Learning Activity 2-1:   Calculating Annual Income

Family Name: Scott

Head: Wages $7.25/hour (40 hrs/week)

Spouse: Social Security $350/month   Annual Income   _____

Family Name: Tilden

Head: Alimony $150 semi-monthly

Head: Unemployment $125 weekly   Annual Income   _____

Family Name: Wahl

Head: Disability benefits $175/month

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

Learning Activity 2-2:   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.

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

Learning Activity 2-3:   Imputed Welfare Income

- Brenda Walsh 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. Walsh's benefits are being reduced because of fraud. Ms. Walsh's regular TANF amount is $650 per month. Her TANF is being reduced to $350 per month, and the reduction is expected to last for the next 12 months. She continues to receive the reduced TANF benefits of $350 each month.

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

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

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

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 **Walsh**	Social Security Number	Date modified (mm/dd/yyyy)

- *Scenario 2:* Three months later, Ms. Walsh starts receiving $150 a month in alimony. Her TANF benefits do not change. Calculate the imputed welfare income and total annual income for the family.

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	**Walsh**	Social Security Number	Date modified (mm/dd/yyyy)

- *Scenario 3:* Six months later, Ms. Walsh gets a job earning $500 monthly. She continues to receive alimony at $150 per month. Her TANF benefits are still $350 a month. Calculate total annual income for the family.

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

Learning Activity 2-4:   EID Calculation: Doria Family

Task

- Calculate the amount of the EID family member's earnings to be included in annual income.

Scenario

- At Manny Doria's annual reexamination, his annual income consisted of $4,500 from Social Security disability benefits. This has been his only income for the last two years.

Part 1

- Manny has just reported he became employed on January 15, 2018, and the PHA has verified that he will now be earning $10,500 per year. He will continue receiving $4,500 a year from Social Security. PHA policy calls for a 50 percent exclusion during the phase-in period.

  - How much is Manny's prequalifying (baseline) income?
    (*ALL* income of EID family member prior to qualifying event.)

Step 1: Calculate EID family member's exclusion amount.

A1. Earned income of EID family member	$	
A2. Earned income, if any, included in prequalifying income. $		
A3. Increase in earned income (A1– A2). **If 0 or negative, STOP. Do not exclude any earned income.** $		
B. Other income of EID family member (including income from assets)	$	
C. Total annual income of EID family member (A1 + B)	$	
D. Enter prequalifying income	$	
E. Full exclusion (C – D, *but no more than A3*)	$	
F. 50% exclusion during phase-in period, if applicable (E × 0.50)	$	

Step 2: Determine EID family member's wages after exclusion.

G. EID family member's earnings (HUD-50058, 7d)	$	
H. Exclusion (E or F, as applicable) (HUD-50058, 7e)	$	
I. EID family member's earned income after exclusions (G – H) HUD-50058, 7f	$	

Form HUD-50058

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)
Manny	1	SS				
Manny	1	W				
7g. Column total						

Part 2

- Manny is still earning $10,500 annually, but his Social Security benefits have been reduced to $3,000.

Step 1: Calculate EID family member's exclusion amount.

A1. Earned income of EID family member		$
A2. Earned income, if any, included in prequalifying income.	$	
A3. Increase in earned income (A1– A2). **If 0 or negative, STOP. Do not exclude any earned income.**	$	
B. Other income of EID family member (including income from assets)		$
C. Total annual income of EID family member (A1 + B)		$
D. Enter prequalifying income		$
E. Full exclusion (C – D, *but no more than A3*)		$
F. 50% exclusion during phase-in period, if applicable (E × 0.50)		$

Step 2: Determine EID family member's wages after exclusion.

G. EID family member's earnings (HUD-50058, 7d)	$
H. Exclusion (E or F, as applicable) (HUD-50058, 7e)	$
I. EID family member's earned income after exclusions (G – H) HUD-50058, 7f)	$

Form HUD-50058

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)
Manny	1	SS				
Manny	1	W				
7g. Column total						

Part 3

- Manny is now entering his phase-in period. His wages dropped to $10,000 annually, and his Social Security benefits have increased to $6,000.

Step 1: Calculate EID family member's exclusion amount.

A1. Earned income of EID family member		$	
A2. Earned income, if any, included in prequalifying income.	$		
A3. Increase in earned income (A1– A2). **If 0 or negative, STOP. Do not exclude any earned income.**	$		
B. Other income of EID family member (including income from assets)		$	
C. Total annual income of EID family member (A1 + B)		$	
D. Enter prequalifying income		$	
E. Full exclusion (C – D, *but no more than A3*)		$	
F. 50% exclusion during phase-in period, if applicable (E × 0.50)		$	

Step 2: Determine EID family member's wages after exclusion.

