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CHAPTER 1   Form HUD-50058

LEARNING OUTCOMES

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

Section 1.1   Form HUD-50058

CFR 908; HUD-50058 Instruction Booklet;
www.hud.gov/sites/documents/FORM50058INSTRUCTBOOKLET.PDF

PURPOSE AND BACKGROUND OF HUD-50058

- To collect and retrieve detailed information

- To make computer matching with Social Security possible

- To enable HUD to project program costs

- To provide information to HUD and Congress and other interested parties

- To enable HUD to monitor PHA performance

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

- PHAs can also receive help via email at:
  - REAC_TAC@hud.gov

PHA RESPONSIBILITIES

- Complete HUD-50058

- Transmit data electronically

- Review HUD-50058 Error Analysis Reports

- Correct all Error Correction Reports

GENERAL RULES FOR COMPLETING FORM HUD-50058

- Read instructions carefully.

- Enter whole dollar amounts; standard rounding rules apply.

- No negative numbers; enter zero (0).

- Complete new HUD-50058 for each family:
    1. New admissions
    2. Annual reexamination
    3. Interim reexamination
    4. Portability move-in (vouchers only)
    5. Portability move-out (vouchers only)
    6. End participation
    7. Other change of unit
    8. FSS/WTW enrollment, progress update, exits for the Family Self-Sufficiency or Welfare to Work voucher programs
    9. Annual reexamination searching (vouchers only)
    10. Issuance of voucher (vouchers only)
    11. Expiration of voucher (vouchers only)
    12. Flat rent annual update (public housing only)
    13. Annual HQS inspection only (HCV only)
    14. Historical adjustment
    15. Void

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

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

U.S. Department of Housing and Urban Development

Office of Public and Indian Housing

Family Report

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

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

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

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

Each affected agency must submit information to assist HUD in managing and monitoring HUD assisted housing programs, to protect the Government's interest, and to verify the accuracy of the information received. HUD will use the information to: (1) monitor program participants' compliance with requirements, (2) provide demographic information describing tenants' characteristics, (3) participate in income matching, detect fraud, and (4) plan for future use of the housing inventory with emphasis on the housing needs of special groups. This collection is authorized by the U. S. Housing Act of 1937 (42 U. S. C. 1437 et seq.), Title VI of the Civil Rights Act of 1964 (42 U. S. C. 2000d) and by the Fair Housing Act (42 U. S. C. 3601-19).

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

Acronyms

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

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

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

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

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

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

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

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

Family Report

U.S. Department of Housing and Urban Development   OMB Approval Number 2577-0083
Office of Public and Indian Housing

1. Agency

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

2. Action

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

2a. Type of action codes

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

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

3. Household

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

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

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

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

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

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

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

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

3h. Relation codes:
H = head
S = spouse
K = co-head
F = foster child/foster Adult
Y = other youth under 18
E = full-time student 18+
L = live-in aide
A = other adult

3i. Citizenship codes:
EC = eligible citizen
EN = eligible noncitizen
IN = ineligible noncitizen
PV = pending verification

3k. Race codes:
1 = White
2 = Black/African American
3 = American Indian/Alaska Native
4 = Asian
5 = Native Hawaiian/Other Pacific Islander

3m. Ethnicity codes:
1 = Hispanic or Latino
2 = not Hispanic or Latino

3q. Community service or self-sufficiency codes:
1 = yes
2 = no
3 = pending
4 = exempt
5 = n/a

3u. Family subsidy status codes:
C = qualified for continuation of full assistance
E = eligible for full assistance
F = eligible for full assistance pending verification of status
P = prorated assistance

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

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

4. Background at Admission

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

5. Unit to be Occupied on Effective Date of Action

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

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

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

6. Assets

6a. Family member name	No.	6b. Type of asset	6c. Calculation (PHA use)	6d. Cash value of asset	6e. Anticipated Income
				$	$
				$	$
				$	$
				$	$
				$	$
				$	$
				$	$
				$	$

6f, 6g. Column totals			$ 6f.	$ 6g.
6h. Passbook rate (written as decimal)				0. _____ 6h.
6i. Imputed asset income: 6f X 6h (if 6f is $5,000 or less, put 0)				$ 6i.
6j. Final asset income: larger of 6g or 6i				$ 6j.

7. Income

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

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

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

6:	Assets
Note:	Use a separate line for each family member and asset type.
Line 6a:	The name of each family member in the household that has assets and their Member number (line(s) 3a) that corresponds to the asset information reported.
Line 6b:	List any asset that has a dollar value or provides a source of income to the person listed in column 6a.
Note:	See the Form HUD-50058 Instruction Booklet for an explanation of allowable assets.
Line 6c:	Use this column to perform asset calculations.
Line 6d:	Estimated, known or calculated dollar value of the asset listed.
Line 6e:	Total amount of income the family member expects to receive in the next 12-month period from the asset listed.
Line 6f:	Total of the values listed in column 6d.
Line 6g:	Total of the values listed in column 6e.
Line 6h:	Enter the passbook rate as a decimal.
Note:	The HUD field office determines the Passbook rate of interest for the project locality based on the average interest rate received on a Passbook Savings Account at several banks in the local area.
Line 6i:	Imputed income from assets based on the total dollar value of the asset listed and the Passbook rate of interest.
Note:	If the total cash value of assets is $5,000 or less, enter 0.
Line 6j:	Total amount of household income derived from assets.
7:	Income
Note:	If the family members do not have any income from sources other than assets and do not expect any other income in the next 12-month period, leave 7a through 7g blank. Fill in total annual income (line 7i), which would be the total of the asset income.
Line 7a:	The name of each family member in the household that has income and their Member number (line(s) 3a) that corresponds to the income information reported.
Line 7b:	Use one or two letter code at bottom of page that represents the type of income for a family member.
Note:	See the Form HUD-50058 Instruction Booklet for a detailed description of each income code.
Line 7c:	Use this column to perform income calculations.
Line 7d:	Yearly income amount the family member receives from the income source(s) listed.
Note:	See the Form HUD-50058 Instruction Booklet for a description of each income source.
Line 7e:	Income excluded from annual income calculations.
Note:	Includes income disallowance and individual savings accounts (ISA) for Public Housing.
Note:	See the Form HUD-50058 Instruction Booklet for a description of each income exclusion.
Line 7f:	The family's total income minus any exclusions. Take dollars per year (line 7d) minus income exclusions (line 7e).
Line 7g:	The total of the dollar amounts listed in column 7f.
Line 7h:	Reserved for future HUD use.
Line 7i:	The family's total annual income. Add the final asset income (line 6j) and the total income after income exclusions (line 7g).

8. Expected Income Per Year

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

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

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

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

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

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

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

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

9. Total Tenant Payment (TTP)

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

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

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

10. Public Housing and Turnkey III

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

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

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

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

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

Type of Rent

10u.	Type of rent selected: ☐ Income based ☐ Flat

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

11. Section 8: Project Based Certificates and Vouchers

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

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

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

Prorated Rent Calculation

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

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

12. Housing Choice Vouchers: Tenant Based Vouchers

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

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

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

Prorated Rent Calculation

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

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

        10/1/24

13. Section 8: Moderate Rehabilitation (Mod Rehab)

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

Rent Calculation (if prorated, skip to 13p)

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

Prorated Rent Calculation

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

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

          10/1/24

15. Homeownership Vouchers

15a.	Is family now moving to this home? (Y or N)		15a.
15b.	Date (mm/dd/yyyy) of initial HQS inspection		15b.
15c.	Did family move into your PHA jurisdiction under portability? (Y or N) (if no, skip to15f)		15c.
15d.	Cost billed per month (put 0 if absorbed)	$	15d.
15e.	PHA code billed		15e.
15f.	Monthly homeownership payment (PITI & MIP if applicable)	$	15f.
15g.	Utility allowance	$	15g.
15h.	Monthly maintenance allowance	$	15h.
15i.	Monthly major repair/replacement allowance	$	15i.
15j.	Monthly Co-op/Condominium assessments	$	15j.
15k.	Monthly principal and interest on debt for improvements, if any	$	15k.
15m.	Gross homeownership expense: 15f + 15g + 15h + 15i + 15j + 15k	$	15m.
15n.	Payment standard for family	$	15n.
15p.	Lower of 15m and 15n	$	15p.
15q.	TTP: copy from 9j	$	15q.
15r.	HAP: 15p minus 15q (if 15q is larger, put 0)	$	15r.

Subsidy Calculation (if prorated, skip to 15aa)

15s.	Total family share: 15m minus 15r	$	15s.

Prorated Subsidy Calculation

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

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

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

17a.	Participate in special programs? (check all that apply)	☐ FSS		☐ Welfare to Work Voucher	
17b.	FSS report category: (check no more than one)	☐ Enrollment	☐ Progress		☐ Exit
17c.	FSS effective date (mm/dd/yyyy) of action				17c.
17d.	PHA code of PHA administering FSS contract				17d.
17e.	WtW report category (check no more than one)	☐ Enrollment	☐ Progress		☐ Exit
17f.	WtW effective date (mm/dd/yyyy) of action				17f.
17g.	(1) PHA code of PHA that issued the WtW Voucher				17g(1).
	(2) PHA code of PHA counting the family as enrolled in its WtW Voucher program (if different from 17g(1))				17g(2).
17h.	General information				

17h. General information

(1) Current employment status of head of household. Check the box to indicate the head of household's employment status at the time addendum completed.

☐ Full-time (32 hours per week or more)   ☐ Part-time   ☐ Not employed

(2) Date (mm/dd/yyyy) current employment began	17h(2).

(3) Benefits in current employment: (check all that apply)   ☐ Health   ☐ Retirement account   ☐ Other

(4) Years of school completed by the head of household. Enter the highest grade of education or years of formal schooling the head of household completed at the time Addendum is submitted. (0-25)	17h(4).

(5) Assistance received by the family: (check all that apply)

☐ TANF Income Assistance   ☐ General Assistance   ☐ Food Stamps
☐ Medicaid/Children's Health Insurance Program   ☐ Earned Income Tax Credit

(6) Number of children receiving childcare services	17h(6).

17i. Family services table (optional for WtW Voucher)

	(1) Need (Y or N)	(2) Need Met During Participation in Program (Y or N)	(3) Service Provider
Education/Training			
GED			
High school			
Post secondary			
Vocational/Job training			
Job search/job placement			
Job retention			
Transportation			
Health services			
Alcohol and other drug abuse prevention services			
Mentoring			
Homeownership counseling			
Individual Development Account (IDA)			
Child care			
None			

17i (3) Service provider codes:

P = PHA	D = DOL grantee	PR = For profit entity	E = Employer
T = TANF agency	V = Voluntary organization	N = Nonprofit agency	C = Community college

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

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

17j.	FSS Contract Information	
	(1) Initial start date (mm/yyyy) of contract of participation (FSS enrollment report only)	17j(1).
	(2) Initial end date (mm/yyyy) of contract of participation (FSS enrollment report only)	17j(2).
	(3) Contract date extended to (mm/yyyy) (if applicable)	17j(3).
	(4) Number of family members with Individual Training and Services Plan	17j(4).
	(5) Did the family receive selection preference because of a FSS related service program participation? (FSS enrollment report only) (Y or N)	17j(5).
17k.	FSS account information	
	(1) Current FSS account monthly credit	17k(1).
	(2) Current FSS account balance	17k(2).
	(3) FSS account amount disbursed to the family (cumulative as of end of reporting period)	17k(3).
17m.	FSS exit information (FSS Exit Report only)	
	(1) Did family complete contract of participation? (Y or N)	17m(1).
	(2) If (1) is Yes, did family move to homeownership? (Y or N)	17m(2).

(3) If (1) is No, primary reason for exit:

☐ Left voluntarily ☐ Portability move-out ☐ Contract expired but family did not fulfill obligations
☐ Asked to leave program ☐ Left because essential service was unavailable

Welfare to Work Voucher Program

17n.	WtW program information	
	(1) Date (mm/dd/yyyy) Voucher issued (WtW enrollment report only)	17n(1).
	(2) Date (mm/dd/yyyy) of request for lease approval (RFLA) for a unit leased	17n(2).
17q.	Welfare to Work exit information (WtW exit report only)	
	(1) Is the family moving to homeownership? (Y or N)	17q(1).

(2) Primary reason for leaving the WtW Voucher program:

☐ Portability move-out

☐ Family no longer needs subsidy

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

☐ Subsidy terminated for violation of WtW obligations

☐ Family voluntarily withdrew from Housing Choice Voucher program

☐ Other

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

CHAPTER 2   Income and Allowances

LEARNING OUTCOMES

- Upon completion of this chapter, you should be able to:
  - Define annual income for the purposes of HCV rent calculation
  - Differentiate between what is included in determining annual income and what is excluded
  - Identify how to calculate income that is seasonal or sporadic
  - Identify when imputed welfare income is to be used and calculate imputed welfare income
  - Identify assets and calculate income from assets using 24 CFR and Section 6 of the 50058, including:
    - Calculating the cash value, market value, and anticipated income of assets
    - Calculating imputed asset income when the total cash value of assets exceeds $5000
    - Distinguishing between which assets are included and which are not
    - Calculating the market value, cash value, and net rental income for rental property
    - Identifying assets disposed of for less than fair market value and calculating the amount to be imputed for two years from the date of sale

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

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

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

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

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

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

- Recognize the requirements for verification of income, allowances, and expenses, including:

  - Discussing HUD's verification hierarchy and how it relates to PHA practice

  - Recalling the importance of documentation in the verification process

  - Identifying the role of HUD's EIV system and when to use it in the verification process

Section 2.1 Annual Income

DEFINITION

CFR 5.609(a)

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

WHOSE INCOME TO COUNT

- All sources of income are counted unless specifically excluded by regulations.

- For the head of household, spouse, cohead and other adults, all income is counted unless regulations state to exclude.

- Regulations specifically state that only the first $480 of employment income is counted annually for an adult full-time student (never the head of household, spouse, or cohead).

- Regulations also specifically state that no employment income is counted for children under 18 (this does not include the head of household, spouse, or cohead).

INCOME OF TEMPORARILY/PERMANENTLY ABSENT FAMILY MEMBERS

CFR 5.609 (a)(1)

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

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

COMPUTING ANNUAL INCOME

Notice PIH 2001-15 (HA)

- Annual income is determined by calculating a family's anticipated total or gross income minus allowable exclusions.

  - Total/Gross Income – Exclusions = Annual Income

CFR 5.609

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

HCV Program GB 5-17

- Convert earned income to annual income as follows:

  - Multiply hourly wages by the number of hours worked/year (2080 hours for full-time employment with a 40-hour work week and no overtime)

  - Multiply weekly wages by 52

  - Multiply biweekly wages by 26

  - Multiply semimonthly wages by 24

  - Multiply monthly wages by 12

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

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

    Annual Income   _____   Monthly Income   _____

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

    Annual Income   _____   Monthly Income   _____

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

    Annual Income   _____   Monthly Income   _____

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

    Annual Income   _____   Monthly Income   _____

ANTICIPATING INCOME

HCV GB 5-17

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

EXAMPLE OF IMMINENT CHANGE EXPECTED
• Employer reports a full-time employee earning $7.25 per hour will receive this for seven weeks.
• In the eighth week after the effective date of the reexam, the employee will begin to receive $8.00 per hour
• How is annual income calculated?

EMPLOYMENT INCOME

CFR 5.609(b)(1)

- Full amount, prior to payroll deductions.
  - Includes overtime, commissions, fees, tips, and bonuses (even if received only one time per year)
  - PHA policy determines what establishes a pattern for projection of employment income.

ANNUALIZING EMPLOYMENT INCOME

Notice PIH 2018-18

- HUD requires the PHA collect a minimum of two current and consecutive paystubs when calculating employment income.

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

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

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

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

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

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

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

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

Section 2.1: Annual Income

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

EXAMPLE OF AVERAGING PAYSTUBS
• PHA policy calls for four pay stubs: - Paystub 1: $725.80 for 5/1   - Paystub 2: $799.93 for 5/15   - Paystub 3: $730.48 for 6/1   - Paystub 4: $767.92 for 6/15
• What is the annual income?   - $725.80 + $799.93 + $730.48 + $767.92 = $3,024.13   - $3,024.13 / 4 = $756.03   - Pay is semimonthly (1st and the 15th)   - $756.03 x 24 = $18,144.72

SEASONAL EMPLOYMENT

CFR 5.609 (d)

- PHA may annualize income for a shorter period with subsequent redetermination if:

  - It is not feasible to determine for a 12-month period (e.g., seasonal employment)

  - PHA feels past income is best indicator of expected future income.

- To elaborate, in some occupations it is normal for people to work less than 12 months per year. For example: school employees, agricultural workers, or construction trades may typically work for fewer months, depending on local conditions.

- This can make calculating a challenge. However, HUD's HCV Guidebook describes two acceptable calculation methods.

Method 1

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

Method 2

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

EXAMPLE
Maggie Price is currently employed as a tile setter with Heinz Construction, earning $1,200 per month. For the last three years, she has worked this job for eight months per year during the construction season. During the other four months of each year, she works part-time at Canon Printers, earning $500 per month.

