

Income Determination Training

2022

Contact Information

Mailing Address:

TDHCA
PO Box 13941
Austin, TX 78711-3941

Physical Address:

TDHCA
221 East 11th Street
Austin, TX 78701

Website: www.tdhca.state.tx.us

Division Phone Number: (512) 475-3800
or (800) 525-0657 (toll free in Texas only)

Resources

3

General Resources: HUD 4350.3

HUD Handbook 4350.3 and Technical Guide for Determining Income and Allowances
for the HOME Program—24 CFR 5.609 Annual Income

https://www.hud.gov/program_offices/administration/hudclips/handbooks/hsg/4350.3

METHOD IS BASED ON:

- Chapter 3 – Eligibility for Assistance and Occupancy
- Chapter 5 – Determining Income and Calculating Rent

ESSENTIAL TOOLS:

- Exhibit 5-1 – Income Inclusions and Exclusions
- Exhibit 5-2 – Assets
- Appendix 3 – Acceptable Forms of Verifications

Available online at www.hud.gov

4

General Resources: Department Links

The Department website offers resources and important information that will be referenced throughout this training.

- Forms
 - <https://www.tdhca.state.tx.us/pmcomp/forms.htm>
- Manuals & Rules
 - <https://www.tdhca.state.tx.us/pmcomp/manuals-rules-htc.htm>
- Income & Rent Limits
 - <https://www.tdhca.state.tx.us/pmcomp/irl/index.htm>

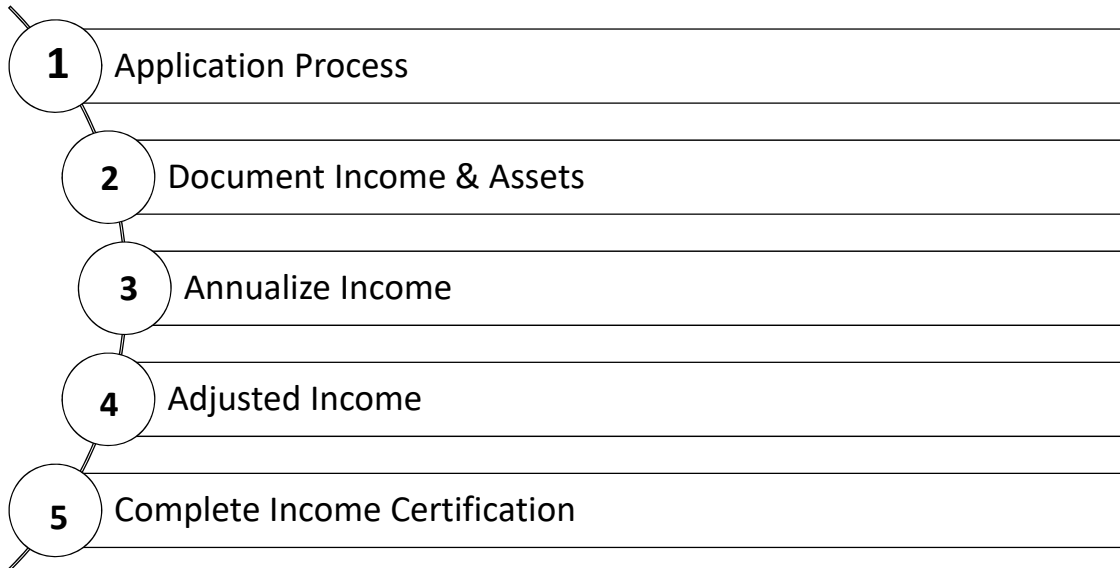
5

Module 1

The Application Process

6

Eligibility: 5 Basic Steps; Step 1



7

The Application Process: Screen the Household

The Application

- No required form
- Must screen for **ALL sources of income, assets and student status**
- Should be completed by the household
- Review to determine if the household appears eligible based on the initial application
- Electronic Applications are acceptable as long as they include all of the required screening questions

8

The Application Process: Additional Forms

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
RELEASE AND CONSENT FORM

I. THIS SECTION TO BE COMPLETED BY DEVELOPMENT

Development Name:		TDHCA/CMTS Number:	
Contact Name:	Contact Title:		
Development Address:	Phone:		
Email Address:	Fac:		

II. THIS SECTION TO BE COMPLETED BY APPLICANT

Applicant/Resident Name: _____

I/We, _____, the undersigned hereby authorize all persons or companies in the categories listed below to release information regarding employment, income and/or assets for purposes of verifying information on my/our application for participation in a Texas Department of Housing and Community Affairs (TDHCA) Affordable Housing Program. I/we authorize release of information without liability to the administrator/owner/management listed above, and/or the Texas Department of Housing and Community Affairs and/or the Department's service provider.

INFORMATION COVERED
I/We understand that previous or current information regarding me/us is needed. Verifications and inquiries that may be requested include, but are not limited to: personal identification, marital, employment, income, assets, and medical or children's allowances. I/We understand that this authorization cannot be used to obtain information about me/us that is not pertinent to my eligibility for and continued participation in the TDHCA Affordable Housing Program.

GROUPS OR INDIVIDUALS THAT MAY REQUEST THE ABOVE INFORMATION ARE NOT LIMITED TO:

Past and Present Employers	State Agencies	Veterans Administrations
Support and Allowance Agencies	State Unemployment	Retirement Systems
Educational Institutions	Social Security Agencies	Medical and Child Care Providers
Bank and other Financial Institutions	Utility Providers	Previous Landlords
Institutions Public Housing Agencies	Insurance Carriers	

APPLICANT CERTIFICATION

I/We agree that a photocopy of this authorization may be used for the purposes stated above. The original of this authorization is on file and will stay in effect for a year and one month from the date signed. I/We understand I/We have a right to review this file and correct any information that is incorrect.

Applicant/Resident Printed Name	Signature	Date
Co-Applicant/Resident Printed Name	Signature	Date
Other Adult Member Printed Name	Signature	Date
Other Adult Member Printed Name	Signature	Date

NOTE: THIS GENERAL CONSENT MAY NOT BE USED TO REQUEST A COPY OF A TAX RETURN. IF A COPY OF A TAX RETURN IS NEEDED, HIS FORM 808, "REQUEST FOR COPY OF A TAX FORM" MUST BE PREPARED AND SIGNED SEPARATELY.

Revised January 24, 2022

Obtain "Release and Consent" from applicants

- Necessary to verify disclosed income, assets and student status
- Should be obtained for all members 18 years and older

Your program may have specific form requirements at intake application in addition to the Release and Consent.

****Make sure you are complying with your program requirements. ****

Application Process: Tips to Minimize Challenges

- Completed in its entirety
- All applicant members listed
- Is it current? (within 120 days)
- Changes/Corrections initialed by the Applicant
- NO Correction Fluid (White-Out)

Application Process: Determine Household Size

Who counts as a Household Member

Head

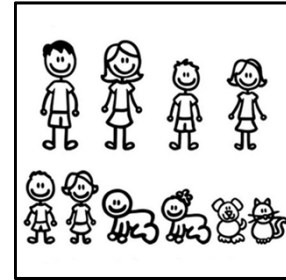
Spouse

Co-Head

Dependents

- Unborn Children (self-certified)
- Joint custody - Present 50% or more of the time
- Away at school but live with family during breaks
- In the process of being adopted
- Temporarily absent due to placement in foster care

Foster Adults & Foster Children



11

Application Process: Household Composition

Why is it important to know who is in the household?

- Because the Income Limits are based on household size!

INCOME LIMITS		2022 Area Median Income: \$110,300							
AMFI %	Number of Household Members								
	1	2	3	4	5	6	7	8	
20	\$ 15,460	\$ 17,660	\$ 19,860	\$ 22,060	\$ 23,840	\$ 25,600	\$ 27,360	\$ 29,120	
30	\$ 23,190	\$ 26,490	\$ 29,790	\$ 33,090	\$ 35,760	\$ 38,400	\$ 41,040	\$ 43,680	
40	\$ 30,920	\$ 35,320	\$ 39,720	\$ 44,120	\$ 47,680	\$ 51,200	\$ 54,720	\$ 58,240	
50	\$ 38,650	\$ 44,150	\$ 49,650	\$ 55,150	\$ 59,600	\$ 64,000	\$ 68,400	\$ 72,800	
60	\$ 46,380	\$ 52,980	\$ 59,580	\$ 66,180	\$ 71,520	\$ 76,800	\$ 82,080	\$ 87,360	
70	\$ 54,110	\$ 61,810	\$ 69,510	\$ 77,210	\$ 83,440	\$ 89,600	\$ 95,760	\$ 101,920	
80	\$ 61,840	\$ 70,640	\$ 79,440	\$ 88,240	\$ 95,360	\$ 102,400	\$ 109,440	\$ 116,480	
120	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

12

Application Process: Whose Income Counts?

Members	Earned Income	Other Income (including income from assets)
Head	Yes	Yes
Spouse	Yes	Yes
Co-Head	Yes	Yes
Other Adult	Yes	Yes
Dependents (Child Under 18)	No	Yes
Full-time Student over 18	Yes	Yes
Foster Adult	Yes	Yes
Foster Children (Under 18)	No	Yes
Non-Members	Earned Income	Other Income (including income from assets)
Live-in Aide	No	No

HUD 4350.3 Rev 1: Chapter 5; pg. 5-8; Figure 5-2

13

Learning Point 1: Whose Income Counts?

Based on the application, which household members are receiving income that needs to be verified for eligibility?

C. HOUSEHOLD COMPOSITION – List the Head of Household and all other persons who comprise the household						
	Full Name (exactly as on driver's license or other govt. document)	Relationship to Head of HH	Date of Birth	Student Status F/T=Full Time P/T=Part Time	Social Security No./ Alien Registration No.	Receiving income
1	Alma Madrigal	Head of Household	2/7/1979	<input type="checkbox"/> F/T <input type="checkbox"/> P/T <input checked="" type="checkbox"/> N/A	XXX-XX-1111	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
2	Julieta Madrigal	<input checked="" type="checkbox"/> Co-Head <input type="checkbox"/> Spouse <input type="checkbox"/> Dependent <input type="checkbox"/> Other Adult	3/11/1981	<input type="checkbox"/> F/T <input type="checkbox"/> P/T <input checked="" type="checkbox"/> N/A	XXX-XX-2222	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
3	Agustin Madrigal	<input type="checkbox"/> Co-Head <input type="checkbox"/> Spouse <input checked="" type="checkbox"/> Dependent <input type="checkbox"/> Other Adult	4/12/2016	<input checked="" type="checkbox"/> F/T <input type="checkbox"/> P/T <input type="checkbox"/> N/A	XXX-XX-3333	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
4	Mirabel Madrigal	<input type="checkbox"/> Co-Head <input type="checkbox"/> Spouse <input checked="" type="checkbox"/> Dependent <input type="checkbox"/> Other Adult	9/1/2019	<input checked="" type="checkbox"/> F/T <input type="checkbox"/> P/T <input type="checkbox"/> N/A	XXX-XX-4444	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

14

Sample Household: Whose Income Counts?

Whose income counts for the household below?

C. HOUSEHOLD COMPOSITION – List the Head of Household and all other persons who comprise the household					
Full Name (exactly as on driver's license or other govt. document)	Relationship to Head of HH	Date of Birth	Student Status FT=Full Time PT=Part Time	Social Security No./ Alien Registration No.	Receiving Income
1 Eric Robles	Head of Household	8/10/80	<input type="checkbox"/> FT <input type="checkbox"/> PT <input checked="" type="checkbox"/> N/A	1111	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
2 Ariel Robles	<input type="checkbox"/> Co-Head <input checked="" type="checkbox"/> Spouse <input type="checkbox"/> Dependent <input type="checkbox"/> Other Adult	2/14/86	<input type="checkbox"/> FT <input type="checkbox"/> PT <input checked="" type="checkbox"/> N/A	2222	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
3 Ursula Thompson	<input type="checkbox"/> Co-Head <input type="checkbox"/> Spouse <input checked="" type="checkbox"/> Dependent <input type="checkbox"/> Other Adult	10/1/45	<input type="checkbox"/> FT <input type="checkbox"/> PT <input checked="" type="checkbox"/> N/A	3333	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
4 Sebastian Robles	<input type="checkbox"/> Co-Head <input checked="" type="checkbox"/> Spouse <input type="checkbox"/> Dependent <input type="checkbox"/> Other Adult	5/18/03	<input checked="" type="checkbox"/> FT <input type="checkbox"/> PT <input type="checkbox"/> N/A	4444	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
5 melody Robles	<input type="checkbox"/> Co-Head <input checked="" type="checkbox"/> Spouse <input type="checkbox"/> Dependent <input type="checkbox"/> Other Adult	7/4/12	<input checked="" type="checkbox"/> FT <input type="checkbox"/> PT <input type="checkbox"/> N/A	5555	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
6 max Robles	<input type="checkbox"/> Co-Head <input type="checkbox"/> Spouse <input checked="" type="checkbox"/> Dependent <input type="checkbox"/> Other Adult	12/24/15	<input checked="" type="checkbox"/> FT <input type="checkbox"/> PT <input type="checkbox"/> N/A	6666	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
7 Halle Bailey	<input type="checkbox"/> Co-Head <input type="checkbox"/> Spouse <input type="checkbox"/> Dependent <input checked="" type="checkbox"/> Other Adult	4/15/97	<input type="checkbox"/> FT <input type="checkbox"/> PT <input checked="" type="checkbox"/> N/A	7777	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

D. HOUSEHOLD COMPOSITION INFORMATION

Were any of the household members a full-time student within the last calendar year? NO YES, who? Ariel

Are any of the household members listed above foster children? NO YES, who? _____

Are any of the household members listed above a live-in attendant? NO YES, who? Halle

Are any household members temporarily absent from the home? NO YES, who? _____

Indicate reason for temporary absence: _____

Do you anticipate any other members will join your household within the next 12 months? NO YES

If yes, explain: _____

15

Sample Household: The Income Certification Part II

INCOME CERTIFICATION			Effective Date: 09/30/2022			
<input checked="" type="checkbox"/> Initial Certification <input type="checkbox"/> Recertification <input type="checkbox"/> Other* _____			Move-in Date: 09/30/2022 (MM/DD/YYYY)			
*Transfer from Unit: _____						
PART I – DEVELOPMENT DATA						
Property Name: <u>Pandora Springs</u>		County: <u>Travis</u>		BIN #: <u>TX-08-202203</u>		
Address: <u>221 East 11th St, Austin, TX 78701</u>		Unit Number: <u>325</u>	# Bedrooms: <u>4</u>	CMTS #: <u>1518</u>		
PART II. HOUSEHOLD COMPOSITION						
HH Mbr #	Last Name	First Name & Middle Initial	Relationship to Head of Household	Date of Birth (MM/DD/YYYY)	Student Status (circle one)	Last 4 digits of Social Security Number
1	Robles	Eric	HEAD	08/10/1980	FT / PT (NA)	1111
2	Robles	Ariel	Spouse	02/14/1986	FT / PT (NA)	2222
3	Thompson	Ursula	Other Adult	10/01/1945	FT / PT (NA)	3333
4	Robles	Sebastian	Dependent	05/18/2003	(FT) / PT / NA	4444
5	Robles	Melody	Dependent	07/04/2012	(FT) / PT / NA	5555
6	Robles	Max	Dependent	12/26/2015	(FT) / PT / NA	6666
7	Bailey	Halle	Live-In Aide	04/15/1997	FT / PT (NA)	7777

16

Application Process: Non-Members Live-in Aides

Income Excluded if ALL the following apply:

Resides with the applicant member

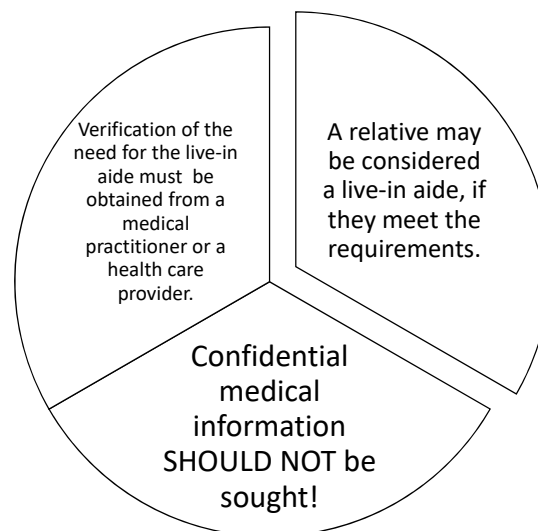
Essential to the care and well-being of the applicant member

Not obligated for the financial support of the applicant member

Would not be considered a member, except to provide the necessary supportive services

17

Application Process: Live-in Aide Requirements



18

Learning Point 1: Non-Members Live-in Aides

True or False: Based on the application, two (2) members have income that should be included when determining eligibility.

C. HOUSEHOLD COMPOSITION – List the Head of Household and all other persons who comprise the household						
Full Name (exactly as on driver's license or other govt. document)	Relationship to Head of HH	Date of Birth	Gender	Student Status F/T=Full Time P/T=Part Time	Social Security No./ Alien Registration No.	Receiving income
1 Stuart McAlister	Head of Household	06/05/42	<input checked="" type="checkbox"/> Male <input type="checkbox"/> Female	<input type="checkbox"/> F/T <input type="checkbox"/> P/T <input checked="" type="checkbox"/> N/A	XXX-XX-6262	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
2 Sylvia Harris	<input type="checkbox"/> Co-Head <input type="checkbox"/> Spouse <input type="checkbox"/> Dependent <input checked="" type="checkbox"/> Other Adult	08/11/85	<input type="checkbox"/> Male <input checked="" type="checkbox"/> Female	<input checked="" type="checkbox"/> F/T <input type="checkbox"/> P/T <input type="checkbox"/> N/A	XXX-XX-3412	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

D. HOUSEHOLD COMPOSITION INFORMATION	
Were any of the household members a full-time student within the last calendar year?	<input type="checkbox"/> NO <input checked="" type="checkbox"/> YES, who? _____
Are any of the household members listed above foster children?	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES, who? _____
Are any of the household members listed above a live-in attendant?	<input type="checkbox"/> NO <input checked="" type="checkbox"/> YES, who? Sylvia Harris

19

Learning Point 2: Non-Members Live-in Aides

True or False: Based on the application, one (1) member has income that should be included when determining eligibility.

C. HOUSEHOLD COMPOSITION – List the Head of Household and all other persons who comprise the household						
Full Name (exactly as on driver's license or other govt. document)	Relationship to Head of HH	Date of Birth	Gender	Student Status F/T=Full Time P/T=Part Time	Social Security No./ Alien Registration No.	Receiving income
1 Marshall Williams	Head of Household	08/07/40	<input checked="" type="checkbox"/> Male <input type="checkbox"/> Female	<input type="checkbox"/> F/T <input type="checkbox"/> P/T <input checked="" type="checkbox"/> N/A	XXX-XX-4511	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
2 Amelia Williams	<input type="checkbox"/> Co-Head <input checked="" type="checkbox"/> Spouse <input type="checkbox"/> Dependent <input type="checkbox"/> Other Adult	02/02/50	<input type="checkbox"/> Male <input checked="" type="checkbox"/> Female	<input type="checkbox"/> F/T <input type="checkbox"/> P/T <input checked="" type="checkbox"/> N/A	XXX-XX-9034	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

D. HOUSEHOLD COMPOSITION INFORMATION	
Were any of the household members a full-time student within the last calendar year?	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES, who? _____
Are any of the household members listed above foster children?	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES, who? _____
Are any of the household members listed above a live-in attendant?	<input type="checkbox"/> NO <input checked="" type="checkbox"/> YES, who? Amelia

20

Application Process: Types of Verification

Three (3) Acceptable verification methods:

- Third-Party
- First-Hand
- Oral Clarification

Maintain Verification Documentation

- All tenant files must maintain verification documentation

Verification Documentation

- Must be dated within 120 days of the effective date of the household's Income Certification
- Exceptions Apply

21

Application Process: Tips to Minimize Verification Challenges

- Valid within 120 days of Certification
- Complete
- No evidence of tampering
- Executed by reliable source
- NO Correction Fluid (White-Out)

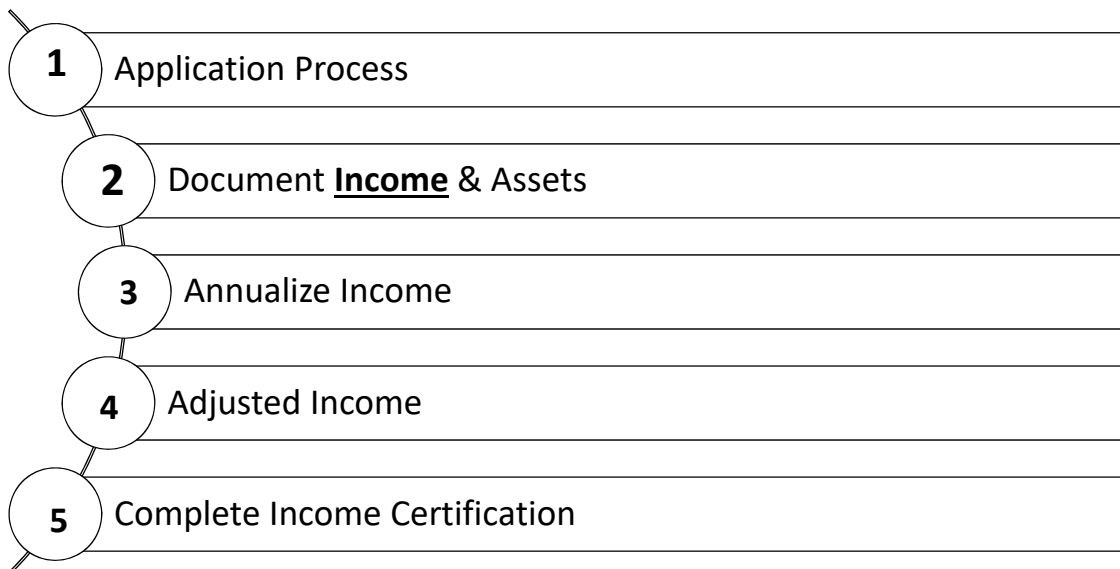
22

Module 2

Documenting Income

23

Eligibility: 5 Basic Steps; Step 2



24

Income

ALL amounts, monetary or not, that go to or are received on behalf of the Head, Spouse, or Co-Head (even if the member is temporarily absent), or any other member

AND/OR

ALL amounts anticipated to be received from a source outside the applicant group during the 12-month period following admission or certification

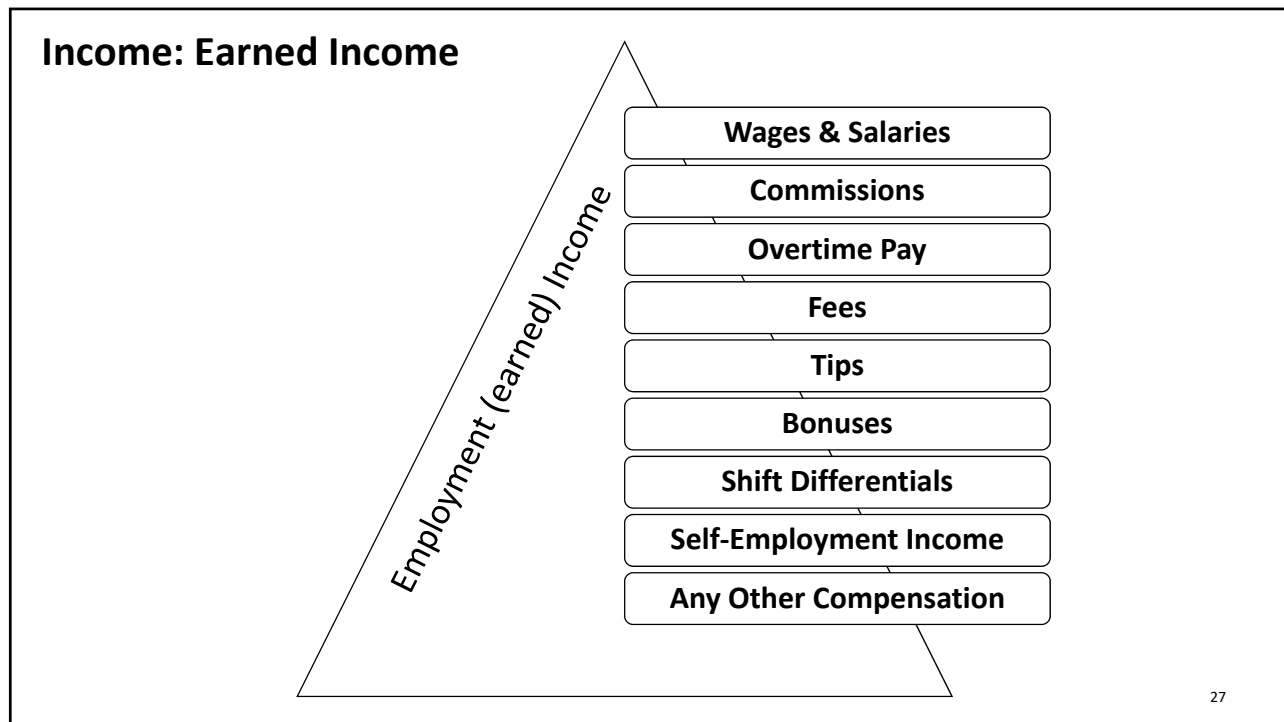
25

Income: Inclusions and Exclusions

Annual Income includes all amounts not specifically excluded by regulation.

For a listing of *Income inclusions and exclusions*, refer to Exhibit 5-1 of HUD's 4350.3.

26



Income: Frequently Used Periodic Wage Calculations

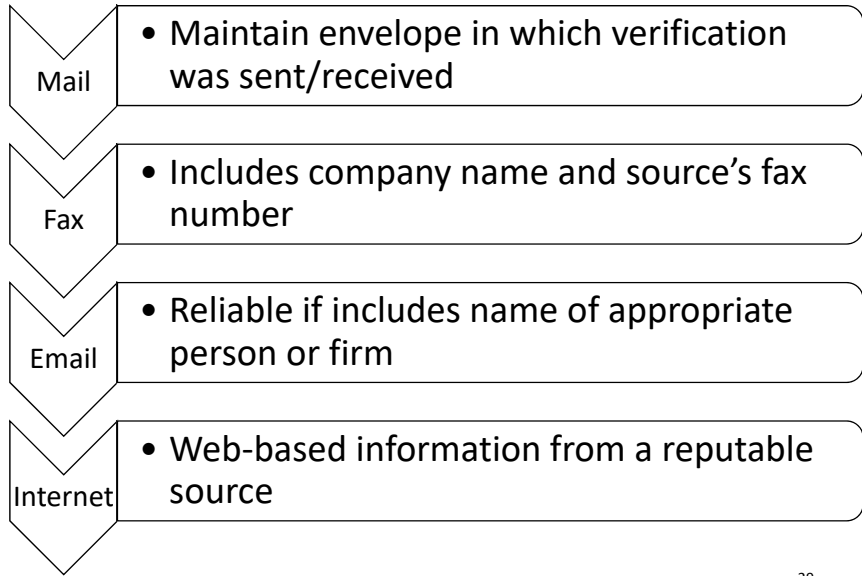
Full-Time Hourly	Wage x 2080 hours
Weekly	Wage x 52 pay periods (weeks)
Bi-Weekly	Wage x 26 pay periods
Semi-Monthly	Wage x 24 pay periods
Monthly	Wage x 12 pay periods (months)

28

Income: Third-Party Verifications

Acceptable if:

- Sent directly by a third-party source
- Not hand-carried by the applicant to, or from, the property
- Completed in its entirety



29

Income: First-Hand Verifications

Acceptable if identifies:

- Applicant and Employer
- Account Holder and Bank
- Pay Period and Pay Date
- Gross Pay

Paystub Guidelines

- Recommended to obtain at least 4-6 paystubs
- Review itemization of all amounts included in gross pay and year-to-date earnings
- Review for any assets not disclosed on application



30

Income: First-Hand Verifications Allowance

Per 10 TAC §10.612(a)(3): The Department permits Owners to use check stubs or other first-hand documentation of income and assets provided by the applicant or household in lieu of third-party verification forms. ***It is not necessary to first attempt to obtain a third party verification form.*** Owners should scrutinize these documents to identify and address any obvious attempts at forgery, alteration, or generation of falsified documents.