G. EID family member's earnings (HUD-50058, 7d)	$	
H. Exclusion (E or F, as applicable) (HUD-50058, 7e)	$	
I. EID family member's earned income after exclusions (G – H) HUD-50058, 7f)	$	

Form HUD-50058

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)
Manny	1	SS				
Manny	1	W				
7g. Column total						

Part 4

- Manny has been promoted! He is now earning $18,000 annually. His Social Security benefits remain at $6,000.

Step 1: Calculate EID family member's exclusion amount.

A1. Earned income of EID family member		$	
A2. Earned income, if any, included in prequalifying income.	$		
A3. Increase in earned income (A1– A2). **If 0 or negative, STOP. Do not exclude any earned income.**	$		
B. Other income of EID family member (including income from assets)		$	
C. Total annual income of EID family member (A1 + B)		$	
D. Enter prequalifying income		$	
E. Full exclusion (C – D, *but no more than A3*)		$	
F. 50% exclusion during phase-in period, if applicable (E × 0.50)		$	

Step 2: Determine EID family member's wages after exclusion.

G. EID family member's earnings (HUD-50058, 7d)	$	
H. Exclusion (E or F, as applicable) (HUD-50058, 7e)	$	
I. EID family member's earned income after exclusions (G – H) HUD-50058, 7f)	$	

Form HUD-50058

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)
Manny	1	SS				
Manny	1	W				
7g. Column total						

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% 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**	**7.25 x 2080**	$ **15,080**	$	$ **15,080**
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
7g. Column total						$ 15,080 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:   Asset 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% interest. This PHA uses the current value of savings accounts as asset value. Mrs. Blum has no other assets.

- The PHA determined passbook rate is .0075.

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

Instructions

1. Obtain the market value of the asset.

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

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

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

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

6. Assets

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

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

7. Income

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

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

7b: Income Codes **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

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 form HUD-50058. Only net rental income would be reported.

Learning Activity 2-8:   Net Rental Income

- As calculated in Learning Activity 2-6: 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 (water, sewer, trash)	$	40	per quarter	160
Other (explain:)				
			– Total Expenses	4,346
Net Rental Income				1,954

Task

- Report Jenny's net rental income as given above on the form HUD-50058 following.

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%.

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

- 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 Easts' 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
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

VERIFICATION GUIDE

Notice PIH 2004-1, Appendix A

- 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.

Learning Activity 2-10:   Dependent and Child Care Allowance

- Becky Walker's annual income is $14,621, all from employment.

- Becky, age 38, has three children all under 13 years of age. She is paying a total of $60 per week for child care while she works

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.

Learning Activity 2-11:   Disability Assistance Allowance

- Family Name: Gilmore

- Head: 38   Earned Income: $ 11,000

- Spouse: 32   Earned Income: $ 9,000

- Son: 14   (with a disability)

- Disability assistance expense/year $ 4,600
  (enables spouse to work)

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.

Learning Activity 2-12:   Medical Allowance

- Family Name: Alden

- Head: 81

- Spouse: 80

- Annual Income: $13,500

- Medical Expenses: $1,945

Task

- Complete section 8 of 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 3.1   Total Tenant Payment

CFR 5.628

- Total Tenant Payment (TTP) is the highest of the following amounts, rounded to the nearest dollar:
  - In non-as-paid states:
    - 30% of family's monthly adjusted income
    - 10% of family's monthly income
    - PHA's minimum rent ($0 - $50 depending on PHA policy)
  - In as-paid states (New York, New Hampshire, Vermont)
    •30% of family's monthly adjusted income
    - 10% 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:   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.

Learning Activity 3-3:   Rent Calculation (Fremont Family)

Task

- Complete the Fremont family's income-based rent calculation by completing the Form HUD-50058, lines 10a through 10f.

TTP	$251
Flat rent	550
Utility Allowance	75

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

Learning Activity 3-4:   Rent Calculation (Powell Family)

Task

- Complete the Powell family's income-based rent calculation by completing the Form HUD-50058, lines 10a through 10f.

Flat Rent	$425
Utility Allowance	100
TTP	27

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:	[X] Income based	[ ] Flat

Learning Activity 3-5:   Flat Rents and Family Choice in Rental Payments

- Assume the Mills family has chosen to pay flat rent (*not* ceiling rent) for their housing unit. Using the following information, complete lines 10a through 10f of HUD-50058.