Under Method 1, the PHA would multiply current income times 12 months.
  $1,200 x 12 months = $14,400 per year
 	
When the construction season ends, the PHA would conduct an interim reexamination, multiplying the new current income times 12 months.
  $500 x 12 months = $6,000 per year

Under Method 2, the PHA would anticipate income from all known sources for the entire year.

Heinz Construction	$1,200 x 8 months =	$9,600
Canon Printers	$500 x 4 months =	$2,000
Total		$11,600

Since the PHA already anticipated the change in income, there would be no interim reexamination conducted when the participant changes jobs from Heinz Construction to Canon Printers.

Section 2.1: Annual Income

- RIM reviewers have often found that PHAs are calculating Method 1 incorrectly. The incorrect calculation is a result of the PHA only multiplying the current income times the anticipated length of the job.

  - For example, in the above situation, PHAs often incorrectly multiply $1,200 per month times the anticipated length of the job of 8 months, which incorrectly results in annual income calculated as $9,600. This would result in the family's Total Tenant Payment (TTP) being lower than required by regulations.

- Regardless of the method chosen by the PHA, the method needs to be written into the PHA's policy. Policy should also include an example of the calculation method, such as laid out above, in order to provide clear direction to staff.

- Note that policy could also lay out both scenarios, project income under both methods, and let the family select the method of calculation.

- Keep the family informed. If Method 1 is used, the family should know that an interim reexamination will be conducted. Conversely, if Method 2 is used, the family should know that an interim reexamination will not be conducted.

DEPENDENTS AND DEPENDENT INCOME

Dependent Income

CFR 5.609(c)

- Earned income of minors (family members 17 years of age and under) is not included.

- Benefit and other non-earned income paid directly to minors is included.

- Asset income of minors is counted as income because it is not "excluded income."

- Earnings in excess of $480 for each full-time student 18 years old or older is not included as income.

Example: Miriam Leslie is a full-time student. She receives $4,000 from employment and $3,500 from alimony.

7. Income

7a. Family member name	No.	7b. Income Code	7c. Calculation (PHA use)	7d. Dollars per year	7e. Income exclusions	7f. Income after exclusions (7d minus 7e)
		N		$ **3,500**	$	$ **3,500**
		W		$ **4,000**	$ **3,520**	$ **480**
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$

7g. Column total	$ **3,980**	7g.
7h. Reserved		
7i. Total annual income: 6j + 7g	$ **3,980**	7i.

INCOME OF COLLEGE STUDENTS

CFR 5.609(b)(7)
FR Notice 12/14/2012

- PHAs must include regular contributions such as financial support from parents or guardians to college students in annual income.

- The rule requires that financial aid amounts exceeding tuition and mandatory fees and charges must be included in annual income.

  - Financial aid paid to a student over 23 with dependent children is excluded.

  - Do not count student loans.

Supplemental Guidance to Student Eligibility Final Rule, Federal Register, 4/10/06

- The rule does not apply to students residing with their parents receiving or applying for HCV assistance.

- Therefore, the financial assistance of a student residing with his or her parents would be excluded from annual income.

Notice PIH 2015-21

- Required fees are defined as all fixed sum charges that are required of a majority of students, including:

  - Writing and science lab fees

  - Athletic fees

  - Fees specific to student's major or program

- Expenses related to attending school not included in tuition include:

  - Room and board

  - Books

  - Supplies

  - Meal plans

  - Transportation and parking

  - Student health insurance

  - Other non-fixed sum charges

EXAMPLE CALCULATION
TUITION IN THE HCV PROGRAM

- Jason Dean is a full-time student who is 48 years old. He does not live with his parents and does not have any children.

- Jason receives financial aid in the amount of $20,000 per year which covers his $15,000 tuition.

- He pays a required athletic fee of $500 per school year.

- He also pays $200 per semester for a parking pass as well as spending an average of $500 per semester on books.

- How much of his financial aid is included in his annual income?

- Count financial aid in excess of tuition:

  - $20,000 financial aid - $15,000 tuition - $500 athletic fee = $4,500 included in annual income

  - The parking fee and books do not count as tuition and are not subtracted.

  - The required athletic fee is considered part of tuition and is subtracted.

MILITARY PAY

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

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

CFR 5.609(c)(7)

- Exclude the special pay for exposure to hostile fire.

REGULAR CONTRIBUTIONS AND GIFTS

CFR 5.609(b)(7)

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

HCV GB 5-18
Public Housing Occupancy
Guidebook 10.1g, p. 115

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

CFR 5.609(c)(9)

- Casual contributions or sporadic gifts are not included.

PERIODIC PAYMENTS AND ALLOWANCES

SOCIAL SECURITY

CFR 5.609(b)(4)

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

    - For example, if an individual's gross SS payment is $800 per month, but $135.50 is subtracted each month for the Medicare premium, include $800 in the individual's annual income.

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

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

    - Applies to other similar benefits as well as SS.

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

- If a recipient's Social Security income is reduced because of an IRS garnishment, or other similar garnishment, the PHA must use the gross amount to calculate income. Annual income, per 24 CFR 5.609, includes the full amount of periodic amounts from Social Security.

EXAMPLE OF SOCIAL SECURITY REDUCTION

Notice PIH 2012-10

- A family member received $1,200 per month for the past six months in SS income.

- SSA notifies the individual that they should have received only $1,100 per month.

- SSA adjusted their monthly payment to recoup overpayment. They will now receive $1,000 per month for the next six months and will then receive their regular payment of $1,100 per month after that.

- How should this be annualized?

Method 1

- For the next six months, use the lower amount $1,000 x 12 = $12,000

- Then, conduct an interim when the reduction ends $1,100 x 12 = $13,200

ANNUALIZING SS USING EIV

Notice PIH 2018-24

- When using EIV to annualize SS and SSI benefit amounts for participants, the amount in EIV may differ from the amount listed on the SS or SSI award letter.

  - EIV is not available for applicants so the PHA must use a benefit letter dated with in the last 60 days

- PHAs are required to use the EIV-reported SS and SSI benefit amount unless the participant disputes the EIV-reported amount.

EXAMPLE OF ANNUALIZING SS INCOME

- SSA benefit letter lists monthly benefit amount as $450.80

- EIV displays amount as $450

- How should this be annualized?

  - Use the amount in EIV unless the participant disputes this information
  - $450 x 12 = $5,400

APPLYING SSA COLA

Notice PIH 2018-24

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

  - In some years there is no COLA for SS benefits

- In years in which a COLA is applied, effective the day after the SSA has announced the COLA, PHAs are required to factor in the COLA when determining SS and SSI income for all annual reexaminations and interim reexaminations of family income which have not yet been completed and will be effective January 1 or later of the following year.

  - When a COLA is applied, the PHA should document the calculation on the EIV report or case narrative in order to leave a clear audit trail.

EXAMPLE OF APPLYING A COLA

- EIV shows participant Bob Jones currently receives $500 a month in SS.

- You are working on his annual recertification in November which is effective 02/01 of the following year.

- The COLA was announced in October as 3.6 percent for the following year.

- How should his SS income be annualized?

  - First calculate the COLA
    500 x 3.6% = $18

  - His new benefit amount for the following year is $518

  - Effective for his 02/01 recertification the following year: $518 x 12 = $6,216

OTHER PERIODIC PAYMENTS AND ALLOWANCES

CFR 5.609(b)(4)

- Annuities

- Insurance policies

- Pensions

- Disability

- Death benefits

- Withdrawal from investments as income

  - If a family member receives periodic payments from investments, these are included in income except to the extent the withdrawal is reimbursement of cash or assets invested by the family.

    - For example, a family member holds a retirement plan. When the family member retires and begins receiving regular payments from the plan, the amount received is not considered income until the total amount the family invested (deposited in retirement fund) has been received.

Notice PIH 2019-09
  - Withdrawals from ABLE accounts (i.e., tax-advantaged savings accounts under the Achieving Better Life Experience Act) are an exception and are excluded from income.

EXAMPLE OF WITHDRAWAL FROM INVESTMENT
Fifteen years ago, Mark Lee purchased an annuity, paying $50,000. He is now receiving regular monthly payments of $500. To date, he has received $10,000 from the annuity, and will not have received the full amount invested for another 6.7 years.
The payments he receives from the annuity should not be counted as income until he has received the full $50,000 he invested.
Question: How long will the annuity payments not be counted as income?
Answer: Six years – but the PHA must ask at every reexamination.

CFR 5.609(b)(7)
- Alimony and child support

HCV GB 5-23
  - PHAs may state in policy that they will include amounts awarded as part of a divorce or separation agreement unless the PHA has verified that the income is not provided.

Notice H 86-23 (HUD)
  - The PHA may also include amounts awarded unless applicant certifies that income is not provided and has made effort to collect amounts, including filing with courts or appropriate agencies responsible for enforcing such payments.

  - Again, this is up to PHA policy.

Learning Activity 2-2:   Calculating Annual Income

Family Name: Scott

Head: Wages	$8.00/hour (40 hrs/week)	
Spouse: Social Security	$350/month	Annual Income _____

Family Name: Tilden

Head: Alimony	$150 semimonthly	
Head: Wages	$125 weekly	Annual Income _____

Family Name: Wahl

Head: Pension	$175/month	
F-T Student, 19 (not head/spouse/cohead): Wages	$7.25/hour (20 hrs/week)	Annual Income _____

LUMP-SUM PAYMENTS

Assets

CFR 5.609(c)(3)

- Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses are not included in income.

CFR 5.609(c)(14)9

- Lump-sum payments caused by delays in processing periodic payments from the following sources are not included as income:
    - Social Security and SSI
    - Veterans disability

Income

CFR 5.609(b)(4)

- Lump-sum payments caused by delays in processing periodic payments (such as unemployment or welfare assistance benefits) are included as income.

Lump-sum Payments Involving Attorney Fees

HUD Memo 2/27/89

- Attorney fees (PHA policy) may be deducted from lump-sum payments when computing annual income when:
    - The attorney's efforts have recovered a lump-sum compensation for the wrongful reduction or denial of a periodic payment
    - The recovery does not include an additional amount in full satisfaction of the attorney fees.

- In these situations, the tenant does not actually recover the entire amount of the past due periodic payment because they must pay the attorney fees.

- This situation does not include those in which an amount is withheld from funds otherwise due the tenant to satisfy legitimate financial obligations unrelated to obtaining the income such as:
    - Withholding from wages to pay child support, alimony, or a judgment creditor
    - Garnishment for failure to pay child support, alimony, or a judgment creditor.

- The situation does not include those where a tenant incurs attorney fees unrelated to asserting a right to a source of income or where no income results from the attorney's actions. These are the financial responsibility of the tenant and are not deducted in determining annual income.

- For lump sums to be treated as income the PHA may count these incomes by either the prospective or retroactive method, in accordance with PHA policy. The following two pages are excerpts from the HUD HCV Guidebook regarding the prospective (Option A) and retroactive (Option B) methods.

Notes

Lump Sum Payments Counted as Income

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

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

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

TREATMENT OF DELAYED BENEFIT PAYMENTS RECEIVED IN A LUMP SUM

Family loses job on October 19 and applies for unemployment benefits. The family receives a lump sum payment of $700 in December to cover the period from 10/20 to 12/5 and begins to receive $100 a week effective 12/6.

Option A: PHA processes one interim reexamination immediately effective 11/1 and a second interim after unemployment benefits are known.

	10/1	11/1	12/1	1/1	2/1
Monthly Gross income	800	*0	*0	492**	492**
Monthly Allowances (3 minors x 480 – 12 month)	120	-	-	120	120
Monthly Adjusted Income	680	0	0	372	372
Total Tenant Payment	204	0	0	0***	112***

*   The family's income is calculated at $0/month beginning November 1, continuing until benefits actually begin and new income is calculated.

** Family's actual income for 1/1 is $100/week x 52 weeks = $5,200) 12 = $433.
    However, because the family's TTP was calculated at zero income for the months of November and December (the period eventually covered by the the $700 lump sum payment), the annual income to be used in calculating monthly gross income should be:

    $100/week benefit x 52 weeks = $5,200 + $700 lump sum payment = $5,900 annual gross income) 12 = $492.

*** Increased rent does not start until 2/1 in order to give family notice of rent increase.

TREATMENT OF DELAYED BENEFIT PAYMENTS: OPTION B

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

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

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

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

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

INCOME FROM A BUSINESS (INCLUDING SELF-EMPLOYED)

CFR 5.609(b)(2)

- Net income equals gross income less expenses.

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

- Withdrawal of cash or assets from a business is included as income except when the withdrawal is for reimbursement of amounts the family has invested in the business.

EXAMPLE

- Donna has none of her cash invested in the business, but she takes out $300 per month to live on.
- This is not a business expense and is included in her net income.

MONTHLY SELF-EMPLOYMENT WORKSHEET

Reporting for the month of:

Date	Income Source	Income Amount	Date	Nature of Expense	Expense Amount
TOTAL Monthly Income		$	**TOTAL Monthly Expense**		$

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

- It's October and you are conducting an annual recertification for John O'Brien who works part-time in a bakery. He has no other income. PHA policy calls for four current, consecutive pay stubs when calculating annual income. You have collected the following information:

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

Task

- Calculate John's total income by completing section 7 (7a through 7i) of the 50058 form.

7. Income

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

PUBLIC ASSISTANCE

CFR 5.609(b)(6)
- Temporary Assistance to Needy Families (TANF)

- SSI

- General Assistance/General Relief

CFR 5.609(b)(6)

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

- Special calculations of income are required for "as-paid" state, county, or local public assistance programs.

- An "as-paid" system is one in which the welfare assistance payment includes a specifically designated amount for shelter and utilities that is subject to adjustment based upon the actual cost of shelter and utilities.

*HUD 50058 Instructions, 9g
HCV Program GB 5-20
Public Housing Occupancy
Guidebook 10.1f, p. 115*
- "Welfare rent" is the public assistance amount specifically designated for shelter and utilities.

CFR 5.609(b)(6)
- The amount of welfare assistance income to be included as income shall consist of:
  - The amount of the allowance/grant minus the amount specifically designated for shelter or utilities; plus
  - The maximum amount the welfare assistance agency could in fact allow the family for shelter and utilities
    - If the family's welfare assistance is reduced from the standard of need by the application of a percentage, the "maximum amount" shall be the amount resulting from one application of the percentage.

Welfare Assistance Income to be included - Sample Calculation

- A family's welfare grant of $600 includes $250 for basic needs and $350 for shelter and utilities. However, for a family of this size, the welfare assistance agency allows a maximum of $400 for shelter and utilities.

- Count as income:

$250	Basic Needs
+ 400	Shelter and utilities
$650	Welfare Assistance Income

RULES FOR CERTAIN WELFARE PROGRAM SANCTIONS

CFR 5.615

Covered Families

- "Covered families" are those families who receive welfare benefits from a welfare agency under a program for which federal, state, or local law requires participation in an economic self-sufficiency program as a condition of assistance.

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

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

- The family's income must include the amount of welfare benefits that would have been paid to the family if sanctions had not been imposed.

CFR 5.615

Specified Welfare Benefit Reduction

- A "specified welfare benefit reduction" is:
  - A reduction in welfare benefits due to:
    - Fraud in connection with the welfare program
    - Sanction for noncompliance with welfare agency requirement to participate in an economic self-sufficiency program
  - Not applicable if:
    - The welfare reduction is a result of the expiration of a lifetime limit, or other time limit, on receiving benefits
    - The family has complied with requirements but cannot find a job
    - The sanction is due to family noncompliance with other welfare agency requirements.

CFR 5.615 (c)(2)

Verification of Welfare Benefit Reduction

- At the request of the PHA, the welfare agency will inform the PHA of:
  - The amount and term of the specified welfare benefit reduction for the family
  - The reason for the reduction
  - Subsequent changes in the term or amount of the reduction.

- The PHA will use the information provided by the welfare agency to determine the amount of imputed welfare income for the family.

CFR 5.615

Imputed Welfare Income

- The amount of annual income not actually received by a family as a result of a specified welfare benefit reduction, which is included in the family's annual income for purposes of determining rent.
  - Based on information provided by the welfare agency.

- Used during the term of welfare benefits reduction.

- Offset by the amount of additional income the family receives that starts after the sanction is imposed

  - When such additional income equals or exceeds the imputed amount, imputed welfare income is reduced to zero.

+--+
| **IMPUTED WELFARE INCOME EXAMPLE 1** |
| |
| A family is receiving $600/mo. TANF benefits. |
| Benefits stop due to welfare fraud. |
| |
| • Imputed welfare income   = $600 |
| |
| The head begins working, earning $300/mo. |
| |
| • Employment income   = $300 |
| |
| • Imputed welfare income   = |
| _____ |
| Total 50058 monthly income   = |
+--+

+--+
| **IMPUTED WELFARE INCOME EXAMPLE 2** |
| |
| A family is receiving $600/mo. TANF benefits. |
| Benefits are reduced to $200 due to fraud. |
| |
| TANF income   = $200 |
| |
| Imputed welfare income   = |
| |
| The head begins working, earning $300/mo. |
| |
| TANF income   = $200 |
| |
| Employment income   = $300 |
| |
| Imputed welfare income? |
| |
| $400–$300   = |
| _____ |
| Total 50058 monthly income   = |
+--+

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IMPUTED WELFARE INCOME EXAMPLE 3

A family is receiving $600/mo. TANF benefits. Benefits stop due to failing to participate in required economic self-sufficiency program.