31

Income: Exception to Paystub Guidelines

HTC/BOND/HTF/TCAP/TCEP
(Exchange) Programs:

- Gather enough paystubs to determine frequency of pay
- No set number of stubs required

HOME/NSP/TCAP-
RF/NHTF/HOME-ARP
Programs:

- Must obtain two (2) months of source documentation for all incomes
- Two (2) months = 60 days, generally

32

Income: Oral Verifications

Acceptable if:

- Documented
- From a Reliable 3rd Party Source

Great for Clarifying:

- Incomplete Verification
- Discrepancies

Should include:

-
-
-
-
-
-

33

Income: Telephone Verifications

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS TELEPHONE VERIFICATION/CLARIFICATION RECORD	
I. THIS SECTION TO BE COMPLETED BY DEVELOPMENT	
Development Name:	TDHCA Number:
Name of Person Receiving Information:	Title:
Development Address:	Phone:
RE: (Applicant/Resident Name):	
The clarification record is being gathered:	
<input type="checkbox"/> As a source of clarification for a gathered third-party written or first-hand verification. Describe area in which clarification is being sought: _____ Source of clarification: <input type="checkbox"/> Phone Conversation <input type="checkbox"/> Person to Person <input type="checkbox"/> Other: Explain: _____	
Person Contacted:	Title:
Company/Organization:	Phone/Email:
Date Contacted:	Time Contacted:
II. VERIFIED INFORMATION	
1. Reason for Clarification: _____	
2. Explanation for Clarification Given: _____	
3. Additional remark(s): _____	
III. ADMINISTRATOR, OWNER, MANAGEMENT AUTHORIZED REPRESENTATIVE CERTIFICATION	
I certify that the above information is true and correct.	
Signature of Authorized Representative _____	Representative's Title _____ Date _____
Authorized Representative's Printed Name _____	Phone # _____ Email _____

The Department has made available a Telephone Verification. This can be used as a source of clarification for a gathered third-party or first-hand verification. This form is available on the Department website.

34

Learning Point 1: Paystub Average

What is the income calculation for the following paystubs?

Earnings		Pay Date: 7/1/2022	
		Pay period begin: 6/16/2022	
		Pay period end: 6/30/2022	
Current Total		Year to Date	
Regular	\$ 1,500.00	\$	18,000.00
Longevity	\$ -	\$	-
Bonus	\$ -	\$	-
Total	\$ 1,500.00	\$	18,000.00

Earnings		Pay Date: 8/1/2022	
		Pay period begin: 7/16/2022	
		Pay period end: 7/31/2022	
Current Total		Year to Date	
Regular	\$ 1,500.00	\$	21,000.00
Longevity	\$ -	\$	-
Bonus	\$ -	\$	-
Total	\$ 1,500.00	\$	21,000.00

Earnings		Pay Date: 7/15/2022	
		Pay period begin: 7/1/2022	
		Pay period end: 7/15/2022	
Current Total		Year to Date	
Regular	\$ 1,500.00	\$	19,500.00
Longevity	\$ -	\$	-
Bonus	\$ -	\$	-
Total	\$ 1,500.00	\$	19,500.00

Earnings		Pay Date: 8/15/2022	
		Pay period begin: 8/1/2022	
		Pay period end: 8/15/2022	
Current Total		Year to Date	
Regular	\$ 1,500.00	\$	22,500.00
Longevity	\$ -	\$	-
Bonus	\$ -	\$	-
Total	\$ 1,500.00	\$	22,500.00

Learning Point 2: Paystub Average

June 2022							July 2022						
Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2	3	4					1	2	
5	6	7	8	9	10	11	3	4	5	6	7	8	9
12	13	14	15	16	17	18	10	11	12	13	14	15	16
19	20	21	22	23	24	25	17	18	19	20	21	22	23
26	27	28	29	30			24	25	26	27	28	29	30
							31						

www.a-printable-calendar.com

Carlos has 4 paycheck stubs within 120 days of the Income Certification:

- 6/3 - Gross income of \$527
- 6/17 - Gross income of \$602
- 7/1 - Gross income of \$539
- 7/15 - Gross income of \$542

What is his annual income to be used for eligibility?

Learning Point 3: Employment Verification

Based on the Employment Verification below, what is the annual income to be considered for Jennifer's eligibility?

II. THIS SECTION TO BE COMPLETED BY EMPLOYER	
Employee Name: Jennifer Jackson	Job Title: Sales Associate
Presently Employed: <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	Date First Employed: 1/16/2019
Last Day of Employment: _____ or <input type="checkbox"/> Not Applicable	
Current Wages/Salary: \$ 8.50 (circle one) hourly weekly / bi-weekly / semi-monthly / monthly / yearly / other: _____	
Average # of regular hours per week: 35	Year-to-date earnings: \$ 11,786.67 through 08 / 27 / 2022
Overtime Rate: \$ n/a per hour	Average # of overtime hours per week: n/a
Shift Differential Rate: \$ n/a per hour	Average # of shift differential hours per week: _____
Commissions, bonuses, tips, other: \$ 4,000 (circle one) hourly / weekly / bi-weekly / semi-monthly / monthly / yearly other: _____	
List any anticipated change in the employee's rate of pay within the next 12 months: n/a Effective date: n/a	
If the employee's work is seasonal or sporadic, please indicate the layoff period(s): _____	
Do Employees have access to an Employer Retirement Account prior to termination or retirement? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	
Additional remark(s): _____	

37

Learning Point 4: Paystub Average

Based on the paystubs below, what is the annual income to be used for eligibility?

Earnings					Pay Date: 7/1/2022	
			Pay period begin: 6/16/2022		Pay period end: 6/30/2022	
	Pay Rate	Hours	Current Total	Year to Date		
Regular	\$ 16.00	65	\$ 1,040.00	\$	7,500.00	
Shift Diff.	\$ 17.25	15	\$ 258.75	\$	258.75	
Bonus			\$ -	\$	-	
Total			\$ 1,298.75	\$	7,758.75	

Earnings					Pay Date: 8/1/2022	
			Pay period begin: 7/16/2022		Pay period end: 7/31/2022	
	Pay Rate	Hours	Current Total	Year to Date		
Regular	\$ 16.00	54	\$ 864.00	\$	10,362.75	
Shift Diff.	\$ 17.25	26	\$ 448.50	\$	707.25	
Bonus	\$ 240.00	n/a	\$ 240.00	\$	480.00	
Total			\$ 1,552.50	\$	11,550.00	

Earnings					Pay Date: 7/15/2022	
			Pay period begin: 7/1/2022		Pay period end: 7/15/2022	
	Pay Rate	Hours	Current Total	Year to Date		
Regular	\$ 16.00	80	\$ 1,500.00	\$	9,498.75	
Shift Diff.			\$ -	\$	258.75	
Bonus	\$ 240.00	n/a	\$ 240.00	\$	240.00	
Total			\$ 1,740.00	\$	9,997.50	

Earnings					Pay Date: 8/15/2022	
			Pay period begin: 8/1/2022		Pay period end: 8/15/2022	
	Pay Rate	Hours	Current Total	Year to Date		
Regular	\$ 16.00	70	\$ 1,120.00	\$	11,482.75	
Shift Diff.	\$ 17.25	10	\$ 172.50	\$	879.75	
Bonus			\$ -	\$	480.00	
Total			\$ 1,292.50	\$	12,842.50	

38

Learning Point 5: Paystub Calculation

Based on the paystubs below, the annual income for this applicant is \$20,800. True or False?

Earnings					Pay Date: 8/12/2022	
					Pay period begin: 7/31/2022	
					Pay period end: 8/6/2022	
	Pay Rate	Hours	Current Total	Year to Date		
Regular	\$ 10.00	40	\$ 400.00	\$	9,345.00	
Shift Diff.				\$	1,800.00	
Bonus				\$	1,500.00	
Total			\$ 400.00	\$	12,645.00	

Earnings					Pay Date: 8/26/2022	
					Pay period begin: 8/14/2022	
					Pay period end: 8/20/2022	
	Pay Rate	Hours	Current Total	Year to Date		
Regular	\$ 10.00	40	\$ 400.00	\$	10,145.00	
Shift Diff.				\$	1,800.00	
Bonus				\$	1,500.00	
Total			\$ 400.00	\$	13,445.00	

Earnings					Pay Date: 8/19/2022	
					Pay period begin: 8/7/2022	
					Pay period end: 8/13/2022	
	Pay Rate	Hours	Current Total	Year to Date		
Regular	\$ 10.00	40	\$ 400.00	\$	9,745.00	
Shift Diff.				\$	1,800.00	
Bonus				\$	1,500.00	
Total			\$ 400.00	\$	13,045.00	

Earnings					Pay Date: 9/2/2022	
					Pay period begin: 8/21/2022	
					Pay period end: 8/27/2022	
	Pay Rate	Hours	Current Total	Year to Date		
Regular	\$ 10.00	40	\$ 400.00	\$	10,545.00	
Shift Diff.				\$	1,800.00	
Bonus				\$	1,500.00	
Total			\$ 400.00	\$	13,845.00	

39

Learning Point 5 continued: Paystub Calculation

We know the weekly pay for this applicant is \$400; however, we can see that there is a shift differential pay and a bonus on the paychecks from the previous slide which were not accounted for in the paystub average. We need some additional information and calculations...

Reason for Clarification:
1. What is the Shift Differential pay rate?
2. What is the average number of Shift Differential hours and frequency?
3. What is the pay rate and frequency for Bonuses?
Explanation for Clarification Given:
1. The pay rate is \$12 per hour.
2. The employee works an average of 20 Shift Differential hours per month.
3. The employee receives quarterly bonuses of \$500.

Base Pay: \$400 x 52 = \$20,800

Shift Differential: \$2 x 20 hours x 12 months= \$480
 {Shift Differential Pay \$12 – Base Pay \$10 = \$2 extra}

Quarterly Bonus: \$500 x 4 = \$2,000

40

Learning Point 6: Periodic Wage Calculation

What is the annual income for Jon based on the Employment Verification below?

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS EMPLOYMENT VERIFICATION	
I. THIS SECTION IS TO BE COMPLETED BY ADMINISTRATOR/OWNER/AGENT & EXECUTED BY APPLICANT/RESIDENT	
TO: (Name of Employer) The Art and Frame Store	Dated: March 25, 2020
Employer Address: 4200 South 1st Street, Paris, TX 98745	Phone/Fax: 456-123-7890/456-123-7899
RE: (Applicant/Resident Name) Jonathan Vermeer	
RELEASE: My signature here on the attached "True employment information."	
Applicant/Resident Printed Name: Jonathan Vermeer	
Information: The individual named directly above is an individual named directly above in an approved Housing Program which requires verification information. Administrator/Owner/Management Authority (name and level of board or similar):	
Administrator/Owner/Management Name: Jonny	
Address: 8675309 Music Lane, Austin, TX	
Email Address: manager.jonny@theframe.com	
Your prompt response is critical and greatly appreciated.	
Willing Nelson, Manager	
Administrator/Owner/Agent Authorized Rep. Printed Name: Title:	
II. THIS SECTION TO BE COMPLETED BY EMPLOYER	
Employee Name: Jon Vermeer	Job Title: Apprentice
Presently Employed: <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	Date First Employed: 03/01/2019
	Last Day of Employment: _____ or <input checked="" type="checkbox"/> Not Applicable
Current Wages/Salary: \$ 11.00	(circle one) hourly / weekly / bi-weekly / semi-monthly / monthly / yearly / other: _____
Average # of regular hours per week: 40	Year-to-date earnings: \$ 19,153.40 through 12 / 31 / 2019
Overtime Rate: \$ 0 per hour	Average # of overtime hours per week: 0
Shift Differential Rate: \$ 2.00 per hour	Average # of shift differential hours per week: 1
Commissions, bonuses, tips, other: \$ None	(circle one) hourly / weekly / bi-weekly / semi-monthly / monthly / yearly / other: _____
List any anticipated change in the employee's rate of pay within the next 12 months: None Effective date: _____	
If the employee's work is seasonal or sporadic, please indicate the layoff period(s): None	
Do Employees have access to an Employer Retirement Account prior to termination or retirement? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	
Additional remark(s): Jon is a dedicated and valuable employee	
III. EMPLOYER AUTHORIZED REPRESENTATIVE CERTIFICATION	
I certify that the above information is true and correct.	
Signature: Thomas Exkins	Owner 03/30/2020
Signature of Employer Authorized Representative: Thomas Exkins	Representative's Title: TExkins@theframe.com
Telephone # Representative's Printed Name: Thomas Exkins	Fax # _____
The Art and Frame Store 8675309 Music Lane, Austin, TX 78745	Title: _____
Employer (Company) Name and Address:	
Note: Title 19, Section 081 of the U.S. Code makes it a criminal offense to make a false statement or misrepresentation to any Department or Agency of the United States in any matter within its jurisdiction.	
TDHCA Page 1 of 1	Revised May 2010

41

Income: Irregular Employment-Seasonal or Sporadic

Include amounts that can be verified

- Use reasonable judgment - most reliable approach to estimating anticipated income
- If unable to verify the restrictions/range, assume it will continue throughout the certification period

42

Sample Household: Seasonal Employment

II. THIS SECTION TO BE COMPLETED BY EMPLOYER	
Employee Name: Eric Robles	Job Title: Package Sorter
Presently Employed: <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	Date First Employed: 9/1/2021 Last Day of Employment: _____ or <input type="checkbox"/> Not Applicable
Current Wages/Salary: \$ 18.00 (circle one) hourly weekly / bi-weekly / semi-monthly / monthly / yearly / other: _____	
Average # of regular hours per week: 30	Year-to-date earnings: \$ 11,880 through 05 / 27 / 2022
Overtime Rate: \$ n/a per hour	Average # of overtime hours per week: n/a
Shift Differential Rate: \$ n/a per hour	Average # of shift differential hours per week: _____
Commissions, bonuses, tips, other: \$ n/a (circle one) hourly / weekly / bi-weekly / semi-monthly / monthly / yearly / other: _____	
List any anticipated change in the employee's rate of pay within the next 12 months: n/a Effective date: n/a	
If the employee's work is seasonal or sporadic, please indicate the layoff period(s): Does not work June, July or August	
Do Employees have access to an Employer Retirement Account prior to termination or retirement? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	
Additional remark(s): Great employee, hard worker!	

What is the income calculation for this verification of employment?

43

Sample Household: Seasonal Employment continued

II. THIS SECTION TO BE COMPLETED BY EMPLOYER	
Employee Name: Eric Robles	Job Title: Package Sorter
Presently Employed: <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	Date First Employed: 9/1/2021 Last Day of Employment: _____ or <input type="checkbox"/> Not Applicable
Current Wages/Salary: \$ 18.00 (circle one) hourly weekly / bi-weekly / semi-monthly / monthly / yearly / other: _____	
Average # of regular hours per week: 30	Year-to-date earnings: \$ 11,880 through 05 / 27 / 2022
Overtime Rate: \$ n/a per hour	Average # of overtime hours per week: n/a
Shift Differential Rate: \$ n/a per hour	Average # of shift differential hours per week: _____
Commissions, bonuses, tips, other: \$ n/a (circle one) hourly / weekly / bi-weekly / semi-monthly / monthly / yearly / other: _____	
List any anticipated change in the employee's rate of pay within the next 12 months: n/a Effective date: n/a	
If the employee's work is seasonal or sporadic, please indicate the layoff period(s): Does not work June, July or August	
Do Employees have access to an Employer Retirement Account prior to termination or retirement? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	
Additional remark(s): Great employee, hard worker!	

****Eric should also be screened for "other" income during his lay-off period.****

There is a layoff period, Eric will not work 52 weeks. Further verification is required to determine annual income.

Contact the employer to determine the number of weeks that Eric will receive pay.

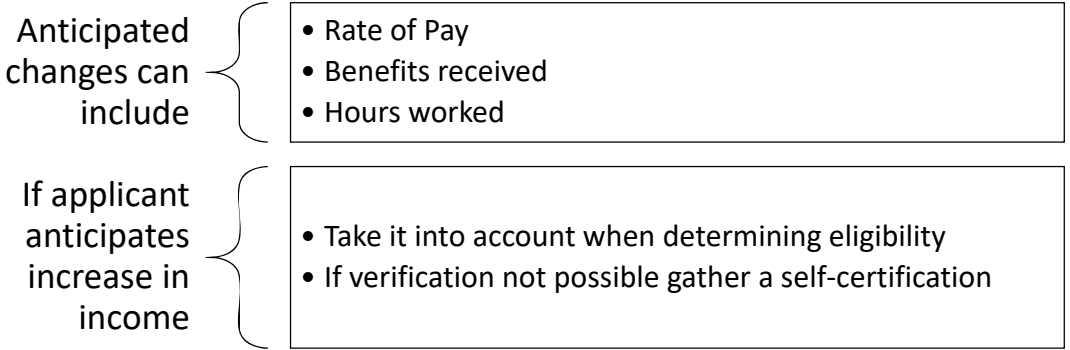
44

Sample Household: Seasonal Employment completed

2022												Person Contacted: Kash Hernandez Title: Shift Manager	
												Company/Organization: Amazon Phone/Email: 512-268-5555	
												Date Contacted: 8/15/2022 Time Contacted: 9:00 AM	
II. VERIFIED INFORMATION													
1. Reason for Clarification: _____ When does seasonal work end/begin?													
2. Explanation for Clarification Given: _____ Eric works yearly until the last Friday of May and then comes back on the first Monday of September.													

January			February			March			April			May			June			July			August																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			
26	27	28	29	30	31	1	30	31	1	2	3	4	5	27	28	1	2	3	24	25	26	27	28	29	30	31	29	30	1	2	3	4	5	26	27	28	29	30	31	1	2	23	24	25	26	27	28	29	30	31	20	21	22	23	24	25	26	27	28	29	30	31	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	30	31	1	2	3	4	5	27	28	1	2	3	4	5	24	25	26	27	28	29	30	31	21	22	23	24	25	26	27	28	29	30	31	18	19	20	21	22	23	24	25	26	27	28	29	30	31	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	31	1	2	3	4	5	28	29	30	31	1	2	3	4	5	25	26	27	28	29	30	31	22	23	24	25	26	27	28	29	30	31	19	20	21	22	23	24	25	26	27	28	29	30	31	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31

Income: Anticipated Changes



Sample Household: Anticipated Changes

Ariel signs her Certification on September 30.

What is the anticipated change to be included in the calculation for determination of eligibility?

II. THIS SECTION TO BE COMPLETED BY EMPLOYER	
Employee Name: <u>Ariel Robles</u>	Job Title: <u>Educator</u>
Presently Employed: <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	Date First Employed: <u>11/4/2021</u> Last Day of Employment: _____ or <input checked="" type="checkbox"/> Not Applicable
Current Wages/Salary: <u>\$1,313.28</u> (circle one) hourly / weekly / bi-weekly / semi-monthly / <u>monthly</u> / yearly / other: _____	
Average # of regular hours per week: <u>24</u>	Year-to-date earnings: \$ <u>12,626.56</u> through <u>08/01/22</u>
Overtime Rate: \$ <u>n/a</u> per hour	Average # of overtime hours per week: <u>n/a</u>
Shift Differential Rate: \$ <u>n/a</u> per hour	Average # of shift differential hours per week: <u>n/a</u>
Commissions, bonuses, tips, other: \$ <u>n/a</u> (circle one) hourly / weekly / bi-weekly / semi-monthly / monthly / yearly / other: _____	
List any anticipated change in the employee's rate of pay within the next 12 months: <u>\$50/mo.</u> Effective date: <u>11/01/2022</u>	
If the employee's work is seasonal or sporadic, please indicate the layoff period(s): <u>n/a</u>	
Do Employees have access to an Employer Retirement Account prior to termination or retirement? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	
Additional remark(s):	

Sample Household: Anticipated Changes continued

2022																											
January							February							March							April						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
26	27	28	29	30	31	1	30	31	1	2	3	4	5	27	28	1	2	3	4	5	27	28	29	30	31	1	2
2	3	4	5	6	7	8	6	7	8	9	10	11	12	6	7	8	9	10	11	12	3	4	5	6	7	8	9
9	10	11	12	13	14	15	13	14	15	16	17	18	19	13	14	15	16	17	18	19	10	11	12	13	14	15	16
16	17	18	19	20	21	22	20	21	22	23	24	25	26	20	21	22	23	24	25	26	17	18	19	20	21	22	23
23	24	25	26	27	28	29	27	28	1	2	3	4	5	27	28	29	30	31	1	2	24	25	26	27	28	29	30
30	31	1	2	3	4	5																					
May							June							July							August						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
1	2	3	4	5	6	7	29	30	31	1	2	3	4	26	27	28	29	30	1	2	31	1	2	3	4	5	6
8	9	10	11	12	13	14	5	6	7	8	9	10	11	3	4	5	6	7	8	9	7	8	9	10	11	12	13
15	16	17	18	19	20	21	12	13	14	15	16	17	18	10	11	12	13	14	15	16	14	15	16	17	18	19	20
22	23	24	25	26	27	28	19	20	21	22	23	24	25	17	18	19	20	21	22	23	21	22	23	24	25	26	27
29	30	31	1	2	3	4	26	27	28	29	30	1	2	24	25	26	27	28	29	30	28	29	30	31	1	2	3
														31	1	2	3	4	5	6							
September							October							November							December						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
28	29	30	31	1	2	3	25	26	27	28	29	30	1	30	31	1	2	3	4	5	27	28	29	30	1	2	3
4	5	6	7	8	9	10	2	3	4	5	6	7	8	6	7	8	9	10	11	12	4	5	6	7	8	9	10
11	12	13	14	15	16	17	9	10	11	12	13	14	15	13	14	15	16	17	18	19	11	12	13	14	15	16	17
18	19	20	21	22	23	24	16	17	18	19	20	21	22	20	21	22	23	24	25	26	18	19	20	21	22	23	24
25	26	27	28	29	30	1	23	24	25	26	27	28	29	27	28	29	30	1	2	3	25	26	27	28	29	30	31
							30	31	1	2	3	4	5														

Sample Household: Income Certification Part III

PART III. GROSS ANNUAL INCOME (USE ANNUAL AMOUNTS)				
HH Mbr #	(A) Employment/Wages	(B) Soc. Security/Pensions	(C) Public Assistance	(D) Other Income
1	\$20,520.00			
2	\$18,309.38			
3				
4				
TOTALS	\$ _____	\$ _____	\$ _____	\$ _____
Add totals from (A) through (D) above			TOTAL INCOME (E):	\$ _____

We know from our application for the Robles household that there are 4 household members with income. So far, we have received verification of 2 household member incomes.

49

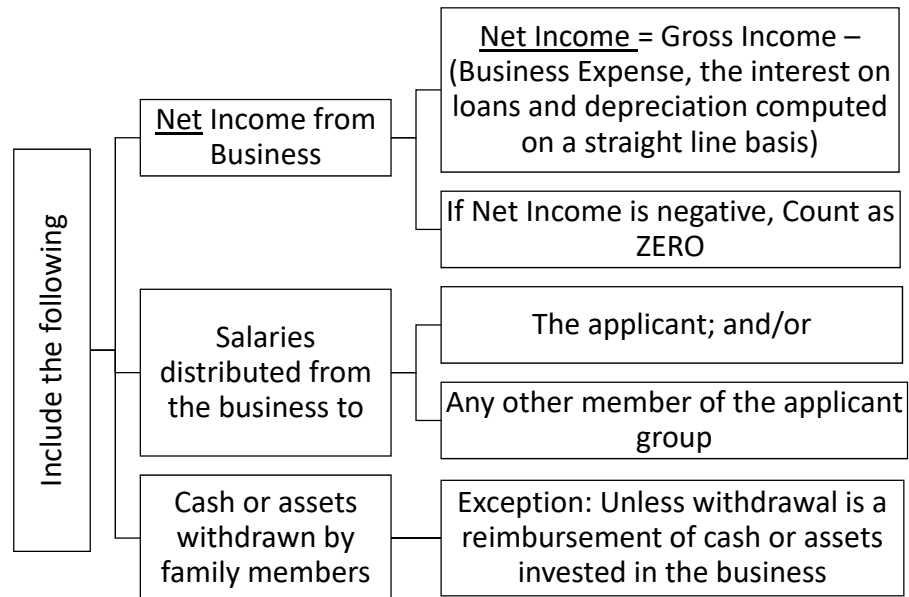
Learning Point: Anticipated Changes

Christina works as an employee at a ranch for \$9.50 an hour. Her employer anticipates that she will work 40 hours a week with no overtime. The employer also anticipates giving her a \$0.50 raise the 11th week after she will move in.

What will Christina's income be for eligibility purposes?

50

Income: Self-Employment/Income from Business



51

Learning Point: Self-Employment Income

Tina has a small cleaning business. Her gross monthly income is anticipated to be \$2,500. Her cleaning supplies and other expenses will total \$925 quarterly. What is the income that will be counted for this business?

52

Income: Rideshare/Delivery Services

February 18 - 24	
\$245.45	
Active time	5 hrs 29 min
Time online	6 hrs 0 min
Summary	
Batches	6
Customer Tips	\$47.44
Instacart Payment	\$59.77
One-Time Payment	\$133.24
Earnings Adjustment	\$5.00

INSTACART

Feb 17 - Feb 23		
\$8.08		
1 hr 50 min Online time	23 min Booked time	1 Rides
Earnings	\$8.08	
Deductions	-\$0.50	
Payouts	-\$7.58	
Available balance	\$0.00	

LYFT

Weekly	
Feb 17 - 24	
\$78.73	
EARNINGS	
<div style="border: 1px solid black; border-radius: 5px; padding: 2px; display: inline-block;">Feb 18 \$56.77</div>	
2 TRIPS	3h 40m TIME ONLINE
2 POINTS	
Earnings	\$78.73
Trip Earnings	\$65.37
Toll	\$3.36

UBER

53

Learning Point: Rideshare/Delivery Services

February 18 - 24	
\$245.45	
Active time	5 hrs 29 min
Time online	6 hrs 0 min
Summary	
Batches	6
Customer Tips	\$47.44
Instacart Payment	\$59.77
One-Time Payment	\$133.24
Earnings Adjustment	\$5.00

INSTACART

Your applicant works for Instacart and has only received one paycheck. What is the best way to calculate their income? They have stated that they anticipate the same level of pay for each week.

54

Income: Social Media Influencer

There are many different ways a person can get paid for being a social media influencer. Most are independent contractors and should be treated as self-employed.