TTP	$450
Flat Rent	400

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	

Learning Activity 3-6:   Proration Case Study

• Use the information below to calculate the prorated rent for the O'Brien family

Relation	Name	Citizenship Status
Head	John O'Brien	Eligible citizen
Spouse	Mary O'Brien	Eligible citizen
Brother	Thomas O'Brien	Ineligible non-citizen

Flat Rent	$650
Utility Allowance	45
Total Tenant Payment	245

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: [X] Income based [ ] Flat

Learning Activity 4-1: **Calculation of TTP**

- Using the information below, compete 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 4-2:   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.

Learning Activity 4-3:   Calculate HAP/Family Share

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

PS	$800	Rent to Owner	$730
TTP	$220	UA	$40

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 4-4:   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.

Learning Activity 4-5:   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

    3. What would the family share have to be in order to be affordable?   _____

PRORATION OF ASSISTANCE

CFR 5.504
- Mixed family means a family whose members include those with citizenship or eligible immigration status, and those without citizenship or eligible immigration status.

CFR 5.520
- An eligible mixed family who requests prorated assistance must be provided prorated assistance.

- The PHA shall prorate the family's assistance by:

Learning Activity 4-6:   Calculating Prorated Rent

• Use the information below to calculate the prorated HAP for the Smith family.

Relation	Name	Citizenship Status
Head	John Smith	Eligible citizen
Spouse	Mary Smith	Eligible citizen
Brother	Harry Smith	Ineligible non-citizen

Payment standard	$550
Rent to owner	$480
Utility allowance	$45
Total tenant payment	$245

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.

CHAPTER 6   Rent Calculation Quizzes

Quiz 1: Public Housing and Section 8 Rent Calculation

Part I - True/False

1. 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.
    a. True
    b. False

2. The income of a temporarily absent spouse must be included in the annual income.
    a. True
    b. False

3. A PHA may establish a minimum rent of $0.
    a. True
    b. False

4. Reimbursements provided by publicly assisted programs to cover a person's out-of-pocket expenses made solely to allow participation in the program are not included in annual income.
    a. True
    b. False

5. Lump-sum payments are always counted as assets.
    a. True
    b. False

6. Disability assistance expenses may be deducted if they enable a family member to work or attend school.
    a. True
    b. False

7. Earned 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.
    a. True
    b. False

8. The interest on the savings account of a 7-year-old boy is included in annual income.
    a. True
    b. False

9. Only disabled families may qualify for the disability assistance allowance.
    a. True
    b. False

10. Only disabled or elderly families are eligible for medical expenses.
    a. True
    b. False

11. Food stamp benefits are included in annual income.
    a. True
    b. False

12. When income from employment is annualized, the gross income is used.

    a. True

    b. False

13. A family can qualify for more than one allowance.

    a. True

    b. False

Part II - Multiple Choice

14. When net family assets are equal to $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

15. The formula for converting equity in property to cash value of assets for calculation of rent is:

    a. Market value less current loan balance, if any, less anticipated expenses to sell

    b. Cash value less 6% Realtor fee

    c. Market value less annual taxes

16. 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

17. Which of the following determines the cash value of a checking account?

    a. Current balance

    b. Average monthly balance for prior six months

    c. PHA policy

18. Who gets medical allowances?

    a. Every person who is disabled according to the HUD definition or who is 62 years of age or older

    b. Only the head of a household and the spouse

    c. Every family member in an elderly or disabled family

    d. Everyone in a family in which there is an elderly person or person with disabilities

19. 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

20. If income will last for less than one year:

    a. Treat as sporadic income.

    b. Annualize and conduct interim if change

    c. Use $100 per family member for time no income is expected.

    d. Use 10% of last year's income.

21. To convert bi-weekly income to annual income, multiply by:
    a. 52
    b. 24
    c. 26
    d. 12

22. The Davis family had been receiving $400 monthly in TANF and recently reported that their TANF benefits have stopped. The PHA has verified with the local welfare department that the family lost their welfare entitlement due to fraud and was consequently sanctioned. The PHA must:
    a. Reduce their rent because their welfare was reduced
    b. Still include the $400 in the family's annual income even though it's no longer being received
    c. Follow PHA policy
    d. Contact the welfare agency to see if the sanction can be removed

23. Jennifer Smith (age 63) owns a home appraised at $100,000 and there is no mortgage balance. She recently sold the house to her son for $10,000. Her son paid all the realtor fees and transfer costs. The PHA should:
    a. Multiply $100,000 times the PHA passbook rate to calculate the cash value of this imputed asset
    b. Count $90,000 in the total cash value of her assets for two years subsequent to the sale of the home
    c. Not apply the imputed asset rule because she is elderly
    d. Include the $10,000 in her annual income

