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LEARNING OUTCOMES

Explain and apply HUD regulations and guidance to rent calculation in the public housing program.

When you have completed the **Rent Calculation** portion of the Public Housing Specialist seminar, you should be able to:

- Identify the types of income that must be included in or excluded from annual income using 24 CFR 5.609 and Section 7 of the 50058
- Calculate and track the earned income disallowance (EID) using 24 CFR and NMA's EID worksheet
- Identify assets and calculate income from assets using 24 CFR and Section 6 of the 50058
- Calculate adjusted income by correctly deducting HUD-defined allowances and expenses from annual income using 24 CFR and Section 8 of the 50058
- Recognize the requirements for verification of income, allowances, and expenses using the HUD verification guidebook
- Calculate rent using annual and adjusted income applying Sections 9, 10, and 12 of the 50058

Notes

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

www.hud.gov/program_offices/public_indian_housing/systems/pic/50058/pubs

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
- The newest version of the revised HUD-50058 and its Instruction Booklet are dated June 28, 2004. This version did not change calculations, but removed obsolete language.
- The 50058 records submission process to PIC became fully operational on September 25, 2001.
- PHAs that experience problems with 50058 submissions can receive help from IMS/PIC coaches or through REAC's Technical Assistance Center (TAC). Information may be accessed at https://www.hud.gov/program_offices/public_indian_housing/systems/pic/help.

Section 1.1: Form HUD-50058

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 (Section 8 only)
 14. Historical adjustment
 15. Void
- Copies of the form HUD-50058 and instructions follow.

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>.

Privacy Act Information. 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). 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. The information requested is required to obtain or retain benefits. This collection is mandatory. The information requested is required to obtain and retain benefits. Failure to provide SSN could result in denial of eligibility and/or termination of assistance or tenancy participants. HUD is authorized to collect this information under the Housing and Community Development Act of 1987 42 U.S.C.3543 (a).

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.

	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, enter 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.

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

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8. Expected Income Per Year

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

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9. Total Tenant Payment (TTP)

9a.	Total monthly income: $8a \div 12$	\$	9a.
9c.	TTP if based on annual income: $9a \times 0.10$	\$	9c.
9d.	Adjusted monthly income: $8y \div 12$	\$	9d.
9e.	Percentage of adjusted monthly income: use 30% for Section 8		9e.
9f.	TTP if based on adjusted annual income: $(9d \times 9e) \div 100$	\$	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.

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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:	<input type="checkbox"/> Income based	<input type="checkbox"/> Flat
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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.

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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: <input type="checkbox"/> Group Home (prorate gross rent) <input type="checkbox"/> 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).

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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:	<input type="checkbox"/> Group Home (prorate gross rent) <input type="checkbox"/> Own manufactured home, lease space <input type="checkbox"/> 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 If negative, credit tenant	12ai.
			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).

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

Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
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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 to 15f)		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.
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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).

Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
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17. Family Self-Sufficiency (FSS)/ Welfare to Work (WtW) Voucher Addendum

17a.	Participate in special programs? (check all that apply) <input type="checkbox"/> FSS <input type="checkbox"/> Welfare to Work Voucher		
17b.	FSS report category: (check no more than one) <input type="checkbox"/> Enrollment <input type="checkbox"/> Progress <input type="checkbox"/> 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) <input type="checkbox"/> Enrollment <input type="checkbox"/> Progress <input type="checkbox"/> 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		
	(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. <input type="checkbox"/> Full-time (32 hours per week or more) <input type="checkbox"/> Part-time <input type="checkbox"/> Not employed		
	(2) Date (mm/dd/yyyy) current employment began	17h(2).	
	(3) Benefits in current employment: (check all that apply) <input type="checkbox"/> Health <input type="checkbox"/> Retirement account <input type="checkbox"/> 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) <input type="checkbox"/> TANF Income Assistance <input type="checkbox"/> General Assistance <input type="checkbox"/> Food Stamps <input type="checkbox"/> Medicaid/Children's Health Insurance Program <input type="checkbox"/> 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 <i>grade</i> or the <i>full years</i> of formal schooling that the head of household <u>completed</u> (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.

Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
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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:	
<input type="checkbox"/> Left voluntarily <input type="checkbox"/> Portability move-out <input type="checkbox"/> Contract expired but family did not fulfill obligations <input type="checkbox"/> Asked to leave program <input type="checkbox"/> 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:	
<input type="checkbox"/> Portability move-out <input type="checkbox"/> Family no longer needs subsidy <input type="checkbox"/> Subsidy terminated for Housing Choice Voucher program violation, other than WtW obligations <input type="checkbox"/> Subsidy terminated for violation of WtW obligations <input type="checkbox"/> Family voluntarily withdrew from Housing Choice Voucher program <input type="checkbox"/> 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 <i>initially</i> 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 <i>initially</i> 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.

Section 1.2 Policies

- With the advent of RHIIP (Rental Housing Income Integrity Project), HUD has made it clear that PHA policies must be more comprehensive than ever before. It is PHA policy that will provide staff with the most specific rules on how to handle family situations.
- Without current and complete policies, PHA staff cannot accurately calculate family rents.
- In the Housing Choice Voucher Program, PHA policy can be found in the PHA's Administrative Plan. In the Public Housing Program, PHA policy can be found in the PHA's Admissions and Continued Occupancy Policy (ACOP).

Notes

CHAPTER 2 Income and Allowances

LEARNING OUTCOMES

Upon completion of this chapter, you should be able to:

- Define *annual income* for the purposes of public housing 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
- Recognize the qualifiers for the earned income disallowance (EID), identify the exclusion periods, and calculate the disallowance
- 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% threshold, and identifying who and what expenses qualify for the deduction
 - Calculating the medical expense deduction and 3% 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. Furthermore, the relationship and/or situation of the individual family member also must be taken into consideration.
- For the head of household, spouse, co-head 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 co-head).
- Regulations also specifically state that no employment income is counted for children under 18 (this does not include the head of household, spouse, or co-head).

Section 2.1: Annual Income

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.
- CFR 982.54 (d)(10)*
 - The PHA administrative plan must cover PHA policy on family absence from a dwelling unit.

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 bi-weekly wages by 26.
 - Multiply semi-monthly 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 bi-weekly.

Annual Income _____ Monthly Income _____

- Ms. Spiker (age 32) has 3 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 semi-monthly from his job as a sales clerk.

Annual Income _____ Monthly Income _____

- Mrs. Bass works as a teacher's aide 40 hours per week earning \$8.25 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 receiving \$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

ANNUALIZING EMPLOYMENT INCOME

Notice PIH 2018-18

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

Section 2.1: Annual 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 pay stubs, year-to-date, or another method)
 - Industry practice is typically to annualize an average of pay stubs.
 - 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.
- 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.

Section 2.1: Annual Income

EXAMPLE OF AVERAGING PAYSTUBS

- PHA policy calls for 4 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 semi-monthly (1st and the 15th)
 - $\$756.03 \times 24 = \$18,144.72$

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.

Section 2.1: Annual Income

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 3 years, she has worked this job for 8 months per year during the construction season. During the other 4 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 a month 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 a month 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 a 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 member 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."

Public Housing Specialist 2: Rent Calculation

Income and Allowances

Section 2.1: Annual Income

- Earnings in excess of \$480 for each full-time student 18 years old or older is not included as income.
- See also school and training-related exclusions.

EXAMPLES OF CALCULATION			
Other income	\$3,500	Other income	\$3,500
Employed full-time student	+ 480	Employed full-time student	0
Annual income	\$3,980	Annual income	\$3,500
Dependent allowance	– 480	Dependent allowance	– 480
Adjusted income	\$3,500	Adjusted income	\$3,020

RIGHT

WRONG

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 or not living in the dwelling).

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, page 115*

- This may include rent and utility payments paid on behalf of the family and other cash or non-cash 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.
- 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

- Member received \$1,200 per month for the past 6 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?
 - For the next six months, use the lower amount
 $\$1,000 \times 12 = \$12,000$
 - Then, conduct an interim when the reduction ends
 $\$1,100 \times 12 = \$13,200$

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 within 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
 - $\$450 \times 12 = \$5,400$

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 1st 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% for the following year
- How should his SS income be annualized?
 - First calculate the COLA
 $\$500 \times 3.6\% = \18
 - His new benefit amount for the following year is \$518
 - Effective for his 02/01 recertification the following year: $\$518 \times 12 = \$6,216$

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.

Public Housing Specialist 2: Rent Calculation

Income and Allowances

Section 2.1: Annual Income

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.
<i>Question:</i> How long will the annuity payments not be counted as income?
<i>Answer:</i> 6 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

Public Housing Specialist 2: Rent Calculation

Income and Allowances

Section 2.1: Annual Income

Learning Activity 2-2: Calculating Annual Income

Family Name: Scott

Head: Wages \$8.25/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 \$7.85/hour (20 hrs/week) Annual Income _____

Notes

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.

Head of household name O'Brien	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 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
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Section 2.1: 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)

- 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, and
 - The recovery does not include an additional amount in full satisfaction of the attorney fees.

Section 2.1: Annual Income

- In these situations, the tenant does not actually recover the entire amount of the past due periodic payment because s/he 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.

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***
<p>* The family's income is calculated at \$0/month beginning November 1, continuing until benefits actually begin and new income is calculated.</p> <p>** 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:</p> <p>\$100/week benefit x 52 weeks = \$5,200 + \$700 lump sum payment = \$5,900 annual gross income) 12 = \$492.</p> <p>*** Increased rent does not start until 2/1 in order to give family notice of rent increase.</p>					

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 11/1. 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.

