

Rent Calculation Quiz

Part I: True/False (Mark T for True or F for False)

1. _____ Annual income includes all military pay except the special pay for exposure to hostile fire.
2. _____ Earned income of full-time students 18 and older (who are not the head, spouse, or co-head) in excess of the dependent deduction is excluded from annual income.
3. _____ The PHA may accept self-certification when net-family assets are valued at \$50,000 or less.
4. _____ When calculating annual income at an annual reexamination, the PHA must anticipate income for the upcoming 12-month period.
5. _____ Lump-sum payments are always counted as assets.
6. _____ Disability assistance expenses may be deducted if they enable a family member to work or attend school.
7. _____ The wages of a 17-year-old who has quit school to work but is still living with her parents are included in annual income.
8. _____ The interest on the savings account of a 7-year-old boy is included in net family assets.
9. _____ The PHA must include the income of a live-in aide.
10. _____ A family does not have to be a HUD-defined disabled family in order to qualify for the disability assistance allowance.
11. _____ The unearned income of an adult full-time student who is not head, spouse, or cohead is included in annual income.
12. _____ The family may switch to flat rent at an annual reexamination.
13. _____ A PHA must offer a public housing family the choice annually whether to pay income-based rent or flat rent.
14. _____ HUD requires that the PHA document that they offer each family the choice between income based and flat rent annually.

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PART II - Multiple Choice

15. The restriction on assistance based on assets applies to which of the following types of assets?
- a. A family whose net family assets exceeds \$100,000 (as adjusted annually for inflation)
 - b. A family that has real property that is suitable for occupancy and where the family has a legal right to reside in the property and the legal authority to sell the property
 - c. All irrevocable trusts
 - d. Both a and b
 - e. All of the above
16. All of the following are excluded from annual income, except:
- a. Insurance payments and settlements
 - b. The unearned income of a minor
 - c. Hostile fire pay for members of the armed forces
 - d. Resident service stipends
17. Which of the following types of payments from trusts is excluded?
- a. All periodic payments
 - b. Distributions of the principal corpus (body) of the trust
 - c. Income that is used to pay the costs of health and medical care expenses for a minor
 - d. Both b and c
18. When verifying Social Security income for a program participant, the PHA uses:
- a. The Social Security award letter
 - b. The amount listed in EIV (provided the participant agrees with the amount)
 - c. Either the SS award letter or the EIV printout, whichever is higher
19. All of the following are true, except:
- a. Student loans are excluded
 - b. Assistance under Title IV of the HEA is excluded
 - c. Amounts from educational savings accounts are excluded
 - d. All forms of student financial assistance are excluded
20. When net family assets have a total cash valued over \$50,000:
- a. If actual returns can be calculated, the PHA includes actual returns for each asset
 - b. The PHA may accept self-certification
 - c. Imputed income is calculated for all assets

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21. Disability assistance expenses are allowed for:
 - a. Elderly or disabled families only
 - b. Care attendants or special equipment for a disabled person in a family to enable someone to work or go to school
 - c. Medical prescriptions and doctor visits for a disabled person in a family
 - d. Care attendants or special equipment for a disabled person in a family to enable someone in the family to work

22. When calculating income from Social Security, the PHA uses:
 - a. The gross amount of Social Security prior to the Medicare deduction
 - b. The net amount of Social Security after the Medicare deduction is taken out

23. Assets do not include:
 - a. Retirement accounts
 - b. The family car
 - c. Necessary personal property
 - d. All of the above

24. Which of the following is true about retirement accounts?
 - a. They are assets and the periodic payments from retirement accounts are considered income
 - b. They are not assets and the PHA excludes the full amount of periodic payments from retirement accounts
 - c. They are not assets, but periodic payments from retirement accounts are considered income

25. Who gets health and medical care allowances?
 - a. Every person who is 62 years of age or older, or who is a person with disabilities
 - b. Only those in "a" above who are head of household or spouse
 - c. Every person in an elderly or disabled family whether elderly/disabled or not
 - d. Everybody in a family in which there is an elderly person, or a person with disabilities