Imputed welfare income	=	$600

The head begins working, earning $800/mo.

Employment income	=	$800
Imputed welfare income?	=	

</div>

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

Review of PHA Decision

CFR 5.615 (d)

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

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

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

Learning Activity 2-4:   **Imputed Welfare Income**

- Betty Childs and her three children currently receive TANF benefits. They do not have any other source of income. The welfare agency has notified you that Ms. Childs' benefits are being reduced because of fraud. Ms. Childs' regular TANF amount is $650 per month. Her TANF is being reduced to $450 per month, and the reduction is expected to last for the next 12 months. She continues to receive the reduced TANF benefits of $450 each month.

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

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

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

7. Income

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

7g.	Column total				$	7g.

7h.	Reserved

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

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

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

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

7. Income

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

7g.   Column total $ 7g.

7h.   Reserved

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

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

Page 2-36   10/1/24

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

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

7. Income

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

7g.   Column total $ 7g.

7h.   Reserved

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

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

                       10/1/24

PAYMENTS IN LIEU OF EARNINGS

CFR 5.609(b)(5)

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

- Since the duration of such payments are often not known, when these periodic payments are received, the PHA may have a policy to annualize and then conduct an interim when they are no longer received. PHA policy would also determine how the payments are to be counted when their duration is known.

- Unemployment benefits may be associated with seasonal employment, and therefore the PHA's policies regarding seasonal employment will determine how such unemployment benefits will be counted. For example, when the amount and duration of unemployment benefits are known for a seasonal worker, the PHA policy will determine whether Method 1 or Method 2 will be used to determine income for the year.

Section 2.2   Annual Income Exclusions

FEDERALLY MANDATED INCOME EXCLUSIONS

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

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

- Benefits under Section 1780 of the School Lunch Act and Child Nutrition Act of 1966
  - Includes WIC

- Domestic Volunteer Services Act
  - Payments under the Domestic Volunteer Services Act of 1973 are excluded. These programs include:
    - VISTA - Volunteers in Service to America
    - RSVP - Retired Senior Volunteer Program
    - Foster Grandparents
    - Senior Companions Programs

- Heating assistance
  - Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program.

- Workforce Investment Act of 1998
  - Payments or allowances received under programs funded in whole or in part under the Workforce Investment Act of 1998.

- Americorps Living Allowance under the National and Community Service Act of 1990

- Any amounts in an "individual development account as provided by the Assets for Independence Act, as amended in 2002

- Deferred disability benefits from the Department of Veterans Affairs
  - Received in a lump sum or in prospective monthly amounts

Income and Allowances

Section 2.2: Annual Income Exclusions

- Indian Settlements/Trusts
  - Payments received under the Maine Indian Claim Settlement Act of 1980. (Pub. L. 96-420, 94 Stat. 1785).
  - Payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1616(c)).
  - Income derived from certain submarginal land of the United States held in trust for particular Indian tribes.
  - Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation.
  - Income derived from the disposition of funds of the Grand River Band of Ottawa Indians.
  - The first $2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U.S. Claims Court, the interests of individual Indians in trust or restricted lands, including the first $2,000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands.
  - Payments, funds, or distributions authorized, established, or directed by the Seneca Nation Settlement Act of 1990 (25 U.S.C. 1774f(b))
    - A lump sum or a periodic payment received by an individual Indian pursuant to the Class Action Settlement Agreement in the United States District Court case entitled *Elouise Cobell et al.* v. *Ken Salazar et al.,* for a period of one year from the time of receipt of that payment as provided in the Claims Resolution Act of 2010
  - Benefits under the Indian Veterans Housing Opportunity Act of 2010
    - Only applies to Native American housing programs
  - Payments made from the proceeds of Indian tribal trust cases as described in Notice PIH 2013-30. "Exclusion from Income of Payments under Recent Tribal Trust Settlements" (25 U.S.C. 117b(a)).

- Title IV of the Higher Education Act of 1965

  - Amounts of scholarships funded under Title IV of the Higher Education Act of 1965, including awards under Federal work-study programs or under the Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087uu). For Section 8 programs, the exception found in § 237 of Public Law 109–249 applies and requires that the amount of financial assistance in excess of tuition and any other required fees and charges shall be considered income in accordance with the provisions codified at 24 CFR 5.609(b)(9), except for those persons with disabilities as defined by 42 U.S.C. 1437a(b)(3)(E) (Pub. L. 109–247).

- Spina Bifida and Agent Orange Settlements

  - Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established in the In Re Agent Orange product liability litigation, M.D.L. No. 381 (E.D.N.Y.).

  - Payments received under 38 .S.C. 1833 (c) to children of Vietnam veterans born with spina bifida, children of women Vietnam veterans born with certain birth defects, and children of certain Korean service veterans born with spina bifida.

- Child Care and Development Block Grant Act of 1990

  - The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990.

- Earned Income Tax Credit Refunds

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

Section 2.2: Annual Income Exclusions

- Title V of the Older Americans Act

  - Payments under Title V are excluded. This is the Senior Community Service in Employment Program (SCSEP) funded through the Department of Labor.

  - This program is administered by national contractors such as:

    - Green Thumb
    - AARP - American Association of Retired Persons
    - NCOA - National Council on Aging
    - National Council of Senior Citizens (sometimes called Senior Aides)
    - US Forest Services
    - NCBA - National Caucus for Black Aged
    - Urban League
    - National Association for the Spanish Elderly

  - State coordinators for Title V can provide a list of additional contractors who administer Title V.

  - Even if there is 90 percent federal and 10 percent local funding, 100 percent of the income funded through Title V is excluded.

- Crime Victim Compensation

  - Any amount of crime victim compensation under the Victims of Crime Act.

  - Any amounts in an "individual development account" as provided by the Assets for Independence Act, as amended in 2002.

INCOME EXCLUDED UNDER HUD REGULATIONS

INCOME FROM EMPLOYMENT OF CHILDREN

CFR 5.609(c)(1)

- Exclude earnings of children under the age of 18.

- Include benefit income.

PAYMENTS RECEIVED FOR FOSTER CHILDREN OR FOSTER ADULTS

CFR 5.609(c)(2)

- Foster children have been placed by court in foster home.

    - Special payment - temporary, not permanent.

- Foster adults are usually persons with disabilities, unrelated to the tenant, who are unable to live alone.

Notice PIH 2012-1

- Kinship Guardian Assistance Payments (Kin-GAP), kinship care payments and other similar guardianship payments are also excluded from annual income.

    - These payments serve as an alternative to foster care and are now interpreted as equivalent to foster care payments.

LUMP-SUM ADDITIONS TO FAMILY ASSETS

CFR 5.609(c)(14)

- Deferred payments

    - Periodic amounts for Supplemental Security Income and Social Security benefits received in a lump-sum or in prospective monthly amounts.

    - Deferred disability benefits from the Department of Veterans Affairs are also excluded from annual income, whether paid as a lump sum or in prospective monthly amounts

CFR 5.609(c)(3)

- Inheritances

- Insurance payments (including payments under health and accident insurance and workers' compensation)

- Capital gains

- Settlement for personal or property losses

MEDICAL REIMBURSEMENTS

CFR 5.609(c)(4)

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

HUD VASH FAQs

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

STUDENT FINANCIAL AID

CFR 5.609(c)(6)
FR Notice 12/14/2012

- Financial assistance paid to a student over the age of 23 who has dependent children is excluded from annual income.

  - Student loans, amounts for tuition, and required fees are also excluded.

Supplemental Guidance to Student Eligibility Final Rule, Federal Register, 4/10/06

- The rule does not apply to students residing with their parents receiving or applying for HCV assistance.

- Therefore, the financial assistance of a student residing with his or her parents would be excluded from annual income.

24 CFR 5.609(c)(5)

INCOME OF A LIVE-IN AIDE

- Use definition in 24 CFR 5.403 - A live-in aide means:

  - A person who resides with one or more elderly persons, or near-elderly persons, or persons with disabilities, and who:

    - Is determined to be essential to the care and wellbeing of the persons;
    - Is not obligated for the support of the persons; and
    - Would not be living in the unit except to provide the necessary supportive services

SPECIAL ARMED FORCES PAY

CFR 5.609(c)(7)
- Payments received by a family member serving in the armed forces who is exposed to hostile fire.

RESIDENT SERVICE STIPENDS

CFR 5.609(c)(8)(iv)
- Exclude amounts received under a resident service stipend.
  - Not to exceed $200 per month.
- No resident may receive more than one such stipend during the same period of time.

HOLOCAUST REPARATION PAYMENTS

CFR 5.609(c)(10)
- Payments received from a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era.

EARNINGS FOR FULL-TIME STUDENTS

CFR 5.609(c)(11)
- Exclude earnings in excess of $480 for each full-time student 18 years or older (excluding the head of household and spouse/cohead).

SPORADIC INCOME

CFR 5.609(c)(9)
- Exclude temporary, nonrecurring, or sporadic income, including gifts.

- In order to exclude sporadic income, PHAs need a clear understanding of what sporadic income is. Sporadic income is defined as income that is neither reliable nor periodic.

EXAMPLE
Joseph Frey receives Social Security disability benefits. At the interview for his annual reexamination, the PHA finds that Mr. Frey occasionally works as a handyman. Mr. Frey is not working as a handyman now and has only worked as a handyman twice during the past year.
Answer the following questions:
1. Does this fit the description of sporadic income?
2. How do you handle Mr. Frey's earnings?
3. What documentation should the PHA have in Mr. Frey's file?

- PHA policy should provide guidance on when an income is counted or considered sporadic. For example, if an individual works through a temp agency but only works a couple weeks per year, would it be counted as income or excluded as sporadic? How frequent would temporary work need to be for it to be counted as income?

Notice PIH 2017-05

- Also exclude **temporary** income payments from the U.S. Census Bureau.

  - *Temporary* is defined as employment lasting no longer than 180 days and not culminating in permanent employment.

  - Employer verification of employment dates and income must be maintained in the tenant file.

CFR 5.609(c)(12)   **ADOPTION ASSISTANCE PAYMENTS**

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

CFR 5.609(c)(16)   **DEVELOPMENTAL DISABILITY CARE PAYMENTS**

- Paid to a family with a member who has a developmental disability.

- Enables the family to offset the cost necessary to keep the member at home.

CFR 5.609(c)(15)   **REFUNDS AND REBATES FOR PROPERTY TAXES**

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

CFR 5.609(c)(8)(ii)   **PLAN FOR ACHIEVING SELF-SUPPORT (PASS)**

- Exclude payments to disabled persons on SSI pursuing a PASS program.

- This program is encouraged by the SSI program. Amounts are disregarded by SSI for a limited time.

CFR 5.609(c)(8)(iii)   **OTHER PUBLICLY ASSISTED PROGRAMS**

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

CFR 5.609(c)(8)(i)   **HUD-FUNDED TRAINING PROGRAMS**

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

EXAMPLE	
The head of a tenant family receives $550 mo. in TANF. She enrolls in a HUD-funded training program operated by the PHA. TANF benefits stop. She receives $700 mo. while in the training program. Upon completion, she receives a job at the PHA earning $900 per month.	
1. What monthly income is counted during training?	
2. How long is the income excluded?	
3. What is counted after completion?	

CFR 5.609(c)(8)(v)   **INCREMENTAL INCOME FROM EMPLOYMENT TRAINING PROGRAMS QUALIFIED UNDER 5.609[C][8][V]**

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

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

Notice PIH 98-2

- Incremental: The increase between the total amount of welfare and earnings of a family member prior to enrollment in the training program, and welfare and earnings of the family member after enrollment in the training program.

- All other amounts, increases or decreases, are treated in the usual manner in determining annual income.

CFR 5.609(c)(8)(v)

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

Notice PIH 98-2

- The training program may:

    - Generally have a variety of components

    - Take place in a series of sessions over a period of time

    - Be designed to lead to a higher level of proficiency

    - Enhance the individual's ability to obtain employment

    - Have performance standards to measure proficiency.

- Training may include, but is not limited to:

    - Classroom training in a specific occupational skill

    - On-the-job training with wages subsidized by the program

    - Basic education.

EXAMPLE	
A family head receives $600 per month in TANF. He then enrolls in a qualified state employment training program and receives $750 per month in training income. TANF benefits stop.	
1. What income is counted?	
2. How long will the income be excluded?	

Section 2.3   Assets and Asset Income

OVERVIEW

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

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

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

ASSETS INCLUDE

HCV Program GB 5-25

- Amounts in savings and checking accounts

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

  - PHAs may elect to count:

    - The current balance in an account

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

Notice PIH 2019-09

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

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

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

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

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

Section 2.3: Assets and Asset Income

CFR 5.603(b)

- The cash value of trusts that are available to a family

  - In cases where a trust fund has been established and the trust is not revocable by, or under the control of, any member of the family or household, the value of the trust fund will not be considered an asset so long as the fund continues to be held in trust.

  - Any income distributed from a trust fund must be counted when determining annual income.

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

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

HCV Program GB 5-26

- Equity in real property (land owned or bequeathed) or other capital investments

  - Equity is the estimated current market value of an asset less:

    - The unpaid balance on all loans secured by the asset

  - Calculate equity in real property as follows:

    - Market Value – Loan (mortgage) = Equity

  - Calculate the cash value of real property as follows:

    - Equity – Expense to convert to cash = Cash Value

- Expenses to convert to cash may include such costs as broker fees, sales commissions, settlement costs, and transfer taxes

HCV Program GB 5-25

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

HCV Program GB 5-26

- Contributions to company retirement/pension funds if any member of the family has access to the asset

  - While an individual is employed, count as an asset only those amounts the family can withdraw without retiring or terminating employment.

  - After retirement, include in annual income any benefits received through periodic payments from a retirement or pension fund.

HCV Program GB 5-25

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

CFR 5.609(c)(3)

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

FR Notice 11/24/08

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

HCV Program GB 5-25

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

- Cash value of life insurance policies.

WHAT ASSETS DO NOT INCLUDE

CFR 5.603(b)

- Necessary items of personal property such as furniture and automobiles

- Assets not accessible to the family

- Interest in Indian Trust lands

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

INCOME FROM ASSETS

- Determining the amount of asset income to include in annual income requires PHAs to calculate two values for each asset:
  - Cash value
  - Actual anticipated income

- This is because the amount of asset income to include may be different depending on the total cash value of all family assets.

- In order to comply with regulations and requirements, PHA must identify and verify:
  - Assets
  - Market value of assets
  - Expenses involved to convert asset to cash
  - Actual anticipated income from each asset

WHAT IS MARKET VALUE?

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

- PHAs must consider ownership of the asset.
  - If an asset is owned by more than one person and any family member has unrestricted access, the PHA will normally count the full value of the asset.
  - If an asset is owned by more than one person, including a family member, but the family member does not have unrestricted access, the PHA prorates asset according to ownership percentage
  - If no percentage is specified or provided by state/local law, PHA prorates asset evenly among all owners

WHAT IS CASH VALUE?

CFR 5.603(b)

- Cash value of an asset is the market value less reasonable expenses that would be incurred by the family to sell or convert the asset to cash, such as:

    - Penalties for early withdrawal

    - Broker fees

    - Legal fees

    - Settlement costs for real estate

- In other words, the cash value of an asset is the amount the family would actually receive if the asset were converted to cash.

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

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

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

ACTUAL INCOME FROM ASSETS

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

- Some assets generate no income, such as:

    - Non-interest-bearing checking account

    - Coin collection

- Many assets do generate income, such as:
  - Interest from investments
  - Rents from rental property
  - Dividends

- The market value of an asset is used when anticipating income from interest-bearing accounts.
  - Market value x interest rate = anticipated income

QUIZ

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

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

---

6. Assets

6a. Family member name	No.	6b. Type of asset	6c. Calculation (PHA use)	6d. Cash value of asset	6e. Anticipated Income
Dave		CD	7,000 – 400	$ 6,600	$ 280
				$	$
				$	$
				$	$
				$	$
				$	$
				$	$
				$	$
				$	$
6f, 6g. Column totals				$ 6,600 6f.	$ 280 6g.
6h. Passbook rate (written as decimal)					0. _____ 6h.
6i. Imputed asset income: 6f X 6h (if 6f is $5,000 or less, put 0)					$ 6i.
6j. Final asset income: larger of 6g or 6i					$ 6j.