Income and Allowances	
1	2
3	4
5	6
7	8
9	10
11	12
13	14
15	16
17	18
19	20
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67	68
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77	78
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81	82
83	84
85	86
87	88
89	90
91	92
93	94
95	96
97	98
99	100

Section 2.1: Annual Income

MONTHLY SELF-EMPLOYMENT WORKSHEET

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

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, page 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

INCOME CHANGES FROM WELFARE PROGRAM

Welfare Agency Sanctions

- The welfare agency may reduce welfare benefit payments to sanction a family for noncompliance with welfare self-sufficiency or work activities requirements.
- The PHA may not reduce the family rent contribution for families whose welfare benefits have been sanctioned by the welfare agency for noncompliance with welfare self-sufficiency or work activities requirements, or because of fraud in connection with 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

Section 2.1: Annual Income

CFR 5.615

Definitions

- “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.
- 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

Cooperation Agreements with Welfare Agencies

CFR 5.613

- The PHA must make best efforts to enter into cooperation agreements with welfare agencies to:
 - Target public assistance benefits and services to families receiving Section 8 and Public Housing assistance to achieve self-sufficiency
 - Provide written verification to the PHA concerning welfare benefits for Section 8 and Public Housing applicants and participants
- PIH Notice 2000-11 provides guidance and includes a sample agreement.

Section 2.1: Annual Income

*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, that 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 = \$300

Total 50058 monthly income	= \$600
----------------------------	---------

Section 2.1: Annual 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 = \$400

The head begins working, earning \$300/mo.

- TANF income = \$200
- Employment income = \$300
- Imputed welfare income?
- \$400-\$300 = \$100

Total 50058 monthly income = \$600

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? = \$0

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

Section 2.1: Annual Income

Review of PHA Decision

CFR 5.615 (d)

- A resident in the Public Housing 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 a grievance 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 \$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 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.
 - **Scenario 2:** Three months later, Ms. Childs 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.
 - **Scenario 3:** Six months later, Ms. Childs 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.

Scenario 1 Calculations

Head of household name Childs	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 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
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Scenario 2 Calculations

Head of household name Childs	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 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
---	---	---

Scenario 3 Calculations

Head of household name Childs	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 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
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Section 2.1: Annual Income

PAYMENTS IN LIEU OF EARNINGS

CFR 5.609(b)(5)

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

Section 2.2 Annual Income Exclusions

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.

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

Section 2.2: Annual Income Exclusions

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.

CFR 5.609(c)(5)

INCOME OF A LIVE-IN AIDE

- Use definition in 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 well-being 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.

STUDENT FINANCIAL AID

CFR 5.609(c)(6)

- The full amount of financial assistance paid directly to the student or to the educational institution.

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.

Section 2.2: Annual Income Exclusions

CFR 5.609(c)(8)(iv)

RESIDENT SERVICE STIPENDS

- Exclude amounts received under a resident service stipend.
 - Not to exceed \$200 per month.
 - Received by a resident for performing a service for the PHA on a part-time basis.
 - Enhances the quality of life in the development.
 - Such services may include but are not limited to:
 - Fire patrol
 - Hall monitoring
 - Lawn maintenance
 - Resident initiatives coordination
 - Serving as a member of the PHA's governing board
- No resident may receive more than one such stipend during the same period of time.

CFR 5.609(c)(10)

HOLOCAUST REPARATION PAYMENTS

- 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.

CFR 5.609(c)(11)

EARNINGS FOR FULL-TIME STUDENTS

- Exclude earnings in excess of \$480 for each full-time student 18 years or older (excluding the head of household, spouse and co-head).

Section 2.2: Annual Income Exclusions

CFR 5.609(c)(9)

SPORADIC INCOME

- 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.

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.

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?

Section 2.2: Annual Income Exclusions

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.

Section 2.2: Annual Income Exclusions

*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.

Section 2.2: Annual Income Exclusions

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?

CFR 960.255

MANDATORY EARNED INCOME DISALLOWANCE

Self-sufficiency incentive – Disallowance of increase in annual income

- Final rule published on March 29, 2000.
- Effective for families on or after October 1, 1999.
- This disallowance does **NOT** apply for purposes of program admission, including determination of income eligibility and income targeting.
- Streamlining Final Rule published March 8, 2016.
 - Revised tracking and calculation method for persons qualifying for the EID on or after May 9, 2016

Definitions

- **Disallowance.** Exclusion from annual income.
- **Previously unemployed.** Includes a person who has earned, in the twelve months previous to employment, no more than would be received for 10 hours of work per week for 50 weeks at the established minimum wage (the higher of the Federal, State or local minimum wage).
- **Qualified family.** A family residing in public housing whose annual income increases due to one of the following reasons:
 1. Employment of a family member and who was previously unemployed for one or more years prior to employment.

Section 2.2: Annual Income Exclusions

2. Increased earnings by a family member during participation in any economic self-sufficiency or other job training program.
 - At 24 CFR 5.603(b), *economic self-sufficiency program* is defined as any program designed to encourage, assist, train, or facilitate the economic independence of HUD-assisted families or to provide work for such families. These programs include programs for job training, employment counseling, work placement, basic skills training, education, English proficiency, workfare, financial or household management, apprenticeship, and any program necessary to ready a participant for work (including a substance abuse or mental health treatment program), or other work activities.
3. New employment or increased earnings of a family member during or within 6 months after receiving assistance, benefits or services under any state program for temporary assistance (TANF, Welfare-to-Work).
 - TANF assistance may consist of any amount of monthly income maintenance OR at least \$500 in such TANF benefits and services as one-time payments, wage subsidies, and transportation assistance.
 - The \$500 minimum requirement applies only to one-time benefits, wage subsidies, and transportation.

*Changes to the Admission and
Occupancy Requirements in
the Public Housing and Section
8 Housing Assistance
Programs: Final Rule
(Questions and Answers)*

Section 2.2: Annual Income Exclusions

Determining the Incremental Increase

- Determine the total annual income of the EID-qualified person prior to the qualifying change, including all earned and unearned income in this calculation.
- Calculate the annual income of the EID-qualified person after the qualifying change.
- Any increase attributable to employment is the incremental increase to be excluded

EXAMPLE 1

Alice Brahm was receiving \$6,000 annually in TANF benefits at the time she became employed. She is now earning \$13,600 at her new job, and her TANF benefits have stopped.

- How much is the incremental increase?

	Before	After
TANF	\$6,000	\$0
Employment Income	\$0	\$13,600
Total	\$6,000	\$13,600
Did we exclude ALL of her earned income?		
How much did we exclude?		
Why?		

EXAMPLE 2

Art Baker had no income, and then he became employed earning \$9,800 per year.

- How much is the incremental increase?

	Before	After
TANF	\$0	\$0
Employment Income	\$0	\$9,800
Total	<u>\$0</u>	<u>\$9,800</u>

Did we exclude ALL of her earned income?

How much did we exclude:

Why?

CALCULATION OF THE DISALLOWANCE

Initial 12-Month Full Exclusion

- Begins on the date the qualified family member:
 - Is employed; or
 - First experiences an increase in income due to employment
- For administrative purposes, HUD has stated to begin EID on the first of the month following the qualifying change.
- The full amount of increase is excluded, and the exclusion extends for a total of 12 consecutive months, regardless of breaks in employment

Second 12-Month Exclusion and Phase-In

- Begins after 12 months have elapsed and lasts for 12 consecutive months.
- The exclusion may be reduced to at least 50% of the increase in income due to employment.
 - PHA policy may call for excluding a higher percentage, up to 100%.
 - This means that PHA policy could be to exclude 100% of the income increase for 24 consecutive months.

Lifetime Maximum Disallowance

- No exclusion may be given after the 24-month period has elapsed, regardless of the number of months in which the family member actually received the disallowance.

Additional EID Issues

- The family member may repeatedly start and stop employment and the exclusion may start and stop and pick up again during the exclusion period.
- No exclusion may be given after the end of the 24-month period, regardless of whether the family has received the full exclusion for a total of 12 months or the phase-in exclusion for a total of 12 months.
- HUD's Policy Development & Research report found that the complexity of the EID regulations contributes to rent determination errors. This has subsequently been confirmed by HUD's RIM reviews.
- In order to ensure that program participants only benefit from EID for the correct amount of months:
 - The PHA needs a standardized tracking system.
 - The PHA may need to conduct interim reexaminations during the EID phase-in period regardless of the PHA's standard interim policy.

ADDITIONAL EID QUALIFICATIONS

- If an applicant family contains a member who was receiving EID prior to admission to the program, and his 24-month lifetime limit has not expired, he would continue to receive benefit of EID upon (re)admission to the program.

CFR 960-255 (d)

INDIVIDUAL SAVINGS ACCOUNTS

- Effective 10/1/99
- A PHA may establish and maintain individual savings accounts (ISAs) for qualified families as an alternative to the disallowance of increases in income resulting from employment.

Section 2.2: Annual Income Exclusions

- If offering ISAs, the PHA must incorporate into written policy, and the policy must include the following provisions:
 - The PHA must advise the family that the savings account option is available.
 - The family has the option of choosing the ISA instead of being given the disallowance.
 - If the family chooses the ISA option, the family would pay the higher rent. The PHA must then deposit into the savings account what would have been the family's savings in tenant rent under this regulation.
 - Once an ISA is established a family could access the account only for:
 - Buying a home
 - Paying for education of family members
 - Moving out of public housing
 - Paying any other expense authorized by the PHA for the purpose of promoting economic self-sufficiency.
 - The PHA must:
 - Maintain the account in an interest bearing investment.
 - Credit the family with the net interest income.
 - Not charge a fee for maintaining the account.
 - At least annually provide the family with a status report on the account
 - Pay the tenant any balance in the account, minus any amounts owed to the PHA, if the family moves out of public housing.

Learning Activity 2-5: EID Calculation: Stevens Family

Task

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

Scenario

- At Michael Stevens' annual reexamination, his annual income consisted of \$4,500 from veteran's benefits. This has been his only income for the last two years.

Part 1

- Michael has just reported he has become employed, and the PHA has verified that he will now be earning \$10,500 per year. He will continue receiving \$4,500 a year from veteran's benefits. PHA policy calls for a 50 percent exclusion during the phase-in period
 - How much is Michael's prequalifying (baseline) income?
(ALL income of EID family member prior to qualifying event.)