26. The Miller family has received \$475 from TANF during the last year. Since their last recertification, they have paid \$101 for rent. The Millers report to the PHA that their TANF has been reduced to \$365. Applying all allowances, their new income-based rent would be \$68. The PHA verifies with the local welfare department that the Millers' TANF has been reduced due to failure to comply with work activities required by welfare. The new rent for the Millers is:
 - a. \$68
 - b. \$0
 - c. \$101

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27. Both Mr. and Mrs. O'Brien work and their rent is \$580 per month. At their next annual recertification, they are told that the flat rent for the public housing unit in which they reside is \$600. The O'Briens inform the PHA that they choose to pay the flat rent. The PHA:
- Charges the O'Briens the income-based rent since it is the lesser of the flat rent or income-based rent
 - Charges the flat rent per the family's request
 - Charges the lesser of the ceiling rent or the flat rent
 - Advises the family that since things look suspicious they will do an income evaluation at the next recertification
28. The Sykes family informs the PHA that their TANF has been reduced. They have been paying \$95 rent. Taking into account the new amount received under TANF, the new income-based rent would be \$75. However, the PHA has verified with the welfare department that the Sykes' welfare reduction is a result of Ms. Sykes' inability to find a job although she did comply with all economic self-sufficiency requirements. The PHA charges the Sykes family the following rent:
- \$95
 - \$75
 - Minimum rent
 - Flat rent
29. Upon a determination that a family is unable to pay the flat rent because of financial hardship, the PHA:
- Must immediately provide for the family to pay the minimum rent
 - Must immediately provide for the family to pay the income-based rent
 - Must immediately provide for the family to pay the income-based rent
 - Depends on PHA policy
30. The Smith family, in between annual recertification, has switched from flat rent to income-based rent upon PHA determination of a financial hardship. Six months before the annual recertification, Mr. Smith gets hired at a better job and informs the PHA that the family chooses to switch back to flat rent. The PHA must do all *but* the following:
- Allow families to choose annually between income-based rent and flat rent
 - Allow families to switch from flat rent to income-based rent because of financial hardship
 - Allow families to switch from income-based rent to flat rent if circumstances change
 - Establish policy on hardships, i.e., verification of hardship

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Part III: Review this family and answer questions 26 through 29.

- a. Head, age 45
- b. Spouse, age 45
- c. Son, age 19, who is a Full-Time Student
- d. Daughter, age 16, who has quit school
- e. Foster child (male), age 12
- f. Granddaughter, age 1
- g. Grandmother, age 70
- h. Disabled brother of head, age 39
- i. No one

31. Who qualifies this family for a the elderly/disabled allowance?
[Write letter of family member(s)]:

32. Who qualifies for the dependent allowance? [Write letter of family member(s)]

33. Who gets a health and medical care expense allowance?
[Write letter of family member(s)]

34. If the spouse was a person with disabilities, who gets a health and medical care expense allowance?

PART IV - Fill In The Blanks

35. Annual Income – HUD allowances = _____

36. There are _____ HUD allowances considered in calculating adjusted income; they include:

37. Tenant Rent+ _____ = Total Tenant Payment

38. Utility Allowance greater than TTP= _____

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Answer Key for Rent Calculation Quiz

- | | |
|-------|--|
| 1. T | 23. d |
| 2. T | 24. c |
| 3. T | 25. c |
| 4. F | 26. c |
| 5. F | 27. b |
| 6. F | 28. b |
| 7. F | 29. b |
| 8. T | 30. c |
| 9. F | 31. i |
| 10. T | 32. c, d, f, h |
| 11. T | 33. i |
| 12. T | 34. a, b, c, d, f, g, h |
| 13. T | 35. Adjusted Annual Income |
| 14. T | 36. 6;
Elderly/disabled Household Allowance;
Dependent Allowance;
Child Care Allowance;
Allowable Disability Assistance Expense;
Allowable Health and Medical Care Expenses;
Permissive Deductions |
| 15. d | |
| 16. b | |
| 17. d | |
| 18. b | |
| 19. d | |
| 20. a | |
| 21. d | 37. Utility Allowance |
| 22. a | 38. Utility Reimbursement Payment |