- Income from assets when assets total $5,000 or less:
  - When the total cash value of *all* family assets is *$5,000 or less* the *actual income* the family receives from assets is included in annual income

- Income from assets when assets exceed $5,000:

- When the total cash value of *all* family assets *exceeds $5,000,* include in annual income the greater of

  • Actual income from assets, or

  • Imputed asset income (total cash value of assets **X** PHA passbook rate)

• ***Imputed Asset Income*** is income that *would be* received from an asset if it were converted to cash and placed in a savings account earning an average passbook rate as determined by the PHA.

• The PHA must find the total cash value of all assets to determine which to include in annual income:

  - Actual income from assets, or

  - Imputed asset income

• This is why the PHA must identify the expenses involved in converting an asset to cash, such as:

  - Penalties for early withdrawal

  - Broker or legal fees

  - Closing costs (for real estate)

• Imputed asset income only comes into play when the total cash value of all assets exceeds $5,000.

• When total cash value of all assets exceeds $5,000:

  1. Find the cash value of each asset (Market value minus expenses)

  2. Total the cash value of all assets

  3. If total exceeds $5,000, multiply the cash value of all assets by the PHA passbook rate

     • This is imputed asset income

  4. Total the actual income from all assets

  5. Compare imputed asset income to actual asset income: Include the greater amount in annual income

Notes

Learning Activity 2-5:   **Income from Assets- Interest Income**

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

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

Task

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

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

3. Compute total annual income (7i).

6. Assets

6a. Family member name	No.	6b. Type of asset	6c. Calculation (PHA use)	6d. Cash value of asset	6e. Anticipated Income
				$	$
				$	$
				$	$
				$	$
				$	$
				$	$
				$	$
				$	$

6f, 6g. Column totals	$ 6f.	$ 6g.
6h. Passbook rate (written as decimal)		0. _____ 6h.
6i. Imputed asset income: 6f X 6h (if 6f is $5,000 or less, put 0)		$ 6i.
6j. Final asset income: larger of 6g or 6i		$ 6j.

7. Income

7a. Family member name	No.	7b. Income Code	7c. Calculation (PHA use)	7d. Dollars per year	7e. Income exclusions	7f. Income after exclusions (7d minus 7e)
John	1	W	578.50 x 24	$ 13,884	$	$ 13,884
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$

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

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

Learning Activity 2-6:   Cash Value of Assets

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

Market Value	_____
Less HUD Asset Expenses:*	
Broker Fee	_____
Legal Fee	_____
Settlement Costs	_____
Penalty for Early Withdrawal	_____
Less Mortgage Balance	_____
Cash Value	_____

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

Task

1.   Obtain the market value of the asset.

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

Learning Activity 2-7:   Calculating Cash Value and Anticipated Income

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

Task

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

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

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

6. Assets

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

ASSETS DISPOSED OF FOR LESS THAN MARKET VALUE

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

- The value of any business or family assets disposed of by an applicant or tenant for less than fair market value during the two years preceding the date of initial certification or reexamination, in excess of the consideration received.

  - Example: Applicant "sold" home to daughter for $150,000. The home was valued at $225,000 and had no loans secured against it. The applicant paid broker fees of $5,000 and settlement costs of $2,000. The amount to be included in family assets for two years from date of sale is $68,000.

  - Assets disposed of for less than fair market value include a disposition in trust but not in a foreclosure or bankruptcy.

  - A disposition that is part of a separation or divorce settlement is not considered to be for less than fair market value if the applicant or tenant receives important consideration not measurable in dollar terms.

  - HUD does not specify a minimum threshold for counting assets disposed of for less than fair market value. A PHA may establish a threshold that will enable the PHA to ignore small amounts, such as charitable contributions.

- HUD Handbook 4350.3 (for multifamily subsidized housing) uses $1,000 as a threshold.

  - Verification of assets disposed of for less than fair market value is generally done by applicant certification. PHAs need verify only those certifications that warrant documentation.

Notes

Learning Activity 2-8:   Assets Disposed of For Less than Fair Market Value

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

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

- The PHA determined passbook rate is .0075.

Market Value	_____
Less HUD Asset Expenses:	
Realtor's Commission	_____
Legal Fee	_____
Settlement Costs	_____
Penalty for Early Withdrawal	_____
Less Mortgage Balance	_____
Less Amount Received	_____
Imputed Asset Cash Value (6d)	_____

Instructions

1. Obtain the market value of the asset.

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

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

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

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

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

6. Assets

6a. Family member name	No.	6b. Type of asset	6c. Calculation (PHA use)	6d. Cash value of asset	6e. Anticipated Income
				$	$
				$	$
				$	$
				$	$
				$	$
				$	$
				$	$
				$	$

6f, 6g. Column totals	$ 6f.	$ 6g.
6h. Passbook rate (written as decimal)	0. _____ 6h.	
6i. Imputed asset income: 6f X 6h (if 6f is $5,000 or less, put 0)	$ 6i.	
6j. Final asset income: larger of 6g or 6i	$ 6j.	

7. Income

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

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

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

Learning Activity 2-9:   Asset Income

- Adam East   71   Head

- Janine East   72   Spouse

Assets & Income from Assets

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

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

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

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

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

- The PHA determined passbook rate is .0075.

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

Task

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

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

6. Assets

6a. Family member name	No.	6b. Type of asset	6c. Calculation (PHA use)	6d. Cash value of asset	6e. Anticipated Income
				$	$
				$	$
				$	$
				$	$
				$	$
				$	$
				$	$
				$	$

6f, 6g.	Column totals			$ 6f.	$ 6g.
6h.	Passbook rate (written as decimal)				0. _____ 6h.
6i.	Imputed asset income: 6f X 6h (if 6f is $5,000 or less, put 0)				$ 6i.
6j.	Final asset income: larger of 6g or 6i				$ 6j.

7. Income

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

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

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

ASSET INCLUSIONS AND EXCLUSIONS

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

Exclusions

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

Section 2.4   NMA Continued Learning

ESTABLISHING PHA PASSBOOK RATE

Notice PIH 2012-29

- The PHA establishes a passbook rate within 0.75 percent of a national average.

  - 0.75 percent is three-quarters of one percent

- Example: if the national passbook rate is 0.09 percent, the PHA passbook rate could range from zero to 0.84 percent (84 one-hundredths of one percent).

- Note that currently the highest allowable passbook rate is less than one percent.

- The PHA must review its passbook rate annually to ensure that it is still within 0.75 percent of the national average.

CALCULATING RENTAL INCOME

- It is possible for a family to own real property and rent it out. The income from this single rental would be reported in part 6 of the HUD form 50058. Only net rental income would be reported.

- Example: As calculated in Cash Value of Assets Jenny Day owns a home. The market value is $250,000, and we calculated the cash value to be $123,000.

- Jenny is renting this house to a tenant, with income and expenses as shown below. The PHA determined passbook rate is .0075.

				Annual Amount
Rent	$	525	per month	6,300
Expenses				
Maintenance	$	8	per week	416
Insurance	$	30	per month	360
Taxes	$	145	- 1st half	290
Mortgage payment	$	325	(principal $65)	
Interest payment on loan				3,120
Utilities	$	40	per quarter	
(water, sewer, trash)				160
Other (explain:)				
			– Total Expenses	4,346
Net Rental Income				1,954

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

6. Assets

6a. Family member name	No.	6b. Type of asset	6c. Calculation (PHA use)	6d. Cash value of asset	6e. Anticipated Income
Jenny	1	Property		$ 123,000	$ 1,954
				$	$
				$	$
				$	$
				$	$
				$	$
				$	$
				$	$
6f, 6g. Column totals				$ 123,000 6f.	$ 1,954 6g.
6h. Passbook rate (written as decimal)					0.0075 6h.
6i. Imputed asset income: 6f X 6h (if 6f is $5,000 or less, put 0)					$ 923 6i.
6j. Final asset income: larger of 6g or 6i					$ 1,954 6j.

Section 2.5   Adjusted Income

DEFINITION

CFR 5.611

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

DEPENDENT ALLOWANCE

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

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

Form HUD-50058

- A live-in aide is never a dependent

CFR 5.603 (b)

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

HCV Program GB 5-29

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

ELDERLY/DISABILITY ALLOWANCE

CFR 5.403 and CFR 5.611(a)(2)

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

Form HUD-50058 Instruction Booklet

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

CHILD CARE EXPENSES

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

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

HCV Program GB 5-29

  - - Including foster children

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

  - Where the care is necessary to enable a family member to:
    - Actively seek employment,
    - Be gainfully employed, or
    - Further his/her education
  - BUT only to the extent such amounts are not reimbursed.

- Amounts shall reflect reasonable charges for child care.

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

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

CFR 5.603 (b)

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

VERIFICATION GUIDE

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

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

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

HCV Program GB 5-29/30
- When more than one family member works, the PHA must determine which family member is being enabled to work because child care is provided.

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

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

Notice PIH 2001-15 (HA)
- Tip – for unconventional child care payments (e.g., cash) inform residents of acceptable documentation – notarized statements of payment by child care provider or PHA-generated third-party forms.

Learning Activity 2-10:   Dependent and Child Care Allowance

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

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

Task

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

8. Expected Income Per Year

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

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

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

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

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

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

DISABILITY ASSISTANCE EXPENSE

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

- Families may deduct reasonable anticipated expenses for attendant care and auxiliary apparatus for family members with disabilities:

  - If they are necessary to enable a family member to be employed. (This may be the disabled member)

  - Provided that the expenses are neither paid to a member of the family nor reimbursed by an outside source.

- This deduction may not exceed the earned income received by family members who are able to work because of such qualified expenses.

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

- If the disability assistance expense enables more than one person to be employed, the PHA must combine the income of those persons to determine the cap.

- This allowance is equal to the amount by which the cost of the care attendant or auxiliary apparatus exceeds 3 percent of total annual income.

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

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

Notice H 86-23 (HUD)
Public Housing Occupancy Guidebook 10.2, p. 125

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

MEDICAL EXPENSES

HCV Program GB 5-31/32
- If the household is eligible for a medical expense deduction, the medical expenses of all family members may be counted.

CFR 5.603(2)(b) & 5.611(a)(3)(i)
- The PHA must deduct unreimbursed medical expenses of any elderly family or disabled family.

CFR 5.403
  - Disabled family means a family whose head, spouse, or cohead is a person with disabilities.
  - Elderly family is a family whose head, spouse, or cohead is at least 62 years of age.

- HUD definition: Medical expenses, including medical insurance premiums, which are anticipated during the period for which annual income is computed, and that are not covered by insurance.

- PHA policy determines what expenses are allowed as medical expenses.

Public Housing Occupancy Guidebook 10.2, p. 125 "Safe Harbor"
- PHAs may consult IRS Publication 502 for additional guidance on medical expenses.
  - http://www.irs.gov/pub/irs-pdf/p502.pdf

- Typical allowable medical expenses include:
    - Services of doctors and health care professionals
    - Services of health care facilities
    - Medical insurance premiums
    - Prescription/nonprescription medicines (prescribed by a physician)
    - Transportation to treatment (cab fare, bus fare, mileage)
    - Dental expenses, eyeglasses, hearing aids batteries
    - Live-in or periodic medical assistance
    - Monthly payment on accumulated medical bills (regular monthly payments on a bill that was previously incurred). The allowance may include only the amount expected to be paid in the coming 12 months.

- The allowance is limited to expenses that exceed 3 percent of the family's annual income.

MEDICARE PRESCRIPTION DRUG ASSISTANCE

- Since January 1, 2006, Medicare prescription drug coverage has been available to everyone with Medicare. The Social Security Administration (SSA) has been encouraging families to enroll in a Medicare prescription drug plan meeting the family's prescription drug needs.

- If the family is receiving benefits under the Medicare Drug Plan program, the PHA will only include actual anticipated unreimbursed prescription costs in a qualified family's annual medical expenses.

- PHAs may reference Notice PIH 2005-37 for additional information.

Notes

Learning Activity 2-11:   Medical Expenses

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

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

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

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

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

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

Task

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

8. Expected Income Per Year

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

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

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

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

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

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

Section 2.5: Adjusted Income

HOUSEHOLDS ELIGIBLE FOR DISABILITY ASSISTANCE EXPENSE AND MEDICAL EXPENSES

HCV Program GB 5-32/33

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

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

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

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

Section 2.5: Adjusted Income

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

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

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

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

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

Learning Activity 2-12:   Disability Assistance/Medical Allowance (Eva Family)

• The Eva family qualifies for the elderly/disabled allowance. There are no dependents in the family. The PHA has the following information:

-	SSI:	$ 8,250
-	Employment income:	$ 8,750
-	Total Disability Assistance Expense:	$ 4,300
-	Total Medical Expenses:	$ 1,100

Task

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

8. Expected Income Per Year

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

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

8b.	Family member name	No.	8c. Type of permissible deduction	8d. Amount	
				$	
				$	
				$	
				$	
				$	
				$	
8e.	Total permissible deductions (sum of column 8d)			$	8e.

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

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

Learning Activity 2-13:   Assets, Income, and Adjusted Income

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

Task

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

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

6. Assets

6a. Family member name	No.	6b. Type of asset	6c. Calculation (PHA use)	6d. Cash value of asset	6e. Anticipated Income
				$	$
				$	$
				$	$
				$	$
				$	$
				$	$
				$	$
				$	$

6f, 6g.	Column totals			$ 6f.	$ 6g.
6h.	Passbook rate (written as decimal)				0. _____ 6h.
6i.	Imputed asset income: 6f X 6h (if 6f is $5,000 or less, put 0)				$ 6i.
6j.	Final asset income: larger of 6g or 6i				$ 6j.

7. Income

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

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

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

8. Expected Income Per Year

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

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

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

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

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

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

Section 2.6   Consent Form Requirements

AUTHORIZATION FOR RELEASE OF INFORMATION/PRIVACY ACT NOTICE

CFR 5.230
HUD-50058 IB, p. 2

- Form HUD-9886, Authorization for Release of Information/Privacy Act Notice, is a consent form that all adult family members (including the head and spouse, regardless of age) must sign when eligibility is being determined and at regularly scheduled income reexaminations.

  - Signatures must also be obtained from any new adult joining the household and from family members who have reached 18 years of age.

Form HUD-9886

- Form HUD-9886 expires 15 months after signed. Each member of the household 18 years of age or older must sign the consent form (head of household and spouse, regardless of age).

EIV User's Manual

- PHA staff may not view private information [available through HUD's Enterprise Income Verification System – EIV] unless there is a signed Authorization for the Release of Information and Privacy Act Notice (form HUD-9886) in the household's file for the head of household and the spouse of the head of household, or cohead, regardless of age, and for each adult member in the household.

HUD-9886

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

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

  - Information about salary and wages from current and former employers

  - Information about unearned income from financial institutions.

HUD-9886

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

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

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

HUD-9886

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

CFR 5.230(c)(4)

- A signed HUD-9886 is valid for 15 months and should be kept on file so that it can be used between regularly scheduled reexaminations in the event that previously unreported or misreported income comes to light.

Verification Guidance p. 6

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

Notes

Authorization for the Release of Information/ Privacy Act Notice

to the U.S. Department of Housing and Urban Development (HUD)
and the Housing Agency/Authority (HA)

PHA requesting release of information; **(Cross out space if none)** (Full address, name of contact person, and date)	IHA requesting release of information: **(Cross out space if none)** (Full address, name of contact person, and date)

Authority: Section 904 of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988, as amended by Section 903 of the Housing and Community Development Act of 1992 and Section 3003 of the Omnibus Budget Reconciliation Act of 1993. This law is found at 42 U.S.C. 3544.

This law requires that you sign a consent form authorizing: (1) HUD and the Housing Agency/Authority (HA) to request verification of salary and wages from current or previous employers; (2) HUD and the HA to request wage and unemployment compensation claim information from the state agency responsible for keeping that information; (3) HUD to request certain tax return information from the U.S. Social Security Administration and the U.S. Internal Revenue Service. The law also requires independent verification of income information. Therefore, HUD or the HA may request information from financial institutions to verify your eligibility and level of benefits.

Purpose: In signing this consent form, you are authorizing HUD and the above-named HA to request income information from the sources listed on the form. HUD and the HA need this information to verify your household's income, in order to ensure that you are eligible for assisted housing benefits and that these benefits are set at the correct level. HUD and the HA may participate in computer matching programs with these sources in order to verify your eligibility and level of benefits.

Uses of Information to be Obtained: HUD is required to protect the income information it obtains in accordance with the Privacy Act of 1974, 5 U.S.C. 552a. HUD may disclose information (other than tax return information) for certain routine uses, such as to other government agencies for law enforcement purposes, to Federal agencies for employment suitability purposes and to HAs for the purpose of determining housing assistance. The HA is also required to protect the income information it obtains in accordance with any applicable State privacy law. HUD and HA employees may be subject to penalties for unauthorized disclosures or improper uses of the income information that is obtained based on the consent form. **Private owners may not request or receive information authorized by this form.**

Who Must Sign the Consent Form: Each member of your household who is 18 years of age or older must sign the consent form. Additional signatures must be obtained from new adult members joining the household or whenever members of the household become 18 years of age.