Public Housing Specialist 2: Rent Calculation

Income and Allowances

Section 2.2: Annual Income Exclusions

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, <i>but no more than A3</i>)	\$	
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)
Michael	1	N				
Michael	1	W				
7g. Column total						

Public Housing Specialist 2: Rent Calculation

Income and Allowances

Section 2.2: Annual Income Exclusions

Part 2

- Michael is still earning \$10,500 annually, but his veteran's 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, <i>but no more than A3</i>)	\$	
F. 50% exclusion during phase-in period, if applicable ($E \times 0.50$)	\$	

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)
Michael	1	N				
Michael	1	W				
7g. Column total						

Public Housing Specialist 2: Rent Calculation

Income and Allowances

Section 2.2: Annual Income Exclusions

Part 3

- Michael now reports that, although his earnings remain at \$10,500 annually, his veteran's 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, <i>but no more than A3</i>)	\$	
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)	\$	

HUD Form 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)
Michael	1	N				
Michael	1	W				
7g. Column total						

Public Housing Specialist 2: Rent Calculation

Income and Allowances

Section 2.2: Annual Income Exclusions

Part 4

- Michael is now entering his phase-in period. His wages dropped to \$10,000 annually, and his veteran's 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, <i>but no more than A3</i>)	\$	
F. 50% exclusion during phase-in period, if applicable ($E \times 0.50$)	\$	

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)
Michael	1	N				
Michael	1	W				
7g. Column total						

Public Housing Specialist 2: Rent Calculation

Income and Allowances

Section 2.2: Annual Income Exclusions

Part 5

- Michael has been promoted! He is now earning \$18,000 annually. His veteran's benefits remain at \$6,000. (Michael is still in his phase-in period.)

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, <i>but no more than A3</i>)	\$	
F. 50% exclusion during phase-in period, if applicable ($E \times 0.50$)	\$	

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)
Michael	1	N				
Michael	1	W				
7g. Column total						

EID Challenges

- EID is a statutory requirement. EID has also been found to be a major source of rent errors. Therefore, management must take seriously the responsibility of ensuring that staff understands the EID regulations and can apply the requirements correctly.
- HUD has made it clear that, if a family was entitled to EID and did not receive benefit, the PHA must rectify the situation. This can prove costly to the PHA, as can providing excess subsidy.
- Further, the rules are confusing. When the rules are applied correctly, the following situations can result:
 - A family with a significant increase in earned income does not experience any increase in rent.
 - A family with decreases in other income may not experience an equivalent decrease in rent.
 - Staff may also find it difficult to explain to families why their rent is going up or down as a result of the EID rules.
- HUD has also clarified how to correctly track a family's EID benefit as time passes and family circumstances change.

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

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

Section 2.2: Annual Income Exclusions

- 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 mandatory fees 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 under 38 U.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.
 - Payments received 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.).
- 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 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% federal and 10% local funding, 100% 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.

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)
- 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.

Notice PIH 2019-09

Section 2.3: Assets and Asset Income

- 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.

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:
 - $\text{Market Value} - \text{Loan (mortgage)} = \text{Equity}$
 - Calculate the cash value of real property as follows:
 - $\text{Equity} - \text{Expense to convert to cash} = \text{Cash Value}$
- Expenses to convert to cash may include such costs as broker fees, sales commissions, settlement costs, and transfer taxes.

Section 2.3: Assets and Asset Income

- | | |
|----------------------------|--|
| <i>HCV Program GB 5-25</i> | <ul style="list-style-type: none">• IRA, Keogh, and similar retirement savings accounts, even though withdrawal would result in a penalty |
| <i>HCV Program GB 5-26</i> | <ul style="list-style-type: none">• Contributions to company retirement/pension funds if any member of the family has access to the asset<ul style="list-style-type: none">- 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. |
| <i>HCV Program GB 5-25</i> | <ul style="list-style-type: none">• Assets that, although owned by more than one person, allow unrestricted access by the applicant |
| <i>CFR 5.609(c)(3)</i> | <ul style="list-style-type: none">• 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 <i>are reported as assets</i> in Section 6 of the 50058 when these one-time payments are <i>retained and verified</i>. |
| <i>FR Notice 11/24/08</i> | <ul style="list-style-type: none">- 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 <i>not</i> 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). |
| <i>HCV Program GB 5-25</i> | <ul style="list-style-type: none">• 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

Section 2.3: Assets and Asset Income

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	<u>\$400</u>
Equals cash value	= \$6,600

Section 2.3: Assets and Asset Income

- 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 to 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

Public Housing Specialist 2: Rent Calculation

Income and Allowances

Section 2.3: Assets and Asset Income

- 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% interest. There is a \$400 penalty for early withdrawal. What is the actual anticipated income from this asset?

Market value		x	\$7,000
Times interest rate			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)

Section 2.3: Assets and Asset Income

Notice PIH 2012-29

- ***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 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
- 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.

Section 2.3: Assets and Asset Income

- 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 2-6: 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).

Head of household name O'Brien	Social Security Number	Date modified (mm/dd/yyyy)
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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				\$	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	7.50 x 2080	\$ 15,600	\$	\$ 15,600
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
7g. Column total						\$ 15,600 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
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Learning Activity 2-7: 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

- Obtain the market value of the asset.
- 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.

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.

Learning Activity 2-8: 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.

Head of household name Blum	Social Security Number	Date modified (mm/dd/yyyy)
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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
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Section 2.3: Assets and Asset Income

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.

Learning Activity 2-9: Net Rental Income

- As calculated in Learning Activity 2-7: 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 HUD form 50058 following.

Head of household name Day	Social Security Number	Date modified (mm/dd/yyyy)
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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
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Learning Activity 2-10: 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. They purchased a car with the \$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).

Head of household name East	Social Security Number	Date modified (mm/dd/yyyy)
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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
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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	
Personal property	Car, clothes, etc.
Assets not accessible by family	Example: Irrevocable trusts
Assets part of business	Example: Avon products repurchased with intent to sell
Interest in Indian trust lands	
Equity in a home being purchased through the HCV Homeownership program	

Section 2.4 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, co-head, spouse, 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, co-head, or spouse 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 co-head 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.

- 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.

*HCV Program GB 5-30
Public Housing Occupancy
Guidebook 10.2, pages 123,
124*

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).
- 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.
- 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.

HCV Program GB 5-29/30

Notice PIH 2001-15 (HA)

Learning Activity 2-11: Dependent and Child Care Allowance

- Becky Walker's annual income is \$14,621, all from employment.
- Becky, age 35, 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.

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

Notes

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, page
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% of gross annual income.

*HCV Program GB 5-
30
Public Housing
Occupancy
Guidebook 10.2, page
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, page
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.

*Public Housing
Occupancy
Guidebook 10.2, page
125*

- If both the child care and disability expense are needed to enable a person in the family to work, the employment income used to justify the child care allowance may not also be used to justify the disability assistance allowance.

Section 2.4: Adjusted Income

Learning Activity 2-12: 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

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

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

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.

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, co-head, or spouse is a person with disabilities.
- Elderly family is a family whose head, co-head, or spouse is at least 62 years of age.

- HUD definition: Medical expenses, including medical insurance premiums, that 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.

PH 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>

Section 2.4: Adjusted Income

- Typical allowable medical expenses include:
 - Services of doctors and health care professionals
 - Services of health care facilities
 - Medical insurance premiums
 - Prescription/non-prescription 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.

PIH 2004-24

MEDICARE PRESCRIPTION DRUG DISCOUNTS AND ASSISTANCE

- The Medicare Prescription Drug, Improvement and Modernization Act (MMA) of 2003 introduced new Medicare drug benefits to be available to eligible families in 2006.
- Starting January 1, 2006, Medicare prescription drug coverage is 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.

PIH 2005-37

Learning Activity 2-13: Medical Allowance

- Family Name: Alden
- Head: 81
- Spouse: 80
- Annual Income: \$13,500
- Total Family Medical Expenses: \$1,945

Task

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

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

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 2.4: 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
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.

PERMISSIBLE DEDUCTIONS

CFR 5.611 (b)

- A PHA may adopt additional deductions from annual income.
- The PHA must establish a written policy for such deductions.

*Form HUD-50058
Instruction Booklet*

- PHAs can adopt these deductions provided the amounts are not already deducted from annual income or reimbursed to the family from other sources.

*Public Housing
Occupancy
Guidebook 10.3,
pages 127-130*

- Two kinds of permissible deductions:
 - Based on need
 - Example: medical deduction for families that do not meet elderly/disabled definition
 - Self-sufficiency incentives
 - Example: Deduction for second wage earner

*Form HUD-50058
Instruction Booklet*

- The maximum allowable amount for total permissible deductions is less than \$90,000 per year.

*Public Housing
Occupancy
Guidebook 10.3,
pages 127-130*

- PHA must be able to “afford” deductions
 - No increase in operating subsidy
 - PHA should estimate cost of deduction before implementing
 - Must track actual rents AND rents that would have been paid without permissible deductions
 - For operating subsidy calculation

Section 2.4: Adjusted Income

*Federal Register,
April 30, 1999
Proposed Rule*

- Examples of permissible deductions may include:
 - Excessive travel expenses not to exceed \$25 per family per week for travel related to employment, education or training
 - An amount of a family's earned income, based on any of the following:
 - All the earned income of the family
 - The amount earned by particular family members
 - The amount earned by families having certain characteristics
 - The amount earned by families, which could include payroll deductions such as social security taxes, income taxes, and medical insurance premiums
- PHAs should coordinate with local TANF agencies.

Section 2.5 Verification of Income and Allowances

REGULATORY VERIFICATION REQUIREMENT

- The regulations governing verification are located at 24 CFR 960.259(c).
- 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.

Section 2.5: Verification of Income and Allowances

**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.

Section 2.5: Verification of Income and Allowances

- 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:

Section 2.5: Verification of Income and Allowances

- 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):

Section 2.5: Verification of Income and Allowances

- 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

Section 2.5: Verification of Income and Allowances

- 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)

Section 2.5: Verification of Income and Allowances

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.

Section 2.5: Verification of Income and Allowances

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.

Section 2.5: Verification of Income and Allowances

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.

