



STUDENT FINANCIAL ASSISTANCE CHECKLIST FOR LIHTC UNITS

This worksheet is used to determine what income, if any, is included for family members who attend an institution of higher education and receive student financial assistance.

Part I: Determination of Applicability

Instructions: Determine whether to apply the Section 8 student rule or the HOTMA student rule.

1. Is the student's only source of financial assistance student loans?
 - ☐ Yes: **STOP. Exclude all student loans. DO NOT APPLY EITHER STUDENT RULE.**
 - ☐ No: Go to question 2.
2. If the student receives financial assistance other than student loans, what type of housing assistance will/does the student receive?
 - ☐ LIHTC only units. **STOP. APPLY HOTMA STUDENT RULE.** See Part II.
 - ☐ LIHTC units blended with public housing or Housing Trust Fund (HTF): **STOP. APPLY HOTMA STUDENT RULE.** See Part II.
 - ☐ LIHTC units with HCV or blended with PBV, PBRA, HOME, and/or NSP: Go to question 3.
3. Does the student live with their parent(s) who receives or is applying for HCV, PBV, PBRA, HOME or NSP assistance? (*Parent* means the biological or adoptive parents, or guardians (e.g., grandparents, aunt/uncle, godparents, etc.))
 - ☐ Yes: **STOP. APPLY HOTMA STUDENT RULE.** See Part II.
 - ☐ No: Go to question 4.
4. Is the student over the age of 23 with at least 1 dependent child?
 - ☐ Yes: **STOP. APPLY HOTMA STUDENT RULE.** See Part II.
 - ☐ No: Go to question 5.
5. Is the student over the age of 23 but without at least 1 dependent child or under the age of 23 (with or without dependent children)?
 - ☐ Yes: **STOP. APPLY SECTION 8 STUDENT RULE.** See Part III.



Part II: HOTMA Student Rule

Instructions: *If the HOTMA Student Rule applies, use the information listed here. If the Section 8 Student Rule applies, skip Part II and go to Part III.*

Under the HOTMA Student Rule, there are two types of student financial assistance. The following must be excluded from annual income [24 CFR 5.609(b)]:

- Assistance under section 479B of the Higher Education Act of 1965, as amended (Title IV HEA assistance) and Bureau of Indian Affairs student financial assistance
- Any other grant-in-aid, scholarship or other assistance amounts for the actual covered costs charged by the institution of higher education

Note: Student loans are always excluded and are not considered in the below calculations.

1. Is the student **ONLY** receiving Title IV HEA assistance?
 - ☐ Yes: **STOP. SEE RESULT A.**
 - ☐ No: Go to question 2.
2. Is the student **ONLY** receiving other student financial assistance from sources other than Title IV HEA assistance?
 - ☐ Yes: **SEE RESULT B.**
 - ☐ No: Go to question 3.
3. Is the student receiving both assistance under Title IV of the Higher Education Act (HEA) **AND** other student financial assistance?
 - ☐ Yes: **SEE RESULT C.**

RESULT A

- **Step 1:** Exclude student loans (if any).
- **Step 2:** Exclude Title IV HEA assistance. This includes:
 - Bureau of Indian Affairs/Education student assistance programs:
 - The Higher Education Tribal Grant
 - The Tribally Controlled Colleges or Universities Grant Program
 - Student assistance received under Title IV of HEA currently includes:
 - Federal 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),
- Do not verify actual covered costs. No further action is required.

Example: Title IV HEA Assistance Only

Title IV HEA assistance	\$26,000
Student loans	\$15,000
Other financial assistance	\$0

- Exclude \$15,000 student loans.
- Exclude \$26,000 Title IV HEA assistance.

RESULT B

- **Step 1:** Exclude student loans (if any).
- **Step 2:** Determine the *actual covered costs* of tuition, books, and supplies (including supplies and equipment to support students with learning disabilities or other disabilities), room and board, and any other fees required and charged to a student by the educational institution.
 - For a student who is not the head of household or spouse/cohead, include the reasonable and actual costs of housing while attending the institution of higher education and not residing in an assisted unit.
 - Do NOT include financial support provided to the student in the form of a fee for services performed (e.g., work study or teaching fellowship that is not excluded as Title IV HEA assistance) or gifts from family or friends.
- **Step 3:** Determine the total amount of any grant-in-aid, scholarship, or other assistance amounts from sources other than Title IV HEA assistance or student loans.
- **Step 4:** Subtract the amount from Step 3 from the actual covered costs determined in Step 2.
 - If the student's financial assistance in Step 3 exceeds the student's actual covered costs in Step 2, include the amount by which the financial assistance exceeds covered costs.
 - See **Example 1** below.
 - If the student's financial assistance in Step 3 does not exceed the student's actual covered costs in Step 2, exclude the entire amount of student financial assistance.
 - See **Example 2** below.

Example 1: Other Financial Assistance Only

Title IV HEA assistance	\$0
Student loans	\$15,000
Other financial assistance	\$26,000
Actual covered costs	\$22,000

- Exclude \$15,000 student loans.

$\$22,000$ (actual covered costs) - $\$26,000$ (other student financial assistance) = $\$4,000$
amount by which student financial assistance exceeds actual covered costs

- Include \$4,000 of the \$26,000 other financial assistance.

Example 2: Other Financial Assistance Only

Title IV HEA assistance	\$0
Student loans	\$15,000
Other financial assistance	\$6,000
Actual covered costs	\$22,000

- Exclude \$15,000 student loans.

$\$22,000$ (actual covered costs) - $\$6,000$ (other student financial assistance) = $\$16,000$
of actual covered costs remaining

- Exclude \$6,000 other financial assistance.

