusted annual income: (9d X 9e) ÷ 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.

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:	▢ Group Home (prorate gross rent)	▢ Own manufactured home, lease space
		▢ 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	$	12ai.
		If negative, credit tenant	$	12ai.
12aj.	Prorated HAP to owner: 12k minus 12ai. If 12ai is negative, put 12k	$	12aj.

Case Study 4:   Egan Family

- **Situation:** An annual reexamination is being processed for the Egan family because they are moving to a new unit.

- **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 percent interest annually.

The PHA determined passbook rate is .0075.

Unit information:
- Unit size: three bedrooms
- Family unit size (voucher size): three bedrooms
- Rent to owner: $515
- Three- bedroom payment standard: $500
- Three- bedroom utility allowance: $25

- **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 six 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): $ _____

Total Family Share (12t): $ _____

HAP to Owner (12u): $ _____

Tenant Rent to Owner (12v): $ _____

Utility Reimbursement to Family (12w): $ _____

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.

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

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.

9. Total Tenant Payment (TTP)

9a.	Total monthly income: 8a ÷ 12	$	9a.
9c.	TTP if based on annual income: 9a X 0.10	$	9c.
9d.	Adjusted monthly income: 8y ÷ 12	$	9d.
9e.	Percentage of adjusted monthly income: use 30% for Section 8		9e.
9f.	TTP if based on adjusted annual income: (9d X 9e) ÷ 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.

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:	☐ Group Home (prorate gross rent) ☐ Own manufactured home, lease space
		☐ 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	$	12ai.
		If negative, credit tenant	$	12ai.
12aj.	Prorated HAP to owner: 12k minus 12ai. If 12ai is negative, put 12k		$	12aj.

Optional Case Studies

Case Study 5:   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 percent interest. Mrs. Foss has a Certificate of Deposit with a current value of $3,677. This account earns 2.4 percent 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 PHA determined passbook rate is .0075.

- **Unit information:**
  - Unit size: one bedroom
  - Family unit size (voucher size): one bedroom
  - Rent to owner: $350
  - One-bedroom payment standard: $325
  - One-bedroom utility allowance: $20

- **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 six 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): $ _____

Total Family Share (12t): $ _____

HAP to Owner (12u): $ _____

Tenant Rent to Owner (12v): $ _____

Utility Reimbursement to Family (12w): $ _____

Head of household name	**Foss**	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.

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

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.

9. Total Tenant Payment (TTP)

9a.	Total monthly income: 8a ÷ 12	$	9a.
9c.	TTP if based on annual income: 9a X 0.10	$	9c.
9d.	Adjusted monthly income: 8y ÷ 12	$	9d.
9e.	Percentage of adjusted monthly income: use 30% for Section 8		9e.
9f.	TTP if based on adjusted annual income: (9d X 9e) ÷ 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.

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: ☐ Group Home (prorate gross rent) ☐ Own manufactured home, lease space ☐ 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	$	12ai.
		If negative, credit tenant	$	12ai.
12aj.	Prorated HAP to owner: 12k minus 12ai. If 12ai is negative, put 12k	$	12aj.

Case Study 1: Alexander Family

Total Annual Income (7i):	**$ 16,640**
Final Asset Income (6j):	$ **0**
Total Allowances (8x):	**$ 2,780**
Total Family Share (12t):	**$ 347**
HAP to Owner (12u):	**$ 283**
Tenant Rent to Owner (12v):	**$ 292**
Utility Reimbursement (12w):	**$ 0**

Case Study 2: Baldwin Family

Total Annual Income (7i):	$ **7,089**
Final Asset Income (6j):	$ **9**
Total Allowances (8x):	$ **2,480**
Total Family Share (12t):	**$ 290**
HAP to Owner (12u):	**$ 405**
Tenant Rent to Owner (12v):	**$ 245**
Utility Reimbursement (12w):	**$ 0**

Case Study 3: Carlson Family

Total Annual Income (7i):	$ **8,529**
Final Asset Income (6j):	$ **89**
Total Allowances (8x):	$ **1,674**
Total Family Share (12t):	**$ 211**
HAP to Owner (12u):	**$ 279**
Tenant Rent to Owner (12v):	**$ 196**
Utility Reimbursement (12w):	**$ 0**

Case Study 4: 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

Case Study 5: 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

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.

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.

PERSONAL "TO-DO" LIST

ITEM	COMMENT

HOUSING PROGRAM "TO-DO" LIST

ITEM	PAGE NUMBER/REFERENCE

ADMINISTRATIVE POLICY REVIEW CHECKLIST

POLICY ISSUE	REFERENCE

IDEA DESIGN WORKSHEET

IDEA
CURRENT POLICY, PROCEDURE, OR PRACTICE
BENEFITS OF THIS RECOMMENDATION
STEPS NECESSARY TO IMPLEMENT
APPLICABLE HUD REFERENCES

IMPROVING TEST-TAKING SKILLS

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 or 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 answers, 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 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.