Section 2.5: Verification of Income and Allowances

- All file notations made by staff members should be:
 - Complete
 - Dated
 - Limited to facts (not opinions)
 - Signed or initialed

STREAMLINING VERIFICATION POLICIES

24 CFR 960.257(c)

- 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 960.257(c)(2) and 982.516(b)(2).

Section 2.5: Verification of Income and Allowances

- 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 may, but 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.

Section 2.5: Verification of Income and Allowances

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.

Section 2.5: Verification of Income and Allowances

Notes

CHAPTER 3 Rent 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 10 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
- Distinguish between and calculate income-based rent, ceiling rents, and flat rents
- Calculate prorated rent for mixed families

Section 3.1 Total Tenant Payment and Utility Allowance

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)
 - For public housing only, the alternative non-public housing rent for non-public housing over-income (NPHOI) families

Section 3.1: Total Tenant Payment and Utility Allowance

- In 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), 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.
- For public housing only, the alternative non-public housing rent for non-public housing over-income (NPHOI) families

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

Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
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9. Total Tenant Payment (TTP)

9a. Total monthly income: $8a \div 12$	\$	9a.
9c. TTP if based on annual income: $9a \times 0.10$	\$	9c.
9d. Adjusted monthly income: $8y \div 12$	\$	9d.
9e. Percentage of adjusted monthly income: use 30% for Section 8		9e.
9f. TTP if based on adjusted annual income: $(9d \times 9e) \div 100$	\$	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.

Section 3.1: Total Tenant Payment and Utility Allowance

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 PHAs 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.

Section 3.1: Total Tenant Payment and Utility Allowance

- 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 PHA must not charge the family a minimum rent, or, if applicable, discontinue charging the family a minimum rent.
- The PHA may not evict the family for nonpayment of minimum rent during the 90-day period beginning the month following the family's request for a hardship exemption.

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, the PHA must reinstate the minimum rent from 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.

Section 3.1: Total Tenant Payment and Utility Allowance

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 can request reasonable documentation of hardship.

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

Head of household name	Diamond	Social Security Number	Date modified (mm/dd/yyyy)
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9. Total Tenant Payment (TTP)

9a.	Total monthly income: $8a \div 12$	\$	9a.
9c.	TTP if based on annual income: $9a \times 0.10$	\$	9c.
9d.	Adjusted monthly income: $8y \div 12$	\$	9d.
9e.	Percentage of adjusted monthly income: use 30% for Section 8		9e.
9f.	TTP if based on adjusted annual income: $(9d \times 9e) \div 100$	\$	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.

Section 3.1: Total Tenant Payment and Utility Allowance

UTILITY ALLOWANCE

CFR 5.603 (2)(b)

- If the family is responsible for the cost of utilities (except telephone), an amount equal to the estimate made or approved by a PHA or HUD of the monthly cost of reasonable consumption of such utilities.
- Public housing utility allowance determination, establishment and revision requirements may be found in CFR 965.502.

Section 3.2 Public Housing Rent Calculation

DEFINITIONS

CFR 5.603(b)

- *Tenant rent* is the amount payable monthly by the family as rent to the PHA.

Form HUD-50058, Line 10, instructions

- *Total tenant payment (TTP)* is the amount the tenant pays toward rent plus any utility allowance.

CFR 5.603(b)

- *Utility reimbursement* is the amount, if any, by which the utility allowance for a unit, if applicable, exceeds the TTP for the family occupying the unit. (This definition is not used for a public housing family that is paying a flat rent.) (24 CFR 5.603(b))

INCOME-BASED RENT

CFR 960.253(c)

- The tenant rent for a family is the TTP minus the utility allowance.

CFR 5.632

- If the utility allowance exceeds the TTP, the PHA must pay the excess amount either to the family or directly to the utility supplier on behalf of the family.
 - If the PHA elects to pay the utility supplier, the PHA must notify the family of the amount of utility reimbursement paid to the utility supplier.
- 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.

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.

Flat Rent	\$ 550
PHA's minimum rent	50
Utility Allowance:	75
TTP	251

Head of household name	Fremont	Social Security Number	Date modified (mm/dd/yyyy)
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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:	<input type="checkbox"/> Income based	<input type="checkbox"/> Flat
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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
PHA's minimum rent	25
Utility Allowance:	100
TTP	27

Head of household name Powell	Social Security Number	Date modified (mm/dd/yyyy)
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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: <input type="checkbox"/> Income based <input type="checkbox"/> Flat	
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Notes

CEILING RENTS

CFR 960.253(d)

- A PHA using ceiling rents authorized and established before October 1, 1999, may continue to use ceiling rents, provided such ceiling rents are set at the level required for flat rent.
- PHAs must follow the requirements for calculating and adjusting flat rents in 24 CFR 960.253(b) when calculating and adjusting ceiling rents.
- The purpose of ceiling rents is to provide a “cap” or maximum rent for higher income families.
- Ceiling rents are determined for **units**, not for families themselves.
- The family living in a unit with a ceiling rent pays rent up to the maximum amount. If their income increases so that the TTP exceeds the ceiling rent, no higher rent can be charged to the family.
- The intention of ceiling rent is to help higher income families make the transition into the private market.
- Families subject to a ceiling rent will have the benefit of a rent savings because their Tenant Rent will be capped if their Total Tenant Payment exceeds the ceiling rent.
- Ceiling rents can be applied inventory-wide, to a type or size of unit (efficiencies, for example), or project-wide.
- PHAs may no longer use line 10c (income-based ceiling rent) on the form HUD-50058 to report ceiling rents for any household. Instead, PHAs must use line 10b (flat rent) to report the applicable maximum rental amount.

Notice PIH 2022-33

Section 3.2: Public Housing Rent Calculation

FLAT RENTS

CFR 960.253(b)

Notice PIH 2022-33

- Flat rents must be set at no less than:
 - 80 percent of the applicable FMR, or
 - 80 percent of the Small Area Fair Market Rent (SAFMR) or where HUD does not publish an SAFMR, 80 percent of the unadjusted rent. The unadjusted rent is the FMR estimated directly from source data that HUD uses to calculate FMRs in non-metropolitan areas.
- For areas where HUD has not determined an SAFMR or an unadjusted rent, PHAs must set flat rents at no less than 80 percent of the FMR or apply for an exception flat rent.
- For low-income housing tax credit (LIHTC) public housing units, it is possible that the minimum flat rent amount may exceed the LIHTC maximum gross rent limit. In the event that these amounts conflict, PHAs should set flat rents so as not to exceed the LIHTC maximum rent.

REQUESTING EXCEPTION FLAT RENTS

Notice PIH 2022-33

- From the effective date of the current fiscal year's FMRs, PHAs have 90 days to either implement new FMR-based flat rents or submit an exception request.
- PHAs may apply for an exception flat rent that is lower than either 80 percent of the FMR, or 80 percent of the SAFMR or unadjusted rent, if the PHA can demonstrate through the submission of a market analysis, that current options do not reflect the unit's market value and HUD agrees with the PHA's analysis.
 - A market analysis must be submitted using form HUD-5880 "Flat Rent Market Analysis Summary", which may be accessed at <https://www.hud.gov/sites/dfiles/OCHCO/documents/5880.xlsx>.

Section 3.2: Public Housing Rent Calculation

- PHAs must submit requests by sending an email to HUD's Flat Rent Team at flatrentexceptionrequests@hud.gov with the following information attached:
 - Form HUD-5880 "Flat Rent Market Analysis Summary" as an Excel workbook file
 - If applicable, any supplemental documentation
- PHAs must receive written HUD approval before implementing exception flat rents.
- PHAs with a previously approved flat rent exception request may submit a written request to extend the approved flat rents for up to two additional years by following the requirements outlined in Notice PIH 2022-33.
- Detailed information on how to request exception flat rents can be found in Notice PIH 2022-33.
- If a PHA has an approved flat rent exception request, the PHA must update flat rents immediately after approval and apply flat rents to new admissions and reexaminations within 60 days of the change
- Approved exception requests remain in effect until the end of the 90-day period commencing upon the effective date of HUD's Final Fiscal Year FMRs or the date on which a PHA updates and makes effective its flat rent schedule based on that fiscal year's FMRs, whichever comes first
- HUD may disapprove incomplete, unresponsive, or otherwise deficient flat rent exception requests. However, before making a final determination, HUD may provide the PHA an opportunity to cure a deficiency or submit additional requested information. In such cases, the PHA must respond in writing no later than 15 days after receiving notification of an insufficient submission or request for more information. If HUD denies the appeal, the PHA must immediately set flat rents at no less than the lower of 80 percent of the FMR or SAFMR.
- While awaiting HUD response for any exception request or a final determination while attempting to cure disapproval of an exception request, the PHA may continue to use its current flat rent schedule.

UTILITY ALLOWANCES AND FLAT RENTS

- PHAs must apply a utility allowance to flat rents as necessary. For units where utilities are tenant paid, the PHA must adjust the flat rent downward by the amount of the utility allowance for the unit.
 - For example, if the PHA chose to use eighty percent of the current FMR as their flat rent and for a 1-bedroom unit in a PHA's area that amount is \$400:
 - PHA utility allowance for a 1-bedroom is \$50, the flat rent is \$350
 - PHA utility allowance for a 1-bedroom is \$0, the flat rent is \$400
- In cases where UAs are applied, PHA should report the amount of the UA on line 10e of the form HUD-50058.
- For a family that chooses the flat rent option, the PHA must conduct a reexamination of family income at least once every three years.
- The flat rent amount is not locked in for three years. The PHA must revise as necessary and must offer the family a choice between their applicable income-based rent and the current flat rent.
- If a family chooses flat rent one year, a PHA is required to provide the amount of income-based rent for the subsequent year only under either of the following conditions:
 - It is the year the PHA is conducting an income reexamination; or
 - The family requests the information and submits updated income information

UPDATING FLAT RENTS

- No later than 90 days after the effective date of the new annual FMRs or SAFMRs, PHAs must implement new flat rents as necessary based on changes to the FMR/SAFMRs/unadjusted rent or request an exception.
- If the FMR falls from year to year, the PHA may, but is not required to, lower the flat rent to eighty percent of the current FMR.