Example: Kevin streams for YouTube. He can make anywhere from \$1,200 to \$4,000, dependent upon his views, ads, etc., per month and receives a statement each month. He also has subscribers and gifts given which must also be included as income. In this case, he can provide the most recent 4-6 statements. To calculate his income, average the statements and count the net income. The taxes paid/owed are not considered an allowable deduction when determining the net income. Please note, not all influencers receive monthly statements; therefore, you will need to work with the applicant and/or prospective resident regarding what they have available to verify their income.

Acceptable forms of verification would include:

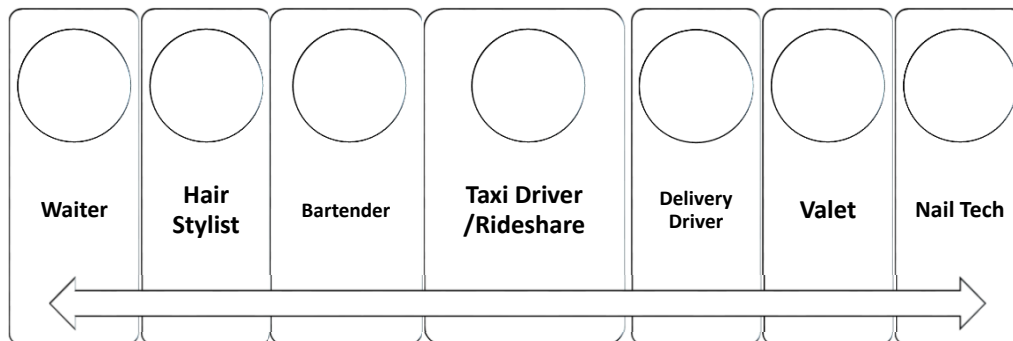
- IRS form 1040 schedule C or 4506-T
- Statements showing net income (most recent 4-6 to average)
- Other documentation listed in Appendix 3 of the 4350.3
- Self affidavit as last resort

Citation: HUD 4350.3, 5-6H, page 5-13
Appendix 3 (Acceptable forms of verification)

55

Income: Tip Income

- Not always reflected on paystubs or verifications
- Obtain statement of anticipated tips and include
- Tip income is typically earned in these industries



This list is not exhaustive!

56

Income: Tip Affidavit

Applicant/Tenant: _____ Apartment: _____

I, _____, hereby certify that I receive \$ _____ weekly/monthly/quarterly/annually (circle one) in undeclared tip income.

These are tips the I *DO NOT* report to my employer, and are in addition to the amount of tip income I report to my employer for tax purposes.

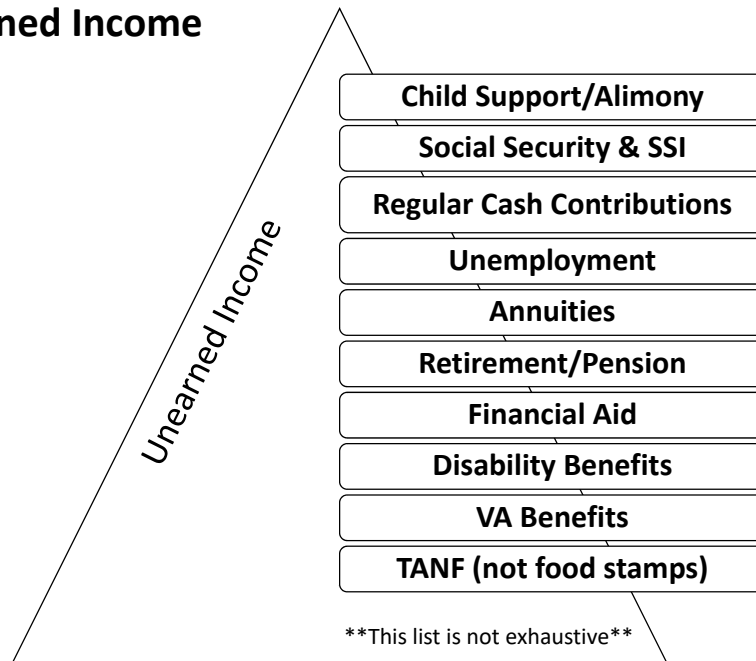
Under penalty of perjury, I certify that the information presented in this certification is true and accurate to the best of my knowledge. I further understand that providing false representations constitutes an act of fraud. False, misleading, or incomplete information may result in the termination of my lease agreement. I understand that I may be required to periodically update this information as requested by owner/agent.

Signature of Applicant/Tenant _____ Date _____

The Department has made available for use a Tip Affidavit that can be utilized to certify income from applicants receiving tips as part of their employment. This is not a required form, but the income must be certified by the development. Developments can use their own form if they would like.

57

Income: Unearned Income



58

Income: Unemployment Income

Calculate assuming current circumstance will last a full twelve (12) months.

Adjustments for Prior Overpayment of Benefits

If an agency is reducing a family's benefits to adjust for a prior overpayment (e.g., social security, SSI, TANF, or unemployment benefits), count the amount that is actually provided after the adjustment.

59

Learning Point: Unemployment Income

Based on the unemployment benefit statement; what is the amount of unemployment income that would be included in the calculation of eligibility?

Payment Summary List

Claimant Information	
Name:	CHRISTINE CALLAHAN
Social Security Number (SSN):	XXX-XX-1787
Claim Type:	Regular Unemployment Benefits
Claim Start Date:	- - -
Weekly Benefit Amount:	\$390.00
Maximum Possible Benefits:	\$9,176.00
Benefits Paid to Date:	\$2,730.00
Benefits Remaining:	\$6,446.00

Week(s)	TWC Processed Date	Deduction(s)	Payment
Jul 19, 2022 to Jul 25, 2022	- - -	\$99.00	\$891.00
Jul 12, 2022 to Jul 18, 2022	- - -	\$99.00	\$891.00
Jul 05, 2022 to Jul 11, 2022	- - -	\$99.00	\$891.00
Jun 28, 2022 to Jul 04, 2022	- - -	\$99.00	\$891.00
Jun 21, 2022 to Jun 27, 2022	- - -	\$99.00	\$891.00
Jun 14, 2022 to Jun 20, 2022	- - -	\$99.00	\$891.00
Jun 07, 2022 to Jun 13, 2022	- - -	\$99.00	\$891.00
May 31, 2022 to Jun 06, 2022	- - -	\$0.00	\$0.00

60

Income: Unemployment Income Exception

Housing Tax Credit (HTC) Program Exception

Annualized payments should not be used unless the source of funds is expected to continue throughout the certification period, or for an indeterminable length of time.

61

Income: Child Support/Alimony

Gather Divorce Decree, Court Order or a printout from the court/agency for verification

Please note, that verification documentation must display the court ordered amount - A printout of payments received is not sufficient

**Court
Ordered**

Include amounts awarded

Include any Arrearage amounts

DO NOT include Cash Medical Support

62

Income: Child Support/Alimony; Not Court Ordered

If the support is not court ordered due to no marriage/other reason

- Verification can include a Certification stating the amount received and pay frequency.

63

Income: Child Support/Alimony; Not Included

DO NOT include if ALL of the following apply:

1) Applicant certifies that:

- Payments are not being received
- That he/she has taken all reasonable legal actions to collect amounts due, including filing with the appropriate courts or agencies responsible for enforcing payment

AND

2) Verification gathered from the court/agency that supports that payments aren't being received.

- Printouts from the court/agency responsible for enforcing payments:
 - ✓ Indicating the frequency and amount of payments being received; and
 - ✓ The status of the case (showing "enforcement" or comparable language)

64

Learning Point 1: Child Support/Alimony

What is the amount of Child Support Income to be included in annual income calculation for eligibility?

CURRENT CHILD SUPPORT

Edgar Salazar is ORDERED to pay Emily Salazar current child support of \$328.00 each month begging the 1st day of December 2021, payable on or before that date and on or before the same day of each month thereafter until the first month following the date on which the youngest child reaches the age of eighteen years or graduates from high school.

65

Learning Point 2: Child Support/Alimony

What is the amount of Child Support Income to be included in annual income calculation for eligibility?

No case was found on the Child Support Registry.

Other: _____

This document contains the most recent court order. Tax Offset amounts are not included in the reverse side of the form.

OAG Case #: 001250
Registry Only Case: DANIEL CARSON GABRIEL CARSON

Case #: F-XXXX-13-7
The amount of court child support is \$20.00 per MONTHLY

Not Cooperating

Case Title IV-D agency. Federal tax offsets, if applicable, are provided on _____

Date:	Amount:
12/02/2021	\$520.00
11/03/2021	\$520.00
10/02/2021	\$520.00
09/02/2021	\$520.00
08/04/2021	\$520.00
07/02/2021	\$520.00
06/02/2021	\$520.00
05/04/2021	\$520.00
04/01/2021	\$520.00
03/03/2021	\$520.00
02/04/2021	\$520.00
01/03/2021	\$520.00

Case #: _____
The amount of court child support is _____ per _____
Date: _____ Last 12 Payments Amount: _____

66

Learning Point 3: Child Support/Alimony

Sybil has a court order to receive \$425 per month, but her ex-husband does not pay, she has certified to this fact; however, Sybil has made no effort to collect the child support. We must count the full \$425 per month as income, **true or false?**

67

Income: Child Support/Alimony; Average of Payments

If the applicant is receiving payments greater than the court awarded amount the income must be calculated using the higher amount.

Fluctuating payments should be calculated by averaging the payments received within 120 days of the Income Certification effective date.

68

Learning Point 4: Child Support/Alimony

What is the amount of Child Support Income to be included in annual income calculation for eligibility?

No case was found on the Child Support Registry.

Other: _____

This document contains the most recent Tax Offset amounts are not included in the reverse side of the form.

OAG Case #: 00185
Registry Only

Dependent(s): CODY BRADLEY

Cause #: 324-xxxx-11
The amount of court child support is 222.00 per BI-WEEKLY

Last 12 Payments

Date:	Amount:
08/23/2022	\$141.31
08/23/2022	\$65.00
08/09/2022	\$206.31
07/26/2022	\$141.31
07/26/2022	\$65.00
07/13/2022	\$206.31
06/28/2022	\$141.31
06/28/2022	\$65.00
06/01/2022	\$206.31
05/17/2022	\$141.31
05/17/2022	\$65.00
05/03/2022	\$206.31

Based on the verification, we can tell that the applicant is receiving amounts that differ from what is court ordered.

In this case both calculations must be made to determine which amount should be used for eligibility.

Cause #: _____
The amount of court child support is _____ per _____ Last 12 Payments
Date: _____ Amount: _____

69

Learning Point 5: Child Support/Alimony

What is the amount of Child Support Income to be included in annual income calculation for eligibility for a certification dated September 1st?

No case was found on the Child Support Registry.

Other: _____

This document contains the most recent Tax Offset amounts are not included in the reverse side of the form.

OAG Case #: 00104
Registry Only

Dependent(s): IVAN HERMAN

Cause #: D2-XXXXXX
The amount of court child support is 562.00 per MONTHLY

Last 12 Payments

Date:	Amount:
07/30/2022	\$258.00
07/16/2022	\$258.00
07/02/2022	\$258.00
06/19/2022	\$258.00
06/05/2022	\$258.00
05/27/2022	\$258.00
05/07/2022	\$387.00
04/29/2022	\$129.00
04/19/2022	\$2,535.00
04/01/2022	\$281.08
03/16/2022	\$281.08
03/01/2022	\$281.08

Cause #: _____
The amount of court child support is _____ per _____ Last 12 Payments
Date: _____ Amount: _____

70

Learning Point 6: Child Support/Alimony

What is the amount of Child Support income that should be included in the calculation of income for eligibility?

ORDER INFORMATION: This document is based on the support or withholding order from TEXAS. You are required by law to deduct these amounts from the employee/obligor's income until further notice.

\$ 416.00	Per	monthly	current child support
\$ 35.00	Per	monthly	Past-due child support – Arrears greater than 12 weeks?
\$ 0.00	Per	monthly	current cash medical support
\$ 0.00	Per	monthly	Past-due cash medical support
\$	Per		current spousal support
\$	Per		past-due spousal support
\$	Per		other (must specify) _____

For a total of \$ 451.00 Per monthly to be forwarded to the payee below.

AMOUNTS TO WITHHOLD: You do not have to vary your pay cycle to be in compliance with the Order Information. If your pay cycle does not match the ordered payment cycle, withhold one of the following amounts:

\$ 104.00	per wkly pay period.	\$ 225.50	per semimonthly pay period (twice a month).
\$ 208.15	per biwkly pay period	\$ 451.00	per monthly pay period

\$ _____ ONE-TIME LUMP SUM PAYMENT Do not stop any existing IWO unless you received a termination order.

71

Learning Point 7: Child Support/Alimony

An applicant has court ordered child support for their child in the amount of \$290 every two weeks. The child support is being paid; however, the applicant is returning all of the money via Venmo since they have mutually agreed upon a change and now are sharing custody. They have not gone to court to make any changes to the child support agreement.

Does the full child support amount need to be included as income? Or could the child support amount be disregarded since there is first hand documentation showing the applicant is consistently returning all the money to the non-custodial parent?

72

Income: Child Support/Alimony; Payment Record

My Payments Page 1 of 2

KEN PAX
CHILD SUPPORT DIVISION

Español Home Logout

Child Support Interactive

Custodial Parent: My Payments

Custodial Parent: Monica Smith

Sign Up for Direct Deposit or Texas Payment Card Online!

Child support payments are sent to you electronically. You are no longer required to send in paper forms. *Your options are now available online.*

How To Enroll
Click the online [Direct Deposit](#) form to start or change your direct deposit information.

To receive the Texas Payment Card, click the [online form](#) and follow the instructions on the screen.

Other Parent: Jason Smith
Below are the last 12 payments.

Date	Amount	Type
02/03/2020	\$147.00	Direct Deposit
01/08/2020	\$147.00	Direct Deposit
12/06/2019	\$147.00	Mailed
11/05/2019	\$147.00	Direct Deposit
10/09/2019	\$147.00	Direct Deposit
09/03/2019	\$147.00	Direct Deposit
08/02/2019	\$147.00	Direct Deposit

<https://childsupport.org.state.tx.us> 2/18/2020

❖ This example would not be acceptable as a “stand-alone” verification of Child Support as it only shows what the household has received, it does not show the court ordered amount and frequency

❖ If there are any discrepancies between what the household certifies and the payment history then a Court Order or Agreement should also be obtained to evidence the amount of support ordered

73

Income: Social Security

- Count gross amount (prior to any deductions)
- Include payments received by:
 - Adults
 - Adults on behalf of members under the age of 18
 - Members under the age of 18

Adjustments for Prior Overpayment of Benefits

If an agency is reducing a family's benefits to adjust for a prior overpayment (e.g., social security, SSI, TANF, or unemployment benefits), count the amount that is actually provided after the adjustment.

****If the reduction is for any other reason (such as alimony or child support payments) the adjusted amount cannot be used. The gross benefit amount must be counted.****

74

Learning Point 1: Social Security Income

What is the amount of Social Security Income to be counted for this household with a move-in date of October 1, 2021?

SOCIAL SECURITY ADMINISTRATION

Date: September 22, 2021
 BNC#: 21BCS06708475
 REF: A,DI

MICHAEL SMITH
 311 GLEN ST
 PAMPA, TX 79065

You asked us for information from your record. The information that you requested is shown below. If you want anyone else to have this information, you may send them this letter.

Information About Current Social Security Benefits

Beginning October 2021, the full monthly Social Security benefit before any deductions is.....\$ 1587.20

We deduct \$148.50 for medical insurance premiums each month.

The regular monthly Social Security payment is.....\$ 1438.00
 (We must round down to the whole dollar.)

75

Learning Point 1: Social Security Income with COLA increase

What is the amount of Social Security Income to be counted for this household with a move-in date of November 1, 2021? The Social Security Administration announced a COLA increase of 5.9% on October 13, 2021.

SOCIAL SECURITY ADMINISTRATION

Date: September 22, 2021
 BNC#: 21BCS06708475
 REF: A,DI

MICHAEL SMITH
 311 GLEN ST
 PAMPA, TX 79065

You asked us for information from your record. The information requested is shown below. If you want anyone else to have this information, you may send them this letter.

Information About Current Social Security Benefits

Beginning October 2021, the full monthly Social Security benefit before any deductions is.....\$ 1587.20

We deduct \$148.50 for medical insurance premiums each month.

The regular monthly Social Security payment is.....\$ 1438.00
 (We must round down to the whole dollar.)

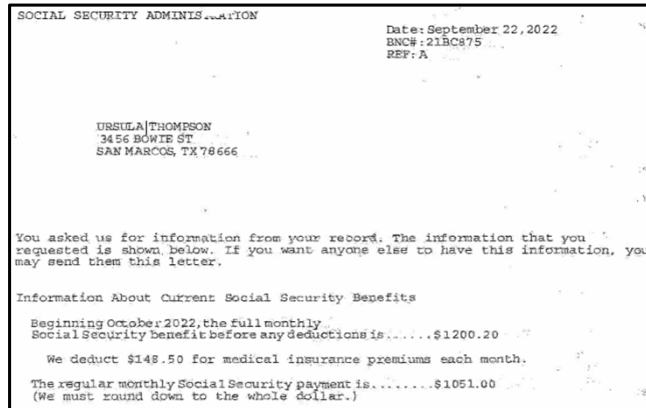
Latest COLA

The latest COLA is 5.9 percent for Social Security benefits and SSI payments. Social Security benefits will increase by 5.9 percent beginning with the December 2021 benefits, which are payable in January 2022. Federal SSI payment levels will also increase by 5.9 percent effective for payments made for January 2022. Because the normal SSI payment date is the first of the month and January 1 is a holiday, the SSI payments for January are always made at the end of the previous December.

76

Sample Household: Social Security Income

What is the amount of Social Security Income to be counted for Ursula Thompson with their move-in date of September 30th?



77

Sample Household: Income Certification Part III continued

PART III. GROSS ANNUAL INCOME (USE ANNUAL AMOUNTS)				
HH Mbr #	(A) Employment/Wages	(B) Soc. Security/Pensions	(C) Public Assistance	(D) Other Income
1	\$20,520.00			
2	\$16,309.36			
3		\$14,402.40		
4				
TOTALS	\$ _____	\$ 14,402.40	\$ _____	\$ _____
Add totals from (A) through (D) above			TOTAL INCOME (E):	\$ _____

We know from our application for the Robles household that there are 4 household members with income. So far, we have received verification of 2 household member earned incomes. We have also verified the Social Security Income for Ursula.

78

Learning Point 3: Social Security

Carson applies with his 16 year old daughter Daisy. Daisy works part-time earning \$6,100 a year. Daisy also receives \$932 per month in Social Security benefits from her deceased mother.

How much income should be counted for Daisy on the Income Certification?

Members	Earned Income	Other Income (including income from assets)
Dependents (Child Under 18)	No	Yes

79

Income: Regular Cash Contributions & Gifts

Count any amounts received from persons not in the applicant group

- Examples include:
 - Rent or utility payments paid on behalf of the applicant
 - Cash contributions received on a regular basis
 - Financial assistance provided for the support of a child
- Exceptions include:
 - Groceries and/or contributions paid directly to a child care provider by persons not in the applicant group
 - Temporary, nonrecurring, or sporadic income (including gifts)

80

Learning Point: Regular Cash Contributions & Gifts

What is the amount of Cash Contribution to be included in the determination of eligibility?

I, May Perez, provide my daughter, June Perez, \$250 a month for help with utilities and rent. You can reach me at 555-6547 with any questions.

Sincerely,
May Perez

81

Income: Periodic Payments

Typically these benefits are funds in which the applicant paid into over time. *Once matured, monthly benefits are paid out.*

Include verifiable anticipated increases, usually referred to as Cost of Living (COLA) increases.

Can be received from:

- Annuities
- Insurance Policies (i.e. Long-Term Care Ins., etc.)
- Retirement Funds
- Pension Funds
- Disability or Death Benefits

82

Learning Point: Periodic Payments

What is the amount of retirement income that should be included in the determination of eligibility?

<u>7/16/2011</u>	Retirement Date	
CURRENT GROSS AMOUNT OF MONTHLY PAYMENT	EFFECTIVE DATE OF COMMENCEMENT OF PYMT FROM – THROUGH	EFFECTIVE DATE OF CURRENT PAYMENT
<u>652.84</u>	<u>07/15/11 – FOR LIFE</u>	<u>07/15/11</u>
<u>652.84</u>		
<u>-NONE-</u>		
<u>50.84</u>		
<u>602.00</u>		
	Gross Total of All Monthly Payments	
	Total Federal Income Tax Withheld Monthly	
	Total Insurance Premium Withheld Monthly	
	New Amount of All Monthly Payments	

Verify with issuer if there have been any “cost of living” increases since the origination

83

Income: Pension Funds – Special Rule

Any portion of a fund paid directly to an applicant's *former spouse* pursuant to the terms of a divorce decree, annulment or legal separation are excluded from their income

- Applies to pensions, social security, state, local or private pensions authorized by the Office of Personnel Management (OPM)
- If the former spouse is applying, the court ordered amount would be included in their income

84

Income: Periodic Payments – Special Rule

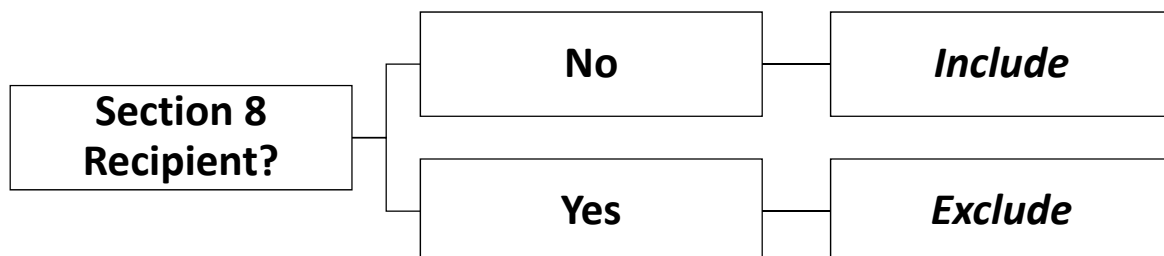
Specific to
“DEFERRED”
Veterans Disability
Benefits received
through the
Department of
Veterans Affairs

- *Exclude* these payments received in a lump sum or in prospective monthly payments for SECTION 8 Recipients.

85

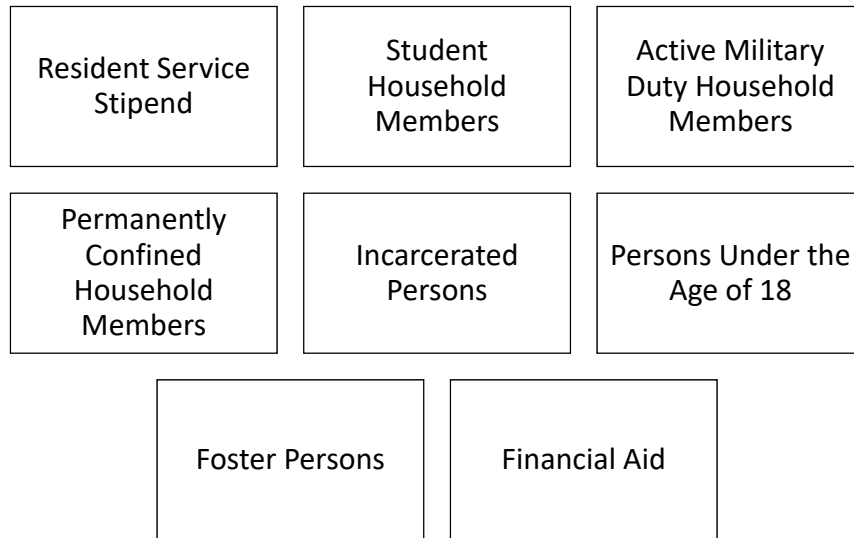
Learning Point: Periodic Payments – Special Rule

Harry provides a benefit award letter from the Department of Veterans Affairs indicating that he will receive deferred disability benefits in the amount of \$175 a month. Income in the amount of \$2,100 ($\175×12) should be included.



86

Income: Special Circumstances



87

Income: Resident Service Stipend



88

Learning Point: Resident Service Stipend

Mike distributes fliers to resident doors once a month. Management provides him a \$125 rental credit. What is the amount of resident service stipend to be included in the determination of eligibility?

89

Income: Full-Time Students

- If over 18 years of age; count only a small amount of their earned income – a maximum of \$480 per year, if:
 - They are not the Head, Spouse, or Co-Head
 - They are a Dependent
- Must verify student status
 - Verified by Registrar's office
 - Only exception is if Registrar's office requires verification through Student Clearinghouse
 - Full-time student determination is made by the educational institution or technical school
- Must gather all verifications of earned income

90

Learning Point 1: Full-Time Students

Mario and Rita apply with their 21 year old son Calvin. Calvin is a full-time student who works at Lowe's making \$9,984 a year.

We should:

- A: Include Calvin's income from employment of \$9,984
- B: Include only \$480 in income from employment for Calvin
- C: Include \$480 and \$9,984 in total employment income for Calvin

91

Learning Point 2: Full-Time Students

Charles and Maggie apply with their 19 year old daughter Myka. Myka works part-time at Red Robin making \$7,680 a year. Only \$480 of Myka's income should be included in the income calculation, **true or false?**

92

Learning Point 3: Full-Time Students

Ellen applies with her 19 year old son Blake. Blake is a full-time student who receives \$7,260 a year in Social Security benefits.

We Should:

A: Verify and include \$7,260 in unearned income for Blake

B: Include \$480 in unearned income for Blake

C: Verify and include \$7,260 and \$480 in unearned income for Blake

93

Learning Point 4: Full-Time Students

Freddie applies with his 16 year old daughter Elizabeth. Elizabeth is a full-time student and works part-time at Ulta earning \$2,130 a year. Only \$480 of Elizabeth's income should be included in the income calculation, **true or false?**

Members	Earned Income	Other Income (including income from assets)
Dependents (Child Under 18)	No	Yes

94

Learning Point 5: Full-Time Students

Based on the application, only \$480 of Elsa’s earned income needs to be included, true or false?

C. HOUSEHOLD COMPOSITION – List the Head of Household and all other persons who comprise the household							
	Full Name (exactly as on driver’s license or other govt. document)	Relationship to Head of HH	Date of Birth	Gender	Student Status F/T=Full Time P/T=Part Time	Social Security No./ Alien Registration No.	Receiving income
1	Hans Snow	Head of Household	06/20/73	<input checked="" type="checkbox"/> Male <input type="checkbox"/> Female	<input type="checkbox"/> F/T <input checked="" type="checkbox"/> P/T <input type="checkbox"/> N/A	XXX-XX-9900	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
2	Elsa Snow	<input type="checkbox"/> Co-Head <input checked="" type="checkbox"/> Spouse <input type="checkbox"/> Dependent <input type="checkbox"/> Other Adult	01/07/77	<input type="checkbox"/> Male <input checked="" type="checkbox"/> Female	<input checked="" type="checkbox"/> F/T <input type="checkbox"/> P/T <input type="checkbox"/> N/A	XXX-XX-1302	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
3	Kristie Snow	<input type="checkbox"/> Co-Head <input type="checkbox"/> Spouse <input type="checkbox"/> Dependent <input checked="" type="checkbox"/> Other Adult	05/11/94	<input type="checkbox"/> Male <input checked="" type="checkbox"/> Female	<input type="checkbox"/> F/T <input checked="" type="checkbox"/> P/T <input type="checkbox"/> N/A	XXX-XX-2701	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
4	Olaf Snow	<input type="checkbox"/> Co-Head <input type="checkbox"/> Spouse <input type="checkbox"/> Dependent <input checked="" type="checkbox"/> Other Adult	01/07/12	<input type="checkbox"/> Male <input checked="" type="checkbox"/> Female	<input checked="" type="checkbox"/> F/T <input type="checkbox"/> P/T <input type="checkbox"/> N/A	XXX-XX-2771	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

95

Sample Household: Full-Time Students

The paystubs below are for Sebastian Robles, an adult dependent, full-time student household member in our example household. Assuming we have properly verified the household member’s student status as full-time, what is the annual income to be included for eligibility purposes?