Persons who apply for or receive assistance under the following programs are required to sign this consent form:

> PHA-owned rental public housing
>
> Turnkey III Homeownership Opportunities
>
> Mutual Help Homeownership Opportunity
>
> Section 23 and 19(c) leased housing
>
> Section 23 Housing Assistance Payments
>
> HA-owned rental Indian housing
>
> Section 8 Rental Certificate
>
> Section 8 Rental Voucher
>
> Section 8 Moderate Rehabilitation

Failure to Sign Consent Form: Your failure to sign the consent form may result in the denial of eligibility or termination of assisted housing benefits, or both. Denial of eligibility or termination of benefits is subject to the HA's grievance procedures and Section 8 informal hearing procedures.

Sources of Information To Be Obtained

State Wage Information Collection Agencies. (This consent is limited to wages and unemployment compensation I have received during period(s) within the last 5 years when I have received assisted housing benefits.)

U.S. Social Security Administration (HUD only) (This consent is limited to the wage and self employment information and payments of retirement income as referenced at Section 6103(l)(7)(A) of the Internal Revenue Code.)

U.S. Internal Revenue Service (HUD only) (This consent is limited to unearned income [i.e., interest and dividends].)

Information may also be obtained directly from: (a) current and former employers concerning salary and wages and (b) financial institutions concerning unearned income (i.e., interest and dividends). I understand that income information obtained from these sources will be used to verify information that I provide in determining eligibility for assisted housing programs and the level of benefits. Therefore, this consent form only authorizes release directly from employers and financial institutions of information regarding any period(s) within the last 5 years when I have received assisted housing benefits.

Original is retained by the requesting organization.　　　ref. Handbooks 7420.7, 7420.8, & 7465.1　　　form **HUD-9886** (07/14)

Page 2-92 10/1/24

Consent: I consent to allow HUD or the HA to request and obtain income information from the sources listed on this form for the purpose of verifying my eligibility and level of benefits under HUD's assisted housing programs. I understand that HAs that receive income information under this consent form cannot use it to deny, reduce or terminate assistance without first independently verifying what the amount was, whether I actually had access to the funds and when the funds were received. In addition, I must be given an opportunity to contest those determinations.

This consent form expires 15 months after signed.

Signatures:

_____ _____
Head of Household   Date

_____
Social Security Number (if any) of Head of Household

_____ _____
Other Family Member over age 18   Date

_____ _____
Spouse   Date

_____ _____
Other Family Member over age 18   Date

_____ _____
Other Family Member over age 18   Date

_____ _____
Other Family Member over age 18   Date

_____ _____
Other Family Member over age 18   Date

_____ _____
Other Family Member over age 18   Date

Privacy Act Notice. Authority: The Department of Housing and Urban Development (HUD) is authorized to collect this information by the U.S. Housing Act of 1937 (42 U.S.C. 1437 et. seq.), Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), and by the Fair Housing Act (42 U.S.C. 3601-19). The Housing and Community Development Act of 1987 (42 U.S.C. 3543) requires applicants and participants to submit the Social Security Number of each household member who is six years old or older. Purpose: Your income and other information are being collected by HUD to determine your eligibility, the appropriate bedroom size, and the amount your family will pay toward rent and utilities. Other Uses: HUD uses your family income and other information to assist in managing and monitoring HUD-assisted housing programs, to protect the Government's financial interest, and to verify the accuracy of the information you provide. This information may be released to appropriate Federal, State, and local agencies, when relevant, and to civil, criminal, or regulatory investigators and prosecutors. However, the information will not be otherwise disclosed or released outside of HUD, except as permitted or required by law. Penalty: You must provide all of the information requested by the HA, including all Social Security Numbers you, and all other household members age six years and older, have and use. Giving the Social Security Numbers of all household members six years of age and older is mandatory, and not providing the Social Security Numbers will affect your eligibility. Failure to provide any of the requested information may result in a delay or rejection of your eligibility approval.

Penalties for Misusing this Consent:

HUD, the HA and any owner (or any employee of HUD, the HA or the owner) may be subject to penalties for unauthorized disclosures or improper uses of information collected based on the consent form.

Use of the information collected based on the form HUD 9886 is restricted to the purposes cited on the form HUD 9886. Any person who knowingly or willfully requests, obtains or discloses any information under false pretenses concerning an applicant or participant may be subject to a misdemeanor and fined not more than $5,000.

Any applicant or participant affected by negligent disclosure of information may bring civil action for damages, and seek other relief, as may be appropriate, against the officer or employee of HUD, the HA or the owner responsible for the unauthorized disclosure or improper use.

Original is retained by the requesting organization.   ref. Handbooks 7420.7, 7420.8, & 7465.1   form **HUD-9886** (07/14)

Section 2.7   Verification of Income and Allowances

REGULATORY VERIFICATION REQUIREMENT

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

- The regulations state that PHAs either must obtain and document in family files third-party verification of the following factors or must document in the files why third-party verification was not available:
  - Reported family annual income
  - The value of assets
  - Expenses related to deductions from annual income
  - Other factors that affect the determination of adjusted income.

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

HIERARCHY OF VERIFICATION METHODS

- On October 26, 2018, HUD issued Notice PIH 2018-18, Administrative Guidance for Effective and Mandated Use of the Enterprise Income Verification (EIV) System.

- The notice added information incorporating the Income Validation Tool (IVT) to existing verification requirements.

- HUD has established a hierarchy of six verification levels.

- Using this hierarchy, PHAs should adopt verification policies as to what qualifies as adequate verification.
  - Policies must be consistent with the regulatory requirements.

LEVELS OF VERIFICATION

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

- Level Six - Up-Front Income Verification (UIV) using HUD's Enterprise Income Verification (EIV) System and the Income Validation Tool (IVT)

- Level Five - UIV using other sources

- Level Four - Written third-party documents provided by the family

- Level Three - Written third-party verification form

- Level Two - Third-party oral verification

- Level One - Tenant declaration

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

- UIV is the verification of income, before or during a reexamination, through an independent source that systematically and uniformly maintains income information in computerized form for a large number of individuals.

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

- HUD's Enterprise Income Verification (EIV) System is a type of UIV system that is a mandatory resource that must be used by every PHA to verify participant income.

- The EIV system is a web-based application which provides PHAs with employment, wage, unemployment, and social security benefit information of participants in the Public Housing and Housing Choice Voucher programs.

  - Information in EIV is derived from computer matching programs with the Social Security Administration (SSA) and the Department of Health and Human Services.

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

USING EIV AND IVT FOR VERIFICATION

- The EIV Income Report and Income Validation Tool (IVT) are mandatory for annual and interim reexaminations.

- They are not available for applicant families or new members added to a currently assisted household.

- For information that is verifiable through EIV, the PHA:

  - Reviews the EIV income and IVT reports

  - Prints and maintains the reports in the tenant file

  - Obtains current tenant-provided documents to supplement EIV information

  - Uses tenant-provided documents and/or third-party verification to calculate income

    - EIV quarterly wages are not to be used to project annual income at an annual or interim reexamination since income information in EIV is up to six months old but can be used to calculate repayment agreements.

- The PHA must obtain additional third-party verification:

  - To supplement EIV-reported income sources

  - When EIV has no data

  - When the family disputes EIV income data and is unable to provide acceptable documentation

- The PHA must obtain additional third-party verification when additional information is required and is not available in EIV, or when the family does not have acceptable tenant-provided documents. For example, to verify:

  - Effective dates of employment

  - Pay rate, number of hours worked, pay frequency for new jobs

  - Confirmation of change in circumstances (reduced hours, reduced rate of pay, etc.)

- The EIV printout is sufficient verification of social security and SSI benefits unless the family disputes the EIV data for verification.

FILE DOCUMENTATION

- File documentation requirements differs under Notice PIH 2018-18.

- For new admissions (HUD-50058 action type 1), the PHA:

  - Reviews the EIV income and IVT reports to confirm or validate family-reported income within 120 days of the PIC submission date

  - Prints and maintain copies of the reports in the family file

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

- For each historical adjustment (HUD-50058 action type 14), the PHA:

  - Reviews the EIV income and IVT reports to confirm or validate family-reported income within 120 days of the PIC submission date

  - Prints and maintain copies of the reports in the family file

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

- For each interim reexamination (HUD-50058 action type 3):

  - If no income discrepancy is found, the PHA has the discretion to print the EIV income and IVT reports to document the tenant file.

  - If an income discrepancy is identified, the PHA must follow up with the family and resolve the differences between the reported information in accordance with Notice PIH 2018-18.

- For annual reexaminations, the PHA is required to document the following in the tenant file:

  - If the family does not dispute the EIV employer data and the PHA determines that additional information is not necessary:

    - EIV income details and IVT report

    - Tenant-provided documents

  - If the family disputes or the PHA requires additional information:

    - EIV printout

    - Tenant-provided documents

    - Third-party written verification

INCOME DISCREPANCIES

- PHAs must compare income information in EIV with family-reported information.

- If a substantial difference in income is found, the PHA must take actions outlined in Notice PIH 2018-18:

  - Discuss the income discrepancy with the tenant

  - Request the tenant to provide any documentation to confirm or dispute the unreported or underreported income and income sources

  - If the tenant is unable to provide acceptable documentation to resolve the discrepancy, the PHA must request from the third-party source any information necessary to resolve the income discrepancy

- If applicable, determine the tenant's underpayment of rent due to unreported or underreported income retroactively

- Take any other appropriate action as directed by HUD or PHA policy

• A substantial difference is $2,400 annually.

• The family must be provided an opportunity to dispute the information.

- The PHA must promptly notify tenants in writing of any adverse findings made based on information verified through the discrepancy resolution process

- The tenant may contest the findings in accordance with the PHA's grievance procedures

- The PHA may not terminate, deny, suspend, or reduce the family's assistance until the expiration of any notice or grievance period

HIGHEST (OPTIONAL): UIV USING OTHER SOURCES (LEVEL FIVE)

• UIV using other sources is the second most preferable form of verification.

• While EIV is mandatory, UIV using other sources is optional.

• UIV using other sources is used to validate tenant-reported income.

• Current UIV resources include the following:

- State government databases/SWICA

- State Temporary Assistance for Needy Families (TANF) systems

- Credit Bureau Association (CBA) credit reports

- Internal Revenue Service (IRS) tax transcript (request with IRS form 4506-T)

- Private sector databases (e.g., The Work Number)

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

- An original or authentic document generated by a third-party source, dated within 60 days prior to the reexamination or PHA request date.
    - PHAs must have third-party written verification to project annual income from earnings.
    - Includes documents provided by the family.

- For written third-party verification, documents must be original and authentic and may be supplied by the family or received from a third-party source.
    - Examples of acceptable tenant-provided documents include, but are not limited to pay stubs, payroll summary reports, employer notice/letters of hire/termination, SSA benefit verification letters, bank statements, child support payment stubs, welfare benefit letters and/or printouts, and unemployment monetary benefit notices.

- The PHA is required to obtain, at minimum, two current and consecutive pay stubs for determining annual income from wages.

- For new sources of income where pay stubs are not available, the PHA should use the traditional third-party verification form

- The PHA may reject documentation provided by the family if the document is not an original, if the document appears to be forged, or if the document is altered, mutilated or illegible.
    - The PHA must explain this to the family and request additional documentation

MEDIUM-LOW: WRITTEN THIRD-PARTY VERIFICATION FORM (LEVEL THREE)

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

- Tenant-provided documents generated by a third-party now rank higher than third-party forms.

- HUD states that there are administrative burdens and risks associated with this verification method.
  - Incomplete or falsified information

- Documents from computerized systems or databases are considered more reliable.

- This form of verification is mandatory if there is no EIV information available and the participant has no written third-party documentation to support their reported income.

- Written third-party verification form is mandatory when there is an unreported source of income or a substantial difference in reported income ($2400 annually or more) and there is no UIV or tenant-provided documentation to support the income discrepancy.

- PHAs may mail, fax, or email third-party written verification form requests to third-party sources.

LOW: THIRD-PARTY ORAL VERIFICATION (LEVEL TWO)

- For third-party oral verification, PHAs contact sources, identified by UIV techniques or by the family, by telephone or in person.

- Third-party oral verification may be used when requests for written third-party verification form have not been returned within a reasonable time—e.g., 10 business days.

  - PHAs should document in the file the date and time of the telephone call or visit, the name of the person contacted, the telephone number, as well as the information confirmed.

LOW: TENANT DECLARATION (LEVEL ONE)

- With this method of verification, an applicant or participant submits an affidavit or notarized statement to certify income or expenses that she or he has reported.

- This method should be used as a last resort when no other verification method is possible.

  - When the PHA relies on this form of verification, the PHA must document in the participant's file why third-party verification was not available.

  - Note that under HUD's current verification hierarchy, a tenant declaration is the only form of verification that is NOT considered to be third-party.

DOCUMENTING THE ABSENCE OF THIRD-PARTY VERIFICATION

- There are acceptable reasons for not having third-party verification of an income or expense item in an applicant's or participant's file.

  - For income, assets, and expenses:

    1. No documentation is available through UIV techniques or written third party.

    2. PHA staff has made efforts to obtain written third-party verification form in accordance with PHA policy, and the source of verification has not responded.

    3. A third-party source that has been asked to provide written third-party verification form does not have the capability of sending such verification directly to the PHA or of facilitating oral third-party verification.

- When written third-party verification form is requested and not received, an applicant's or participant's file should contain documentation of PHA efforts.

  - The documentation should include the following information:

    - Date and time of the initial request and all follow-ups

    - The name of the company and the person to whom the request was sent

    - A notation that no response was received and an explanation of the reason, if known.

- All file notations made by staff members should be:

  - Complete

  - Dated

  - Limited to facts (not opinions)

  - Signed or initialed

STREAMLINING VERIFICATION POLICIES

24 CFR 982.516(b)

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

- In all three categories, third-party documentation must be obtained during the intake process and at least once every three years thereafter. The verification process may be streamlined in the intervening years.

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

FIXED INCOME

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

- Fixed income sources include periodic payments such as Social Security, SSI, government and private pensions, annuities and other retirement programs, and other income sources subject to a verifiable COLA or current rate of interest.

  - Fixed income is defined at 24 CFR 982.516(b)(2).

- In years two and three after a full income review, the verification method the PHA uses to adjust the family's income differs depending on the percentage of the family's unadjusted income that comes from fixed sources.

- When 90 percent or more of the family's unadjusted income is fixed, the PHA must apply a COLA (or COLAs) to the family's fixed sources, providing that the family both certifies that such income is fixed and that the fixed sources have not changed since the previous year. The PHA is not required to verify non-fixed income.

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

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

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

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

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

- Anticipated income is determined by applying the COLA or interest rate to the previously verified income amount.

ASSETS

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

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

VERIFYING INCOME EXCLUSIONS

Notice PIH 2013-04

- For fully excluded income, the PHA is **not** required to:
  - Follow the verification hierarchy
  - Document why third-party verification is not available
  - Report the income on the 50058

- Fully excluded income is defined as income that is entirely excluded from the annual income determination, such as food stamps.

- PHAs may accept a family's signed application or reexamination form as self-certification of fully excluded income. They do not have to require additional documentation. However, if there is any doubt that a source of income qualifies for full exclusion, PHAs have the option of requiring additional verification.

- For partially excluded income, the PHA **is** required to:
  - Follow the verification hierarchy and all applicable regulations
  - Report the income on the 50058

- Partially excluded income is defined as income where only a certain portion of what is reported by the family qualifies to be excluded and the remainder is included in annual income, such as the income of an adult full-time student.

Verification Standards

- To manage the verification process effectively, PHAs should establish a schedule for requesting higher levels of verification before accepting lower levels.

  - Example:

    - Family signs release forms and provides requested documents at interview (at least 75 days prior to reexamination date) and PHA runs EIV income report, using tenant-provided documents to project annual income.

    - If no UIV or tenant-provided documentation is available, staff sends out written third-party verification forms within five business days after interview.

    - If no response after ten business days, staff sends second request.

    - If no response to second request within five business days, staff attempts to contact source by phone.

    - A tenant declaration would be accepted as a last resort if third-party verification is not available.

- The PHA must receive information verifying that applicant is eligible within 60 days of voucher issuance.

- PHA policy should address verification time limits for reexaminations.

  - 120 days is the time limit most often used.

- Do not include time limits for information not requiring reverification, such as age.

Notes

Learning Activity 2-14: Annual Recertifications

Task

Read the scenario and answer the following questions about Sally Green's annual reexamination. Note: HUD's verification hierarchy is provided as a reference to help you answer the questions.

Level	Verification Technique	Ranking
6	**Upfront income verification (UIV)** using HUD's Enterprise Income Verification system and the Income Validation Tool (IVT)	Highest (mandatory)
5	**Upfront income verification (UIV)** using non-HUD systems	Highest (optional)
4	**Written third-party verification**	High
3	**Written third-party verification form**	Medium-low
2	**Oral third-party verification**	Low
1	**Tenant declaration**	Low

Scenario

The PHA is processing an annual recertification for Sally Green with an effective date of October 1st. Her annual recertification interview is scheduled for July 8th. Ms. Green misses her original appointment, and the PHA reschedules for July 22nd. At her recertification interview, Ms. Green reports that she collects $600 a month in TANF for herself and her three children. This is her only source of income. The PHA is unable to verify TANF information online, so in order to verify her TANF, the PHA requests that she provide a TANF award letter dated within the last 60 days. Ms. Green provides the PHA with a TANF letter from January of that year (more than 60 days old). She states that this is the only award letter she currently has from the TANF department. She also states that she tried to contact the TANF department to get a more current letter but was unable to do so.