FLAT RENT PHASE-IN

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

EXAMPLE
The Watson family currently pays \$500 flat rent. At their annual: The PHA has raised the flat rent to \$700 Family's income-based rent is \$800 $\$500 \times 35\% = \675 The PHA offers family choice between \$675 phased-in flat rent or \$800 income-based rent.
The Watson family pays \$675 phased-in flat rent. At their annual the following year: The PHA has again raised the flat rent to \$750 Family's income-based rent is still \$800 $\$675 \times 35\% = \911.25 The PHA offers family choice between \$750 flat rent and \$800 income-based rent.

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

Head of household name	Mills	Social Security Number	Date modified (mm/dd/yyyy)
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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:	<input type="checkbox"/> Income based	<input type="checkbox"/> Flat
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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 assistance must be provided prorated assistance.
 - Mixed families who are non-public housing over-income (NPHOI) families pay the alternative non-public housing rent

*EID FAQs (from General
Income and Rent Calculation
FAQs) posted 12/19/03; #23*

- The PHA shall prorate the family's assistance by:
 - Determining the total tenant payment
 - Annual income includes income of all family members, including any family member who has not established eligible immigration status.
 - *Note:* HUD has determined that ineligible immigrants are not entitled to the Earned Income Disallowance.
 - Subtracting the total tenant payment from the flat rent for the unit. The result is the maximum subsidy for which the family could qualify if all members were eligible (family maximum subsidy).

CFR 5.520

- Dividing the family maximum subsidy by the number of persons in the family to determine the maximum subsidy per each family member who has citizenship or eligible immigration status (member maximum subsidy).
- Multiplying the member maximum subsidy by the number of family members who have citizenship or eligible immigration status.

Section 3.2: Public Housing Rent Calculation

- The product is the amount of subsidy for which the family is eligible (eligible subsidy). The mixed family's rent is the unit's flat rent minus the amount of eligible subsidy.
- When the mixed family TTP exceeds the flat rent, the PHA must use the TTP as the mixed family TTP. The mixed family TTP minus the utility allowance for the unit is the mixed family rent.

Learning Activity 3-6: Proration Case Study

- **Situation:** The Fulton family are in the lease-up process with 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 per month in SSI. He and his wife have a savings account earning 1.75% interest per year with a current balance of \$7,800. They also have a non-interest bearing checking account with an average 6-month balance of \$900. The Fultons are paying off an old hospital bill of \$1,200 at \$90 a month.

- **Unit information:**
 - Size: 1 bedroom
 - Flat Rent: \$500
 - Utility allowance: \$45
- **PHA information:**
 - In determining the cash value of assets, EHA policy calls for using:
 - The current balance in savings accounts
 - The average balance for the last 6 months in checking accounts
 - EHA's minimum rent is \$50.
- The PHA determined passbook rate is .0075.

Task:

1. Based on the information above, complete the following Form HUD-50058 through line 10f.

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 10h through 10s to calculate prorated rent for the Fultons.

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

Head of household name Fulton	Social Security Number	Date modified (mm/dd/yyyy)
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9. Total Tenant Payment (TTP)

9a. Total monthly income: $8a \div 12$	\$	9a.
9c. TTP if based on annual income: $9a \times 0.10$	\$	9c.
9d. Adjusted monthly income: $8y \div 12$	\$	9d.
9e. Percentage of adjusted monthly income: use 30% for Section 8		9e.
9f. TTP if based on adjusted annual income: $(9d \times 9e) \div 100$	\$	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.

Head of household name Fulton	Social Security Number	Date modified (mm/dd/yyyy)
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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: <input type="checkbox"/> Income based <input type="checkbox"/> Flat

CHAPTER 4 MEID Exercises

MEID Case Study 1: Disallowance of Earned Income from Rent Calculations (Goodwin Family)

Task

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

Family Composition

Head: Joe Goodwin (45) (disabled)

Wife: Martha Goodwin (36)(disabled)

Son: George Theodore (16)

Daughter: April (8)

Current Income

Joe is receiving \$10,000 in annual worker's compensation. This has been his only income for the past 12 months.

Martha is receiving \$3,000 annually in child support

Neither George nor April has any income

Annual Reexamination

Date of Annual Reexamination: February 1

This PHA conducts interim re-examinations for income increases

This PHA's established minimum wage is \$6.00 an hour

PHA Policy

PHA policy calls for excluding 50 percent of the incremental increase during the phase-in period.

MEID Case Studies

Part 1

- January 1, 2018, Joe reported he has just become employed, and the PHA has verified that he will now be earning \$8,000 a year. Worker's compensation benefits end.

How much is Joe's pre-qualifying (baseline) income? (ALL income of EID family member prior to qualifying event):

Does Joe qualify for the EID?

Why or why not?

HUD Form 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)
Joe	1	W				
Martha	2	C				
7g. Column total						

Part 2

- February 1, 2018, Joe loses his job and begins to collect \$5,000 a year in unemployment benefits.

HUD Form 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)
Joe	1	U				
Martha	2	C				
7g. Column total						

MEID Case Studies

Part 3

- March 20, 2018, Joe goes to work, earning \$14,000 annually. Unemployment benefits end.

How much is Joe's pre-qualifying (baseline) income? (ALL income of EID family member prior to qualifying event):

Does Joe qualify for the EID?

Why or why not?

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, <i>but no more than A3</i>)	\$	
F. 50% exclusion during phase-in period, if applicable ($E \times 0.50$)	\$	

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)	\$	

HUD Form 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)
Joe	1	W				
Martha	2	C				
7g. Column total						

Part 4

- August 15, 2018, Joe's employer cuts Joe's hours, and his wages drop to \$3,000 annually. The only other family income remains Martha's child support.

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, <i>but no more than A3</i>)	\$	
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)	\$	

HUD Form 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)
Joe	1	W				
Martha	1	C				
7g. Column total						

Part 5

- October 15, 2018, Martha begins working for the first time. She earns \$9,000 annually. Child support stops.

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, <i>but no more than A3</i>)	\$	
F. 50% exclusion during phase-in period, if applicable ($E \times 0.50$)	\$	

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)	\$	

HUD Form 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)
Joe	1	W				
Martha	1	W				
7g. Column total						

Annual Reexamination effective February 1, 2019.

50058 is same as above.

Part 6

- April 18, 2019, Joe begins earning \$12,000 a year. All else remains the same.

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, <i>but no more than A3</i>)	\$	
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)	\$	

HUD Form 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)
Joe	1	W				
Martha	1	W				
7g. Column total						

Part 7

- Nov. 1, 2019, Phase-in period begins for BOTH Joe and Martha.

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

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, <i>but no more than A3</i>)	\$	
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)	\$	

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

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, <i>but no more than A3</i>)	\$	
F. 50% exclusion during phase-in period, if applicable (E × 0.50)	\$	

MEID Case Studies

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)	\$	

HUD Form 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)
Joe	1	W				
Martha	1	W				
7g. Column total						

MEID Case Study 2: Disallowance of Earned Income from Rent Calculations (Zahn Family)

Task

- Complete Section 7 and Section 8 of the Zahn family's form HUD-50058.
Note: The Zahn family has no disability assistance or medical expenses.
At times in this exercise, you will be asked to complete a portion of Section 8 of the form HUD-50058.

Family Composition

Head: William Zahn (55), disabled

Son: Peter Zahn (30), disabled

Peter's Son: Daniel Zahn (8)

Current Income

William: Has been working part-time, 9 hours a week, earning \$6.00 an hour for the past 5 years. (The state minimum wage is \$6.00 an hour.)

Peter: Receives TANF benefits of \$300 month.

Annual Reexamination

Date of Annual Reexamination: January 1

The PHA conducts interim re-examinations for income increases

PHA Policy

PHA policy calls for excluding 50 percent of the incremental increase during the phase-in period.

MEID Case Studies

Part 1

- July 29, 2018, Peter became employed part time, working 20 hours a week at \$6.00 an hour. He continues to receive the \$300 in TANF benefits. Peter now pays \$2,000 a year in child care expenses.

How much is Peter's pre-qualifying (baseline) income? (ALL income of EID family member prior to qualifying event):

Does Peter qualify for the EID?

Why or why not?

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)	\$	

HUD Form 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)
William	1	W				
Peter	2	T				
Peter	2	W				
7g. Column total						
7g. Total annual income: 6j + 7g (Zahn family has zero asset income)						

MEID Case Studies

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

Part 2

- September 30, 2018, William begins working full-time, still making \$6.00 an hour.

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, <i>but no more than A3</i>)	\$	
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)	\$	

MEID Case Studies

HUD Form 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)
William	1	W				
Peter	2	T				
Peter	2	W				
7g. Column total						

Part 3

- March 20, 2019, William begins receiving \$1,000 monthly annuity through an inheritance.

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)	\$	

HUD Form 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)
William	1	W				
William	1	P				
Peter	2	T				
Peter	2	W				
7g. Column total						

MEID Case Studies

Part 4

- May 10, 2019, Peter becomes full time, receiving \$7.00 per hour. TANF benefits end. Peter pays \$4,000 a year in child care.

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, <i>but no more than A3</i>)	\$	
F. 50% exclusion during phase-in period, if applicable ($E \times 0.50$)	\$	

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)	\$	

HUD Form 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)
William	1	W				
William	1	P				
Peter	2	W				
7g. Column total						

Public Housing Specialist 2: Rent Calculation

MEID Case Studies

8a. Total annual income: copy from 7i	\$	8a.
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 child care costs	\$	8t.
8x. Total allowances: 8e + 8n + 8p + 8s + 8t	\$	8x.
8y. Adjusted annual income: 8a minus 8x (if 8x is larger, put 0)	\$	

MEID Case Studies

Part 5

- August 1, 2019, Peter enters his phase-in period.

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, <i>but no more than A3</i>)	\$	
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)	\$	

HUD Form 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)
William	1	W				
William	1	P				
Peter	2	W				
7g. Column total						

Public Housing Specialist 2: Rent Calculation

MEID Case Studies

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

MEID Case Studies

Answers

MEID Case Study 1: Answers (Goodwin Family)

Task

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

Family Composition

Head: Joe Goodwin (45) (disabled)

Wife: Martha Goodwin (36)(disabled)

Son: George Theodore (16)

Daughter: April (8)

Current Income

Joe is receiving \$10,000 in annual worker's compensation. This has been his only income for the past 12 months.