Earnings Pay Date: 7/1/2022 Pay period begin: 6/16/2022 Pay period end: 6/30/2022		Earnings Pay Date: 8/1/2022 Pay period begin: 7/16/2022 Pay period end: 7/31/2022	
	Current Total		Year to Date
Regular	\$ 750.00	\$	9,000.00
Longevity	\$ -	\$	-
Bonus	\$ -	\$	-
Total	\$ 750.00	\$	9,000.00
Earnings Pay Date: 7/15/2022 Pay period begin: 7/1/2022 Pay period end: 7/15/2022		Earnings Pay Date: 8/15/2022 Pay period begin: 8/1/2022 Pay period end: 8/15/2022	
	Current Total		Year to Date
Regular	\$ 750.00	\$	9,750.00
Longevity	\$ -	\$	-
Bonus	\$ -	\$	-
Total	\$ 750.00	\$	9,750.00
	Current Total		Year to Date
Regular	\$ 750.00	\$	11,250.00
Longevity	\$ -	\$	-
Bonus	\$ -	\$	-
Total	\$ 750.00	\$	11,250.00

96

Sample Household: Income Certification completed

PART III. GROSS ANNUAL INCOME (USE ANNUAL AMOUNTS)				
HH Mbr #	(A) Employment/Wages	(B) Soc. Security/Pensions	(C) Public Assistance	(D) Other Income
1	\$20,520.00			
2	\$16,309.36			
3		\$14,402.40		
4	\$480.00			
TOTALS	\$ 37,309.36	\$ 14,402.40	\$	\$
Add totals from (A) through (D) above			TOTAL INCOME (E): \$51,711.76	

We know from our application for the Robles household that there are 4 household members with income. We have verified and annualized all of the incomes. This is the completed income section of the Income Certification.

97

Income: Household Members on Active Military Duty

Include Members on Active Military Duty in the Household Composition

- Income must be counted if the Military Member is: Head, Spouse, or Co-Head

OR

- If the spouse or a dependent of the person on active military duty is a member of the applicant group

98

Income: Active Military Duty Pay Inclusions/Exclusions

- Include
 - Regular Pay
 - Special Pay
 - All Allowances

- Exclude:
 - Hostile Fire Pay

- Only acceptable form of verification:
 - Leave and Earnings Statement (LES)
 - Pay frequency varies based on position

99

Learning Point 1: Household Members on Active Military Duty

Nancy applies with her son Kendall. Nancy's application indicates that there are 3 household members and her spouse, Jerry, is away on active military duty.

Jerry's income and assets must be considered when determining income eligibility

100

Learning Point 2: Household Members on Active Military Duty

Sylvia submits an application with her husband Sam and niece Claire. Sylvia indicates that she is caring for Claire while her sister, Margie, is away on active military duty.

Margie is single and no other permanent housing is identified other than military housing. The income and assets of Margie should be included when determining eligibility.

101

Learning Point 3: Household Members on Active Military Duty

Applicant is paid monthly and provides the following LES. What income should be included in the determination of eligibility?

DEFENSE FINANCE AND ACCOUNTING SERVICE MILITARY LEAVE AND EARNINGS STATEMENT									
ID	NAME (Last, First, MI)	SOC. SEC. NO.	GRADE	PAY DATE	YRS SVC	ETS	BRANCH	DSSN	PERIOD COVERED
	Green, Derrick, A	XXX-XX-4542	E3	020115	03	100210	AF	4542	1-31 DEC 14
ENTITLEMENTS		DEDUCTIONS			ALLOTMENTS		SUMMARY		
Type	Amount	Type	Amount	Type	Amount	+Amt Fwd			
A	BASE PAY	FEDERAL TAXES	88.46	DISCRETIONARY ALT	1,521.00	+Tot Ent 4266.73			
B	BAS	FICA-SOC SECURITY	139.33	HUMANA DENTAL	11.58	-Tot Ded 1570.22			
C	BAH	FICA-MEDICARE	32.59			-Tot Alt 1532.58			
D		SGLI	27.00			=Net Amt 1163.93			
E		AFRH	0.50			-Cr Fwd 0.00			
F		FAMILY SGLI	5.50			=EOM Pay 1163.93			
G		TSP	112.37						
H		MID-MONTH-PAY	1164.47						
I									
TOTAL		4266.73		1570.22		1532.58			

102

Learning Point 4: Household Members on Active Military Duty

Jefferson is in the military and receives a total of \$3,200 a month, including an allowance for hazardous duty pay of \$300 and a housing allowance of \$400. He does not live in a county where the housing allowance is exempt. What is his total annual income from the military?

- A. \$38,400
- B. \$30,000
- C. \$43,200
- D. \$46,800

103

Income: Permanently Confined Household Member

Individuals permanently confined to a nursing home or hospital

- May not be the Head, Spouse, or Co-Head
- May continue as a member at the applicant's discretion

How to handle income depends on the Applicant, if they...

- Include as a member: Count all income
- Exclude the member: Income is not counted

104

Income: Incarcerated Persons

If individual is incarcerated – do not count as a household member, but count any income the applicant group receives from the individual.

105

Income: Persons under the age of 18

Emancipated Minors

- Include income if:
 - Under the age of 18, who under law, are treated as adults
 - Identified as Head, Spouse, or Co-Head

Adopted Children

- Follow same rules as Dependents
- Adoption assistance payments in excess of \$480, annually, are not counted

106

Income: Foster Persons

Follow guidelines provided in chart

Members	Earned Income	Other Income (including income from assets)
Foster Adult	Yes	Yes
Foster Children (Under 18)	No	Yes

Exception: Payments received for the care of foster children or foster adults are not counted. This rule only applies to payments made through official foster care relationships with local welfare agencies.

107

Income: Financial Aid

The situation of the student will determine if income from the educational grants and/or scholarships should be included:

- The following 3 questions should be answered:
 1. Section 8 Recipient?
 2. Is student 23 years of age or older with dependent children?
 3. Is student living with his or her parents who are applying for or receiving Section 8?

108

Income: Types of Financial Aid

All financial assistance under the Higher Education Act of 1965

Grants

Scholarships

Educational entitlements

Work study

Financial aid packages

All financial assistance from an institution of higher education

All financial assistance from a private source

109

Income: Financial Aid and Section 8

**Section 8
Recipient?**

No

- *Exclude*

Yes

- *Go to
Question #2*

**Is student 23 years of
age or older with
dependent children?**

No

- *Go to
Question #3*

Yes

- *Exclude*

**Is student living with his
or her parents who are
applying for or receiving
Section 8?**

No

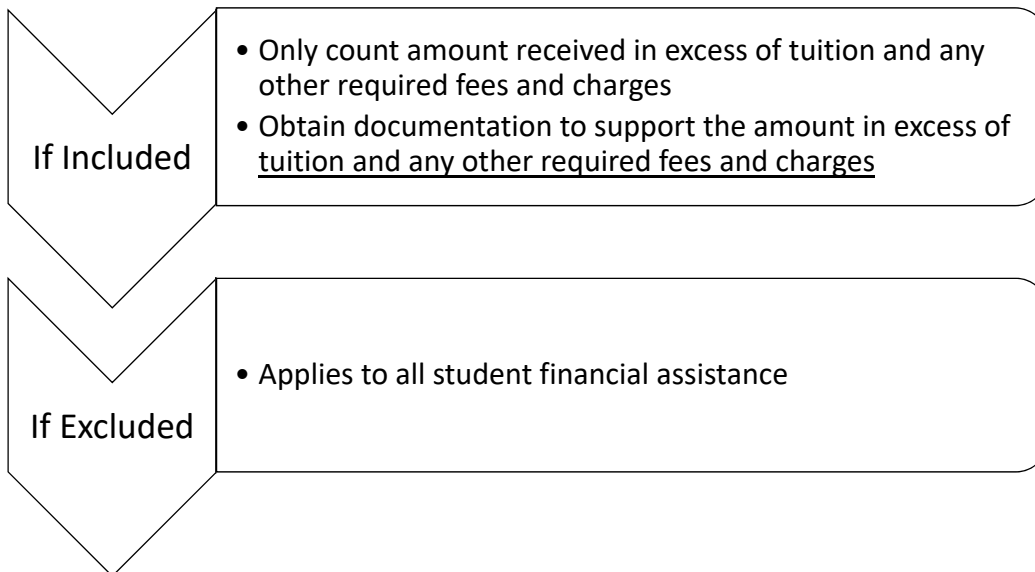
- *Include*

Yes

- *Exclude*

110

Income: Financial Aid, if Included or Excluded



111

Learning Point 1: Financial Aid

Steven (age 21) is a Section 8 recipient who receives a grant to help pay for college. His grant is in the amount of \$12,000 a year. Tuition is \$7,000, books \$450, enrollment fees \$600, and lab fees \$250.

What is the amount of financial aid to be included in the determination of eligibility?

Ask the 3 questions:

1. Section 8 recipient?
2. 23 yrs of age or older ?
3. Living w/ his parents?

112

Learning Point 2: Financial Aid

Alex (age 22) and Brittany (age 21) apply with their daughter Spring (age 2). Alex is a full-time student who receives a scholarship in the amount of \$12,000 a year. Tuition is \$8,640; fees \$1,040; books \$950.

What is the amount of financial aid to be included in the determination of eligibility?

Ask the 3 questions:

1. Section 8 recipient?
2. 23 yrs of age or older ?
3. Living w/ his parents?

113

Income: Section 8 Verification

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

(The form is to be completed by the Public Housing Authority.)

To: _____ has applied for residency/is a resident of _____
(Applicant/Resident Name) (Property Name)

Housing Address _____
a TDHCA Affordable Housing Program property. In the case of a tenant receiving housing assistance payments under HUD's Section 8 Existing Housing Choice Program, regulations allow that if the PHA provides a statement to the building owner declaring that the tenant's income does not exceed the applicable limit, then the owner is not required to further verify the tenant's income.

City, State _____

Number of Household Members: _____ Move-In Recertification

Permission by: _____
(Signature of Applicant/Resident) (Date)

Please complete the section below and return this form in the enclosed self-addressed, stamped envelope. Thank you in advance for your prompt attention.

Sincerely,

THE FOLLOWING TO BE COMPLETED BY THE PUBLIC HOUSING AUTHORITY:

Based on the last income certification/recertification effective on _____, the household consists of _____ members whose combined gross annual income before any adjustments is \$ _____.
(Date) (# of members) (Gross Annual Income)

Signature _____ Date _____ Phone # _____
(Signature) (Date) (Phone #)

Printed Name _____ Title _____
(Printed Name) (Title)

The Income Verification for Households with Section 8 Certificates may be used for properties without Federal Funding.

This form may not be used if the verifying Housing Authority has any ownership, management, consulting agreement, or any involvement in the property operations.

114

Income: Section 8 Verification continued

THE FOLLOWING TO BE COMPLETED BY THE PUBLIC HOUSING AUTHORITY:

Based on the last income certification/recertification effective on _____, the household consists of _____ members whose combined gross annual income before any adjustments is \$_____.

(Date) (Date) (Gross Annual Income)

(Signature) (Date) (Phone #)

(Printed Name) (Title)

The effective date of the certification noted in the form must be within 120 days of the effective date of the Income Certification.

115

Learning Point: Section 8 Verification

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

To: Calvin Belding has applied for residency/is a resident of Pandora Springs
(Applicant/Resident Name) (Property Name)

Address: _____
City, State: _____

Number of Household Members: 5 Move-In Recertification

Permission by: Calvin Belding 8/30/2022
(Signature of Applicant/Resident) (Date)

Please complete the section below and return this form in the enclosed self-addressed, stamped envelope. Thank you in advance for your prompt attention.

THE FOLLOWING TO BE COMPLETED BY THE PUBLIC HOUSING AUTHORITY:

Based on the last income certification/recertification effective on 8/1/2022, the household consists of 5 members whose combined gross annual income before any adjustments is \$ 35,000.

(Date) (Date) (Gross Annual Income)

(Signature) (Date) (Phone #)

Amy Smith 8/30/2022 512-475-3800
(Signature) (Date) (Phone #)

Amy Smith Case Manager
(Printed Name) (Title)

Calvin Belding is moving into Pandora Springs on September 10, 2022. The household receives Section 8. The property received the following response with regards to the Belding household's annual income.

Is this an acceptable verification of income?

116

Income: Tips to Minimize Documentation Challenges

- Peer Review
- Spot Check Information
- Independent 3rd Party Review
- Document File With Calculations
- NO Correction Fluid (White-Out)

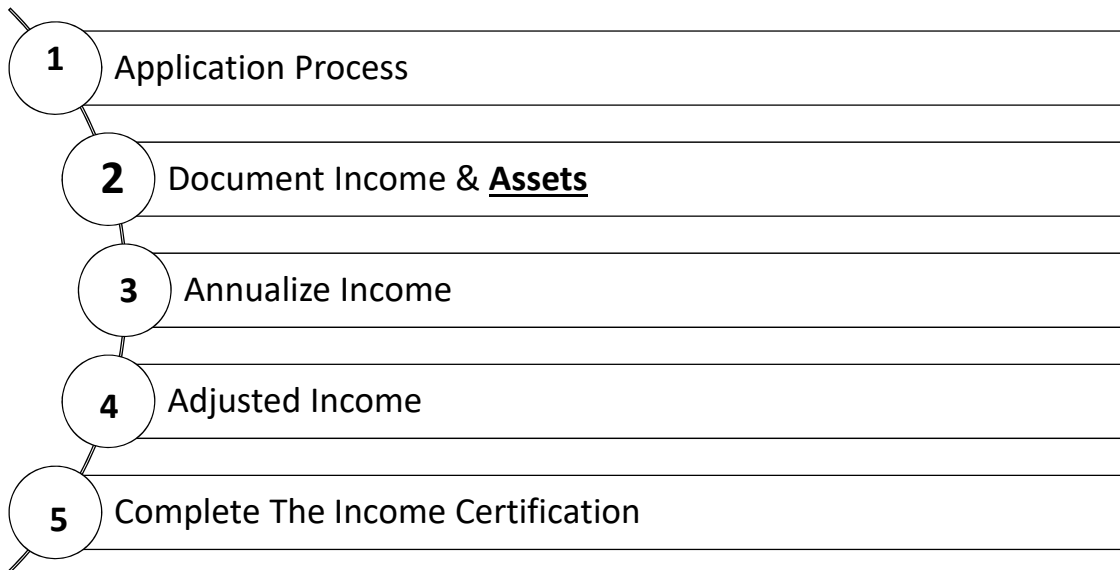
117

Module 3

Documenting Assets

118

Eligibility: 5 Basic Steps; Step 2 continued



119

Assets

Assets are items of value that may be turned into cash

- Not all items of value are considered an asset
- Items are not required to be “cashed out” at time of application

STEP 1: “ACTUAL INCOME” -The amount of income those assets are earning or could earn

STEP 2: “CASH VALUE” - The total cash value of the family’s assets

* Determine imputed income if/when the CASH VALUE of the household’s total assets is equal to or more than \$5,000

120

Assets: Inclusions and Exclusions

Income from Assets includes all amounts not specifically excluded by regulation

For a listing of Asset inclusions and exclusions, refer to Exhibit 5-2 of HUD's 4350.3

121

Assets: Actual Income

Actual Income can be derived from:

Interest

Asset

Other Net
Income

Dividends

*****Not all assets have income*****

122

Assets: Certification or Verification

Under \$5,000 Asset Certification

- The use of this form is not allowed if program requires 3rd party verification of assets
- Must be used in addition to the application screening tool to certify disposed of assets as well as assets held currently by the household

This is a form titled 'Under \$5,000 Asset Certification'. It includes sections for 'Personal Information', 'Assets', and 'Certification'. The 'Assets' section has columns for 'Type of Asset', 'Value', and 'Date Acquired'. The 'Certification' section contains a large block of text for the applicant to read and sign, followed by a signature line and date.

Asset Verification

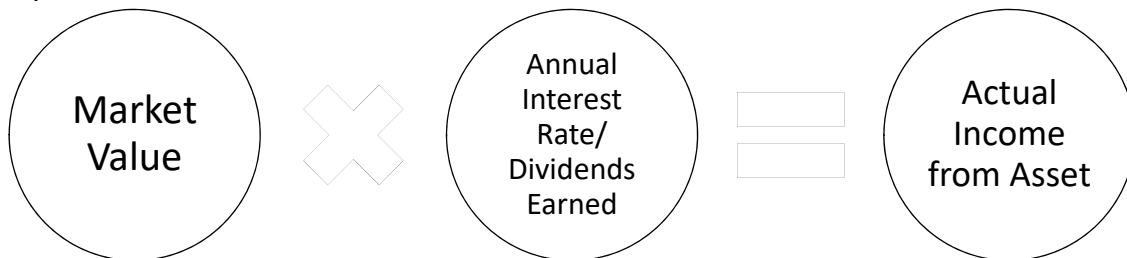
- Required if a household's total assets cash value is greater than or equal to \$5,000
- Use for all programs which require 3rd party verification of assets
- Must be sent directly to agency which holds the asset and returned directly to the development

This is a form titled 'Asset Verification'. It includes sections for 'Personal Information', 'Assets', and 'Verification'. The 'Assets' section has columns for 'Type of Asset', 'Value', and 'Date Acquired'. The 'Verification' section contains a large block of text for the verifier to read and sign, followed by a signature line and date.

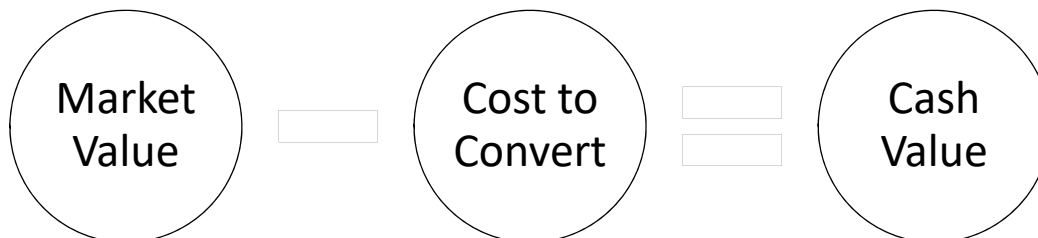
123

Assets: Formulas

Step 1: Determine the Actual Income from the Asset:



Step 2: Determine the Cash Value of the Asset:



124

Assets: Determining Actual Income

Step 1: Determine the Actual Income from the Asset

If the combined cash value of the assets are under \$5,000 for the household, the actual income from assets is included.

$\$5,000 > \text{Total Assets}$

Actual Income from Assets is used

If the combined cash value of the assets is \$5,000 or greater for the household, the annual income includes the greater of the actual income from assets; or a percentage of the cash value of the assets based on the current passbook savings rate (.06%) as established by HUD.

$\$5,000 \leq \text{Total Assets}$

The Greater of Actual versus Imputed Income is used

125

Assets: Determining Cash Value

Step 2: Determine the Cash Value of an Asset

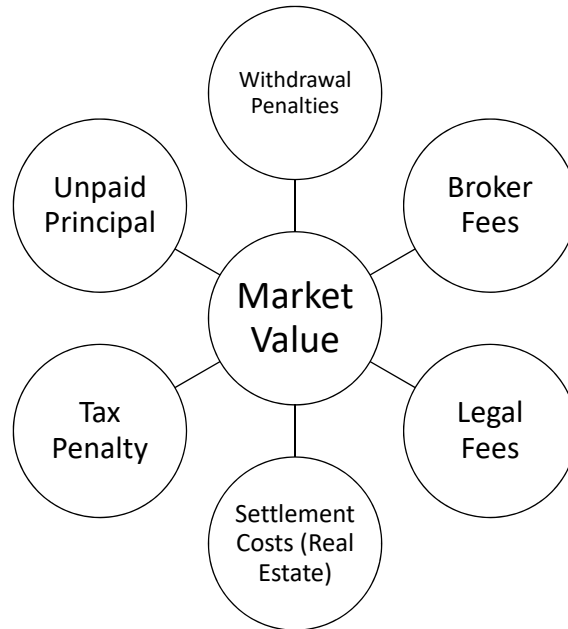
The "cash value" of an asset is the market value less reasonable expenses that would be incurred in selling or converting the asset to cash.

The cash value is the amount the household could actually receive in cash if the household converted an asset to cash.

The household is not required to convert an asset to cash.

126

Assets: Reasonable Costs to Convert



This list is not exhaustive, the cost to convert will vary based on the asset.

127

Assets: Types of Common Assets



Checking Account

- Cash Value = Six (6) months average balance
- Actual Income = Interest Income (if any)



Savings Account

- Cash Value = Current Balance
- Actual Income = Interest Income (if any)



Cash on Hand

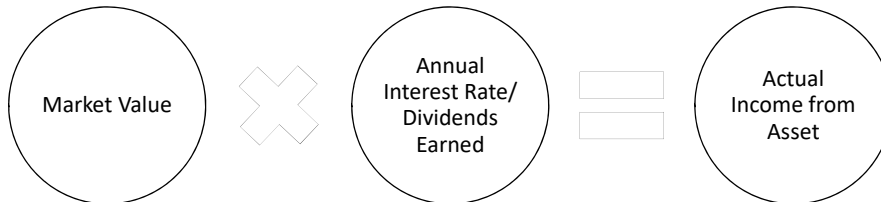
- Cash Value = Amount of cash on hand
- Actual Income = Zero (cash does not earn income)

128

Learning Point 1: Checking Account: Actual Income

What is the Actual Income from the asset below?

A. CHECKING ACCOUNT(s)			
Account Holder	Account Number	Average 6 Month Balance	Interest Rate, if any
Javier Chavez	XXX 5371	\$1,102.80	0
Maria Hinojosa			

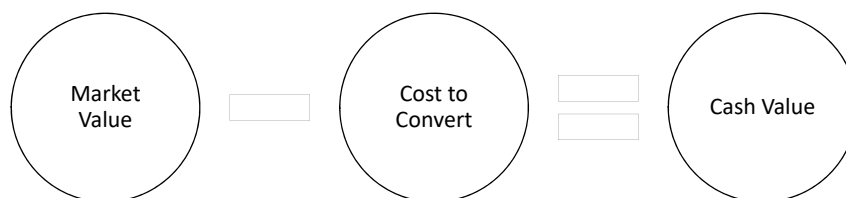


129

Learning Point 1: Checking Account: Cash Value

What is the Cash Value of the asset below?

A. CHECKING ACCOUNT(s)			
Account Holder	Account Number	Average 6 Month Balance	Interest Rate, if any
Javier Chavez	XXX 5371	\$1,102.80	0
Maria Hinojosa			

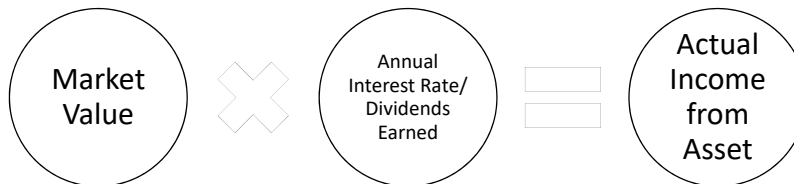


130

Learning Point 1: Savings Account: Actual Income

What is the Actual Income from the assets below?

B. SAVINGS ACCOUNT(s)				
Account Holder	Account Number	Present Balance	Annual Interest Rate	Withdrawal Penalty
Javier Chavez	XXX 5372	\$ 150.00	2%	0
Maria Hinojosa				
Julio Chavez	XXX 5528	\$ 5.00	2%	0

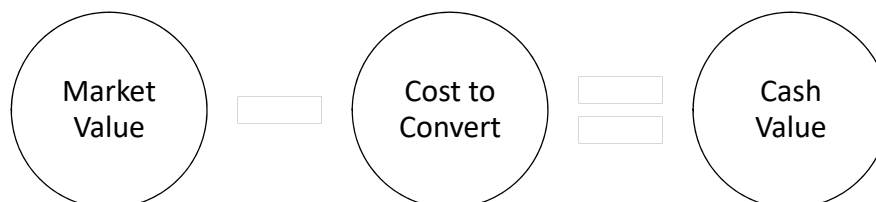


131

Learning Point 1: Savings Account: Cash Value


What is the Cash Value of the assets below?

B. SAVINGS ACCOUNT(s)				
Account Holder	Account Number	Present Balance	Annual Interest Rate	Withdrawal Penalty
Javier Chavez	XXX 5372	\$ 150.00	2%	0
Maria Hinojosa				
Julio Chavez	XXX 5528	\$ 5.00	2%	0



132

Sample Household: Checking Account: Actual Income



Pandora Springs Apartments
ATTN: Amy
Requestor Fax: (512) 475-3359

Account Number:	XXXXXXX1234	Last Six Statements Most Recent First
Account Type:	Checking	
Account Status:	Open	
Account Holders:	Eric/Ariel Robles	
Current Balance:	\$2,832.09	Average Balance:
Date Opened:	03/07/2016	Interest Paid:
Current Interest Rate:	0.00%	\$6,831.88
Date Closed:		\$5,303.99
Balance at Close:		\$2,847.46
		\$2,817.57
		\$2,817.25
		\$2,773.68
		N/A
		N/A
		N/A

Verification of Deposit as of: August 22, 2022

Account Number: XXXXXXX1234
Account Type: Checking/savings
Account Status: Open
Account Holders: Eric Robles & Ariel Robles

Based on the Asset Verification; what is the Actual Income from the Checking Account?

Market Value

×

Annual Interest Rate/Dividends Earned

=

Actual Income from Asset

Account Number: XXXXXXX1234
Account Type: Checking
Account Status: Open
Account Holders: Eric/Ariel Robles

Current Balance: \$2,832.09
Date Opened: 03/07/2016
Current Interest Rate: 0.00%


Account Number:	XXXXXXXX5678	Last Six Statements Most Recent First
Account Type:	Savings	
Account Status:	Open	
Account Holders:	Eric/Ariel Robles	
Current Balance:	\$10,000	Average Balance:
Date Opened:	03/07/2016	Interest Paid:
Current Interest Rate:	0.02%	\$6,000.00
Date Closed:		\$8,000.00
Balance at Close:		\$7,781.23
		\$1,566.16
		\$1,566.16
		\$1,566.16
		\$1,566.16
		\$1,566.16
		\$1,566.16

Account Number: XXXXXXX5678
Account Type: Savings
Account Status: Open
Account Holders: Eric/Ariel Robles

Current Balance: \$10,000
Date Opened: 03/07/2016
Current Interest Rate: 0.02%

133

Sample Household: Checking Account: Cash Value



Pandora Springs Apartments
ATTN: Amy
Requestor Fax: (512) 475-3359

Account Number:	XXXXXXX1234	Last Six Statements Most Recent First
Account Type:	Checking	
Account Status:	Open	
Account Holders:	Eric/Ariel Robles	
Current Balance:	\$2,832.09	Average Balance:
Date Opened:	03/07/2016	Interest Paid:
Current Interest Rate:	0.00%	\$6,831.88
Date Closed:		\$5,303.99
Balance at Close:		\$2,847.46
		\$2,817.57
		\$2,817.25
		\$2,773.68
		N/A
		N/A
		N/A

Verification of Deposit as of: August 22, 2022

Account Number: XXXXXXX1234
Account Type: Checking/savings
Account Status: Open
Account Holders: Eric Robles & Ariel Robles

Based on the Asset Verification; what is the Cash Value of the Checking Account?