1. At this point, what action, if any, would the PHA take to verify Ms. Green's TANF?

Section 2.7: Verification of Income and Allowances

The PHA sends a written third-party verification form to the TANF department requesting verification of Ms. Green's TANF on July 28th. After 10 business days, on August 11th, the PHA still does not receive a response. Per PHA policy, the PHA contacts the TANF department over the phone and still does not receive a response.

2. At this point, what action, if any, would the PHA take to verify Ms. Green's TANF amount?

_____

3. How would you provide supporting documentation for the above action in the file?

_____

4. Time passes, and the PHA still does not receive any response from the TANF department. It is now September 13th. What should the PHA do?

    a. Terminate Ms. Green's assistance for failing to comply with the annual recertification process since she did not provide a current TANF award letter when the PHA requested it

    b. Make her pay the entire rent to owner amount until current third-party verification is received

    c. Hold the recertification until current third-party verification is received, even if that means a late submission of Ms. Green's annual recertification

    d. Process a timely annual recertification by the effective date despite having provisional verification of TANF

Notes

CHAPTER 3   Subsidy and Family Share Calculation

LEARNING OUTCOMES

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

Section 3.1   Total Tenant Payment and Utility Allowance

TOTAL TENANT PAYMENT

CFR 5.628

- In the HCV program, total tenant payment (TTP) is the highest of the following amounts, rounded to the nearest dollar:
  - In non-as-paid states:
    - 30 percent of family's monthly adjusted income
    - 10 percent of family's monthly income
    - PHA's minimum rent ($0 - $50 depending on PHA policy)
  - In as-paid states:
    - 30 percent of family's monthly adjusted income
    - 10 percent of family's monthly income
    - PHA's minimum rent ($0 - $50 depending on PHA policy), or
    - Welfare rent
      - That part of welfare assistance received from a public agency, specifically designated by that agency to meet the family's actual housing costs.

Learning Activity 3-1:   Calculation of TTP

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

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

9. Total Tenant Payment (TTP)

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

Learning Activity 3-2:   Assets, Income, Adjusted Income, and TTP

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

Task

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

6. Assets

6a. Family member name	No.	6b. Type of asset	6c. Calculation (PHA use)	6d. Cash value of asset	6e. Anticipated Income
				$	$
				$	$
				$	$
				$	$
				$	$
				$	$
				$	$
				$	$

6f, 6g. Column totals		$ 6f.	$ 6g.
6h. Passbook rate (written as decimal)			0. _____ 6h.
6i. Imputed asset income: 6f X 6h (if 6f is $5,000 or less, put 0)			$ 6i.
6j. Final asset income: larger of 6g or 6i			$ 6j.

7. Income

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

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

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

8. Expected Income Per Year

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

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

8b. Family member name	No.	8c. Type of permissible deduction	8d. Amount	
			$	
			$	
			$	
			$	
			$	
			$	
8e. Total permissible deductions (sum of column 8d)			$	8e.

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

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

9. Total Tenant Payment (TTP)

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

MINIMUM RENT

APPLYING MINIMUM RENTS

CFR 5.630
- HUD requires PHAs to implement a minimum rent of zero to $50.

- The minimum rent refers to the total tenant payment.

EXEMPTIONS TO MINIMUM RENT

CFR 5.630
- HUD requires PHAs to adopt "hardship exemption" policies.

- The PHA must grant an exemption from payment of minimum rent if the family is unable to pay minimum rent because of financial hardship, as described in the PHA's written policies.

- Financial hardship includes these situations:
  - The family has lost eligibility for, or is awaiting an eligibility determination for, a Federal, State, or local assistance program
    - Includes a noncitizen, lawfully admitted for permanent residence, family member who would be entitled to public benefits except for title IV of the Personal Responsibility and Work Opportunity Act of 1996
  - The family would be evicted because it is unable to pay the minimum rent
  - The income of the family has decreased due to changed circumstances, including:
    - Loss of employment
    - Death in the family
    - Other circumstances determined by the PHA or by HUD.

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

- When a family requests a minimum rent hardship exemption, application of the minimum rent will be suspended beginning the month following the family's hardship request.

- During the minimum rent suspension period the housing assistance payment will be increased accordingly.

- The PHA must promptly determine whether a qualifying hardship exists, and, if so, whether such hardship is temporary or long term.

1. *NO qualifying financial hardship*

- If the PHA determines there is no hardship covered by the statute, a minimum rent is imposed retroactively to the time of suspension.

- The family must pay any back rent on terms and conditions established by the PHA.

2. *Temporary qualifying financial hardship*

- If the PHA determines a qualifying financial hardship is temporary, a minimum rent may not be imposed for a period of 90 days beginning the month following the date of the family's request for a hardship exemption.

- At the end of the 90-day suspension period, the PHA must reinstate the minimum rent retroactively to the beginning of the suspension.

- The family must be offered a reasonable repayment agreement for any amount of back rent owed by the family.

3. *LONG-TERM qualifying financial hardship*

- If the PHA determines a qualifying financial hardship is long term, the PHA must exempt the family from the minimum rent requirements so long as such hardship continues.

- Such exemption shall apply from the beginning of the month following the family's request for a hardship exemption until the end of the qualifying financial hardship.

PHA PROCEDURES

- The PHA must notify all families of the right to request minimum rent hardship exemptions under the law.

- Notification must advise families that hardship exemptions are subject to applicable PHA informal hearing procedures.

- The PHA may request reasonable documentation of hardship.

Learning Activity 3-3: Minimum Rent Hardship

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

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

Total annual income from 8a	$900
Adjusted annual income from 8y	$55
PHA's minimum rent	$50

9. Total Tenant Payment (TTP)

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

UTILITY ALLOWANCE

HCV Program GB 6-3	• A utility allowance is calculated for an assisted family if the family is responsible for paying the cost of any utilities (excluding telephone).
CFR 5.603(b)	• By definition, a utility allowance is "an amount equal to the estimate made or approved by a PHA or HUD of the monthly cost of a reasonable consumption of [tenant-paid] utilities...by an energy-conservative household."
CFR 982.517	• Each PHA is responsible for maintaining a utility allowance schedule for all tenant-paid utilities.
CFR 982.517(d)(1)	• A family's utility allowance is the smaller of the unit the family actually leases or the family's voucher size.
	• The PHA must provide a copy of the utility allowance schedule to HUD.
24 CFR 983.517(b)(2)(ii)	• In addition to the area-wide utility allowance standard, the PHA may maintain an area-wide, energy efficient utility allowance schedule to be used for units that are in a building that meets Leadership in Energy and Environmental Design (LEED) or Energy Star standards.
24 CFR 982.517(b)(2)(iii)	• The PHA may base its utility allowance payments on actual flat fees charged by an owner for utilities that are billed directly by the owner, but only if the flat fee charged by the owner is no greater than the PHA's applicable utility allowance for the utilities covered by the fee.
	• If the owner charges a flat fee for some but not all utilities, the PHA must pay a separate allowance for any tenant-paid utilities not covered in the flat fee.

Section 3.1: Total Tenant Payment and Utility Allowance

24 CFR 982.517(b)(2)(iv)
- If a tenant-based voucher holder resides in a project with project-based voucher (PBV) units and the PBV units use a site-specific utility allowance in accordance with PBV regulations, the PHA must use the project-specific utility allowance schedule.

TAX CREDIT UNITS

Notice PIH 2002-22
- If the family selects a unit in a development that receives a low-income housing tax credit, rent is calculated according to regular housing choice voucher rules.

Section 3.2   Payment Standards

DEFINITIONS

CFR 982.4

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

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

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

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

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

  - Zip code level (see definition of small area fair market rents);
  - Metropolitan area level; or
  - Nonmetropolitan county level

24 CFR 888.113(d)(2)

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

PAYMENT STANDARD SCHEDULE

24 CFR 982.505(a)

- The payment standard sets the maximum subsidy payment a family can receive from the PHA each month.

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

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

- In the HCV program, the FMR may be established at the zip code level, metropolitan market area level, or nonmetropolitan county level. Within each FMR area, the applicable FMR is the HUD-published:

  - Small area FMR (SAFMR);

    - For any metropolitan area designated as an SAFMR area; or

    - Anywhere a PHA has notified HUD will voluntarily use SAFMRs;

  - Metropolitan FMR for any other metropolitan area; or

  - FMR for any other nonmetropolitan county.

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

SMALL AREA FMRS

24 CFR 888.113
- On November 16, 2016, HUD published the final rule "Establishing a More Effective Fair Market Rent System; Using Small Area Fair Market Rents in the Housing Choice Voucher program Instead of the Current 50th Percentile FMRs."

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

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

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

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

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

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

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

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

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

ESTABLISHING PAYMENT STANDARD AMOUNTS

CFR 982.503(b)

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

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

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

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

DESIGNATED PAYMENT STANDARD AREAS

24 CFR 982.503(a)(3)]

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

EXCEPTION PAYMENT STANDARDS

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

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

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

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

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

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

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

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

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

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

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

USE OF PAYMENT STANDARD

CFR 982.505

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

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

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

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

APPLICATION OF THE PAYMENT STANDARD

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

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

DECREASES

24 CFR 982.505(c)(3)

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

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

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

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

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

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

INCREASES

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

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

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

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

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

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

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

CHANGES IN FAMILY UNIT SIZE (VOUCHER SIZE)

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

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

MOVES

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

REASONABLE ACCOMMODATION

24 CFR 982.503(d)(5)

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

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

Section 3.3   Housing Choice Voucher Rent Calculation

CFR DEFINITIONS

CFR 982.4

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

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

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

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

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

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

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

    - Must establish hardship exemption policies.

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

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

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

Section 3.3: Housing Choice Voucher Rent Calculation

RENT CALCULATION FACTS

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

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

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

HCV Program GB 6-5

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

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

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

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

Notes

Learning Activity 3-4:   Gross Rent Above Payment Standard

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

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

12. Housing Choice Vouchers: Tenant Based Vouchers

12a.	Number of bedrooms on Voucher		12a.
12b.	Is family now moving to this unit? (Y or N)		12b.
12c.	Does the family qualify as a Hard to House family? (Y or N)		12c.
12d.	Did family move into your PHA jurisdiction under portability? (Y or N) (if no, skip to 12g)		12d.
12e.	Cost billed per month (put 0 if absorbed)	$	12e.
12f.	PHA code billed		12f.

12g.	Housing type: ☐ Group Home (prorate gross rent) ☐ Own manufactured home, lease space
	☐ SRO: 1 room occupied by 1 person

12h.	Owner name		12h.
12i.	Owner TIN/SSN		12i.
12j.	Payment standard for the family	$	12j.
12k.	Rent to owner	$	12k.
12m.	Utility allowance, if any	$	12m.
12p.	Gross rent of unit: 12k + 12m (or Space Rent)	$	12p.
12q.	Lower of 12j or 12p	$	12q.
12r.	TTP: copy from 9j	$	12r.
12s.	Total HAP: 12q minus 12r	$	12s.

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

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

Prorated Rent Calculation

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

Learning Activity 3-5:   **Utility Reimbursement Payment**

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

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

12. Housing Choice Vouchers: Tenant Based Vouchers

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

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

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

Prorated Rent Calculation

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

MAXIMUM FAMILY SHARE AT INITIAL OCCUPANCY

CFR 982.305(a)(5) and 982.508

- Any new admission or any family who moves may not pay more than 40 percent of adjusted monthly income toward the family share if the gross rent for the unit is greater than the applicable payment standard for the family.

- This limit applies only at the time of initial leasing of a unit, not after.

Learning Activity 3-6:   Affordability Check

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

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

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

   Why? _____

   _____

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

Learning Activity 3-7:   Affordability Check

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

    - Rent to owner: 875
    - Utility allowance: 40
    - PHA payment standard: 775
    - Monthly adjusted income: 1,300
    - Family share: 530

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

    Why?

    _____

    _____

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

Learning Activity 3-8:   Affordability at Lease-Up

- The Gonzales family is leasing up in a new four-bedroom unit. The family annual income is $13,725. The adjusted annual income is $10,925. The rent to owner is $1,588 with a utility allowance of $192. The four-bedroom payment standard is $1,690. The total family share is $363.

- Will the Gonzales' be able to move into the new unit?

_____

_____

Notes

Learning Activity 3-9:   Case Study of Prorated Assistance

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

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

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

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

- **Unit information:**

  - Size: One bedroom

  - Utility allowance: None

  - Rent to owner: $535

- **PHA information:**

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

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

Task

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

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

6. Assets

6a. Family member name	No.	6b. Type of asset	6c. Calculation (PHA use)	6d. Cash value of asset	6e. Anticipated Income
				$	$
				$	$
				$	$
				$	$
				$	$
				$	$
				$	$
				$	$

6f, 6g.	Column totals			$ 6f.	$ 6g.
6h.	Passbook rate (written as decimal)				0. _____ 6h.
6i.	Imputed asset income: 6f X 6h (if 6f is $5,000 or less, put 0)				$ 6i.
6j.	Final asset income: larger of 6g or 6i				$ 6j.

7. Income

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

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

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

8. Expected Income Per Year

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

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

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

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

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

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

9. Total Tenant Payment (TTP)

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

12. Housing Choice Vouchers: Tenant Based Vouchers

12a.	Number of bedrooms on Voucher		12a.
12b.	Is family now moving to this unit? (Y or N)		12b.
12c.	Does the family qualify as a Hard to House family? (Y or N)		12c.
12d.	Did family move into your PHA jurisdiction under portability? (Y or N) (if no, skip to 12g)		12d.
12e.	Cost billed per month (put 0 if absorbed)	$	12e.
12f.	PHA code billed		12f.

12g. Housing type: ☐ Group Home (prorate gross rent) ☐ Own manufactured home, lease space
☐ SRO: 1 room occupied by 1 person

12h.	Owner name		12h.
12i.	Owner TIN/SSN		12i.
12j.	Payment standard for the family	$	12j.
12k.	Rent to owner	$	12k.
12m.	Utility allowance, if any	$	12m.
12p.	Gross rent of unit: 12k + 12m (or Space Rent)	$	12p.
12q.	Lower of 12j or 12p	$	12q.
12r.	TTP: copy from 9j	$	12r.
12s.	Total HAP: 12q minus 12r	$	12s.

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

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

Prorated Rent Calculation

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

Tai's ineligible brother comes to live with them. Complete lines 12ab through 12aj to calculate prorated rent for the Fulton family.