Martha is receiving \$3,000 annually in child support

Neither George nor April has any income

Annual Reexamination

Date of Annual Reexamination: February 1

This PHA conducts interim re-examinations for income increases

This PHA's established minimum wage is \$6.00 an hour

PHA Policy

PHA policy calls for excluding 50 percent of the incremental increase during the phase-in period.

MEID Case Studies

Answers**Part 1**

- January 1, 2018, Joe reported he has just become employed, and the PHA has verified that he will now be earning \$8,000 a year. Worker's compensation benefits end.

How much is Joe's pre-qualifying (baseline) income? (ALL income of EID family member prior to qualifying event):

N/A

Does Joe qualify for the EID?

NO

Why or why not? **The family's annual income did not increase.**

HUD Form 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)
Joe	1	W		\$8,000		\$8,000
Martha	2	C		\$3,000		\$3,000
7g. Column total						\$11,000

Part 2

- February 1, 2018, Joe loses his job and begins to collect \$5,000 a year in unemployment benefits.

HUD Form 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)
Joe	1	U		\$5,000		\$5,000
Martha	2	C		\$3,000		\$3,000
7g. Column total						\$8,000

MEID Case Studies

Answers**Part 3**

- March 20, 2018, Joe goes to work, earning \$14,000 annually. Unemployment benefits end.

How much is Joe's pre-qualifying (baseline) income? (ALL income of EID family member prior to qualifying event):

\$5,000

Does Joe qualify for the EID?

YES

Why or why not? **The family's annual income increased, and Joe meets the definition of previously unemployed.**

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

A1. Earned income of EID family member	\$	14,000
A2. Earned income, if any, included in prequalifying income.	\$	0
A3. Increase in earned income (A1 – A2). If 0 or negative, STOP. Do not exclude any earned income.	\$	14,000
B. Other income of EID family member (including income from assets)	\$	0
C. Total annual income of EID family member (A1 + B)	\$	14,000
D. Enter prequalifying income	\$	5,000
E. Full exclusion (C – D, but no more than A3)	\$	9,000
F. 50% exclusion during phase-in period, if applicable (E × 0.50)	\$	N/A

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

G. EID family member's earnings (HUD-50058, 7d)	\$	14,000
H. Exclusion (E or F, as applicable) (HUD-50058, 7e)	\$	9,000
I. EID family member's earned income after exclusions (G – H) HUD-50058, 7f)	\$	5,000

HUD Form 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)
Joe	1	W		\$14,000	\$9,000	\$5,000
Martha	2	C		\$3,000		\$3,000
7g. Column total						\$8,000

MEID Case Studies

Answers**Part 4**

- August 15, 2018, Joe's employer cuts Joe's hours, and his wages drop to \$3,000 annually. The only other family income remains Martha's child support.

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

A1. Earned income of EID family member	\$	3,000
A2. Earned income, if any, included in prequalifying income.	\$	0
A3. Increase in earned income (A1 – A2). If 0 or negative, STOP. Do not exclude any earned income.	\$	3,000
B. Other income of EID family member (including income from assets)	\$	0
C. Total annual income of EID family member (A1 + B)	\$	3,000
D. Enter prequalifying income	\$	5,000
E. Full exclusion (C – D, but no more than A3)	\$	0
F. 50% exclusion during phase-in period, if applicable (E × 0.50)	\$	N/A

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

G. EID family member's earnings (HUD-50058, 7d)	\$	3,000
H. Exclusion (E or F, as applicable) (HUD-50058, 7e)	\$	0
I. EID family member's earned income after exclusions (G – H) HUD-50058, 7f)	\$	3,000

HUD Form 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)
Joe	1	W		\$3,000		\$3,000
Martha	1	C		\$3,000		\$3,000
7g. Column total						\$6,000

MEID Case Studies

Answers**Part 5**

- October 15, 2018, Martha begins working for the first time. She earns \$9,000 annually. Child support stops.

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

A1. Earned income of EID family member	\$	9,000
A2. Earned income, if any, included in prequalifying income.	\$	0
A3. Increase in earned income (A1 – A2). If 0 or negative, STOP. Do not exclude any earned income.	\$	9,000
B. Other income of EID family member (including income from assets)	\$	0
C. Total annual income of EID family member (A1 + B)	\$	9,000
D. Enter prequalifying income	\$	3,000
E. Full exclusion (C – D, <i>but no more than A3</i>)	\$	6,000
F. 50% exclusion during phase-in period, if applicable (E × 0.50)	\$	N/A

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

G. EID family member's earnings (HUD-50058, 7d)	\$	9,000
H. Exclusion (E or F, as applicable) (HUD-50058, 7e)	\$	6,000
I. EID family member's earned income after exclusions (G – H) HUD-50058, 7f)	\$	3,000

HUD Form 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)
Joe	1	W		\$3,000		\$3,000
Martha	1	W		\$9,000	6,000	\$3,000
7g. Column total						\$6,000

Annual Reexamination effective February 1, 2019.

50058 is same as above.

MEID Case Studies

Answers**Part 6**

- April 18, 2019, Joe begins earning \$12,000 a year. All else remains the same.

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

A1. Earned income of EID family member	\$	12,000
A2. Earned income, if any, included in prequalifying income.	\$	0
A3. Increase in earned income (A1 – A2). If 0 or negative, STOP. Do not exclude any earned income.	\$	12,000
B. Other income of EID family member (including income from assets)	\$	0
C. Total annual income of EID family member (A1 + B)	\$	12,000
D. Enter prequalifying income	\$	5,000
E. Full exclusion (C – D, <i>but no more than A3</i>)	\$	7,000
F. 50% exclusion during phase-in period, if applicable (E × 0.50)	\$	N/A

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

G. EID family member's earnings (HUD-50058, 7d)	\$	12,000
H. Exclusion (E or F, as applicable) (HUD-50058, 7e)	\$	7,000
I. EID family member's earned income after exclusions (G – H) HUD-50058, 7f)	\$	5,000

HUD Form 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)
Joe	1	W		\$12,000	7,000	\$5,000
Martha	1	W		\$9,000	6,000	\$3,000
7g. Column total						\$8,000

MEID Case Studies

Answers**Part 7**

- Nov. 1, 2019, Phase-in period begins for BOTH Joe and Martha.

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

A1. Earned income of EID family member	\$	12,000
A2. Earned income, if any, included in prequalifying income.	\$	0
A3. Increase in earned income (A1 – A2). If 0 or negative, STOP. Do not exclude any earned income.	\$	12,000
B. Other income of EID family member (including income from assets)	\$	0
C. Total annual income of EID family member (A1 + B)	\$	12,000
D. Enter prequalifying income	\$	5,000
E. Full exclusion (C – D, <i>but no more than A3</i>)	\$	7,000
F. 50% exclusion during phase-in period, if applicable (E × 0.50)	\$	3,500

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

G. EID family member's earnings (HUD-50058, 7d)	\$	12,000
H. Exclusion (E or F, as applicable) (HUD-50058, 7e)	\$	3,500
I. EID family member's earned income after exclusions (G – H) HUD-50058, 7f)	\$	8,500

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

A1. Earned income of EID family member	\$	9,000
A2. Earned income, if any, included in prequalifying income.	\$	0
A3. Increase in earned income (A1 – A2). If 0 or negative, STOP. Do not exclude any earned income.	\$	9,000
B. Other income of EID family member (including income from assets)	\$	0
C. Total annual income of EID family member (A1 + B)	\$	9,000
D. Enter prequalifying income	\$	3,000
E. Full exclusion (C – D, <i>but no more than A3</i>)	\$	6,000
F. 50% exclusion during phase-in period, if applicable (E × 0.50)	\$	3,000

MEID Case Studies

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

G. EID family member's earnings (HUD-50058, 7d)	\$	9,000
H. Exclusion (E or F, as applicable) (HUD-50058, 7e)	\$	3,000
I. EID family member's earned income after exclusions (G – H) HUD-50058, 7f)	\$	6,000

HUD Form 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)
Joe	1	W		\$12,000	3,500	\$8,500
Martha	1	W		\$9,000	3,000	
7g. Column total						\$14,500

MEID Case Studies

Answers

MEID Case Study 2: Answers (Zahn Family)

Task

- Complete Section 7 and Section 8 of the Zahn family's form HUD-50058.
Note: The Zahn family has no disability assistance or medical expenses.
At times in this exercise, you will be asked to complete a portion of Section 8 of the form HUD-50058.

Family Composition

Head: William Zahn (55), disabled

Son: Peter Zahn (30), disabled

Peter's Son: Daniel Zahn (8)

Current Income

William: Has been working part-time, 9 hours a week, earning \$6.00 an hour for the past 5 years. (The state minimum wage is \$6.00 an hour.)

Peter: Receives TANF benefits of \$300 month.

Annual Reexamination

Date of Annual Reexamination: January 1

The PHA conducts interim re-examinations for income increases

PHA Policy

PHA policy calls for excluding 50 percent of the incremental increase during the phase-in period.

MEID Case Studies

Answers**Part 1**

- July 29, 2018, Peter became employed part time, working 20 hours a week at \$6.00 an hour. He continues to receive the \$300 in TANF benefits. Peter now pays \$2,000 a year in child care expenses.

How much is Peter's pre-qualifying (baseline) income? (ALL income of EID family member prior to qualifying event):

\$3,600

Does Peter qualify for the EID?