Market Value

-

Cost to Convert

=

Cash Value

Account Number: XXXXXXX1234
Account Type: Checking
Account Status: Open
Account Holders: Eric/Ariel Robles

Current Balance: \$2,832.09
Date Opened: 03/07/2016
Current Interest Rate: 0.00%

Account Number:	XXXXXXXX5678	Last Six Statements Most Recent First
Account Type:	Savings	
Account Status:	Open	
Account Holders:	Eric/Ariel Robles	
Current Balance:	\$10,000	Average Balance:
Date Opened:	03/07/2016	Interest Paid:
Current Interest Rate:	0.02%	\$6,000.00
Date Closed:		\$8,000.00
Balance at Close:		\$7,781.23
		\$1,566.16
		\$1,566.16
		\$1,566.16
		\$1,566.16
		\$1,566.16
		\$1,566.16


Account Number: XXXXXXX5678
Account Type: Savings
Account Status: Open
Account Holders: Eric/Ariel Robles

Current Balance: \$10,000
Date Opened: 03/07/2016
Current Interest Rate: 0.02%

134

67

Sample Household: Savings Account: Actual Income



Pandora Springs Apartments
ATTN: Amy
Requestor Fax: (512) 475-3359

Verification of Deposit as of: August 22, 2021

Account Number: XXXXXXX1234
Account Type: Checking/Savings
Account Status: Open
Account Holders: Eric Robles &

Account Number:	XXXXXXX5678	Last Six Statements Most Recent First	
Account Type:	Savings		
Account Status:	Open		
Account Holders:	Eric/Ariel Robles	Average	Interest
Current Balance:	\$10,000	Balance:	Paid:
Date Opened:	03/07/2016	\$6,000.00	\$1.20
Current Interest Rate:	0.02%	\$8,000.00	\$1.60
Date Closed:		\$7,781.23	\$1.56
Balance at Close:		\$8,817.57	\$1.76
		\$10,817.25	\$2.16
		\$7,773.68	\$1.55

Account Number: XXXXXXX1234
Account Type: Checking/Savings
Account Status: Open
Account Holders: Eric Robles &

Current Balance: \$2,832.09
Date Opened: 03/07/2016
Current Interest Rate: 0.00%

Account Number: XXXXXXX5678
Account Type: Savings
Account Status: Open
Account Holders: Eric/Ariel Robles

	Balance:	Paid:
Current Balance:	\$6,000.00	\$1.20
Date Opened:	\$8,000.00	\$1.60
Current Interest Rate:	\$7,781.23	\$1.56
Date Closed:	\$8,817.57	\$1.76
Balance at Close:	\$10,817.25	\$2.16
	\$7,773.68	\$1.55

Based on the Asset Verification; what is the Actual Income from the Savings Account?

Market Value

×


Annual Interest Rate/Dividends Earned

=

Actual Income from Asset

135

Sample Household: Savings Account: Cash Value



Pandora Springs Apartments
ATTN: Amy
Requestor Fax: (512) 475-3359

Verification of Deposit as of: August 22, 2021

Account Number: XXXXXXX1234
Account Type: Checking/Savings
Account Status: Open
Account Holders: Eric Robles &

Account Number:	XXXXXXX5678	Last Six Statements Most Recent First	
Account Type:	Savings		
Account Status:	Open		
Account Holders:	Eric/Ariel Robles	Average	Interest
Current Balance:	\$10,000	Balance:	Paid:
Date Opened:	03/07/2016	\$6,000.00	\$1.20
Current Interest Rate:	0.02%	\$8,000.00	\$1.60
Date Closed:		\$7,781.23	\$1.56
Balance at Close:		\$8,817.57	\$1.76
		\$10,817.25	\$2.16
		\$7,773.68	\$1.55

Account Number: XXXXXXX1234
Account Type: Checking/Savings
Account Status: Open
Account Holders: Eric Robles &

Current Balance: \$2,832.09
Date Opened: 03/07/2016
Current Interest Rate: 0.00%

Account Number: XXXXXXX5678
Account Type: Savings
Account Status: Open
Account Holders: Eric/Ariel Robles

	Balance:	Paid:
Current Balance:	\$6,000.00	\$1.20
Date Opened:	\$8,000.00	\$1.60
Current Interest Rate:	\$7,781.23	\$1.56
Date Closed:	\$8,817.57	\$1.76
Balance at Close:	\$10,817.25	\$2.16
	\$7,773.68	\$1.55

Based on the Asset Verification; what is the Cash Value of the Savings Account?

Market Value

=

Cost to Convert

=

Cash Value

136

68

Sample Household: Income Certification Part IV

PART IV. INCOME FROM ASSETS				
HH Mbr #	(F) Type of Asset	(G) C/I	(H) Cash Value of Asset	(I) Annual Income from Asset
1 & 2	Checking Account	C	\$3,898.64	\$0.00
1 & 2	Savings Account	C	\$10,000.00	\$2.00
3	Checking Account	C	\$170.00	\$0.00

We have confirmed the checking and savings account assets for the Robles household. These assets have been added to the Income Certification as shown above.

137

Learning Point 1: Assets

If using bank statements to verify a checking account, how many must you obtain?

If using bank statements to verify a savings account, how many must you obtain?

138

Learning Point 2: Assets

If an applicant certifies on their application that they have \$1,000 cash on hand, would you need to include this when determining their eligibility?

139

Learning Point 3: Assets

True or False?

A household is required to convert all of their assets into cash in order to qualify for a low-income unit?

140

Learning Point 4: Assets

True or False?

When an asset is in the name of a minor child, it is not counted as a household asset?

141

Learning Point 5: Assets

A household currently has a checking account with a current balance of \$100 and a six-month average of \$1,500. They also have a savings account with a current balance of \$200 and a six month average of \$1,000.

If these are the only assets that the household owns, what is the total value of assets?

- A. \$300
- B. \$1,100
- C. \$1,700
- D. \$1,500

142

Learning Point 6: Assets

Actual Income from assets is calculated based on which of the following:

- A. Income from assets is only included when the assets are over \$5,000
- B. Average Balance
- C. Cash Value
- D. Market Value

143

Assets: Investment-Type Accounts



Stocks

- Cash Value = Full Value – any penalties or fees
- Actual Income = Dividend Income



Bonds

- Cash Value = Redemption Value (Current Market Price)
- Actual income = Interest Income



Mutual Funds

- Cash Value = Full Value – any penalties or fees
- Actual Income = Interest/Dividend of Capital Gains



Certificate of Deposit (CD)

- Cash Value = Full Value – any penalties or fees
- Actual Income = Interest Income

These types of assets typically have a withdrawal penalty.

144

Learning Point 1: Stocks: Actual Income

Based on the number of shares and the NYSE quote:
What is the actual income from the asset?

July 10, 2022	
Re: Cora Wade	SSN: 8275
As of: June 30, 2022	
Shares	Investment
14	Microsoft
It's-A-Risk Investment applies a 6% transaction charge. The shares accrue no interest or dividends.	

QUOTE	
MICROSOFT CORP (MSFT)	
286.98	-3.19 (-1.10%)
Last Trade Time: 08/19/2022 11:40:09	

Market value x Annual Interest Rate/Dividends = Actual Income from Asset

145

Learning Point 1: Stocks: Cash Value

Based on the number of shares and the NYSE quote:
What is the cash value of the asset?

July 10, 2022	
Re: Cora Wade	SSN: 8275
As of: June 30, 2022	
Shares	Investment
14	Microsoft
It's-A-Risk Investment applies a 6% transaction charge. The shares accrue no interest or dividends.	

QUOTE	
MICROSOFT CORP (MSFT)	
286.98	-3.19 (-1.10%)
Last Trade Time: 08/19/2022 11:40:09	

Market value – Cost to Convert = Cash Value

146

Learning Point 2: Stocks

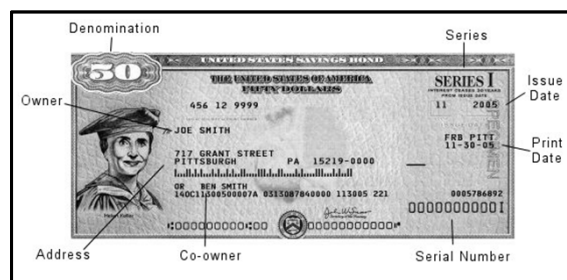
A household owns 38 shares of stock valued at \$1.50 per share. The stock earns \$.25 per share on a quarterly basis. The dividends are reinvested into the account. What is the actual income from the asset?

What is the cash value of the asset?

147

Learning Point: Bond

Bonds are purchased at an amount and then they mature over the specified length of time. You can use the calculator (link below) to determine the cash value and interest rate on bonds.



Total Price	Total Value	Total Interest	YTD Interest
\$25.00	\$42.54	\$17.54	\$0.88

Bonds: 1-1 of 1

Serial #	Series	Denom	Issue Date	Next Accrual	Final Maturity	Issue Price	Interest	Interest Rate	Value	Note
NA	EE	\$50	11/2005	09/2022	11/2035	\$25.00	\$17.54	3.20%	\$42.54	REMOVE

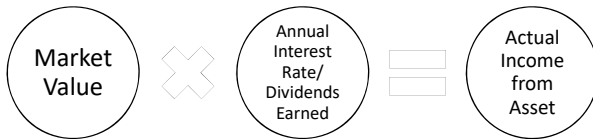
<https://treasurydirect.gov/BC/SBCPrice>

148

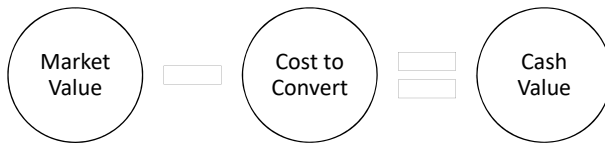
Learning Point: Certificate of Deposit (CD)

C. CERTIFICATE OF DEPOSIT(S)				
Account Holder	Account Number	Present Balance	Annual Interest Rate	Withdrawal Penalty
Ignacia Chavez	322123	4,798.06	3.5%	2 mos. interest

- What is the actual income from the asset to be included in the determination of eligibility?



- What is the total cash value from the asset?



149

Learning Point: Household Assets

A household has a checking account with a six-month average balance of \$875, a certificate of deposit with a market value of \$10,000 with a \$500 penalty to cash it in, and a savings account with a current balance of \$3,125. What is the total cash value of the household's assets?

150

Assets: Retirement Accounts



Individual Retirement Accounts (IRA)

- Cash Value = Amounts which can be withdrawn – any penalties
- Actual Income = Interest Income (if any)



401K

- Cash Value = Amounts which can be withdrawn – any penalties
- Actual Income = Interest Income (if any)
- Always Accessible, though there might be a penalty



Keogh Account

- Cash Value = Amounts which can be withdrawn – any penalties
- Actual Income = Zero (this account does not earn income)

**If accessible,
these assets
typically have
a withdrawal
penalty.**

151

Learning Point: Individual Retirement Account (IRA): Actual Income

Based on the excerpt from the IRA Statement below:
What is the actual income from the asset?


GOLDEN YEARS ADVISORY NETWORK		Golden Years www.gldnyrs.com	Verification of Deposit as of: June 30, 2022 Traditional IRA
Acct Number:	XXXXX1058	Account Type:	Retirement
Account Status:	OPEN	Account Holder:	John Perez
Date Opened:	3/12/2019	Current Balance:	\$4,687.16
Current Interest rate:	0.40%	Interest Method:	none
Interest Payment:	none	Penalty:	Greater of \$25 or 6 Months Interest

Market value x Annual Interest Rate/Dividends = Actual Income from Asset

152

Learning Point: Individual Retirement Account (IRA): Cash Value

Based on the excerpt from the IRA Statement below:
What is the cash value of the asset?

		Golden Years www.gldnyrs.com	Verification of Deposit as of: June 30, 2022 Traditional IRA
Acct Number:	XXXXX1058		
Account Status:	OPEN	Account Type:	Retirement
Date Opened:	3/12/2019	Account Holder:	John Perez
Current Interest rate:	0.40%	Current Balance:	\$4,687.16
Interest Payment:	none	Interest Method:	none
Penalty:	Greater of \$25 or 6 Months Interest		

Market value – Cost to Convert = Cash Value

153

Assets: 401K

- If any member of the household has a 401K account it should be included in the household assets.
- By nature, 401k accounts are accessible. Though you're not supposed to access the account until you retire, the money can still be withdrawn after a penalty is assessed.
- Typical penalty amounts are a certain percentage of the market value to cover taxes and other liabilities/fees.
- The asset should be treated like all other assets and included in the eligibility for the household.
- 401K Accounts can earn interest or dividends, this would be reflected on the statement of the account.

154

Sample Household: 401K Account

ABCD, Inc. 401(k) Plan

Ariel Robles
123 Main St.
Austin TX USA

Retirement Account Summary

April 1, 2022 to June 30, 2022

ACCOUNT AT A GLANCE

Beginning Balance	\$155,275.88
+ Your Contributions	\$1,648.14
+ Employer Contributions	\$618.06
- Fees	-\$12.50
+ Gain/Loss	\$10,310.12
Ending Balance	\$167,839.70
Vested Balance	\$167,839.70

MORNINGSTAR RISK ANALYSIS

Risk Level

Preservation Conservative **Balanced** Moderate Growth

The return risk level is calculated by Morningstar Investment Management L.L.O. and is based on the percent of underlying stocks within your investments. Generally stock investments carry a higher risk, but also have a higher potential return. This is just one way to evaluate a portfolio. Based on an analysis by Morningstar, your return risk level has the highest potential for gains and losses.

ESTIMATED MONTHLY INCOME AT RETIREMENT

Draw is an estimate of the monthly income this account could provide in your first year of retirement based on an initial withdrawal rate of 4%. Withdrawal rate amount varied and proper asset allocation are all factors that can impact how long your savings will last in retirement. Multi- for a more comprehensive analysis or to adjust your strategy.

Estimated monthly income at retirement	\$1,673
Contributing an additional \$100/month	\$1,763

These figures are calculated using your current account balance of \$167,840, your contributions of \$8,826 made by you and your employer over the last 12 months. The retirement income projections are estimates of your current and future retirement savings in this plan, displayed as a monthly withdrawal amount. See Assumptions and Methodology on the last page of this statement.

Ariel Robles holds a 401K account. This statement is the most current one for the account.

What is the amount that should be used on the Income Certification for this asset?

What is the income from the asset?

155

Sample Household: Income Certification Part IV continued

PART IV. INCOME FROM ASSETS				
HH Mbr #	(F) Type of Asset	(G) C/I	(H) Cash Value of Asset	(I) Annual Income from Asset
1 & 2	Checking Account	C	\$3,898.64	\$0.00
1 & 2	Savings Account	C	\$10,000.00	\$2.00
3	Checking Account	C	\$170.00	\$0.00
2	Retirement Account	C	\$167,839.70	\$0.00

We have now confirmed the retirement account for Ariel and it has been added to Part IV of the Income Certification.

156

Learning Point 2: 401K Account

Sam has a 401K with \$89,961.52. The 401K has no guarantee of interest or dividends. He is 50 years old. If he withdraws the money from his 401K prior to retirement, the provider is required to withhold 20% for Federal Income Taxes plus 8% for State Taxes. The IRS assess a 10% penalty for early withdrawal (before the age of 59 ½).

What is the Cash Value of the Asset?

Federal Income Tax Penalty
 $\$89,961.52 \times 20\% = \$17,992.30$
State Tax Penalty
 $\$89,961.52 \times 8\% = \$7,196.92$
IRS Penalty
 $\$89,961.52 \times 10\% = \$8,996.15$

$\$89,961.52$ Market Value
 - $\$17,992.30$ (Federal Tax Penalty)
 - $\$7,196.92$ (State Tax Penalty)
 - $\$8,996.15$ (IRS Penalty)
 = **$\$55,776.15$ Cash Value of Sam's 401K**

157

Assets: Keogh Account

A Keogh plan is a tax-deferred pension plan available to self-employed individuals or unincorporated businesses for retirement purposes.

Example – Withdrawals from a Keogh Account

Ly Pham has a Keogh account valued at \$30,000. When she turns 70 years old, she begins drawing \$2,000 a year. Continue to count the account as an asset. Use the guidance in paragraph 5-7 to determine the cash value and imputed income from the asset. Do not count the \$2,000 she withdraws as income.

HUD 4350.3 REV 1; Exhibit 5-2: Assets

158

Assets: Pension/Retirement Funds

Pension/Retirement Funds

- Balances counted as an asset if accessible
 - Include those amounts which can be withdrawn without retiring or terminating employment
- Amounts received through periodic payments are counted in annual income
 - Amount remaining in the account is NOT an asset
- If amounts are only accessible upon retiring
 - Not counted as an asset

159

Assets: Retirement Accounts not Included

The following retirement account would not be included on the household's Income Certification. The asset holder would have to leave their job in order to access the income.

Samsung ISD			
Statement of Earnings			
Employee Name:	Maria Hinojosa	Pay Period Begin Date:	12/1/2017
Employee Address:	123 Peach Lane	Pay Period End Date:	12/15/2017
Employee ID:	9151975	Rate:	Salary 53200/month
SSN:	xxx-xx-6660	Hours:	
Earnings		Deductions	
Regular Earnings	1,600.00	TRS	129.60
Overtime - after school program	200.00	Federal Withholding	198.00

To Whom It May Concern:

We have received your verification request for TRS retirement account information for Maria Hinojosa.

Maria does not have access to her retirement benefits until she retires or is no longer employed as a teacher in the State of Texas.

Please feel free to reach out to our office with any further questions at 1-800-223-8778.

160

Assets: Annuities



Annuities

- Cash Value = Full Value – withdrawal penalty, taxes or tax penalties
- Actual Income = Interest Income (if any)

Generally, when annuity payments are received, it can no longer be converted into a lump sum of cash, in these cases:

- The periodic payments will be treated as income
- The annuity is not treated as an asset

Ask if holder has the right to withdraw the balance

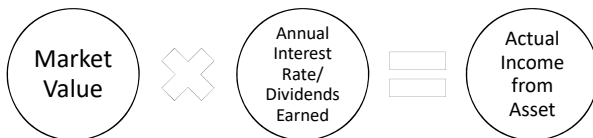
- If Yes = Asset; even if payments are being received
- If No = Not an Asset

161

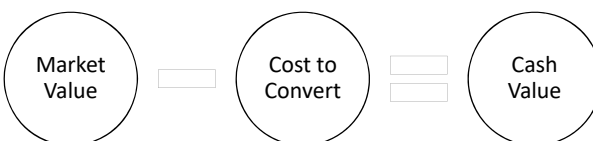
Learning Point 1: Annuity

H. OTHER: Type of Account <u>Annuity</u>				
Account Holder	Account Number	Present Balance	Annual Interest Rate/Income	Withdrawal Penalty
<i>Malcolm Sharp</i>	<i>ANxx886</i>	<i>2,873.68</i>	<i>3.02%</i>	<i>0</i>

- What is the actual income from the asset to be included in the determination of eligibility?



- What is the total cash value from the asset?



162

Learning Point 2: Annuity

Dan applies for a unit at your community. He has an annuity which he has access to. The current balance is \$175,000 and earns 3% interest annually. Dan receives \$400 quarterly payments from the annuity. What amount should be included as income from the asset for the household?

163

Assets: Trusts



Trusts

- Cash Value = Withdrawn amount
- Actual Income = Interest income (if any)

The “property” held in a Trust can be:

- Cash
- Real or Personal Property
- Other Liquid Assets

2 Types of Trusts

- Revocable – Creator may amend or revoke (has access)
- Irrevocable – Creator has no access to funds

164

Assets: Trust; Revocable vs. Irrevocable

- Revocable
 - If any member of the household has a right to withdraw funds:
 - The Trust is considered an asset
 - Cash value of trust is added to net assets
 - Actual income is added to the actual income from assets
- Irrevocable
 - If no member of the household has a right to withdraw funds:
 - The Trust is not considered an asset

165

Assets: Trust; When to Include

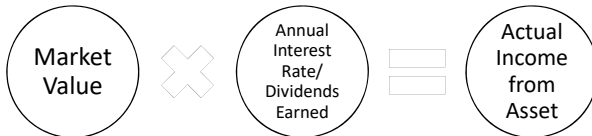
- If only the income, not principal, is accessible, income is counted in the annual income, but the Trust is NOT included in the calculation of income from assets
- When the payment of principal from the Trust is being received:
 - If one-time, lump sum, treat it as an asset
 - If periodic basis, treat it as regular income and count in the annual income for the household
- If NO member of the household has the right to withdraw funds and NO access to the income from the Trust, the Trust is NOT included in the calculation of income from assets or in the annual income for the household

166

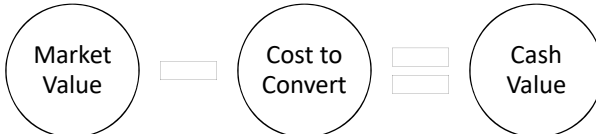
Learning Point: Trusts

F. TRUST	
Type of Trust: (Check one)	<input type="checkbox"/> Revocable <input checked="" type="checkbox"/> Irrevocable
Account holder is the: (Check one)	<input type="checkbox"/> Beneficiary or <input checked="" type="checkbox"/> Grantor of the Trust
Value of administered Trust Fund: \$	<u>4870</u>
Anticipated amount of income to be earned by Trust over the next 12 months: \$	<u>97.00</u>
Is the Amount: (Check one)	<input checked="" type="checkbox"/> Reinvested or <input type="checkbox"/> Disbursed

- What is the actual income from the asset?



- What is the total cash value from the asset?



167

Assets: Real Estate



Currently Owns

- Cash Value = Fair Market Value – unpaid principal and reasonable costs incurred to sell
- Actual Income = Zero (it is not earning income)



Currently owns but 3rd party is living in it

- Cash Value = Fair Market Value – unpaid principal and reasonable costs incurred to sell
- Actual Income = Monthly Rent – interest, taxes, insurance and maintenance fees



“Deed of Trust” or “Contract Sale”

- Cash Value = Unpaid principal portion of mortgage (as of the certification effective date)
- Actual Income = Interest portion due during the 12-month certification period

168

Assets: Exemption to Real Estate

HOME Homeowner Rehabilitation Assistance (HRA) program

Real Estate exception:

- Equity in the applicant's primary residence is not considered in the calculation of assets

169

Assets: Real Estate Documents

May need to gather the following verifications:

- Mortgage statement
- Tax statement
- Obtain documentation on current broker fees and closing costs
- Amortization Schedule

170

Learning Point: Real Estate

Example – Determining the Cash Value of an Asset

The "cash value" of an asset is the amount a family would receive if the family turned a noncash asset into cash.

The cash value is the market value—or the amount another person would pay to acquire the asset—less the cost to turn the asset into cash.

If a family owns real estate, it may be necessary to consider the family's equity in the property as well as the expense to sell the property.

To determine the family's equity, subtract amounts owed on the property from its market value:

	Market value
-	<u>Mortgage amount owed</u>
	Equity in the property

Calculate the cash value by subtracting the expense of selling the property:

	Equity
-	<u>Expense of selling</u>
	Cash Value

Juanita Player owns a rental house. The market value is \$100,000. She owes \$60,000. The cost to dispose of this house would be \$8,000. The owner would determine the cash value as follows:

Market Value	\$100,000
Mortgage amount	- \$60,000
	40,000
Cost of disposing of the asset (real estate commission, and other costs of sale)	- \$8,000
Cash Value	\$32,000

HUD 4350.3, Page 5-24

171

Assets: Real Estate for Rent

What to do when an applicant owns a home (real estate) and is renting it out:

- The first step is determining the cash value of the real estate, which was covered on the previous slides.
- If rental income is received from real estate it must be included as income from an asset.
- You may need to gather the following documents:
 - Verification of rental income to be received in the next 12 months; i.e. a lease contract
 - If there are any expenses in renting the home, the following may be deducted from rental income **if verification is obtained to support the deductions:**
 - Taxes
 - Insurance
 - Maintenance
 - Utilities
 - Mortgage Interest
 - Management Fees

172

Learning Point: Real Estate for Rent

The Lee household owns a home, which they are renting out. We have already determined that the cash value of the home is \$110,000. They have indicated that they rent the home for **\$1,200 per month**. They still pay the **taxes of \$3,250 and mortgage interest of \$5,884.97** on the home. What should the income from the asset be on the Income Certification?

Step 1: Determine the annual amount received from rental income

\$1,200 per month x 12 months = **\$14,400 annual rental income**

Step 2: Determine the expenses associated with renting the home:

\$3,250 taxes + \$5,884.97 mortgage interest = **\$9,134.97 total deductions**

Step 3: Subtract the deductions from the rental income to determine the asset income:

\$14,400 rental income - \$9,134.97 verified deductions =

173

Assets: Real Estate; Sample Tax Bill

Example of a tax bill used to verify real estate:

PROVINCIAL PROPERTY TAX			
	Commercial	Non-Commercial	
		Residential	
Taxable Value Assessment		\$148,400.00	
Rate (per \$100 taxable value)		\$1.50	
Base Provincial Property Tax		\$2,226.00	
Credits			
Provincial Tax Credit			(\$742.00)
Owner Occupied Residential			
Prorate tax (credit) debit			
Farm assessment credit			
Farm use credit			
Environmental building credit			
Environmental land credit			
Adjusted Provincial Property Tax		\$1,484.00	

174

Assets: Real Estate; Sample Lease Contract

Example of a lease agreement used to verify real estate:

Texas Residential Lease Agreement

THIS AGREEMENT (hereinafter referred to as the "Texas Lease Agreement") is made and entered into this ____ day of _____, 20____, by and between _____ (hereinafter referred to as "Landlord") and _____ (hereinafter referred to as "Tenant"). For and in consideration of the covenants and obligations contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

- PROPERTY.** Landlord owns certain real property and improvements located at _____ (hereinafter referred to as the "Property"). Landlord desires to lease the Premises to Tenant upon the terms and conditions contained herein. Tenant desires to lease the Premises from Landlord on the terms and conditions as contained herein.
- TERM.** This Texas Lease Agreement shall commence on _____ and shall continue as a lease for term. The termination date shall be on _____ at 11:59 PM. Upon termination date, Tenant shall be required to vacate the Premises unless one of the following circumstances occur:
 - Landlord and Tenant formally extend this Texas Lease Agreement in writing or create and execute a new, written, and signed Texas Lease Agreement; or
 - Landlord willingly accepts new Rent from Tenant, which does not constitute past due Rent.

In the event that Landlord accepts new rent from Tenant after the termination date, a month-to-month tenancy shall be created. If at any time either party desires to terminate the month-to-month tenancy, such party may do so by providing to the other party written notice of intention to terminate at least 30 days prior to the desired date of termination of the month-to-month tenancy.