Notes

CHAPTER 4   Rent Calculation Quiz

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

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

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

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

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

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

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

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

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

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

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

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

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

12. The PHA must establish a payment standard for each unit size. . . . . _____

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

14. The PHA must exclude all amounts received from a HUD-funded training
     program. . . . . _____

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

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

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

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

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

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

PART II - Multiple Choice

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

22. HUD recommends that the pay stubs be dated within how many days of the interview date?
    a. 30 days
    b. 80 days
    c. 120 days
    d. 60 days

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

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

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

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

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

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

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

30. Assets do not include:
    a. Checking accounts with balances of less than $100
    b. Cash value of a life insurance policy
    c. Personal property not held as an investment
    d. Savings accounts
    e. All of the above

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

Notes

PART III - Review this family and answer the questions below

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

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

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

_____   _____   _____   _____   _____   _____   _____   _____   _____

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

_____   _____   _____   _____   _____   _____   _____   _____   _____

34. Who gets a medical allowance? [Fill in correct letter (s)]

_____   _____   _____   _____   _____   _____   _____   _____   _____

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

_____   _____   _____   _____   _____   _____   _____   _____   _____

PART IV - Fill In The Blanks

36. Annual income minus HUD allowances = _____

37. There are _____ HUD allowances; they include:

($400) _____

($480) _____

_____

_____

_____

Answer Key for Rent Calculation Quiz

1. F	27. B
2. T	28. C
3. T	29. C
4. T	30. C
5. T	31. B
6. F	32. I
7. F	33. C, D, F, H
8. F	34. I
9. T	35. A, B, C, D, F, G, H
10. F	36. Adjusted annual income
11. T	37. Five allowances:
12. T	Elderly/disabled; Dependent; Child care; Allowable medical expenses; Allowable disability assistance expenses
13. F	
14. T	
15. T	
16. F	
17. F	
18. F	
19. T	
20. F	
21. C	
22. D	
23. A	
24. B	
25. A	
26. E	

Notes

CHAPTER 5   Study Guide

I.   TERMINOLOGY: Define the following terms

1. Annual income:

2. Total monthly income:

3. Adjusted annual income:

4. Adjusted monthly income:

5. Total family share:

6. Tenant rent to owner:

7. Utility reimbursement to family:

8.   Rent to owner:

9.   Utility allowance:

10.   Gross rent:

11.   Housing assistance payment contract:

12.   Payment standard (PS):

13.   Total HAP:

14.   Elderly family:

II.   ANNUAL INCOME

15.   How do you compute income that you know will last for a part of the year (i.e., unemployment)?

16.   Income received during which time period is used in computing annual income?

17.   To convert income to annual amounts, multiply:

a)   Monthly income   x _____   d) Semimonthly   x _____

b)   Weekly income   x _____   e) Hourly full-time x _____

c)   Biweekly   x _____

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

19.   Who is considered a dependent?

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

21.   What income is included in annual income for a person 18 years of age or older who is not the head or spouse?

a)   If the person is a full-time student?   _____

b)   If the person is a part-time student?   _____

c)   If the person is not a student?   _____

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

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

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

25.   What is the income calculation formula when the family's total assets are less than or equal to $5,000?

26.   What is the income calculation formula when the family's total assets are greater than $5,000?

27.   How is imputed income from assets calculated?

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

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

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

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

32. What part of student financial aid is included in annual income?

33. What part of student financial aid is not included in annual income?

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

    ☐ Included   ☐ Excluded

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

    1) _____   6) _____
    2) _____   7) _____
    3) _____   8) _____
    4) _____   9) _____
    5) _____

36. List 10 examples of income that is not included in annual income.

    1) _____
    2) _____
    3) _____
    4) _____
    5) _____
    6) _____
    7) _____
    8) _____
    9) _____
    10) _____

37. List 10 examples of assets counted for HUD purposes.

1) _____

2) _____

3) _____

4) _____

5) _____

6) _____

7) _____

8) _____

9) _____

10) _____

38. List three examples of assets not counted for HUD purposes.

1) _____

2) _____

3) _____

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

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

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

42. When is personal property counted as an asset?

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

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

45. What is the formula for calculating anticipated income?

III. HUD ALLOWANCES

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

    1) _____

    2) _____

    3) _____

    4) _____

47. What is a full-time student?

48. How much is the dependent allowance?

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

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

    1) _____

    2) _____

    3) _____

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

    1) _____

    2) _____

    3) _____

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

    ☐ Yes   ☐ No

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

    1) _____

    2) _____

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

    1) _____

    2) _____

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

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

IV.   RENT CALCULATION

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

58. What is the formula for determining tenant rent?

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

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

61. When is maximum family share applied?

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

    a)   What payment standard is used?   _____

    b)   What utility allowance is used?   _____

V. VERIFICATIONS

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

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

1) _____
2) _____
3) _____
4) _____
5) _____
6) _____

65. If a family agrees with the amounts shown in EIV, the PHA is required to use the amount shown in EIV to annualize Social Security income for both applicants and participants.

☐ True   ☐ False

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

☐ True   ☐ False

Notes

CHAPTER 6　　　　Study Guide Answers

I.　TERMINOLOGY: Define the following terms

1. Annual income:

> **All amounts, monetary or not, anticipated to be received from a source outside the family which go to or on behalf of family head or spouse or to any other family member during the 12 months following certification or recertification, not specifically excluded by HUD regulation.**

2. Total monthly income:

> **Annual income divided by 12.**

3. Adjusted annual income:

> **Annual income less HUD allowances.**

4. Adjusted monthly income:

> **Adjusted annual income divided by 12.**

5. Total family share:

> **The total amount the HUD rent formula requires the tenant to pay toward rent plus the PHA's utility allowance for the unit.**

6. Tenant rent to owner:

> **The portion of the rent paid to the owner by the family.**

7. Utility reimbursement to family:

> **The portion of the housing assistance payment which exceeds the amount of the rent to owner.**

8. Rent to owner:

    The amount that the owner is paid for rent from both the family and the PHA.

9. Utility allowance:

    Estimate calculated from schedule of utility costs for utilities not included in owner's rent - an allowance for tenants toward payment of utilities.

10. Gross rent:

    Rent to owner plus utility allowance.

11. Housing assistance payment contract:

    Contract between owner and PHA for housing assistance.

12. Payment standard (PS):

    A figure which determines the maximum amount of subsidy a family can receive in the tenant-based assistance program.

13. Total HAP:

    The lower of the gross rent or the payment standard minus the total tenant payment.

14. Elderly family:

    Head, spouse, or cohead is 62 or older.

II. ANNUAL INCOME

15. How do you compute income that you know will last for a part of the year (i.e., unemployment)?

> **May annualize it for average known sources and conduct an interim when it ends.**

16. Income received during which time period is used in computing annual income?

> **12 months following certification or recertification.**

17. To convert income to annual amounts, multiply:

   a) Monthly income x   **12**   d) Semimonthly   x   **24**

   b) Weekly income   x   **52**   e) Hourly fulltime x   **2,080**

   c) Biweekly   x   **26**

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

> **Semimonthly**

19. Who is considered a dependent?

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

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

> **All income except employment, unless excluded by regulations.**

21. What income is included in annual income for a person 18 years of age or older who is not the head or spouse?

    a)   If the person is a full-time student?   **Earned income of $480**

    b)   If the person is a part-time student?   **All**

    c)   If the person is not a student?   **All**

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

Full amount before payroll deductions.

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

The amount should have Medicare added in when computing annual income.

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

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

25. What is the income calculation formula when the family's total assets are less than or equal to $5,000?

Use actual income from assets.

26. What is the income calculation formula when the family's total assets are greater than $5,000?

Use the greater of actual income or imputed asset income.

27. How is imputed income from assets calculated?

PHA passbook rate x total cash value of assets. Use calculation when assets exceed $5,000.

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

The family commits fraud or fails to comply with welfare's economic self-sufficiency program or work activity program.

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

> **All**

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

> **Include regular, not sporadic, contributions in annual income.**

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

> **Delayed start of periodic payments, except for Social Security, SSI, and veterans' disability lump sums.**

32. What part of student financial aid is included in annual income?

> **All financial aid exceeding amounts for tuition and mandatory fees unless student is over 23 with dependent children or lives with their parents.**

33. What part of student financial aid is not included in annual income?

> **Student loans, amounts for tuition and required fees, and financial aid paid to a student over 23 with dependent children. Any financial aid paid to a student that lives with his or her parents.**

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

    ☐ Included   **X** Excluded

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

1)	**Wages**	6)	**Welfare assistance**
2)	**Net business income**	7)	**Alimony and child support**
3)	**Interest, dividends/other income from assets**	8)	**Military pay**
4)	**Social Security, including Medicare, if applicable**	9)	**Retirement, pensions, etc.**
5)	**Unemployment**		

36. List 10 examples of income that is not included in annual income.

1) **Employment income of children under 18**
2) **Payments for care of foster children**
3) **Agent Orange settlements**
4) **Amounts specifically for, or in reimbursement of, medical expenses**
5) **Income of a live-in aide**
6) **Special pay for exposure to hostile fire**
7) **Income from training programs such as WIA and PASS**
8) **Temporary/sporadic income**
9) **Student loans**
10) **Earned income tax credit**

37. List 10 examples of assets counted for HUD purposes.

1) **Savings and checking accounts**
2) **Stocks/bonds**
3) **Equity in property**
4) **Cash value of trusts**
5) **IRA, Keogh funds**
6) **Money market funds**
7) **Certificates of deposit**
8) **Personal property as investments**
9) **Cash value of life insurance**
10) **Assets disposed of for less than fair market value within past two years**

38. List three examples of assets not counted for HUD purposes.

   1) **Personal property**
   2) **Interest in Indian trust lands**
   3) **Assets not accessible by applicant**

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

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

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

> **Market value less current loan balance, if any, less anticipated expenses to sell.**

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

> **Revocable/accessible trusts are assets. Irrevocable trusts are not assets.**

42. When is personal property counted as an asset?

> **When it is held as an investment.**

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

> **Count as if it were still owned. (Count market value less expenses, less what was received.)**

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

> **Two years from the date disposed of.**

45. What is the formula for calculating anticipated income?

> **Market value x interest rate = anticipated income**

III. HUD ALLOWANCES

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

    1) **Head**

    2) **Spouse or cohead**

    3) **Foster child/adult**

    4) **Live-in attendant**

47. What is a full-time student?

    A person other than the head, spouse, or cohead who is attending school or vocational training on a full-time basis.

48. How much is the dependent allowance?

    $480

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

    Under 13 years of age.

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

    1) **Adult working**

    2) **Adult attending school**

    3) **Adult actively seeking employment**

51. What are three restrictions on the use of child care allowances?

    1) **Reasonable**

    2) **Not paid by someone else**

    3) **Expense does not exceed money earned by person enabled to work**

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

    | | Yes | **X** | No |

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

   1) **Care attendants**

   2) **Auxiliary apparatus**

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

   1) **Enable a family member to work.**

   2) **Must be a person with disabilities in household.**

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

   Head, spouse, or cohead is 62 or older or a person with disabilities.

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

   Everyone except live-in aide and foster children or foster adults.
   (All family members)

IV.   RENT CALCULATION

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

> **Greatest of 30 percent% of monthly adjusted income, 10 percent of monthly income, welfare rent (if applicable), or PHA's minimum rent.**

58.   What is the formula for determining tenant rent?

> **Rent to owner minus HAP.**

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

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

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

> **• If the payment standard is increased during the term of the HAP contract, the increased payment standard will be applied no later than the earliest of:**
>
> **– The effective date of an increase in the gross rent that would result in an increase in the family share;**
>
> **– The family's first regular or interim reexamination; or**
>
> **– One year following the effective date of the increase in the payment standard amount.**
>
> **• The PHA may adopt a policy to apply a payment standard increase at any time earlier than the date calculated above.**

61. When is maximum family share applied?

   At new admission or moves when the gross rent exceeds the payment standard.

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

   a)   What payment standard is used?   **Three-bedroom**

   b)   What utility allowance is used?   **Three-bedroom**

V. VERIFICATIONS

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

> **The PHA must obtain additional third-party verification.**

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

1) **UIV using EIV**
2) **UIV using other sources**
3) **Written third-party documents provided by the family**
4) **Written third-party verification form**
5) **Third-party oral**
6) **Tenant declaration**

65. If a family agrees with the amounts shown in EIV, the PHA is required to use the amount shown in EIV to annualize Social Security income for both applicants and participants.

☐ True   **F** False

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

T True   ☐ False

CHAPTER 7   Case Studies

Directions

- Using the HUD-50058 form provided, calculate the family share and housing assistance payment. Then answer the follow-up questions at the end of the case studies.

- **Note**: Not all case studies have follow-up questions.

Case Study 1:   Alexander Family

- **Situation:** The Alexander family is entering the program.

- **Family information:**

Relation	Name	Age	Disabled	Citizenship Status
Head	Aaron Alexander	33	N	Eligible citizen
Daughter	Alice Alexander	12	N	Eligible citizen
Son	Allan Alexander	10	N	Eligible citizen

Aaron works 40 hours per week and earns $8.00 per hour. He pays $35 per week to take care of his two children (Alice and Allan) while he is at work.

The PHA determined passbook rate is .0075.

- **Unit information:**
  - Unit size: three bedrooms
  - Family unit size (voucher size): three bedrooms
  - Rent to Owner: $575
  - Three-bedroom payment standard: $640
  - The utility allowance is $55.

- **PHA policy:**
  - The PHA's minimum rent is $35
  - In determining the cash value of assets, PHA policy calls for using:
    - The current balance of savings accounts
    - The average six month balance for checking accounts

Using the HUD-50058 forms following, please compute the following for the Alexander family:

Total Annual Income (7i):   **$** _____

Final Asset Income (6j): $ _____

Total Allowances (8x):   **$** _____

Total Family Share (12t):   **$** _____

HAP to Owner (12u):   **$** _____

Tenant Rent to Owner (12v):   **$** _____

Utility Reimbursement to Family (12w):   **$** _____

6. Assets

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

7. Income

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

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

8. Expected Income Per Year

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

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

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

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

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

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

9. Total Tenant Payment (TTP)

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

12. Housing Choice Vouchers: Tenant Based Vouchers

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

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

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

Prorated Rent Calculation

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

Alexander Family Follow-up Questions

1. The applicable income limit for the Alexander family is $18,000. Is the Alexander family eligible for a voucher?
   a. Yes
   b. No

2. Aaron has disclosed Alice's Social Security number (SSN) but has not yet provided documentation. What should the PHA do?
   a. Admit the family to the program and allow 60 days for Aaron to provide the documentation
   b. Verify the SSN through the EIV system without requiring documentation
   c. Require that documentation must be provided prior to admission to the program

3. What does HUD require to verify their citizenship status?
   a. Declaration 214
   b. Birth certificate
   c. All of the above

Notes

Case Study 2:   Baldwin Family

- **Situation:** The interim reexamination is being processed for the Baldwin family, based on changes reported by Betty.

- **Family information:**

Relation	Name	Age	Disabled	Citizenship Status
Head	Betty Baldwin	43	N	Eligible citizen
Daughter	Bobbie Baldwin	18	N	Eligible citizen
Son	Bert Baldwin	14	N	Eligible citizen
Daughter	Bryte Baldwin	12	N	Eligible citizen

Betty has a non-interest-bearing checking account with a six-month average balance of $120. Bobbie has a savings account with a current balance of $500 and an interest rate of 1.8 percent. Betty receives $550 a month in TANF benefits for herself and her children. She was recently sanctioned from the welfare agency for noncompliance with the economic self-sufficiency program and her TANF has been reduced to $250. Bobbie, a full-time senior in high school, works part-time at the Bagger's Bigger Burger Barn, earning $50 a week. Betty pays a neighbor $20 per week to care for Bryte while she attends school.

The PHA determined passbook rate is .0075.

- **Unit information:**
  - Unit size: four bedrooms
  - Family unit size (voucher size): three bedrooms
  - Rent to owner: $650
  - Four-bedroom payment standard: $690
  - Three-bedroom payment standard: $520
  - Four-bedroom utility allowance: $70
  - Three-bedroom utility allowance: $45

- **PHA policy:**
  - The PHA's minimum rent is $25
  - In determining the cash value of assets, PHA calls for using:
    - The current balance of savings accounts
    - The average six month balance for checking accounts

Using the HUD-50058 forms following, please compute the following for the Baldwin family:

Total Annual Income (7i): $ _____

Final Asset Income (6j): $ _____

Total Allowances (8x): $ _____

Total Family Share (12t): $ _____

HAP to Owner (12u): $ _____

Tenant Rent to Owner (12v): $ _____

Utility Reimbursement to Family (12w): $ _____

6. Assets

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

7. Income

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

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

8. Expected Income Per Year

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

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

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

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

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

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

9. Total Tenant Payment (TTP)

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

12. Housing Choice Vouchers: Tenant Based Vouchers

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

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

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

Prorated Rent Calculation

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

Case Study 3:   Carlson Family

- **Situation:** An interim reexamination is being conducted for Chloe Carlson because the owner has proposed a rent increase.

- **Family information:**

Relation	Name	Age	Disabled	Citizenship Status
Head	Chloe Carlson	53	Y	Eligible citizen
Son	Cameron Carlson	16	Y	Eligible citizen

Chloe currently has $2,918 in her savings account, earning 2.15 percent interest. The last six-month average balance on Chloe's checking account is $89, that pays 1.1 percent interest annually. Cameron currently has $1,092 in his savings account, earning 2.25 percent interest.

Chloe works at a Senior Center earning $260 biweekly. She also receives child support in the amount of $140 per month.

Chloe's annual prescription costs are expected to be $250. Cameron's annual health care expenses are expected to be $800. None of these expenses are reimbursed.

The PHA determined passbook rate is .0075.

- **Unit information:**
  - Unit size: two bedrooms
  - Family unit size (voucher size): two bedrooms
  - Rent to owner: $475
  - Two-bedroom payment standard: $450
  - Two-bedroom utility allowance: $15

- **PHA policy:**
  - The PHA's minimum rent is $25
  - In determining the cash value of assets, PHA calls for using:
    - The current balance of savings accounts
    - The average six month balance for checking accounts

Using the HUD-50058 forms following, please compute the following for the Carlson family:

Total Annual Income (7i): $ _____

Final Asset Income (6j): $ _____

Total Allowances (8x): $ _____

Total Family Share (12t): $ _____

HAP to Owner (12u): $ _____

Tenant Rent to Owner (12v): $ _____

Utility Reimbursement to Family (12w): $ _____

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

6. Assets

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

7. Income

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

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

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8. Expected Income Per Year

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

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

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

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

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

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

9. Total Tenant Payment (TTP)

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

12. Housing Choice Vouchers: Tenant Based Vouchers

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

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

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

Prorated Rent Calculation

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

Carlson Family Follow-up Questions

1. Is the PHA required to do rent reasonableness before the rent increase can be put into effect?

    a. Yes

    b. No

2. How many days notice must the owner give the PHA before the rent increase can be implemented?

    a. 30

    b. 60

    c. 90

    d. PHA policy

3. Which of the following determines how many days notice the owner must give the family before the rent increase can be implemented?

    a. HUD regulations

    b. PHA policy

    c. The owner's lease

    d. Federal laws

4. Is the PHA required to do the affordability check?

    a. Yes, because the gross rent exceeds the payment standard

    b. No, because the rent to the owner does not exceed the payment standard

    c. No, because it's not an initial leasing of the unit

Notes

Case Study 4:   Egan Family

- **Situation:** An annual reexamination is being processed for the Egan family because they are moving to a new unit.