YES

Why or why not? **The family's annual income increased as a result of increased earnings of a disabled family member who received regular TANF benefits within 6 months of the change.**

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

A1. Earned income of EID family member	\$	6,240
A2. Earned income, if any, included in prequalifying income.	\$	0
A3. Increase in earned income (A1 – A2). If 0 or negative, STOP. Do not exclude any earned income.	\$	6,240
B. Other income of EID family member (including income from assets)	\$	3,600
C. Total annual income of EID family member (A1 + B)	\$	9,840
D. Enter prequalifying income	\$	3,600
E. Full exclusion (C – D, but no more than A3)	\$	6,240
F. 50% exclusion during phase-in period, if applicable (E × 0.50)	\$	N/A

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

G. EID family member's earnings (HUD-50058, 7d)	\$	6,240
H. Exclusion (E or F, as applicable) (HUD-50058, 7e)	\$	6,240
I. EID family member's earned income after exclusions (G – H) HUD-50058, 7f)	\$	0

HUD Form 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)
William	1	W	9 x \$6.00 x 52	\$2,808		\$2,808
Peter	2	T	\$300 x 12	\$3,600		\$3,600
Peter	2	W	20 x \$6.00 x 52	\$6,240	\$6,240	\$0
7g. Column total						\$6,408
7g. Total annual income: 6j + 7g (Zahn family has zero asset income)						\$6,408

MEID Case Studies

Answers

8a. Total annual income: copy from 7i	\$ 6,408	8a.
8p. Elderly/disability allowance (default = \$400)	\$ 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.)	2	8q.
8r. Allowance per dependent (default = \$480)	\$ 480	8r.
8s. Dependent allowance: 8q x 8r	\$ 960	8s.
8t. Total annual unreimbursed child care costs	\$ 0	8t.
8x. Total allowances: 8e + 8n + 8p + 8s + 8t	\$ 1,360	8x.
8y. Adjusted annual income: 8a minus 8x (if 8x is larger, put 0)	\$ 5,048	8y.

Part 2

- September 30, 2018, William begins working full-time, still making \$6.00 an hour.

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

A1. Earned income of EID family member	\$	12,480
A2. Earned income, if any, included in prequalifying income.	\$	2,808
A3. Increase in earned income (A1 – A2). If 0 or negative, STOP. Do not exclude any earned income.	\$	9,672
B. Other income of EID family member (including income from assets)	\$	0
C. Total annual income of EID family member (A1 + B)	\$	12,480
D. Enter prequalifying income	\$	2,808
E. Full exclusion (C – D, but no more than A3)	\$	9,672
F. 50% exclusion during phase-in period, if applicable (E × 0.50)	\$	N/A

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

G. EID family member's earnings (HUD-50058, 7d)	\$	12,480
H. Exclusion (E or F, as applicable) (HUD-50058, 7e)	\$	9,672
I. EID family member's earned income after exclusions (G – H) HUD-50058, 7f)	\$	2,808

MEID Case Studies

Answers**HUD Form 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)
William	1	W	\$6.00 x 2080	\$12,480	\$9,672	\$2,808
Peter	2	T	\$300 x 12	\$3,600		\$3,600
Peter	2	W	20 x \$6.00 x 52	\$6,240	\$6,240	\$0
7g. Column total						\$6,408

Part 3

- March 20, 2019, William begins receiving \$1,000 monthly annuity through an inheritance.

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

A1. Earned income of EID family member	\$	12,480
A2. Earned income, if any, included in prequalifying income.	\$	2,808
A3. Increase in earned income (A1 – A2). If 0 or negative, STOP. Do not exclude any earned income.	\$	9,672
B. Other income of EID family member (including income from assets)	\$	12,000
C. Total annual income of EID family member (A1 + B)	\$	24,480
D. Enter prequalifying income	\$	2,808
E. Full exclusion (C – D, <i>but no more than A3</i>)	\$	9,672
F. 50% exclusion during phase-in period, if applicable (E × 0.50)	\$	N/A

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

G. EID family member's earnings (HUD-50058, 7d)	\$	12,480
H. Exclusion (E or F, as applicable) (HUD-50058, 7e)	\$	9,672
I. EID family member's earned income after exclusions (G – H) HUD-50058, 7f)	\$	2,808

HUD Form 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)
William	1	W	\$6.00 x 2080	\$12,480	\$9,672	\$2,808
William	1	P	\$1,000 x 12	\$12,000		\$12,000
Peter	2	T	\$300 x 12	\$3,600		\$3,600
Peter	2	W	20 x \$6.00 x 52	\$6,240	\$6,240	0
7g. Column total						\$18,408

MEID Case Studies

Answers**Part 4**

- May 10, 2019, Peter becomes employed full time, receiving \$7.00 per hour. TANF benefits end. Peter pays \$4,000 a year in child care.

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

A1. Earned income of EID family member	\$	14,560
A2. Earned income, if any, included in prequalifying income.	\$	0
A3. Increase in earned income (A1– A2). If 0 or negative, STOP. Do not exclude any earned income.	\$	14,560
B. Other income of EID family member (including income from assets)	\$	0
C. Total annual income of EID family member (A1 + B)	\$	14,560
D. Enter prequalifying income	\$	3,600
E. Full exclusion (C – D, <i>but no more than A3</i>)	\$	10,960
F. 50% exclusion during phase-in period, if applicable (E × 0.50)	\$	N/A

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

G. EID family member's earnings (HUD-50058, 7d)	\$	14,560
H. Exclusion (E or F, as applicable) (HUD-50058, 7e)	\$	10,960
I. EID family member's earned income after exclusions (G – H) HUD-50058, 7f)	\$	3,600

HUD Form 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)
William	1	W	\$6.00 x 2080	\$12,480	\$9,672	\$2,808
William	1	P	\$1,000 x 12	\$12,000		\$12,000
Peter	2	W	\$7.00 x 2080	\$14,560	10,960	\$3,600
7g. Column total						\$18,408

MEID Case Studies

Answers

8a. Total annual income: copy from 7i	\$ 18,408	8a.
8p. Elderly/disability allowance (default = \$400)	\$ 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.)	2	8q.
8r. Allowance per dependent (default = \$480)	\$ 480	8r.
8s. Dependent allowance: 8q x 8r	\$ 960	8s.
8t. Total annual unreimbursed child care costs	\$ 3,600	8t.
8x. Total allowances: 8e + 8n + 8p + 8s + 8t	\$ 4,960	8x.
8y. Adjusted annual income: 8a minus 8x (if 8x is larger, put 0)	\$ 13,448	8y.

MEID Case Studies

Answers**Part 5**

- August 1, 2019, Peter enters his phase-in period.

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

A1. Earned income of EID family member	\$	14,560
A2. Earned income, if any, included in prequalifying income.	\$	0
A3. Increase in earned income (A1 – A2). If 0 or negative, STOP. Do not exclude any earned income.	\$	14,560
B. Other income of EID family member (including income from assets)	\$	0
C. Total annual income of EID family member (A1 + B)	\$	14,560
D. Enter prequalifying income	\$	3,600
E. Full exclusion (C – D, <i>but no more than A3</i>)	\$	10,960
F. 50% exclusion during phase-in period, if applicable (E × 0.50)	\$	5,480

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

G. EID family member's earnings (HUD-50058, 7d)	\$	14,560
H. Exclusion (E or F, as applicable) (HUD-50058, 7e)	\$	5,480
I. EID family member's earned income after exclusions (G – H) HUD-50058, 7f)	\$	9,080

HUD Form 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)
William	1	W	\$6.00 x 2080	\$12,480	\$9,672	\$2,808
William	1	P	\$1,000 x 12	\$12,000		\$12,000
Peter	2	W	\$7.00 x 2080	\$14,560	5,480	\$9,080
7g. Column total						\$23,888

MEID Case Studies

Answers

8a. Total annual income: copy from 7i	\$ 23,888	8a.
8p. Elderly/disability allowance (default = \$400)	\$ 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.)	2	8q.
8r. Allowance per dependent (default = \$480)	\$ 480	8r.
8s. Dependent allowance: 8q x 8r	\$ 960	8s.
8t. Total annual unreimbursed child care costs	\$	8t.
8x. Total allowances: 8e + 8n + 8p + 8s + 8t	\$ 5,360	8x.
8y. Adjusted annual income: 8a minus 8x (if 8x is larger, put 0)	\$ 18,528	8y.

CHAPTER 5 **Rent Calculation Quiz**

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

1. _____ Annual income includes all military pay except the special pay for exposure to hostile fire.
2. _____ Earned income of full-time students 18 and older (who are not the head, spouse, or co-head) in excess of \$480 is excluded from annual income.
3. _____ The PHA must exclude all income received from a HUD-funded training program.
4. _____ John paid for the special equipment and uniforms that were necessary for him to participate in a publicly assisted training program. The program later reimbursed him for these out-of-pocket expenses. The amount of the reimbursement is to be excluded from annual income.
5. _____ Lump-sum payments are always counted as assets.
6. _____ Disability assistance expenses may be deducted if they enable a family member to work or attend school.
7. _____ Income of a 17-year-old mother, with a baby, who has quit school to work but is still living with her parents is included in annual income.
8. _____ The interest on the savings account of a 7-year-old boy is included in the family's total annual income.
9. _____ The PHA must include the income of a live-in aide.
10. _____ A family does not have to be a disabled family in order to qualify for the disability assistance allowance.
11. _____ The earned income disallowance is optional for PHAs.
12. _____ The family may switch to flat rent at an annual reexamination.
13. _____ A PHA must offer a public housing family the choice annually whether to pay income-based rent or flat rent.
14. _____ HUD requires that the PHA document that they offer each family the choice between income based and flat rent annually.