Notices to terminate may be given on any calendar day, irrespective of Commencement Date. Rent shall continue at the rate specified in this Texas Lease Agreement, or as allowed by law. All other terms and conditions as outlined in this Texas Lease Agreement shall remain in full force and effect. Time is of the essence for providing notice of termination (strict compliance with dates by which notice must be provided is required).
- RENT.** Tenant shall pay to Landlord the sum of \$ _____ per month as Rent for the Term of the Agreement. Due date for Rent payment shall be the 1st day of each calendar month and shall be considered advance payment for that month. Weekends and holidays do not delay or excuse Tenant's obligation to timely pay rent.
 - Delinquent Rent, if not paid on the 1st, Rent shall be considered overdue and delinquent on the 2nd day of each calendar month. If Tenant fails to timely pay any month's rent, Tenant will pay Landlord a late charge of \$ _____ per day and rent is paid in full, if Landlord accepts the monthly rent by the 3rd day of the month, Landlord will waive the late charges for that month. Any waiver of late charges under this paragraph will not affect or diminish any other right or remedy Landlord may exercise for Tenant's failure to timely pay rent.

Page 1 of 6

175

Assets: Real Estate; Deed/Contract for Sale

Sydney signed her Certification in Jan 2022. She holds a Contract for Sale. Based on the relevant portions of the contract and amortization schedule (next slide) what is the actual income from the asset and what is the cash value of the asset?

CONTRACT FOR SALE OF REAL ESTATE

This contract is made and dated December 7, 2020

Between: Syndey Young (from now on called "the Seller")
and
Brandon and Melissa Lee (from now on called "the Buyer")

Purchase price is \$100,000 and is payable by the Buyer to the Seller as follows:

(a) By a note and mortgage from the Buyer to the Seller in the principal amount of \$100,000. Amount shall be payable with interest at the yearly rate of 6.25% by monthly installments of \$615.72. It shall be due in full in 30 years with full prepayment rights and day default period beginning on January 2021.

176

Assets: Real Estate; Amortization Schedule: Actual Income

Month	Interest	Principal	Balance (Principal)
Dec-21	\$ 494.59	\$ 121.12	\$ 94,840.88
Jan-22	\$ 493.96	\$ 121.75	\$ 94,719.13
Feb-22	\$ 493.33	\$ 122.39	\$ 94,596.74
Mar-22	\$ 492.69	\$ 123.03	\$ 94,473.71
Apr-22	\$ 492.05	\$ 123.67	\$ 94,350.05
May-22	\$ 491.41	\$ 124.31	\$ 94,225.74
Jun-22	\$ 490.76	\$ 124.96	\$ 94,100.75
Jul-22	\$ 490.11	\$ 125.61	\$ 93,975.17
Aug-22	\$ 489.45	\$ 126.26	\$ 93,848.90
Sep-22	\$ 488.80	\$ 126.92	\$ 93,721.98
Oct-22	\$ 488.14	\$ 127.58	\$ 93,594.40
Nov-22	\$ 487.47	\$ 128.25	\$ 93,466.16
Dec-22	\$ 486.80	\$ 128.91	\$ 93,337.24
Jan-23	\$ 486.13	\$ 129.59	\$ 93,207.66
Feb-23	\$ 485.46	\$ 130.26	\$ 93,077.40

493.96
493.33
492.69
492.05
491.41
490.76
490.11
489.45
488.80
488.14
487.47
486.80
\$5,884.97

Actual Income is the interest portion due for the 12-month period following certification

177

Assets: Real Estate; Amortization Schedule: Cash Value

Month	Interest	Principal	Balance (Principal)
Dec-21	\$ 494.59	\$ 121.12	\$ 94,840.88
Jan-22	\$ 493.96	\$ 121.75	\$ 94,719.13
Feb-22	\$ 493.33	\$ 122.39	\$ 94,596.74
Mar-22	\$ 492.69	\$ 123.03	\$ 94,473.71
Apr-22	\$ 492.05	\$ 123.67	\$ 94,350.05
May-22	\$ 491.41	\$ 124.31	\$ 94,225.74
Jun-22	\$ 490.76	\$ 124.96	\$ 94,100.75
Jul-22	\$ 490.11	\$ 125.61	\$ 93,975.17
Aug-22	\$ 489.45	\$ 126.26	\$ 93,848.90
Sep-22	\$ 488.80	\$ 126.92	\$ 93,721.98
Oct-22	\$ 488.14	\$ 127.58	\$ 93,594.40
Nov-22	\$ 487.47	\$ 128.25	\$ 93,466.16
Dec-22	\$ 486.80	\$ 128.91	\$ 93,337.24
Jan-23	\$ 486.13	\$ 129.59	\$ 93,207.66
Feb-23	\$ 485.46	\$ 130.26	\$ 93,077.40

Cash Value is the Principal Balance at the time of move-in

178

Assets: Bitcoin & Other Cryptocurrencies



Cryptocurrency

- Cash Value = Current market value – penalties/fees
- Actual Income = Any income earned by the asset

Yes, Bitcoin is considered an asset.

Bitcoin and other cryptocurrencies are held online, and typically held in interest-yielding crypto accounts called DeFis (Decentralized Finance platforms), though there are other ways they may earn interest. There are crypto credit cards that produce rewards and some people earn money on the accounts by yield-farming or staking.

Treat Bitcoin and other cryptocurrencies like a foreign currency.

179

Assets: Bitcoin & Other Cryptocurrencies continued

- First, obtain a statement (or some kind of other digital evidence such as a screenshot) from the account in which the Bitcoin is held. Take that market value and determine the current exchange rate with US dollars.
 - Note: The exchange rate can change frequently, so just use whatever it is at the time you're making your determination. Try using a site like <http://coindesk.com>.
- Next, determine the broker fee associated with converting the Bitcoin into US dollars. That information will come from either the account in which the Bitcoin is held, or it could come from the applicant/resident.
 - For example, a resident may say that they're not sure how to convert the Bitcoin into US dollars, but they know that CoinStar machines will do it for a fee. That fee is the cost to convert the Bitcoin to cash. Once that is established, you'll arrive at the cash value.
- Finally, To determine the actual yearly income, look for interest information from the DeFi platform they use to hold the Bitcoin.
 - If they're really savvy, they may be getting interest from yielding or staking... in that case, you may have to look deeper and ask more questions. Perhaps they have a record of the asset income they've earned within the DeFi itself, or they may have an IRS Form 1099-INT.

180

Assets: Cryptocurrencies; Not as Hard as it Looks

Cryptocurrency (Bitcoin) can seem complicated since it is relatively new to the affordable housing industry.

Just remember that if they have access to it, you'll use the standard formula to determine the cash value: $\text{Market Value} - \text{Costs to Convert} = \text{Cash Value}$; the actual income from the asset will simply be whatever money they earn because of the account.

181

Assets: Peer-to-Peer Payment Applications



Venmo



Cash App



PayPal



Zelle

- If regular deposits are seen on these assets, the account holder should be asked to provide an explanation
 - There are cases where these apps are used to sell homemade items and services, If the account is being used this way, the income must be included as self-employed income for the household.
- These sources of assets should be investigated. If there is a balance to be held in the account, it should be included as an asset on the Income Certification.

182

Assets: Disposed of for Less than Fair Market Value



Assets disposed of for less than Fair Market Value (FMV)

- Cash Value = Difference between the cash value disposed of and the amount actual received (if greater than \$1,000)
- Actual Income = Zero (not earning income)

Include Cash Value if:

- Fair market value of all assets disposed of exceeds the gross amount received by more than \$1,000; and if,
- Certification period → 2-year period following disposal
- When 2-yr period expires, income assigned to the reported asset(s) also expires
- Assets disposed of for less than fair market value as a result of foreclosure, bankruptcy, divorce or separation are *NOT* counted

183

Learning Point 1: Disposed of for Less than Fair Market Value

Examples – Asset Disposed of for Less Than Market Value

- (1) An applicant "sold" her home to her daughter for \$10,000. The home was valued at \$89,000 and had no loans secured against it. Broker fees and settlement costs are estimated at \$1,800.

\$89,000	Market value
- 1,800	Fees
\$87,200	Cash value
- 10,000	Sales price to daughter
\$77,200	Asset disposed of for less than fair market value

In this example, the asset disposed of for less than fair market value is \$77,200. That amount is counted as the resident's asset for two years from the date the sale took place.

(The \$10,000 received from the daughter may currently be in a savings account or other asset or may have been spent. The \$10,000 will be counted as an asset if the applicant has not spent the money.)

- (2) A resident contributed \$10,000 to her grandson's college tuition and gave her two granddaughters \$4,000 each to save for college.

\$10,000	College tuition gift
+ 8,000	Gift to granddaughters
\$18,000	Asset disposed of for less than fair market value

The \$18,000 disposed of for less than fair market value is counted as the tenant's asset for two years from the date each asset was given away.

HUD 4350.3, Page 5-38

184

Learning Point 2: Disposed of for Less than Fair Market Value

David and Maria are scheduled to move into Pandora Springs Apartment Community on August 1, 2022. In planning their estate, they transferred their house to their daughter Sophia on April 1, 2022. The home has an estimated market value of \$180,000.00.

Because the house was a gift to their daughter and a result of estate planning it will not be included as an asset; True or False?

185

Sample Household: Real Estate Disposed Of

Ursula Thompson has stated that she owns a home and is “giving” it to her granddaughter.

I. HOUSEHOLD ASSET INFORMATION	
1. Has anyone in the household given away anything of value within the last two years? (if a home was released due to foreclosure, bankruptcy or divorce, answer no)	<input type="checkbox"/> NO <input checked="" type="checkbox"/> YES If yes, who? <u>Ursula</u>
Provide explanation (including the type of asset, estimated value of asset, amount disposed for, and date of disposal): _____	
2. Has anyone in the household owned a home in the last two years?	<input type="checkbox"/> NO <input checked="" type="checkbox"/> YES If yes, who? <u>Ursula</u>
Do they currently own it?	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES If No, when was it disposed of? <u>May 2022</u>
If Yes, Is it being rented?	<input type="checkbox"/> NO <input type="checkbox"/> YES
Is it sitting vacant?	<input type="checkbox"/> NO <input type="checkbox"/> YES
Is it in the process of being sold?	<input type="checkbox"/> NO <input type="checkbox"/> YES

Clarification:

I own a house in Las Vegas, TX. I will be giving it to my granddaughter to live in when I move into the apartment.

The home and land are paid in full.

186

Sample Household: Real Estate, Fair Market Value

Since she is disposing of the asset for less than fair market value, it must be included on the household's Income Certification.

Property Roll Value History						
Year	Improvements	Land Market	Ag Valuation	Appraised	HS Cap Loss	Assessed
2023	N/A	N/A	N/A	N/A	N/A	N/A
2022	\$32,840	\$3,125	\$0	\$35,965	\$0	\$35,965
2021	\$29,441	\$3,125	\$0	\$32,566	\$0	\$32,566
2020	\$29,441	\$3,125	\$0	\$32,566	\$0	\$32,566
2019	\$29,441	\$1,000	\$0	\$30,441	\$0	\$30,441

1) Actual Income from asset:

2) Cash Value of the asset:

187

Sample Household: Income Certification Part IV continued

PART IV. INCOME FROM ASSETS				
HH Mbr #	(F) Type of Asset	(G) C/I	(H) Cash Value of Asset	(I) Annual Income from Asset
1 & 2	Checking Account	C	\$3,898.64	\$0.00
1 & 2	Savings Account	C	\$10,000.00	\$2.00
3	Checking Account	C	\$170.00	\$0.00
2	Retirement Account	C	\$187,839.70	\$0.00
3	Real Estate (Disposed)	I	\$35,965.00	\$0.00

The real estate asset has been added to the Income Certification for the Robles Household.

188

Assets: Imputed Income

- Imputed income is a percentage of the value of total assets; when the household assets are \$5,000 or more, based on the current passbook savings rate
- *Imputed* income is determined by calculating:



Current Passbook rate = 0.06%

Sample Household: Imputed Income (from example on slide 128-131)

WELLS FARGO

Balance Confirmation
R4057-01N
PO Box 40028
Roanoke, VA 24022
Phone: (540) 563-7322

Pandora Springs Apartments
ATTN: Amy
Requestor Fax: (512) 475-3359

CUSTOMER
Name(s): Eric Robles & Ariel Robles

Verification of Deposit as of: August 22, 2022

Account Number: XXXXXXX1234
Account Type: Checking/Savings
Account Status: Open
Account Holders: Eric Robles & Ariel Robles

Because these assets total more than \$5,000, we must now calculate the Imputed Income for the Income Certification

PART IV. INCOME FROM ASSETS				
HH Mbr #	(F) Type of Asset	(G) C/I	(H) Cash Value of Asset	(I) Annual Income from Asset
1	Checking Account	C	\$3,898.64	\$0.00
1	Savings Account	C	\$10,000.00	\$2.00
TOTALS:			\$ 13,898.64	\$ 2.00
Enter Column (H) Total			\$ 13,898.64	
If over \$5000			X .06% (effective 2/1/2015)	= (J) Imputed Income \$ 8.34
Enter the greater of the total of column I, or J: imputed income				TOTAL INCOME FROM ASSETS (K) \$ 8.34

- Checking \$3,898.64 + Savings \$10,000.00 = \$13,898.64 total assets
- \$0 Checking Income + \$2 Savings Income = \$2.00 total income
- \$13,898.64 x .06% (Passbook Rate) = **\$8.34 Imputed Income**
- ❖ Since the Imputed Income is higher, that is the Income from Assets

Sample Household: Income Certification Part IV completed

PART IV. INCOME FROM ASSETS				
HH Mbr #	(F) Type of Asset	(G) C/I	(H) Cash Value of Asset	(I) Annual Income from Asset
1 & 2	Checking Account	C	\$3,898.84	\$0.00
1 & 2	Savings Account	C	\$10,000.00	\$2.00
3	Checking Account	C	\$170.00	\$0.00
2	Retirement Account	C	\$167,839.70	\$0.00
3	Real Estate (Disposed)	I	\$35,965.00	\$0.00
TOTALS:			\$ 217,873.34	\$2.00
Enter Column (H) Total		Passbook Rate		
if over \$5000 \$ 217,873.34		X .06% (effective 2/1/2015)		= (J) Imputed Income \$ 1,307.24
Enter the greater of the total of column I, or J: imputed income				TOTAL INCOME FROM ASSETS (K) \$ 1,307.24

We have verified all of the Robles Household's assets and added them to the Income Certification and calculated the actual income and the imputed income. Since the imputed income is higher, this will be the amount used as income from the assets.

191

Assets: Tips to Minimize Documentation Challenges:

- Peer Review
- Spot Check Information
- Independent 3rd Party Review
- Document File With Calculations
- NO Correction Fluid (White-Out)

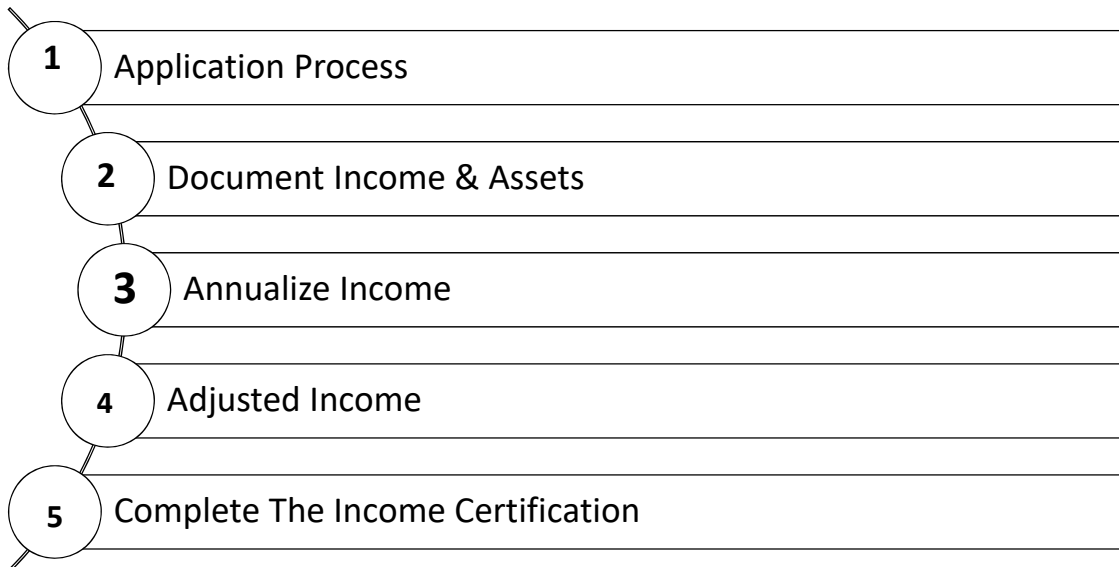
192

Module 4

Annualize Income

193

Eligibility: 5 Basic Steps; Step 3



194

Annualizing Income

Method for Projecting and Calculating Annual Income

- Gross income
- Anticipated income

Convert verified income to an annual figure

- Be Consistent – Develop policies and procedures
- Annualize income based on payment schedule
- Annualize part-time income by multiplying wages by the reported number of hours or weeks

195

Annualizing Income: Key Requirements

- Annual Income is the amount of income that is used to determine a family's eligibility. Annual Income is defined as follows:
 - All amounts, monetary or not, that go to or are received on behalf of the head, spouse or co-head (even if the family member is temporarily absent), or any other family member; or
 - All amounts anticipated to be received from a source outside the family during the 12-month period following admission or annual recertification effective date.
- Annual income includes all amounts that are not specifically excluded by regulation, Exhibit 5-1 provides the list of inclusions and exclusions
- Annual income includes amount derived, during the certification period, from assets to which any member of the family has access.

HUD 4350.3 Rev-1; Chapter 5, page 5-3

196

Learning Point 1: Annualizing Income

Alegha makes \$600 semi-monthly at her job. Her roommate Joshua makes \$750 per pay period and is paid bi-weekly.

What is the annual household income for Aleigha and Joshua?

197

Learning Point 2: Annualizing Income

True or False; when determining annual income for a household, the Social Security benefits paid to a minor household member are not included in the annual income for the household?

198

Learning Point 3: Annualizing Income

Example – Calculating Anticipated Annual Income

A teacher's assistant works nine months annually and receives \$1,300 per month. During the summer recess, the teacher's assistant works for the Parks and Recreation Department for \$600 per month. The owner may calculate the family's income using either of the following two methods:

1. Calculate annual income based on current income: \$15,600 ($\$1,300 \times 12$ months).

The owner would then conduct an interim recertification at the end of the school year to recalculate the family's income during the summer months at reduced annualized amount of \$7,200 ($\600×12 months).

2. Calculate annual income based on anticipated changes through the year:

\$11,700 ($\$1,300 \times 9$ months)

+ 1,800 ($\$ 600 \times 3$ months)

\$13,500

HUD 4350.3 Rev-1; Chapter 5, page 5-4

199

Learning Point 4: Annualizing Income

Jesse's Social Security payment of \$744 per month is being reduced by \$25 per month for an overpayment and another \$50 for insurance.

What is Jesse's annual income for purposes of eligibility?

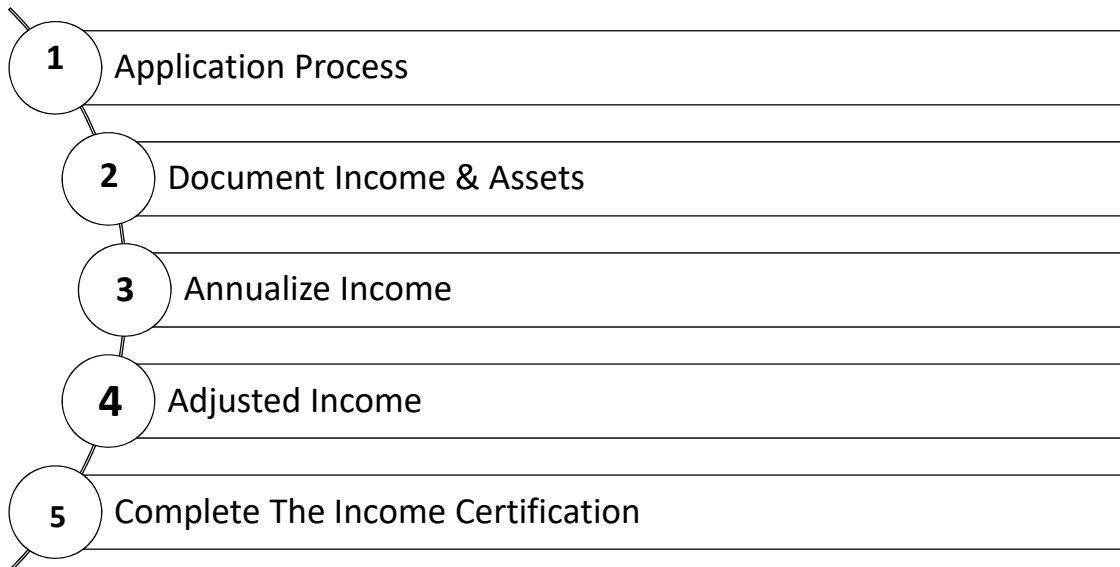
200

Module 5

Adjusted Income

201

Eligibility: 5 Basic Steps; Step 4



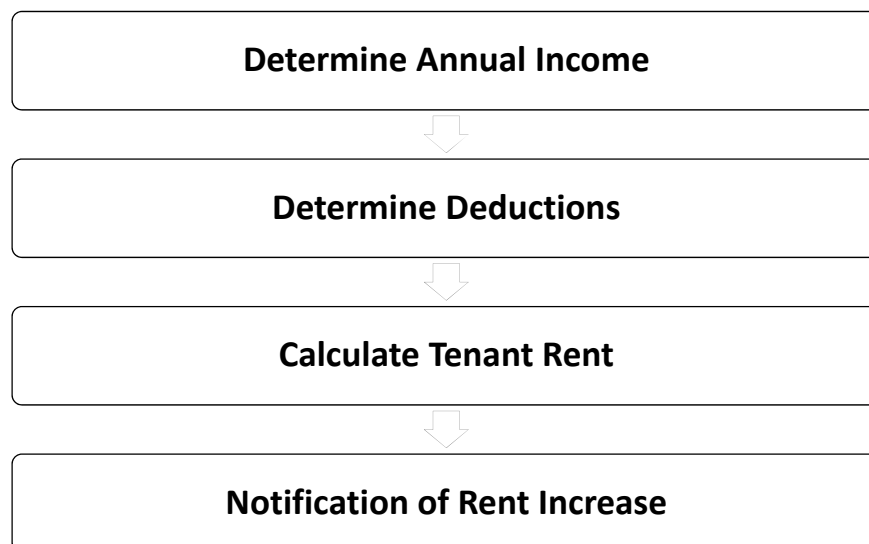
202

Adjusted Income: When is it Calculated?

- The Adjusted Income process is always used for Section 811 Units & Tenant Based Rental Assistance (TBRA) units at any certification
- It is also used for units that are designated over-income (OI), over 80% of the current income limit, at recertification in the HOME and TCAP-RF programs. The purpose of adjusted income is to determine rent
- The purpose of Adjusted Income is to determine the rental amount for the household
- This process will also be used in the HOME-ARP program

203

Adjusted Income: The Process



204

Adjusted Income: Screening for Deductions

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
SUPPLEMENT TO THE INTAKE APPLICATION

Participation in a TDHCA Tenant Based Rental Assistance Program requires the determination of adjusted income to calculate the amount of subsidy assistance your household may be eligible for. Adjusted income is also used to determine the required tenant paid rent of a household identified as over income at recertification on a HOME Rental development. Information disclosed on this form will only be used to determine eligible deductions. If there are any questions that you do not understand, please contact the Administrator, Owner or Management.

Applicant Resident Name: _____

A. DEPENDENT DEDUCTION (Some household members cannot qualify for this deduction regardless of age, disability, or student status: Head of household, spouse, co-head, a foster child, an unborn child, a child who has not yet joined the family, or a live-in aide)

Is the household comprised of a family member under the age of 18? NO YES, who? _____

Is the household comprised of a family member with disabilities? NO YES, who? _____

Is the household comprised of a family member who is a full-time student? NO YES, who? _____

B. CHILD CARE EXPENSES DEDUCTION

Is the household paying for the care of children age 12 or under? NO YES, for whom? _____

IF YES, Please answer the following questions:

1. Does the child care enable an adult household member to (check) Seek employment OR Be gainfully employed OR Further his/her education (student or vocational)? NO YES, who? _____

2. Is there an adult household member capable of providing care during the hours care is needed? NO YES _____

3. Is the child care provided by a member who comprises the household? NO YES, who? _____

4. Is the household reimbursed by an outside Agency or Individual? NO YES, who? _____

C. DISABILITY ASSISTANCE EXPENSES DEDUCTION

Is the household paying for attendant care and/or an auxiliary apparatus? NO YES, for whom? _____

IF YES, Please answer the following questions:

1. Does the care and/or use of the auxiliary apparatus enable an adult household member to work? NO YES, who? _____

2. Is the household reimbursed by an Agency and/or Individual for these costs? NO YES, who? _____

3. Identify the type of care and/or apparatus paid for: _____

D. ELDERLY OR DISABLED FAMILY DEDUCTION

Is the head of household, spouse, or co-head at least 62 years of age or older? NO YES, who? _____

Is the head of household, spouse, or co-head a person with a disability? NO YES, who? _____

E. MEDICAL EXPENSES DEDUCTION (If your household qualifies for the deductions listed in "D" then medical expenses for ALL household members may be eligible for deduction)

Identify any of the following medical expenses?	Estimated Annual Costs	Can Support for expenses be provided?
Medicare <input type="checkbox"/> NO <input type="checkbox"/> YES		<input type="checkbox"/> NO <input type="checkbox"/> YES
Doctor Co-Pays <input type="checkbox"/> NO <input type="checkbox"/> YES		<input type="checkbox"/> NO <input type="checkbox"/> YES
Prescription Costs <input type="checkbox"/> NO <input type="checkbox"/> YES		<input type="checkbox"/> NO <input type="checkbox"/> YES
Medical Deduction Costs <input type="checkbox"/> NO <input type="checkbox"/> YES		<input type="checkbox"/> NO <input type="checkbox"/> YES
Over the Counter Costs <input type="checkbox"/> NO <input type="checkbox"/> YES		<input type="checkbox"/> NO <input type="checkbox"/> YES
Other: <input type="checkbox"/> NO <input type="checkbox"/> YES		<input type="checkbox"/> NO <input type="checkbox"/> YES

Is the household reimbursed by an Agency and/or Individual for any of these costs? NO YES, who? _____

Did the household have any one-time non-recurring medical expenses? NO YES, explain? _____

F. APPLICANT RESIDENT CERTIFICATION

I certify that the above information is true and correct.

Applicant Resident Printed Name _____ Signature _____ Date _____

Warning: Title 16, Section 1001 of the U.S. Code makes it a criminal offense to make willful false statements or misrepresentations to any Department or Agency in the United States or to any state within its jurisdiction.