RESULT C

- **Step 1:** Exclude student loans (if any).
- **Step 2:** Determine the amount of Title IV HEA assistance.
- **Step 3:** Determine the total amount of any grant-in-aid, scholarship, or other assistance amounts from sources other than Title IV HEA assistance or student loans.
- **Step 4:** Determine the *actual covered costs* of tuition, books, and supplies (including supplies and equipment to support students with learning disabilities or other disabilities), room and board, and any other fees required and charged to a student by the educational institution.
 - For a student who is not the head of household or spouse/cohead, include the reasonable and actual costs of housing while attending the institution of higher education and not residing in an assisted unit.
 - Do NOT include financial support provided to the student in the form of a fee for services performed (e.g., work study or teaching fellowship that is not excluded as Title IV HEA assistance) or gifts from family or friends.
- **Step 5:** Subtract the Title IV HEA assistance in Step 2 from the actual covered costs in Step 4.
 - If the Title IV HEA assistance is equal to or exceeds the actual covered costs:
 - Exclude all Title IV HEA assistance.
 - Include all other student financial assistance.
 - See **Example 1** below.
 - If the amount of Title IV HEA assistance in Step 2 is less than the actual covered costs in Step 4, after subtracting the Title IV HEA assistance from the actual covered costs, subtract the other financial assistance determined in Step 3 from the remaining actual covered costs.
 - If other financial assistance exceeds the remaining actual covered costs:
 - Exclude all Title IV HEA assistance.
 - Include the amount by which other financial assistance exceeds remaining covered costs.
 - See **Example 2** below.
 - If other financial assistance does not exceed remaining covered costs:
 - Exclude all Title IV HEA assistance.
 - Exclude all other financial assistance.
 - See **Example 3** below.

Example 1: Title IV of HEA and Other Financial Assistance

Title IV HEA assistance	\$25,000
Student loans	\$15,000
Other financial assistance	\$16,000
Actual covered costs	\$22,000

- Exclude \$15,000 student loans.

\$22,000 (actual covered costs) - \$25,000 (Title IV HEA assistance) = Title IV HEA assistance exceeds actual covered costs

- Exclude \$25,000 Title IV HEA assistance.

Since all actual covered costs were covered by the Title IV HEA assistance, other financial assistance exceeds actual covered costs by \$16,000.

- Include \$16,000 of other student financial assistance.

Example 2: Title IV and Other Financial Assistance

Title IV HEA assistance	\$10,000
Student loans	\$15,000
Other financial assistance	\$16,000
Actual covered costs	\$22,000

- Exclude \$15,000 student loans.

\$22,000 (actual covered costs) - \$10,000 (Title IV HEA assistance) = \$12,000
remaining actual covered costs

- Exclude \$10,000 Title IV HEA assistance.

\$12,000 (remaining actual covered costs) - \$16,000 (other financial assistance) =
\$4,000

Other financial assistance exceeds remaining actual covered costs by \$4,000.

- Include \$4,000 of the \$16,000 student financial assistance.

Example 3: Title IV and Other Financial Assistance

Title IV HEA assistance	\$10,000
Student loans	\$15,000
Other financial assistance	\$3,000
Actual covered costs	\$22,000

- Exclude \$15,000 student loans.

\$22,000 (actual covered costs) - \$10,000 (Title IV HEA assistance) = \$12,000
remaining actual covered costs

- Exclude \$10,000 Title IV HEA assistance.

\$12,000 (remaining actual covered costs) - \$3,000 (other financial assistance) =
\$7,000

Other student financial assistance does not exceed remaining actual covered costs.

- Exclude all \$3,000 of other financial assistance.



Part III: Section 8 Student Rule

Instructions: *If the Section 8 Student Rule applies, use the information listed here.*

Under the Section 8 Student Rule, all financial assistance a student receives (1) under Title IV of the Higher Education Act of 1965, (2) from private sources, or (3) from an institution of higher education that is in excess of amounts received for tuition and other required fees and charges is included in annual income except if the student is over the age of 23 with dependent children or the student is living with his or her parents who are receiving Section 8 assistance.

Note: Student loans are always excluded and are not considered in the below calculations. The below calculations do not apply to LIHTC-only units or LIHTC units blended with public housing and/or HTF.

- **Step 1:** Exclude student loans (if any).
- **Step 2:** Determine the total amount of student financial assistance received by the student from all sources.
- **Step 2:** Determine the amount of tuition and required fees and charges.
 - Fees often include, but are not limited to, student service fees, student association fees, student activities fees, and laboratory fees.
 - See Notice PIH 2015-21/H 2015-12 for a full definition.
- **Step 3:** Subtract the amount of tuition and required fees in Step 3 from the amount the student receives in financial assistance in Step 2.
 - If financial assistance does not exceed tuition, exclude the entire amount of financial assistance.
 - See **Example 1**.
 - If financial assistance exceeds tuition, include the amount by which financial assistance exceeds tuition.
 - See **Example 2**.

Example 1: Section 8 Student Rule

Financial assistance	\$10,000
Student loans	\$15,000
Tuition and required fees	\$22,000

- Exclude \$15,000 student loans.

\$22,000 (tuition and required fees) - \$10,000 (financial assistance) = \$12,000

Financial assistance does not exceed tuition.

- Exclude \$10,000

Example 2: Section 8 Student Rule

Financial assistance	\$30,000
Student loans	\$15,000
Tuition and required fees	\$22,000

- Exclude \$15,000 student loans.

\$22,000 (tuition and required fees) - \$30,000 (financial assistance) = financial assistance exceeds tuition by \$8,000

- Include \$8,000