24. Nicole West recently won the lottery in the amount of $4,000. She spent $3,900 towards the purchase of a vehicle and spent the remaining $100 on clothes. At her next annual reexamination, what is the total cash value of her lottery winnings that is to be treated as an asset?
    a. $3,000
    b. $0
    c. $2,900
    d. $100

Part III: Allowances

• Review the family below and answer the questions following.

    a. Head, age 45

    b. Spouse, age 45

    c. Son age 19, who is a full time student

    d. Daughter age 16, who has quit school

    e. Foster child (male), age 12

    f. Granddaughter, age 1

    g. Grandmother, age 70

    h. Disabled brother of head, age 39

    i. No one

25. Who qualifies this family for a $400 allowance? Write letter of family member(s):

_____ _____ _____ _____ _____ _____ _____

26. Who gets a $480 allowance? Write letter of family member(s):

_____ _____ _____ _____ _____ _____ _____

27. Who gets a medical allowance? Write letter of family member(s):

_____ _____ _____ _____ _____ _____ _____

28. If the spouse was disabled, who gets a medical allowance?

_____ _____ _____ _____ _____ _____ _____

Part IV: Fill in the blanks

29. Annual Income – HUD allowances = _____

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

$400 _____

$480 _____

_____

_____

Quiz 2: Public Housing Rent Calculation

Part I - True/False

31. Ceiling rents are a function of income-based rent; flat rents are not.
    a. True
    b. False

32. A PHA must offer a public housing family the choice annually whether to pay income-based rent or flat rent.
    a. True
    b. False

33. A PHA must review the income of families paying flat rent not less than once every three years.
    a. True
    b. False

34. The family will receive a utility reimbursement payment when the flat rent is greater than the total tenant payment.
    a. True
    b. False

35. Since flat rent is not locked in for three years, the PHA can adjust the flat rent annually.
    a. True
    b. False

Part II – Multiple Choice

36. Pedro Flores elected to pay flat rent at his recent annual reexamination. Four months later, he lost his job and the PHA allowed him to switch to income-based rent. However, last week he reported that he has obtained a new job and has requested to switch back to flat rent. The PHA must:
    a. Allow him to switch to flat rent immediately per his request
    b. Not allow him to switch to flat rent until his next annual reexamination
    c. Refer to its policy as to whether he could be switched
    d. Only allow him to switch if the flat rent is less than what he would pay in income-based rent

37. Total tenant payment minus the utility allowance equals:
    a. Tenant rent
    b. Ceiling rent
    c. Flat rent
    d. Minimum rent

38. If an existing family's rent will increase by more than 35% as a result of changes to the flat rent, the increase must be phased in, and the family may choose between the phased-in flat rent amount or the previously calculated income-based rent:
    a. True
    b. False

Quiz 3: Section 8 Rent Calculation

Part I - True/False

39. The PHA must establish a payment standard for each unit size.
    a. True
    b. False

40. A PHA could have two or three different payment standards for each bedroom size within an FMR area.
    a. True
    b. False

41. In the housing choice voucher program, the family share will never be less than the total tenant payment.
    a. True
    b. False

42. The gross rent is the amount the owner charges in rent.
    a. True
    b. False

43. A family may never lease-up in a unit where the gross rent exceeds the payment standard.
    a. True
    b. False

44. If the HAP is greater than the rent to owner, the family will receive a utility reimbursement payment.
    a. True
    b. False

45. The payment standard must be within 90% to 110% of the FMR, unless an exception is approved by HUD.
    a. True
    b. False

Part II – Multiple Choice

46. If a PHA increases its payment standard during the term of a HAP contract, when will the higher payment standard be applied to the family?
    a. At the family's second regular reexamination after the payment standard is increased
    b. At the family's next regular reexamination after the payment standard is increased
    c. At the family's first interim or regular reexamination after the payment standard has been increased
    d. Never, because the PHA cannot increase its payment standard

47. If the gross rent for a unit exceeds the applicable payment standard, the family share may not exceed 40% of adjusted monthly income at which of the following times?

    a. Only when a family is admitted to the program

    b. Only when a family moves to a new unit

    c. When a family is admitted to the program or moves to a new unit

    d. At any time specified in PHA policy

    e. At any time while a family is receiving assistance under the program

48. The Rodriguez family qualifies for a three-bedroom voucher and leased up in four-bedroom unit. When calculating their rent, the PHA should use:

    a. Three-bedroom payment standard and three-bedroom utility allowance

    b. Four-bedroom payment standard and four-bedroom utility allowance

    c. Three-bedroom payment standard and four-bedroom utility allowance

    d. Four-bedroom payment standard and three-bedroom utility allowance