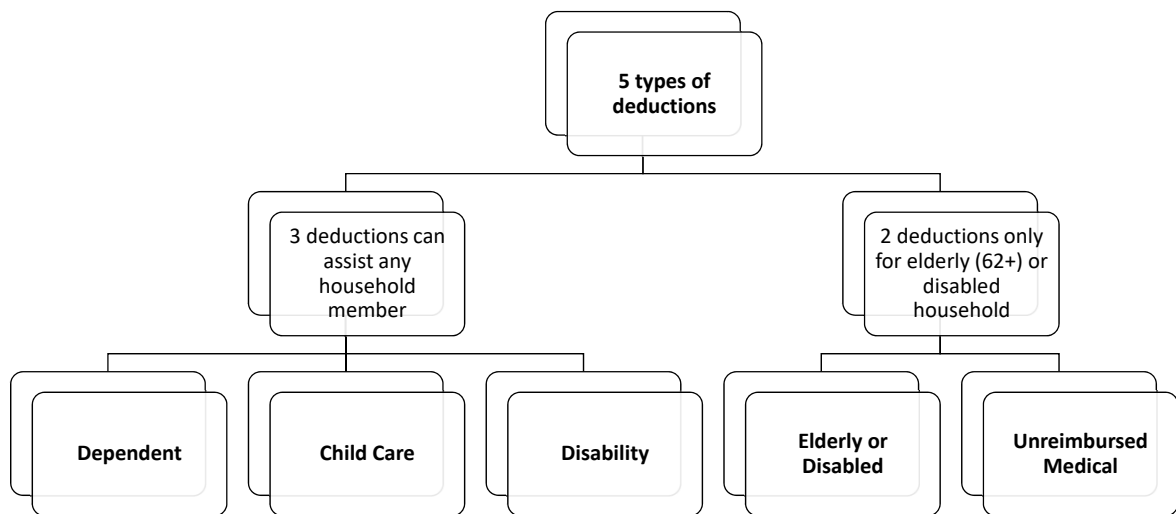
TDHCA Page 1 of 1 May 2010

The household must be screened for deductions

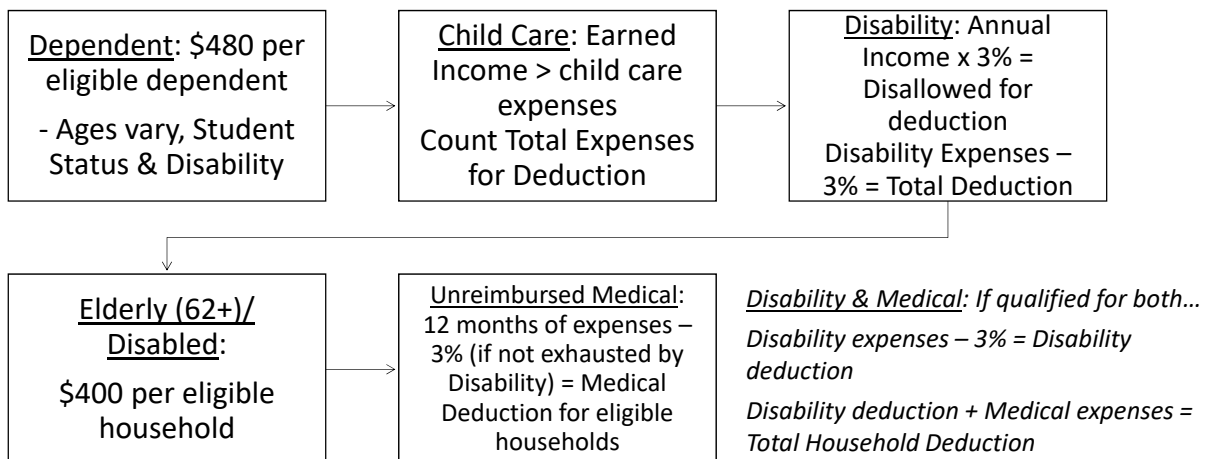
TDHCA has a Supplement to the Intake Application available on the website

Developments may develop and utilize their own version of screening tool

Adjusted Income: Available Deductions



Adjusted Income: Deductions Cheat Sheet



207

Adjusted Income: Dependent Deduction

- Dependent Deduction of \$480 per eligible dependent in the household
- Dependents are defined as household members who are not head, spouse, co-head and are:
 - Under 18 years of age
 - A person with disabilities at any age
 - A full-time student, 18 years of age or older

To qualify for the deduction, verification of disability or student status is required
- A foster child, foster adult, unborn child, a child that has not joined the household yet, or dependent of a live-in aide will never qualify for the deduction
- A household does not have to have legal custody of a dependent to receive the deduction; however, the dependent must live in the unit

208

Adjusted Income: Dependent Deduction; Students

- Full-time student status is defined by the institution of higher education, with a degree or certificate program, where the student is enrolled
- A household may not receive a double dependent deduction for one member
 - For example, a 19 year old, disabled, full-time student would not be eligible for two dependent deductions

209

Learning Point 1: Adjusted Income

The Mendoza household is comprised of five persons. Alfred and Maria reside in the unit with their three (3) dependent children; Josh is 13, Nathan is 9 and Sophie is 3. Is the Mendoza household eligible for a dependent deduction?

How much is their deduction?

210

Learning Point 2: Adjusted Income

The Hearn household is comprised of Mark who is disabled, his wife Christy and their 19 year old daughter Sydney. Is the Hearn household eligible for a dependent deduction?

211

Sample Household: Dependent Deduction

The Robles household is comprised of six persons. Eric and Ariel reside in the unit with Ariel's mother, Ursula, and their three (3) dependent children; Sebastian is 19 and a full-time student, Melody is 10 and Max is 6. Is the Robles household eligible for a dependent deduction?

How much is their deduction?

212

Adjusted Income: Child Care Deduction

- The Child Care Deduction is available for anticipated expenses to any household paying for child care. The deduction is available to all children under the age of 13 living in the unit (including foster children) when child care enables a family member to...
 - Work
 - Look for work
 - Go to school (academic or vocational)
- The household has to evidence that there is no adult family member capable of providing care during the hours care is needed
- Child care expenses cannot be reimbursed by an outside agency or individual
- Child care expenses deducted must be reasonable

213

Adjusted Income: Child Care Deduction continued

- Child care expenses are not paid to someone living in the unit
- Child care expenses cannot exceed the work income generated by the household member during the period in which care is provided
- The child care expenses are not restricted when seeking employment or attending school
- To document anticipated child care expenses, the household must:
 - Identify the child(ren) who will be cared for
 - Identify the family member who is enabled to work, look for work, and/or go to school because of the child care
 - Evidence that no other adult household member in the unit is available to care for the child
 - Identify the child care provider
 - Provide documentation of cost

214

Child Care Deduction: Acceptable Forms of Verification

Appendix 3: Acceptable Forms of Verification

Factor to be Verified	ACCEPTABLE SOURCES			*Provided by Applicant	Self-Declaration	Verification Tips
	Written ^{§ 332.8}	Third Party *Provided by Applicant*	Oral [§]			
<ul style="list-style-type: none"> Child care expenses (including verification that a family member who has been relieved of child care is working, attending school, or looking for employment). <p>*(Paragraph 5-10.B)*</p>	<ul style="list-style-type: none"> Written verification from person who provides care indicating amount of payment, hours of care, names of children, frequency of payment, and whether or not care is necessary to employment or education. Verification of employment as required under Employment Income. Verification of student status (full or part-time) as required under Full-Time Student Status. 	<ul style="list-style-type: none"> Copies of receipts 	<ul style="list-style-type: none"> Telephone or in-person contact with these sources (child care provider, employer, school) documented in file by the owner. 	<ul style="list-style-type: none"> Cancelled checks indicating payments. For school attendance, school records, such as paid fee statements that show that the time and duration of school attendance reasonably corresponds to the period of child care. 	<ul style="list-style-type: none"> For verification of looking for work, details of job search effort as required by owner's written policy. 	<ul style="list-style-type: none"> Allowance provided only for care of children 12 and younger. When same care provider takes care of children and disabled person, the owner must prorate expenses accordingly. Owners should keep in mind that costs may be higher in summer months and during holiday periods. The owner must determine which family member has been enabled to work. Care for employment and education must be prorated to compare to earnings. Costs must be reasonable.

*NOTE: Requests for verification from "a third party source" must be accompanied by a Consent to Release form HUD-9887-A.
 *NOTE: If the original document is witnessed but is a document that should not be copied, the owner should record the type of document, any control or serial numbers, and the issuer. The owner should also initial and date this notation in the file.
 *NOTE: For all oral verification, file documentation must include facts, time and date of contact, and name and title of the third party.
 *NOTE: For use of EVI Income Reports as third party verification of employment and income a current Consent for Release form HUD-9887 must be on file.
 *NOTE: See examples and requirements found in Paragraph 5-13.B.1.

HUD Occupancy Handbook
 Appendix 3: Acceptable Forms of Verification

HUD 4350.3, Appendix 3 215

Sample Household: Child Care Deduction

Eric and Ariel Robles work, as previously calculated in the training. Their 10 year old and 6 year old children, Melody and Max, attend the YMCA program after school from 3pm to 6pm each day during the school year.

They pay the YMCA \$7.00 an hour for the care of their children. They receive no reimbursement for the child care expenses. Eric does not work in the summer, the children spend the summer with their father and the household does not have any child care expenses during this time. Ursula is unable to watch the children due to her disability and Sebastian is a full-time student and unable to care for his younger siblings.

Is the Robles household eligible for a child care deduction?

Sample Household: Child Care Deduction continued

How much is the child care deduction for the Robles household?

- Step 1: Determine Eric's annual income:

$$\begin{array}{c} \$18.00 \\ \text{an hour} \end{array} \times \begin{array}{c} 1,140 \\ \text{hours} \\ \text{annually} \end{array} = \begin{array}{c} \$20,520 \\ \text{gross} \\ \text{income} \end{array}$$

- Step 2: Determine what Eric's earned income is while his children attend after-school care:

$$\begin{array}{c} \$18 \text{ an} \\ \text{hour} \end{array} \times \begin{array}{c} 5 \text{ days} \\ \text{a week} \end{array} \times \begin{array}{c} 3 \text{ hours} \\ \text{a day} \end{array} \times \begin{array}{c} 38 \\ \text{weeks a} \\ \text{year} \end{array} = \begin{array}{c} \$10,260 \\ \text{earned} \\ \text{income} \end{array}$$

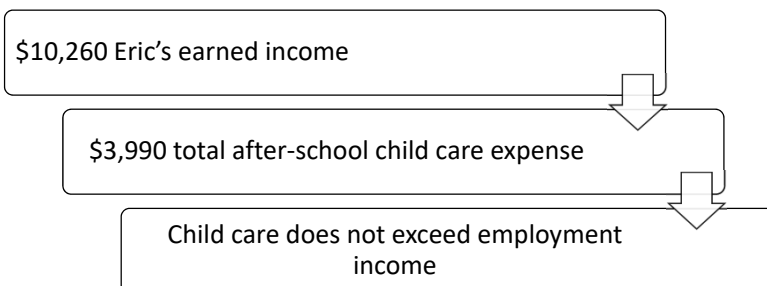
217

Sample Household: Child Care Deduction completed

- Step 3: Determine the after-school child care expenses for Melody and Max:

$$\begin{array}{c} \$7.00 \\ \text{an hour} \end{array} \times \begin{array}{c} 5 \text{ days} \\ \text{a week} \end{array} \times \begin{array}{c} 3 \text{ hours} \\ \text{a day} \end{array} \times \begin{array}{c} 38 \\ \text{weeks} \end{array} = \begin{array}{c} \$3,990 \\ \text{total} \\ \text{expense} \end{array}$$

- Step 4: Determine that after-school child care expenses do not exceed Eric's earned income generated during the period in which care is provided:



218

Adjusted Income: Disability Assistance Expense Deduction

- Disability Assistance Expense Deduction is available for unreimbursed, anticipated costs for attendant care and/or an auxiliary apparatus
- The care or apparatus enables a household member, 18 years or older, including the disabled member to work
- The amount claimed is the difference in total expenses for attendant care and/or auxiliary apparatus that exceeds 3% of annual income and earned income of the adult household member enabled to work by the attendant care or auxiliary apparatus
- If the disability assistance enables more than one household member to be employed, the allowance cannot exceed the combined income of both

219

Adjusted Income: Disability Assistance Deduction Items

- Auxiliary apparatus includes items that are directly related to permitting the disabled person or other family member to work
- Includes items such as, but not limited to, the following:
 - Wheelchairs, ramps, adaptations to vehicles (one-time allowances);
 - Cost of maintenance and upkeep of an auxiliary apparatus (i.e. veterinarian and food costs of service animal)
 - Attendant care includes, but is not limited to, reasonable expenses for home medical care, nursing services, interpreters for hearing impaired persons and readers for persons with visual impairments

220

Disability Assistance: Acceptable Forms of Verification

Appendix 3: Acceptable Forms of Verification

Factor to be Verified	ACCEPTABLE SOURCES				Self-Declaration	Verification Tips
	Written ^{§ 87(2)(b)}	Third Party ^a *Provided by Applicant*	Oral ^b	*Provided by Applicant		
<ul style="list-style-type: none"> Auxiliary apparatus. <small>*(See Chapter 5, Paragraph 5-10.C)*</small> 	<ul style="list-style-type: none"> Written verification from source of costs and purpose of apparatus. Written certification from doctor or rehabilitation agency that use of apparatus is necessary to employment of any family member. In a case where the disabled person is employed, statement from employer that apparatus is necessary for employment. 	<ul style="list-style-type: none"> Copies of receipts. 	<ul style="list-style-type: none"> Telephone or in-person contact with these sources documented in file by the owner. 	<ul style="list-style-type: none"> Evidence of periodic payments for apparatus. 	<ul style="list-style-type: none"> Not appropriate. 	<ul style="list-style-type: none"> The owner must determine if the expense is to be considered a medical or disability assistance.

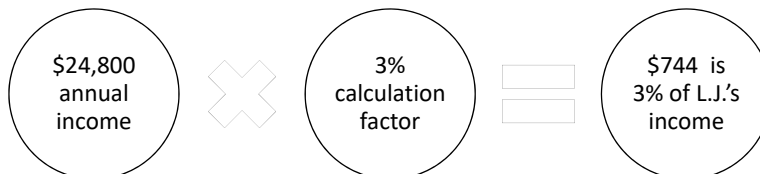
*NOTE: Requests for verification from "a third party source" must be accompanied by a Consent to Release form "HUD-9887-A".
 *NOTE: If the original document is witnessed but is a document that should not be copied, the owner should record the type of document, any control or serial numbers, and the issuer. The owner should also initial and date this notation in the file.
 *NOTE: For all oral verification, file documentation must include facts, time and date of contact, and name and title of the third party.
 *NOTE: For use of EIV Income Reports as third party verification of employment and income a current Consent for Release form HUD-9887 must be on file.
 *NOTE: See examples and requirements found in Paragraph 5-13.B.1
 HUD Occupancy Handbook
 Appendix 3: Acceptable Forms of Verification

HUD 4350.3, Appendix 3 221

Learning Point: Disability Assistance Expense Deduction

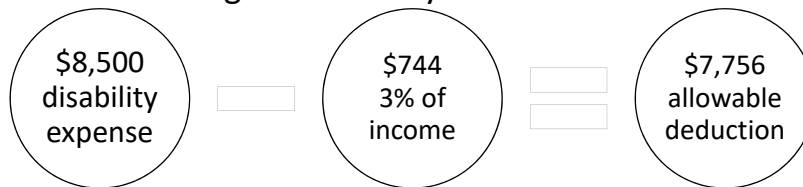
L.J. is an individual with disabilities that works full-time and has an annual income of \$24,800. He requires a motorized wheelchair and special transportation to get to his job. The eligible disability expense is \$8,500 for his transportation to and from his job. Is L.J. eligible for a disability expense deduction? If yes, how much?

- Step 1: Determine 3% of L.J.'s employment income:

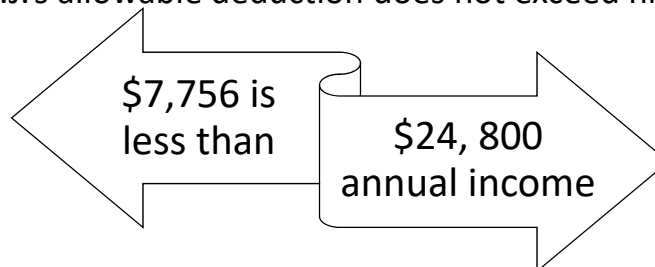


Learning Point: Disability Assistance Expense Deduction cont.

- Step 2: Determine L.J.'s eligible disability deduction:



- Step 3: Ensure L.J.'s allowable deduction does not exceed his annual income:



223

Adjusted Income: Elderly or Disabled Deduction

- Elderly or Disabled Deduction is a one-time \$400 deduction
- The deduction is available to a household if the head, spouse, or co-head (or the sole member) is at least 62 years of age or older, or is a person with disabilities
- A household is entitled to only one \$400 deduction regardless of how many household members qualify as elderly or disabled

224

Learning Point 1: Elderly or Disabled Deduction

Ted is 29 years old and a person with disabilities. Is Ted eligible for the elderly or disabled deduction? If yes, how much?

Carolyn is 62 and lives with her husband, Jeff, who is 35 and disabled. Is the household eligible for the elderly or disabled deduction? If yes, how much?

225

Sample Household: Elderly or Disabled Deduction

Ursula Thompson, co-head in the Robles Household, is an elderly person.

Does this mean that the Robles household is eligible for the Elderly/Disabled Deduction?

How much is the deduction?

226

Adjusted Income: Medical Expense Deduction

- Medical Expense Deduction is the portion of total medical expenses that exceeds 3% of annual income and is only permitted for households in which the head, spouse, or co-head is elderly or disabled
- If the household is eligible, include the unreimbursed anticipated medical expenses of ALL household members (including non-elderly, foster adults or children)
 - Medical expenses include medically necessary apparatus, services and medications
- Include ongoing expenses paid in the past 12 months to project the upcoming year's expenses
- Ongoing payments toward existing, unpaid medical bills are eligible for inclusion for the upcoming year
 - NOTE: Must only include the amount of payments to be made, not the total balance due

227

Adjusted Income: Medical Expense Deduction Continued

- Examples of eligible medical expenses include, but are not limited to:
 - Services of doctors and healthcare professionals
 - Services of healthcare facilities
 - Medical insurance premiums or cost of an HMO
 - Prescription/Nonprescription medicines that have been prescribed by a physician
 - Dental expenses
 - Eyeglasses
 - Hearing aids

228

Medical Expense: Acceptable Forms of Verification

4350.3 REV-1

Appendix 3: Acceptable Forms of Verification

Factor to be Verified	ACCEPTABLE SOURCES					Verification Tips
	Written ^{1,2,3,4,5}	Third Party ⁶		Provided by Applicant	Self-Declaration	
		Provided by Applicant ⁷	Oral ⁸			
<ul style="list-style-type: none"> Medical expenses. ¹(See Chapter 5, Paragraph 5-10.D) 	<ul style="list-style-type: none"> Verification by a doctor, hospital or clinic, dentist, pharmacist, etc., of estimated medical costs to be incurred or regular payments expected to be made on outstanding bills which are not covered by insurance. 	<ul style="list-style-type: none"> Copies of income tax forms (Schedule A, IRS Form 1040) that itemize medical expenses, when the expenses are not expected to change over the next 12 months. Receipts, or pay stubs, which indicate health insurance premium costs, or payments to a resident attendant. Receipts or ticket stubs that verify transportation expenses directly related to medical expenses. 	<ul style="list-style-type: none"> Telephone or in-person contact with these sources, documented in file by the owner. 	<ul style="list-style-type: none"> Copies of cancelled checks that verify payments on outstanding medical bills that will continue for all or part of the next 12 months. Cancelled checks which indicate health insurance premium costs, or payments to a resident attendant. 	<ul style="list-style-type: none"> Notarized statement or signed affidavit of transportation expenses directly related to medical treatment, if there is no other source of verification. 	<ul style="list-style-type: none"> Medical expenses are not allowable as deduction unless applicant is an elderly or disabled family. Status must be verified.
<ul style="list-style-type: none"> Need for an assistive animal. ¹(See Chapter 3, Paragraph 3-29) 	<ul style="list-style-type: none"> Letter from "appropriate third party unless the need is readily apparent or already known". 					<ul style="list-style-type: none"> If the owner's policy is to verify this need, owner must implement policy consistently.

¹NOTE: Requests for verification from "a third party source" must be accompanied by a Consent to Release form HUD-9887-A.
²NOTE: If the original document is witnessed but is a document that should not be copied, the owner should record the type of document, any control or serial numbers, and the issuer. The owner should also initial and date this notation in the file.
³NOTE: For all oral verification, file documentation must include facts, time and date of contact, and name and title of the third party.
⁴NOTE: For use of EVI Income Reports as third party verification of employment and income a current Consent for Release form HUD-9887 must be on file.
⁵NOTE: See examples and requirements found in Paragraph 5-13.B.1
 HUD Occupancy Handbook 16 8/13
 Appendix 3: Acceptable Forms of Verification

HUD 4350.3, Appendix 3

229

Learning Point 1: Medical Expense Deduction

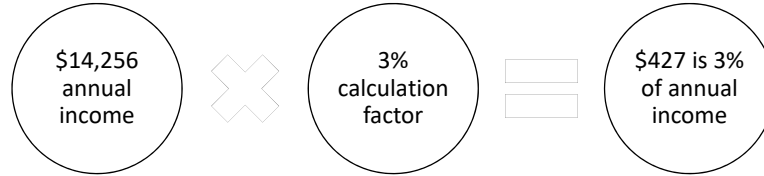
David Martinez is 31 years old and disabled. David is married to Jenifer and their total combined gross annual income is \$14,256, with a total of \$2,000 of anticipated eligible medical expenses for the household. Is the Martinez household eligible for a medical expense deduction? If yes, how much?

Yes

230

Learning Point 1: Medical Expense Deduction continued

- Step 1: Determine 3% of the Martinez household's annual income:



- Step 2: Determine the medical expense deduction amount:



231

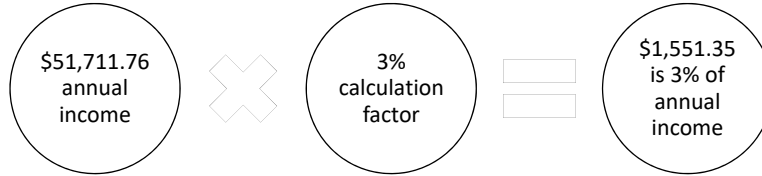
Sample Household: Medical Expense Deduction

The Robles household contains 4 adults, the head, Eric, and spouse, Ariel, the co-head, Ursula and an adult dependent, Sebastian. Ursula is an elderly person, eligible for the previous deduction. Their total combined gross annual income is \$51,711.76, with a total of \$8,000 of anticipated eligible medical expenses for the household. Is the Robles household eligible for a medical expense deduction? If yes, how much?

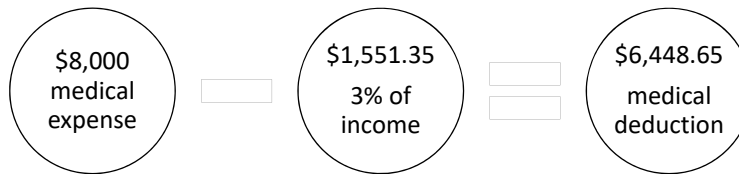
232

Sample Household: Medical Expense Deduction continued

- Step 1: Determine 3% of the Robles household's annual income:



- Step 2: Determine the medical expense deduction amount:



233

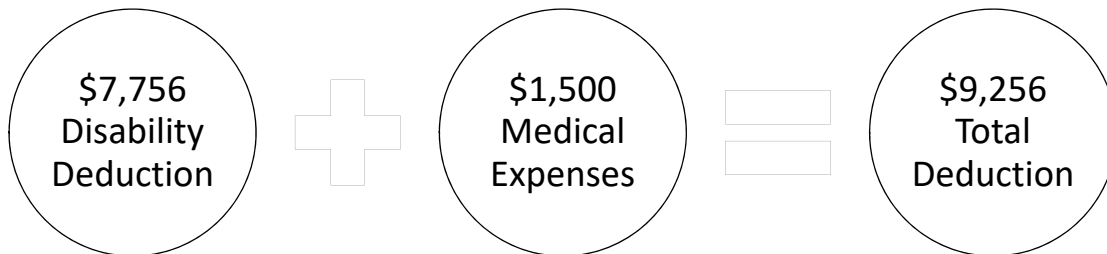
Adjusted Income: Medical Expense Deduction

- If the household is eligible for both medical and disability assistance expense deductions, the following must be considered:
 - Ensure that the household's 3% of income test is applied only one time
 - The disability assistance expense deduction must be calculated before the medical expense deduction is determined
 - The disability assistance expense deduction is limited by the amount earned by the person enabled to work
 - Expenses cannot be included in both categories (no double-dipping)

234

Learning Point 1: Disability & Medical Expense Disability

L.J., from slides 220 & 221, has a disability expense deduction of \$7,756. In addition, L.J. also has medical expenses in the amount of \$1,500 that are not reimbursed by insurance. Since L.J.'s disability expense has already been calculated, which is required to be determined first, then the medical is just added.



235

Learning Point 2: Disability & Medical Expense Disability

Example – Special Calculation for Families Who Are Eligible for Disability Assistance and Medical Expense Deductions

The following is basic information on the family:

Head (retired/disabled)—SS/pension income	\$16,000
Spouse (employed)—employment income	+ \$4,000
Total Annual Income	\$20,000
Total disability assistance expenses	\$500
Total medical expenses	\$1,000

Step 1: Determine if the disability assistance expenses exceed 3% of the family's total annual income.

Total disability assistance expenses	\$500
Minus 3% of total annual income	- \$600
	(\$100)

No portion of the disability expenses exceeds 3% of the annual income; therefore, the disability assistance deduction is \$0.

Step 2: Calculate if the medical expenses exceed the balance of 3% of the family's total annual income.

Total medical expenses	\$1,000
Minus the balance of 3% of total annual income	- \$100
Allowable medical expenses deduction	\$900

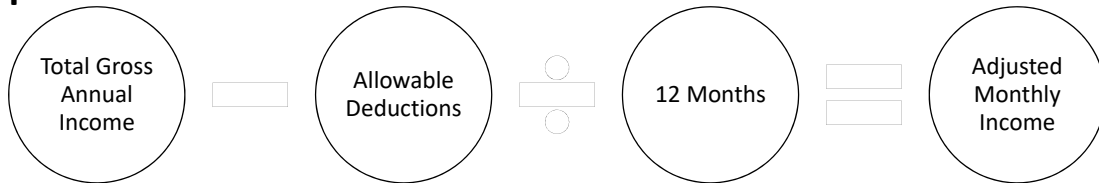
In the event that the household's initial 3% calculation does not exceed the disability assistance expenses; the remainder of the 3% will be applied during the medical expense deduction calculation.

HUD 4350.3 Rev-1; 5-50

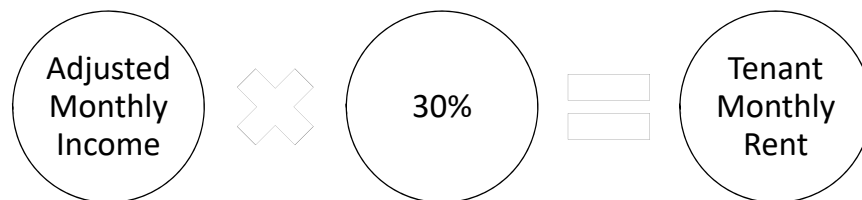
236

Adjusted Income: Calculating Rent

Step 1:



Step 2:



237

Sample Household: Calculating Rent

The Robles household's gross annual income is \$51,711.76 and their adjusted income after deductions is \$39,433.11.