- **Family information:**

Relation	Name	Age	Disabled	Citizenship Status
Head	Ellen Egan	39	N	Eligible citizen
Son	Eddie Egan	17	N	Eligible citizen
Daughter	Ebony Egan	10	N	Eligible citizen

Ellen receives $475 per month in TANF benefits. Eddie works 15 hours per week and earns $8.00 per hour. Eddie currently has $2,500 in his savings account that earns 2.3 percent interest annually.

The PHA determined passbook rate is .0075.

Unit information:
- Unit size: three bedrooms
- Family unit size (voucher size): three bedrooms
- Rent to owner: $515
- Three- bedroom payment standard: $500
- Three- bedroom utility allowance: $25

- **PHA policy:**
  - The PHA's minimum rent is $50
  - In determining the cash value of assets, PHA calls for using:
    - The current balance of savings accounts
    - The average six month balance for checking accounts

Using the HUD-50058 forms following, please compute the following for the Egan family:

Total Annual Income (7i): $ _____

Final Asset Income (6j): $ _____

Total Allowances (8x): $ _____

Total Family Share (12t): $ _____

HAP to Owner (12u): $ _____

Tenant Rent to Owner (12v): $ _____

Utility Reimbursement to Family (12w): $ _____

6. Assets

6a. Family member name	No.	6b. Type of asset	6c. Calculation (PHA use)	6d. Cash value of asset	6e. Anticipated Income
				$	$
				$	$
				$	$
				$	$
				$	$
				$	$
				$	$
				$	$

6f, 6g. Column totals	$ 6f.	$ 6g.
6h. Passbook rate (written as decimal)		0. _____ 6h.
6i. Imputed asset income: 6f X 6h (if 6f is $5,000 or less, put 0)		$ 6i.
6j. Final asset income: larger of 6g or 6i		$ 6j.

7. Income

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

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

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

8. Expected Income Per Year

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

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

8b.	Family member name	No.	8c. Type of permissible deduction	8d. Amount	
				$	
				$	
				$	
				$	
				$	
				$	
8e.	Total permissible deductions (sum of column 8d)			$	8e.

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

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

9. Total Tenant Payment (TTP)

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

12. Housing Choice Vouchers: Tenant Based Vouchers

12a.	Number of bedrooms on Voucher		12a.
12b.	Is family now moving to this unit? (Y or N)		12b.
12c.	Does the family qualify as a Hard to House family? (Y or N)		12c.
12d.	Did family move into your PHA jurisdiction under portability? (Y or N) (if no, skip to 12g)		12d.
12e.	Cost billed per month (put 0 if absorbed)	$	12e.
12f.	PHA code billed		12f.

12g.   Housing type: ☐ Group Home (prorate gross rent)   ☐ Own manufactured home, lease space
☐ SRO: 1 room occupied by 1 person

12h.	Owner name		12h.
12i.	Owner TIN/SSN		12i.
12j.	Payment standard for the family	$	12j.
12k.	Rent to owner	$	12k.
12m.	Utility allowance, if any	$	12m.
12p.	Gross rent of unit: 12k + 12m (or Space Rent)	$	12p.
12q.	Lower of 12j or 12p	$	12q.
12r.	TTP: copy from 9j	$	12r.
12s.	Total HAP: 12q minus 12r	$	12s.

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

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

Prorated Rent Calculation

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

Egan Family Follow-up Questions

1. Is the PHA required to execute a new HAP Contract?
    a. Yes
    b. No

2. Is the PHA required to do the affordability check?
    a. Yes
    b. No

3. Can the family afford this unit?
    a. Yes
    b. No

4. Is the PHA required to brief this family?
    a. Yes
    b. No

5. All of the following must have occurred before the lease term may begin except:
    a. Family has submitted a new RFTA, with a copy of the proposed lease
    b. The new unit passed HQS inspection
    c. The HAP contract must be executed
    d. The lease must have been executed
    e. The rent must be reasonable

Notes

Optional Case Studies

Case Study 5: Foss Family

- **Situation:** An annual reexamination is being processed for the Foss family.

- **Family information:**

Relation	Name	Age	Disabled	Citizenship Status
Head	Floyd Foss	69	N	Eligible citizen
Spouse	Flora Foss	67	N	Eligible citizen

Floyd Foss receives Social Security of $665 per month. This includes his $55 per month Medicare premium. Flora receives Social Security of $400 per month. Mr. Foss has a savings account with a current balance of $7,222. This account earns 1.3 percent interest. Mrs. Foss has a Certificate of Deposit with a current value of $3,677. This account earns 2.4 percent interest and has a $67 penalty for early withdrawal.

Mr. Foss just had surgery last month and incurred a bill for $2,900. They will pay this bill off at $125 per month. Mrs. Foss will be undergoing corrective eye surgery. The surgery will cost her $1,000, but her insurance will pay $700. She will pay the balance at the time of the surgery. Her insurance premium is $25 per month.

The PHA determined passbook rate is .0075.

- **Unit information:**
  - Unit size: one bedroom
  - Family unit size (voucher size): one bedroom
  - Rent to owner: $350
  - One-bedroom payment standard: $325
  - One-bedroom utility allowance: $20

- **PHA policy:**
  - The PHA's minimum rent is $35
  - In determining the cash value of assets, PHA calls for using:
    - The current balance of savings accounts
    - The average six month balance for checking accounts

Using the HUD-50058 forms following, please compute the following for the Foss family:

Total Annual Income (7i): $ _____

Final Asset Income (6j): $ _____

Total Allowances (8x): $ _____

Total Family Share (12t): $ _____

HAP to Owner (12u): $ _____

Tenant Rent to Owner (12v): $ _____

Utility Reimbursement to Family (12w): $ _____

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

6. Assets

6a. Family member name	No.	6b. Type of asset	6c. Calculation (PHA use)	6d. Cash value of asset	6e. Anticipated Income
				$	$
				$	$
				$	$
				$	$
				$	$
				$	$
				$	$
				$	$

6f, 6g. Column totals	$ 6f.	$ 6g.
6h. Passbook rate (written as decimal)	0. _____ 6h.	
6i. Imputed asset income: 6f X 6h (if 6f is $5,000 or less, put 0)	$ 6i.	
6j. Final asset income: larger of 6g or 6i	$ 6j.	

7. Income

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

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

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

8. Expected Income Per Year

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

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

8b.	Family member name	No.	8c. Type of permissible deduction	8d. Amount	
				$	
				$	
				$	
				$	
				$	
				$	
8e.	Total permissible deductions (sum of column 8d)			$	8e.

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

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

9. Total Tenant Payment (TTP)

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

12. Housing Choice Vouchers: Tenant Based Vouchers

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

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

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

Prorated Rent Calculation

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

Case Study 6: Green Family

Situation: An annual reexamination is being processed for Georgia Green.

Family information:

Relation	Name	Age	Disabled	Citizenship Status
Head	Georgia Green	79	N	Eligible citizen

Ms. Green receives $475 per month in Social Security benefits, and $285 per month from her deceased husband's pension. She has the following assets: (1) A savings account earning 2.5 percent interest, with a current balance of $3,800. (2) A checking account paying 1.1 percent interest. The average six-month balance is $1,190. (3) Stocks valued at $4,122, paying dividends of $12 per month, and which require payment of a 3 percent broker fee if cashed in. (4) CD currently valued at $6,700 which pays 5.5 percent interest and carries a $400 penalty for early withdrawal. (5) CD currently valued at $4,400 which pays 4.4 percent interest and carries a $470 penalty for early withdrawal. (6) A rental home, valued at $225,000, with a mortgage of $18,000. If sold, Ms. Green would pay a 3 percent broker's fee and $350 closing costs. She receives rent of $500 per month. She pays a property manager $45 per month, property tax of $275 twice a year, and pays a total monthly mortgage of $300 ($50 interest, $250 principal). (7) A life insurance policy with a surrender value of $2,500 and which pays $50 dividends annually.

The PHA determined passbook rate is .0075.

- **Unit information:**
    - Unit size: One bedroom
    - Family unit size (voucher size): 1 bedroom
    - Rent to owner: $425
    - One-bedroom payment standard: $490
    - One-bedroom utility allowance: $35

- **PHA policy:**
    - The PHA's minimum rent is $50
    - In determining the cash value of assets, PHA calls for using:
        - The current balance of savings accounts
        - The average six month balance for checking accounts

Using the HUD-50058 forms following, please compute the following for the Green family:

Total Annual Income (7i): $ _____

Final Asset Income (6j): $ _____

Total Allowances (8x): $ _____

Total Family Share (12t): $ _____

HAP to Owner (12u): $ _____

Tenant Rent to Owner (12v): $ _____

Utility Reimbursement to Family (12w): $ _____

6. Assets

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

7. Income

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

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

8. Expected Income Per Year

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

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

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

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

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

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

9. Total Tenant Payment (TTP)

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

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12. Housing Choice Vouchers: Tenant Based Vouchers

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

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

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

Prorated Rent Calculation

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

Answers to Case Studies

Case Study 1: Alexander Family

Total Annual Income (7i):	**$ 16,640**
Final Asset Income (6j):	$ **0**
Total Allowances (8x):	**$ 2,780**
Total Family Share (12t):	**$ 347**
HAP to Owner (12u):	**$ 283**
Tenant Rent to Owner (12v):	**$ 292**
Utility Reimbursement (12w):	**$ 0**

Alexander Family Follow-up Questions:

1. a
2. c
3. a

Case Study 2: Baldwin Family

Total Annual Income (7i):	$ **7,089**
Final Asset Income (6j):	$ **9**
Total Allowances (8x):	$ **2,480**
Total Family Share (12t):	**$ 290**
HAP to Owner (12u):	**$ 405**
Tenant Rent to Owner (12v):	**$ 245**
Utility Reimbursement (12w):	**$ 0**

Case Study 3: Carlson Family

Total Annual Income (7i):	$ **8,529**
Final Asset Income (6j):	$ **89**
Total Allowances (8x):	$ **1,674**
Total Family Share (12t):	**$ 211**
HAP to Owner (12u):	**$ 279**
Tenant Rent to Owner (12v):	**$ 196**
Utility Reimbursement (12w):	**$ 0**

Carlson Family Follow-up Questions:

1. a
2. b
3. c
4. c

Case Study 4: Egan Family

Total Annual Income (7i):	$ **5,758**
Final Asset Income (6j):	$ **58**
Total Allowances (8x):	$ **960**
Total Family Share (12t):	$ **160**
HAP to Owner (12u):	$ **380**
Tenant Rent to Owner (12v):	$ **135**
Utility Reimbursement (12w):	$ **0**

Egan Family Follow-up Questions:

1. a
2. a
3. a
4. b
5. c

Case Study 5: Foss Family

Total Annual Income (7i):	$ 12,962
Final Asset Income (6j):	$ **182**
Total Allowances (8x):	$ **2,771**
Total Family Share (12t):	$ **300**
HAP to Owner (12u):	$ **70**
Tenant Rent to Owner (12v):	$ **280**
Utility Reimbursement (12w):	$ **0**

Case Study 6: Green Family

Total Annual Income (7i):	$ 14,295
Final Asset Income (6j):	$ **5,175**
Total Allowances (8x):	$ **400**
Total Family Share (12t):	$ **347**
HAP to Owner (12u):	$ **113**
Tenant Rent to Owner (12v):	$ **312**
Utility Reimbursement (12w):	$ **0**

Notes

TRAINING ACTION PLAN

The measure of a successful seminar is determined by what happens *after* the seminar. Successful training is not just the acquisition of knowledge; it is the *application* of the knowledge. This action plan will help you to stay focused as you apply your skills and knowledge to contribute to the overall success of your housing agency. It is designed to help you *and* your PHA to derive the maximum benefit from this training opportunity. It contains four parts:

PERSONAL "TO-DO" LIST

During the seminar you may hear ideas and suggestions intended to improve your competency and performance. Your instructor may recommend that you read a HUD notice or a regulation, or that you review certain course materials or case studies. You may learn of a more efficient way to organize a work function or to complete a task. As you become aware of individual items that you want to accomplish when you return to your agency, record them on your "TO-DO" list, so that you do not forget them. Your personal development and success is our goal. Do this for *you*.

HOUSING PROGRAM "TO-DO" LIST

During the seminar, there will be much discussion of HUD regulations pertaining to the topic of this course. Your instructor will show you how to use your NMA workbook as a reference tool to research regulations and HUD guidance so that you can apply them properly. You will also hear how other agencies perform the same functions that you do but in a very different way. Your housing program "TO-DO" list is designed for you to make notes of things you may want to check when you get back to your agency. Jot them down and make a note of any reference pages in your workbook that apply.

ADMINISTRATIVE POLICY REVIEW CHECKLIST

As the HUD regulations and program guidelines are discussed, your instructor will point out areas where PHAs have discretion to develop policies and may suggest that you check yours. Make note of these on your ADMINISTRATIVE POLICY REVIEW CHECKLIST. You may also learn of areas in which policy *should* be developed.

IDEA DESIGN WORKSHEET

As the result of this training, if you identify an area in your program operation in which you want to make constructive recommendations to a supervisor or to management, this form will help you to organize your ideas. It is important that you present your ideas in a positive, professional way, explain the benefits of your idea, and provide the appropriate HUD reference, if applicable.

PERSONAL "TO-DO" LIST

ITEM	COMMENT

HOUSING PROGRAM "TO-DO" LIST

ITEM	PAGE NUMBER/REFERENCE

ADMINISTRATIVE POLICY REVIEW CHECKLIST

POLICY ISSUE	REFERENCE

IDEA DESIGN WORKSHEET

IDEA
CURRENT POLICY, PROCEDURE, OR PRACTICE
BENEFITS OF THIS RECOMMENDATION
STEPS NECESSARY TO IMPLEMENT
APPLICABLE HUD REFERENCES

IMPROVING TEST-TAKING SKILLS

Below are some pointers that may assist you in minimizing the pressure many test takers place on themselves during testing.

1. **Only ONE answer is correct for each question**

   Marking two answers to the same question on the scantron answer sheets will be scored as a wrong answer.

2. **Answer one question at a time**

   You can only answer one question at a time. Don't be overwhelmed by the total number of questions on the test. Isolate each question as you read and answer it. If possible, cover the questions above and below the one you are working on.

3. **Work through the questions at a steady pace**

   When you read a question and have absolutely no idea what the answer is, make a check mark next to it in the test booklet and move on. Don't waste a lot of time pondering over questions you can't answer; go back to them after you have finished the test. Often, another question later on in the test will trigger the answer to the one you thought you didn't know.

4. **Identify the core topic**

   Sometimes when reading multiple-choice test questions, test takers get hung up in the words. Try to find the core topic of the question, isolate it, and ask yourself questions that trigger what you know about the topic.

   For example, let's take a question that pertains to income limits. Here are questions to ask yourself that may help identify the correct answer.

   - Does this question pertain to applicants or participants? (because the rules are different)
   - Does this question pertain to families entering the program or families moving/transferring to another unit?
   - What is this question trying to see if I know?

5. Identify key words and phrases

When you read a true or false question, remember that if *any part* of the question is false, the *whole statement* is false. Ask yourself, "does this statement stand on its own as totally true?" If you find yourself thinking, "well, it would be true if…"– it's probably false.

Also use this method to evaluate the multiple-choice answer options– if *any part* of an answer is wrong, then it is the *wrong* answer.

6. Turn a multiple-choice question into true or false questions

If you cannot quickly identify the correct answer, you can usually eliminate one or two incorrect answers. After you have done this, take each of the remaining answers, add it to the end of the multiple-choice question and see if it is a true or false statement.

7. When you review, focus on the tough questions

When they finish a test, some test takers go back and review every question– and sometimes they begin to doubt their answers. When they start to second-guess themselves, they often change answers that were correct. If you make a check mark next to the questions in your test booklet that you are not sure of, you can quickly identify the tough ones and use your time to review them.

8. Answer all the questions, even if you have to guess at some

If after going through the whole exam, there are still questions that have you stumped, first rule out the obviously wrong answers, then make your best guess at which of the remaining options is the right answer. Even a blind guess improves your chances of scoring a point.

9. Visually inspect your answer sheet before you turn it in to the instructor

Look for incidental or unintentional pencil marks and erase them. If you changed an answer, make sure that the pencil mark for the first answer is completely erased.

10. Make sure that you did not inadvertently skip a question or a line on the Scantron answer sheet. This would cause all of the following answers to be incorrect.

Before turning in your Scantron sheet, review it to make sure that the number of lines filled in matches the number of questions on the test and that no lines are blank.