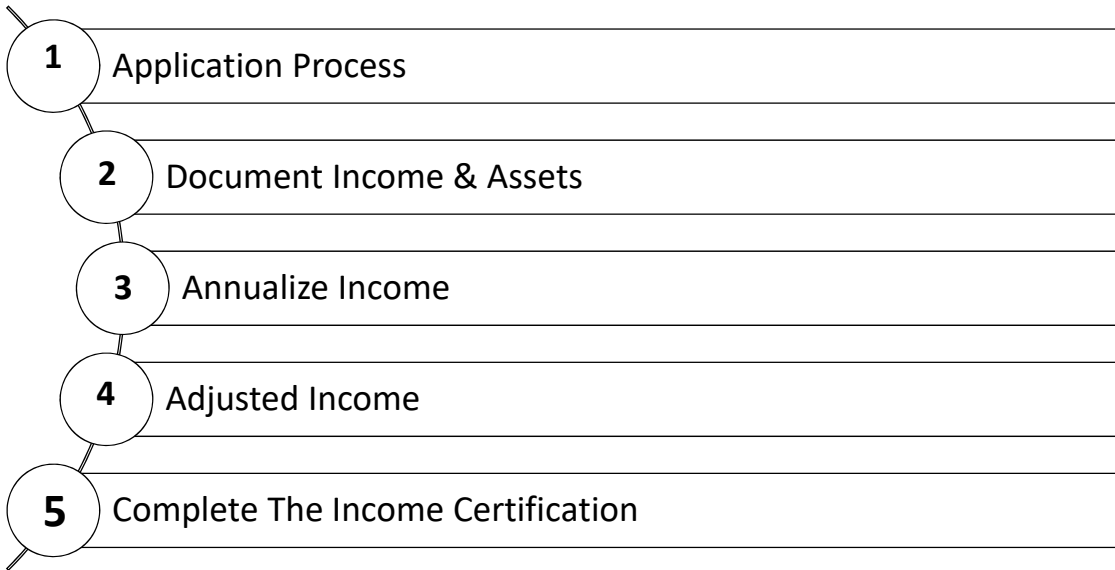
\$1,440 Dependent + \$3,990 Child Care + \$400 Elderly + \$6,448.65 Medical Expense = \$12,278.65 total deductions



The calculated rent is rounded to \$985 because you don't, generally, collect change in rent.

238

Eligibility: 5 Basic Steps; Step 5



241

The Income Certification

Must Use the Department Approved Form:

- Income Certification
- Available on TDHCA Website
- Completed after all verifications are gathered
- Executed by all adult household members
- Executed by staff (Owner/Representative)

INCOME CERTIFICATION						
<input type="checkbox"/> Initial Certification <input type="checkbox"/> Recertification <input type="checkbox"/> Other*					Effective Date: _____ Move-in Date: (MM/DD/YYYY) _____ *Transfer from unit: _____	
PART I - DEVELOPMENT DATA						
Property Name: _____		County: _____		BIN #: _____		
Address: _____		Unit Number: _____	# Bedrooms: _____	CMTS #: _____		
PART II. HOUSEHOLD COMPOSITION						
HH Mbr #	Last Name	First Name & Middle Initial	Relationship to Head of Household	Date of Birth (MM/DD/YYYY)	Student Status (Y/N/C)	Last 4 digits of Social Security Number
1			HEAD			
2					PT / FT / NA	
3					PT / FT / NA	
4					PT / FT / NA	
5					PT / FT / NA	
6					PT / FT / NA	
7					PT / FT / NA	
PART III. GROSS ANNUAL INCOME (USE ANNUAL AMOUNTS)						
HH Mbr #	(A) Employment/Wages	(B) Soc. Security/Pensions	(C) Public Assistance	(D) Other Income		
TOTALS	\$	\$	\$	\$	\$	
Add totals from (A) through (D) above				TOTAL INCOME (E)	\$	
PART IV. INCOME FROM ASSETS						
HH Mbr #	(F) Type of Asset	(G) TB / CB	(H) cash value of asset	(I) annual income from asset		
TOTALS	\$	\$	\$	\$	\$	
Enter column (K) Total: (I) ever 50000 \$ x (J) 0.04% (effective 2/1/2021) = (L) Imputed Income \$						
Enter the greater of the total of column L, or J. Imputed Income TOTAL INCOME FROM ASSETS (K) \$						
(L) Total Annual Household Income from all Sources [Add (E) + (K)] \$						
HOUSEHOLD CERTIFICATION & SIGNATURES						
<small>The information on this form will be used to determine income eligibility. Use the procedure for each person(s) set forth in Part II acceptable certification of current anticipated annual income. Use agree to notify the landlord immediately upon any member of the household moving out of the unit or any new member moving in. Use agree to notify the landlord immediately upon any member becoming a full-time student.</small>						
<small>Under penalty of perjury, I/we certify that the information presented in this Certification is true and accurate to the best of my/our knowledge and belief. The undersigned further understands that providing false representations herein constitutes an act of fraud. Fraud, including or incorporating information mis-stated in the representation of the lease agreement.</small>						
Signature _____	(Date) _____	Signature _____	(Date) _____	Signature _____	(Date) _____	
Signature _____	(Date) _____	Signature _____	(Date) _____	Signature _____	(Date) _____	

242

Sample Household: The Income Certification

PART II. HOUSEHOLD COMPOSITION						
HH Mbr #	Last Name	First Name & Middle Initial	Relationship to Head of Household	Date of Birth (MM/DD/YYYY)	Student Status (Circle one)	Last 4 digits of Social Security Number
1	Robles	Eric	HEAD	08/10/1980	PT / PT / NA	1111
2	Robles	Ariel	Spouse	02/14/1986	PT / PT / NA	2222
3	Thompson	Ursula	Other Adult	10/01/1945	PT / PT / NA	3333
4	Robles	Sebastian	Dependent	05/18/2003	PT / PT / NA	4444
5	Robles	Melody	Dependent	07/04/2012	PT / PT / NA	5555
6	Robles	Max	Dependent	12/26/2015	PT / PT / NA	6666
7	Bailey	Halle	Live-In Aide	04/15/1997	PT / PT / NA	7777

PART III. GROSS ANNUAL INCOME (USE ANNUAL AMOUNTS)				
HH Mbr #	(A) Employment/Wages	(B) Soc. Security/Pensions	(C) Public Assistance	(D) Other Income
1	\$20,520.00			
2	\$16,300.38			
3		\$14,402.40		
4	\$480.00			
TOTALS	\$ 37,300.36	\$ 14,402.40	\$	\$
Add totals from (A) through (D) above				TOTAL INCOME (E): \$51,711.76

PART IV. INCOME FROM ASSETS				
HH Mbr #	(F) Type of Asset	(G) C/	(H) Cash Value of Asset	(I) Annual Income from Asset
1 & 2	Checking Account	C	\$3,896.04	\$0.00
1 & 2	Savings Account	C	\$10,000.00	\$2.00
3	Checking Account	C	\$170.00	\$0.00
2	Retirement Account	C	\$187,836.70	\$0.00
3	Real Estate (Disposed)	I	\$35,965.00	\$0.00
TOTALS:				\$217,873.34
Enter Column (H) Total				\$ 1,307.24
If over \$5000 \$ 217,873.34 x .06% (effective 2/1/2015) = (J) Imputed income				\$ 1,307.24
Enter the greater of the total of column I, or J: Imputed income				\$ 1,307.24
TOTAL INCOME FROM ASSETS (K)				\$ 1,307.24
(L) Total Annual Household Income from all Sources [Add (E) + (K)]				\$ 53,019.00

Now that the Robles household has been screened and all of the income and assets have been documented and annualized, we can complete the Income Certification.

The Robles household has a total annual income of \$53,019.

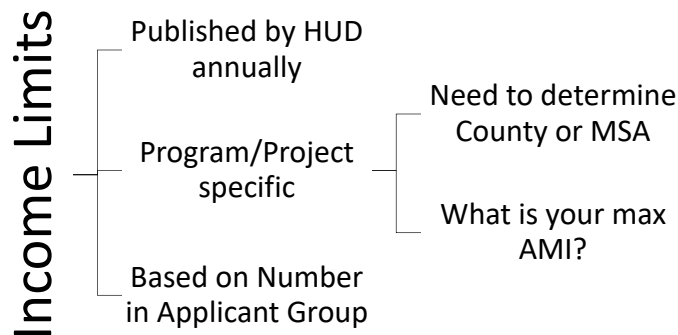
The next step is to make sure they qualify under our Development's Income Limits.

Remember, Halle is a live-in aide

243

Income Limits

- Confirm Applicant is eligible under the required income limits for the program
- Current limits are on the Department's website



244

The Income Certification: Robles Household

Does the household qualify at the 60% Area Median Income limit?

INCOME CERTIFICATION

Initial Certification Recertification Other*

Effective Date: 09/01/2022
 Move-in Date: 03/01/2022
 *Transfer from Unit: (MM/DD/YYYY)

PART I - DEVELOPMENT DATA

Property Name: Ponder Springs County: Tarrant
 Address: 221 East 11th St, Apt. 14 76102 Unit Number: 14 Bedrooms: 4 S/N #: T210-20203 CMFA #: 1018

(L) Total Annual Household Income from all Sources [Add (E) (K)] **\$53,019.00**

INCOME LIMITS 2022 Area Median Income: **\$110,300**

AMFI %	Number of Household Members							
	1	2	3	4	5	6	7	8
20	\$ 15,460	\$ 17,660	\$ 19,860	\$ 22,060	\$ 23,840	\$ 25,600	\$ 27,360	\$ 29,120
30	\$ 23,190	\$ 26,490	\$ 29,790	\$ 33,090	\$ 35,760	\$ 38,400	\$ 41,040	\$ 43,680
40	\$ 30,920	\$ 35,320	\$ 39,720	\$ 44,120	\$ 47,680	\$ 51,200	\$ 54,720	\$ 58,240
50	\$ 38,650	\$ 44,150	\$ 49,650	\$ 55,150	\$ 59,600	\$ 64,000	\$ 68,400	\$ 72,800
60	\$ 46,380	\$ 52,980	\$ 59,580	\$ 66,180	\$ 71,520	\$ 76,800	\$ 82,080	\$ 87,360
70	\$ 54,110	\$ 61,810	\$ 69,510	\$ 77,210	\$ 83,440	\$ 89,600	\$ 95,760	\$ 101,920
80	\$ 61,840	\$ 70,640	\$ 79,440	\$ 88,240	\$ 95,360	\$ 102,400	\$ 109,440	\$ 116,480
120	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Putting it all together – File Order

The Department has provided the following checklists for use in tenant files as a guide.

Your program may have additional requirements, you will want to insure that your files contain all of the required items and, if applicable, are in the appropriate order.

- <https://www.tdhca.state.tx.us/pmcomp/forms.htm>
- http://www.tdhca.state.tx.us/home-division/forms/home_forms_tbra.htm



Thank you!

Contact Information:

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

221 E. 11TH ST., AUSTIN, TX 78701

PO Box 13941, AUSTIN, TX 78711-3941

PHONE: (512) 475-3800 OR (800) 525-0657

WEB: WWW.TDHCA.STATE.TX.US

EMAIL: INFO@TDHCA.STATE.TX.US



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

INCOME CERTIFICATION

Initial Certification
 Recertification
 Other* _____

Effective Date: _____

Move-in Date: _____
 (MM/DD/YYYY)

*Transfer from Unit: _____

PART I – DEVELOPMENT DATA

Property Name: _____ County: _____ BIN #: _____
 Address: _____ Unit Number: _____ # Bedrooms: _____ CMTS #: _____

PART II. HOUSEHOLD COMPOSITION

HH Mbr #	Last Name	First Name & Middle Initial	Relationship to Head of Household	Date of Birth (MM/DD/YYYY)	Student Status (circle one)	Last 4 digits of Social Security Number
1			HEAD		FT / PT / NA	
2					FT / PT / NA	
3					FT / PT / NA	
4					FT / PT / NA	
5					FT / PT / NA	
6					FT / PT / NA	
7					FT / PT / NA	

PART III. GROSS ANNUAL INCOME (USE ANNUAL AMOUNTS)

HH Mbr #	(A) Employment/Wages	(B) Soc. Security/Pensions	(C) Public Assistance	(D) Other Income
TOTALS	\$	\$	\$	\$
Add totals from (A) through (D) above				TOTAL INCOME (E): \$

PART IV. INCOME FROM ASSETS

HH Mbr #	(F) Type of Asset	(G) C/I	(H) Cash Value of Asset	(I) Annual Income from Asset
TOTALS:			\$	\$

Enter Column (H) Total _____ Passbook Rate _____ = (J) Imputed Income \$ _____
 If over \$5000 \$ _____ X .06% (effective 2/1/2015)

Enter the greater of the total of column I, or J: imputed income
 TOTAL INCOME FROM ASSETS (K)
 \$

(L) Total Annual Household Income from all Sources [Add (E) + (K)]
 \$

HOUSEHOLD CERTIFICATION & SIGNATURES

The information on this form will be used to determine maximum income eligibility. I/we have provided for each person(s) set forth in Part II acceptable verification of current anticipated annual income. I/we agree to notify the landlord immediately upon any member of the household moving out of the unit or any new member moving in. I/we agree to notify the landlord immediately upon any member becoming a full time student.

Under penalties of perjury, I/we certify that the information presented in this Certification is true and accurate to the best of my/our knowledge and belief. The undersigned further understands that providing false representations herein constitutes an act of fraud. False, misleading or incomplete information may result in the termination of the lease agreement.

Signature	(Date)	Signature	(Date)
Signature	(Date)	Signature	(Date)

PART V. DETERMINATION OF PROGRAM ELIGIBILITY

TOTAL ANNUAL HOUSEHOLD INCOME FROM ALL SOURCES: From item (L) on page 1

\$

RECERTIFICATION ONLY:

Designated Income Limit x 140%:

Current Income Limit per Family Size: \$ _____

\$ _____

Mark the program(s) and applicable program designation that this household satisfies of the property's occupancy requirements:

If the owner has elected the Average Income minimum set aside under §42(g), this unit is designated by the taxpayer as (please see instructions):

<input type="checkbox"/> HTC or Exchange	<input type="checkbox"/> 20%	<input type="checkbox"/> 30%	<input type="checkbox"/> 40%	<input type="checkbox"/> 50%	<input type="checkbox"/> 60%	<input type="checkbox"/> 70%	<input type="checkbox"/> 80%	<input type="checkbox"/> OI***
<input type="checkbox"/> TCAP		<input type="checkbox"/> 30%	<input type="checkbox"/> 40%	<input type="checkbox"/> 50%	<input type="checkbox"/> 60%		<input type="checkbox"/> OI***	
<input type="checkbox"/> HOME/TCAP RF		<input type="checkbox"/> 30%	<input type="checkbox"/> 40%	<input type="checkbox"/> 50%	<input type="checkbox"/> 60%		<input type="checkbox"/> 80%	<input type="checkbox"/> OI***
<input type="checkbox"/> BOND		<input type="checkbox"/> 30%	<input type="checkbox"/> 50%	<input type="checkbox"/> 60%	<input type="checkbox"/> 80%		<input type="checkbox"/> OI***	<input type="checkbox"/> ET
<input type="checkbox"/> SHTF		<input type="checkbox"/> ELI	<input type="checkbox"/> VLI	<input type="checkbox"/> LI	<input type="checkbox"/> OI***			
<input type="checkbox"/> NSP		<input type="checkbox"/> 30%	<input type="checkbox"/> 40%	<input type="checkbox"/> 50%	<input type="checkbox"/> 60%		<input type="checkbox"/> 80%	<input type="checkbox"/> 120%
<input type="checkbox"/> NHTF	<input type="checkbox"/> 15%	<input type="checkbox"/> 30%	<input type="checkbox"/> OI***					
<input type="checkbox"/> Other	_____							

*** Upon Recertification household was determined to be over income (OI) according to eligibility requirements of the programs marked above.

PART VI. RENT

Tenant Paid Rent: \$ _____

Utility Allowance: \$ _____

Rental Assistance: \$ _____

Other non-optional charges and mandatory fees: \$ _____

Gross Rent For Unit (See Instructions): \$ _____ Applicable Rent Limit: \$ _____

Is the source of the Rental Assistance Federal? Yes No *If yes, identify the type of Federal Rental Assistance:*

- | | |
|---|---|
| <input type="checkbox"/> HUD Multi-Family Project-Based Rental Assistance (PBRA) | <input type="checkbox"/> HUD Housing Choice Voucher (HCV-tenant based) |
| <input type="checkbox"/> HUD Section 8 Moderate Rehabilitation | <input type="checkbox"/> HUD Project-Based Voucher (PBV) |
| <input type="checkbox"/> Public Housing Operating Subsidy | <input type="checkbox"/> USDA Section 514, 515, 521 Rental Assistance Program |
| <input type="checkbox"/> HOME Tenant Based Rental Assistance (TBRA) | <input type="checkbox"/> Section 811 Project Rental Assistance (PRA) |
| <input type="checkbox"/> HUD Rental Assistance Demonstration (RAD)-Project Based Rental Assistance (PBRA) | <input type="checkbox"/> Other Federal Rental Assistance _____ |

PART VII. STUDENT STATUS VERIFICATION (HTC, TCAP, Exchange, and BOND only)

Are All Occupants Full-Time Students?

Yes No

If yes, enter Student Explanation* and attach documentation

Enter 1-5

*Student Explanation:

1. TANF assistance
2. Previously in state foster care system
3. Job Training Program
4. Single parent/dependent child
5. Married/joint return

SIGNATURE OF OWNER/REPRESENTATIVE

Based on the representations herein and upon the proofs and documentation required to be submitted, the individual(s) named in Part II of this Tenant Income Certification is/are eligible under the provisions of program's rules, regulations and the Land Use Restriction Agreement (if applicable), to live in a unit in this Project.

SIGNATURE OF OWNER/REPRESENTATIVE

DATE

PART VIII. HOUSEHOLD DEMOGRAPHICS

Please complete for each household member. See below for Ethnicity, Race, and Other codes that characterize the household composition.

HH Mbr #	Sex – enter M or F	Ethnicity	Race <i>Enter up to 5 categories</i>	Disabled
1				
2				
3				
4				
5				
6				
7				

The Texas Department of Housing and Community Affairs (TDHCA) is required to comply with HUD’s reporting requirements; however, you are not required to provide this information. You may not be discriminated against on the basis of this information, or on whether or not you choose to furnish it. If you do not wish to furnish this information, please initial below.

RESIDENT/APPLICANT: I do not wish to furnish information regarding ethnicity, race, sex, and disability status.
(Initials) _____

Ethnicity:	Enter each household member’s ethnicity by using one of the following coded definitions:	<ol style="list-style-type: none"> 1. Hispanic or Latino 2. Not Hispanic or Latino 3. Tenant did not respond
Race:	Enter each household member’s race by using, at least one, of the following coded definitions (<i>up to 5 categories may be selected</i>):	<ol style="list-style-type: none"> 1. White 2. Black/African American 3. American Indian/Alaska Native 4. Select from the following: <ol style="list-style-type: none"> 4a Asian India 4b Chinese 4c Filipino 4d Japanese 4e Korean 4f Vietnamese 4g Other Asian 5. Select from the following: <ol style="list-style-type: none"> 5a Native Hawaiian 5b Guamanian or Chamorro 5c Samoan 5d Other Pacific Islander 6. Other 7. Tenant did not respond
Disabled:	Check yes if any member of the household is disabled according to Fair Housing Act definition for handicap (disability): <ul style="list-style-type: none"> • A physical or mental impairment which substantially limits one or more major life activities; a record of such an impairment; or being regarded as having such an impairment. For a definition of “physical or mental impairment” and other terms used in this definition, please see 24 CFR 100.201, available at http://www.fairhousing.com/index.cfm?method=page.display&pagename=reqs_fhr_100-201. • “Handicap” does not include current, illegal use of or addiction to a controlled substance. 	<ol style="list-style-type: none"> 1. Yes 2. No 3. Tenant did not respond

INSTRUCTIONS FOR COMPLETING INCOME CERTIFICATION

This form is to be completed by the owner or an authorized representative.

Income Certification

Check the appropriate box for Initial Certification (move-in), Recertification (annual recertification), or Other (enter brief explanation). If a household transfers from a unit, enter the unit number the household transferred from in the area below the Move-in Date.

Part I - Development Data

Effective Date: In general, for initial certifications, the effective date is the date of move-in. In general, the effective date for recertifications should be the anniversary of the original move-in date. For detailed guidance, please refer to "Demystifying Effective Dates" <https://www.tdhca.state.tx.us/pmcomp/compFags.htm>

NOTE: Verifications must be valid (i.e., dated no more than 120 days prior to the effective date of the certification).

Move-in Date: Enter the date the tenant has or will take occupancy of the unit.

Part I - Development Data

Property Name: Enter the name of the development.

County: Enter the county (or equivalent) in which the building is located.

BIN #: Enter the Building Identification Number (BIN) assigned to the building (for Housing Tax Credit (HTC), Exchange and TCAP programs--from IRS Form 8609).

Address: Enter the address of the building.

Unit Number: Enter the unit number.

Bedrooms: Enter the number of bedrooms in the unit.

CMTS #: Enter the assigned CMTS ID Number.

Part II - Household Composition

List the last name, first name and middle initial of all occupants of the unit. State each household member's relationship to the head of household by using one of the following coded definitions:

H - Head of Household	S - Spouse
A - Adult co-tenant	O - Other family member
C - Child	F - Foster child(ren)/adult(s)
L - Live-in caretaker	

Enter the date of birth (in MM/DD/YYYY format), student status, and last four digits of the Social Security number/Noncitizen Registration number for each occupant. Student Status is determined by the academic institution.

If there are more than seven occupants, use an additional sheet of paper to list the remaining household members and attach it to the certification.

Part III – Gross Annual Income

See HUD Handbook 4350.3 for complete instructions on verifying and calculating income, including acceptable forms of verification.

From the third party verification forms or first-hand documentation obtained from each income source, enter the gross amount anticipated to be received for the twelve months from the effective date of the (re)certification. List the respective household member number from Part II and complete a separate line for each income-earning member.

- Column (A):** Enter the annual amount of wages, salaries, tips, commissions, bonuses, and other income from employment, distributed profits and/or net income from a business
- Column (B):** Enter the annual amount of Social Security, Supplemental Security Income, pensions, military retirement, etc.
- Column (C):** Enter the annual amount of income received from public assistance (e.g., TANF, general assistance, etc.).
- Column (D):** Enter the annual amount of alimony, child support, unemployment benefits, or any other income regularly received by the household.
- TOTALS:** Add the total for each Column (A, B, C, and D), respectively.
- Row (E):** Add the totals from columns (A) through (D), above. Enter this amount.

Part IV - Income from Assets

See HUD Handbook 4350.3 for complete instructions on verifying and calculating income from assets, including acceptable forms of verification.

From the third party verification forms or first-hand documentation obtained from each asset source, list the gross amount anticipated to be received during the twelve months from the effective date of the (re)certification. List the respective household member number from Part II and complete a separate line for each member.

- Column (F):** List the type of asset (e.g., checking account, savings account, etc.).
- Column (G):** Enter C (for current, if the family currently owns or holds the asset), or I (for imputed, if the family has disposed of the asset for less than fair market value within two years of the effective date of (re)certification).
- Column (H):** Enter the cash value of the respective asset.
- Column (I):** Enter the anticipated annual income from the asset (e.g., savings account balance multiplied by the annual interest rate).
- TOTALS:** Add the total of Column (H) and Column (I), respectively.

If the total in Column (H) is \$5,000 or greater, an imputed calculation of asset income must be made. Enter the Total Cash Value of Assets, multiply by .06% (effective 2/1/2015) and enter the amount in (J), Imputed Income.

- Row (K):** Enter the greater of the total in Column (I) or (J).
- Row (L):** Total Annual Household Income From all Sources. Add (E) and (K) and enter the total.

HOUSEHOLD CERTIFICATION AND SIGNATURES

After all verifications of income and/or assets have been received and calculated, each household member age 18 or older **must** sign and date the Income Certification. For move-in, it is recommended that the Income Certification be signed no earlier than 120 days prior to the effective date of the certification.

Part V – Determination of Program Eligibility

- Total Annual Household Income From All Sources:** Enter the number from item (L).
- Current Income Limit per Family Size:** Enter the Current Move-in Income Limit for the household size at the designated income limit for the unit.

RECERTIFICATION ONLY: For recertifications only. Multiply the Current Maximum Move-in Income Limit by 140% and enter the total. If the Gross Annual Income at recertification is greater than 140% of the current income limit, then the available unit rule must be followed. For units designated at 50 percent or below in Average Income Test developments, use the 60% limit for Current Income Limit.

Program Type: Mark the program(s) for which this household's unit will be designated toward the property's occupancy requirements.

Applicable Program Designation: Check the appropriate box for the income restriction that the household meets according to what is required by the set-aside(s) for the project. If the property has multiple programs, select the appropriate set-aside(s) for each program.

If the owner has elected the Average Income minimum set aside, selection of the income level of the household on this form will be considered the owner's designation described in §42(g)(1)(C)(ii)(1). The gross rent for the unit cannot exceed the income level designated by the owner or owner representative

Part VI - RENT

Tenant Paid Rent: Enter the amount the tenant pays for rent (do not include rent assistance payments, such as Section 8).

Utility Allowance: Enter the utility allowance. If the owner pays all utilities, enter zero.

Rental Assistance: Enter the amount of rental assistance, if any.

Other Non-Optional Charges: Enter the amount of non-optional charges and mandatory fees, such as mandatory renters insurance, utilities paid to/through the owner of the building based on Ratio Utility Billing Systems (RUBS), mandatory garage or carport rent, charges for services provided by the development etc.

Gross Rent for the Unit: For HTC, Exchange, TCAP, BOND, SHTF, enter the total tenant paid rent plus the utility allowance and other non-optional charge(s)/mandatory fees

For HOME, TCAP RF, NSP and NHTF, enter the total tenant paid rent plus the utility allowance, other not-optional charges and rental assistance, if any.

Source of Rental Assistance: If the source of the Rental Assistance is Federal, check "yes," otherwise, check "no". For households that receive Federal Rental Assistance, select the type of assistance from the listed options. If the correct type of Federal Rental Assistance is not listed, check "Other Federal Rental Assistance" and list the type of rental assistance.

Applicable Rent Limit: Enter the current move-in rent limit for the unit's rent designation.

Part VII - Student Status – HTC, TCAP, Exchange and Tax Exempt Bond Programs Only

Are All Occupants Full-Time Students?: If all household members are full time* students, check "yes". If at least one household member is not a full time student, check "no".

If yes, enter Student Explanation and attach documentation: If "yes" is checked, the appropriate exemption must be listed (see Student Explanation listed to the right). If none of the exemptions apply, the household is ineligible to rent the unit.

A full time student is defined as one who attends an educational institution full time for any part of 5 months in a calendar year (the five calendar months need not be consecutive). Full time is determined by the school the student attends.

SIGNATURE OF OWNER/REPRESENTATIVE

It is the responsibility of the owner or the owner's representative to sign and date this document immediately following execution by the resident(s).

The responsibility of documenting and determining eligibility (including completing and signing the Income Certification form) and ensuring such documentation is kept in the tenant file is extremely important and should be conducted by someone well trained in program compliance.

These instructions should not be considered a complete guide on program compliance. The responsibility for compliance with federal and state program regulations lies with the owner of the property.

Part VIII – Household Demographics

Part VIII must be completed by the household and not auto-generated or completed by staff. Failure to comply will result in a finding of noncompliance.

The Household member completing the third page of the Income Certification should follow the instructions on the form.