Rent Calculation Quiz

Part II Multiple Choice

15. When the cash value of net family assets is less than \$5,000, income from assets is based on:
 - a. Actual income from assets
 - b. Imputed income from assets
 - c. The greater of imputed income or actual income from assets
16. Disability assistance expenses are allowed for:
 - a. Elderly or disabled families only
 - b. Care attendants or special equipment for a disabled person in a family to enable someone to work or go to school
 - c. Medical prescriptions and doctor visits for a disabled person in a family
 - d. Care attendants or special equipment for a disabled person in a family to enable someone in the family to work
17. 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% Realtor fee
 - c. Market value less annual taxes
18. Assets do not include:
 - a. Checking accounts
 - b. Stocks and bonds
 - c. The family car
 - d. Personal property held as an investment, such as a coin collection
 - e. The cash surrender value of a life insurance policy
19. 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

Rent Calculation Quiz

20. Who gets medical allowances?
- a. Every person who is 62 years of age or older, or who is a person with disabilities
 - b. Only those in "a" above who are head of household or spouse
 - c. Every person in an elderly or disabled family whether elderly/disabled or not
 - d. Everybody in a family in which there is an elderly person, or a person with disabilities
21. The Miller family has received \$475 from TANF during the last year. Since their last recertification, they have paid \$101 for rent. The Millers report to the PHA that their TANF has been reduced to \$365. Applying all allowances, their new income-based rent would be \$68. The PHA verifies with the local welfare department that the Millers' TANF has been reduced due to failure to comply with work activities required by welfare. The new rent for the Millers is:
- a. \$68
 - b. \$0
 - c. \$101
22. Both Mr. and Mrs. O'Brien work and their rent is \$580 per month. At their next annual recertification, they are told that the flat rent for the public housing unit in which they reside is \$600. The O'Briens inform the PHA that they choose to pay the flat rent. The PHA:
- a. Charges the O'Briens the income-based rent since it is the lesser of the flat rent or income-based rent
 - b. Charges the flat rent per the family's request
 - c. Charges the lesser of the ceiling rent or the flat rent
 - d. Advises the family that since things look suspicious they will do an income evaluation at the next recertification

Rent Calculation Quiz

23. The Sykes family informs the PHA that their TANF has been reduced. They have been paying \$95 rent. Taking into account the new amount received under TANF, the new income-based rent would be \$75. However, the PHA has verified with the welfare department that the Sykes' welfare reduction is a result of Ms. Sykes' inability to find a job although she did comply with all economic self-sufficiency requirements. The PHA charges the Sykes family the following rent:
- a. \$95
 - b. \$75
 - c. Minimum rent
 - d. Flat rent
24. Upon a determination that a family is unable to pay the flat rent because of financial hardship, the PHA:
- a. Must immediately provide for the family to pay the minimum rent
 - b. Must immediately provide for the family to pay the income-based rent
 - c. May immediately provide for the family to pay the income-based rent, or may wait until annual recertification to allow the family to switch rent methods
 - d. Depends on PHA policy
25. The Smith family, in between annual recertification, has switched from flat rent to income-based rent upon PHA determination of a financial hardship. Six months before the annual recertification, Mr. Smith gets hired at a better job and informs the PHA that the family chooses to switch back to flat rent. The PHA must do all **but** the following:
- a. Allow families to choose annually between income-based rent and flat rent
 - b. Allow families to switch from flat rent to income-based rent because of financial hardship
 - c. Allow families to switch from income-based rent to flat rent if circumstances change
 - d. Establish policy on hardships, i.e., verification of hardship

Rent Calculation Quiz

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

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

26. Who qualifies this family for a \$400 allowance?

[Write letter of family member(s)]:

27. Who gets a \$480 allowance? [Write letter of family member(s)]

28. Who gets a medical allowance? [Write letter of family member(s)]

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

PART IV - Fill In The Blanks

30. Annual Income – HUD allowances = _____

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

(\$400)

(\$480)

32. Tenant Rent + _____ = Total Tenant Payment

33. Utility Allowance greater than TTP = _____

Rent Calculation Quiz

Answer Key for Rent Calculation Quiz

- | | |
|-------|---|
| 1. T | 18. C |
| 2. T | 19. C |
| 3. T | 20. C |
| 4. T | 21. C |
| 5. F | 22. B |
| 6. F | 23. B |
| 7. F | 24. B |
| 8. T | 25. C |
| 9. F | 26. i |
| 10. T | 27. c, f, d, h |
| 11. F | 28. i |
| 12. T | 29. a, b, c, d, f, g, h |
| 13. T | 30. Adjusted Annual Income |
| 14. T | 31. 5; Elderly/disabled, dependent,
medical expenses, disability expenses,
child care |
| 15. A | 32. Utility allowance |
| 16. D | 33. Utility reimbursement payment |
| 17. A | |

CHAPTER 6 Income and Rent Calculation Study Guide

Define the Following Terms:

1. Annual income: _____

2. Adjusted income: _____
3. Total tenant payment: _____

4. Tenant rent: _____

5. Utility reimbursement payment: _____

6. Utility allowance: _____

7. Imputed asset income: _____

8. Elderly family: _____
9. Disabled family: _____

10. Flat rent: _____

I. Annual Income

11. How do you compute income that you know will last for a part of the year (i.e. unemployment)?

12. Income received during which time period is used in computing annual income?

13. To convert income to annual amounts, multiply:

a) Monthly income x _____

b) Weekly income x _____

c) Bi-weekly x _____

d) Semi-monthly x _____

e) Hourly full-time x _____

14. If someone is paid on the 1st and 15th of the month, which calculation would be used?

15. Who is considered a dependent?

16. Describe the two methods for annualizing seasonal income.

17. What income of a minor is counted?

18. What is the difference in what income is counted if the minor is head or spouse?

19. What income is counted for a person 18 years of age or older:
- 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? _____
20. Is employment income before taxes (gross) or after (net) taxes taken? _____
21. When an individual receives Social Security benefits, is the amount with or without Medicare premiums included in annual income? _____
22. If Social Security benefits are reduced to make up for a prior overpayment by Social Security, what amount is included in annual income? _____
23. If a family receives foster child care payments, is it counted in annual income? Explain your answer: _____
24. What is counted as income if a spouse is in the military and stationed out of the home? _____
25. How do you treat income received from persons outside the household? _____
26. Describe the differences in how the income is treated if the outside person is a family member. _____
27. If a person is receiving alimony or child support payments on an irregular basis, what is used as income? _____
- _____
- _____
- _____

28. What expenses may be deducted from income from a business?

29. What expenses may not be deducted from income from a business?

30. How is the income the family takes out of the business treated?

31. Give two (2) examples of lump-sum payments that are counted as income.

32. When a family is sanctioned by the welfare department, what are the two reasons to include imputed welfare income in annual income?

33. What part of grants and scholarships is treated as income?

34. How are student loans treated?

35. When a participant family experiences an increase in annual income as a result of new employment or an increase in earnings, list the three events that would qualify them for the EID:

36. What is the definition of *previously unemployed* for the EID?

37. Are the 12-month exclusion periods for the EID consecutive or cumulative?

38. If a family member is enrolled in a state or local employment training program, what part of their earnings is excluded?

39. Is a live-in aide's income included in or excluded from annual income?

40. List nine (9) examples of income that is counted for HUD purposes:

41. List eleven (11) examples of income that is not counted for HUD purposes:

42. How is rental income from a property treated?

II. Assets

43. What is the income calculation formula when the family's total cash value of assets is less than or equal to \$5,000?

44. What is the income calculation formula when the family's total cash value of assets is greater than \$5,000?

45. How is imputed income from assets calculated?

46. List ten (10) examples of assets counted for HUD purposes.

47. List four (4) examples of assets not counted for HUD purposes.

48. How is the cash value of a savings or checking account determined?

49. What is the formula for finding the cash value of a property?

50. Are trusts always considered an asset? If not what is the exception?

51. Are lump sums always considered an asset?

52. What amount is used when an asset is owned jointly by a family member and a person outside the household?

53. When is personal property counted as an asset?

54. How do you treat life insurance policies?

55. What happens if a family member has “given away” an asset for less than fair market value?

56. How long is the asset counted in that situation?

57. What are the three (3) exceptions to assets being disposed of for less than fair value?

III. HUD Allowances

58. Name the four (4) categories of people who are never considered a dependent.

59. What is a full-time student?

60. How much is the dependent allowance?

61. What age of children are eligible for child care?

62. In what situations is a family eligible for child care?

63. What are three (3) restrictions on the use of child care?

64. Can child support payments be counted as child care?

65. What two (2) expenses are eligible as a disability assistance expense?

66. What two (2) conditions qualify a family for the disability assistance allowance?

67. What is the maximum amount of disability assistance?

68. Give three (3) examples of auxiliary apparatus.

69. What type of family qualifies for a medical allowance?

70. Who in the family qualifies for a medical allowance if the head is disabled?

71. List nine (9) examples of medical expenses.

IV. Rent Calculation

72. What is the formula for determining tenant rent?

73. What is the formula for determining URP?

74. What are ceiling rents?

75. What is the formula for determining total tenant payment?

76. When a family qualifies for a temporary hardship exemption from the minimum rent, the PHA must:

77. How often must a PHA review the income of families paying flat rent?

78. How often are families given a choice between income-based and flat rent?

79. For mixed families, how is rent calculated?

V. Verifications

80. Verifications are valid for how many days?

81. May the PHA charge a participant for obtaining verifications?

82. What are the six levels of the verification hierarchy?

83. What does the PHA do when a family member disputes EIV employer data?

Notes

CHAPTER 7 Answers to Income/Rent Calculation Study Guide

Define the Following Terms:

1. Annual income: Anticipated total gross annual income of all household members
for 12 months following certification or recertification, minus
exclusions from income
2. Adjusted income: Annual income, less the HUD-allowed deductions
3. Total tenant payment: The total amount the HUD rent formula requires
the tenant to pay toward rent and utilities
4. Tenant rent: Total tenant payment less utility allowance
– the amount tenant pays towards rent
5. Utility reimbursement payment: Amount by which utility allowance exceeds
total tenant payment
6. Utility allowance: Estimate calculated from schedule of utility costs for utilities not
included in rent – an allowance for families toward payment of utilities
7. Imputed asset income: PHA passbook rate x total cash value of assets.
Calculated when cash value of assets exceeds \$5,000.
8. Elderly family: Head, spouse, cohead or sole member is 62 or older.
9. Disabled family: Head, spouse, cohead or sole member is person with disabilities.
10. Flat rent: Rental amount established by the PHA for each public housing unit
and set at no less than 80% of the current FMR or SAFMR/unadjusted
rent, and adjusted for any applicable utility allowance.

I. Annual Income

11. How do you compute income that you know will last for a part of the year (i.e. unemployment)?

Annualize it for average known sources

12. Income received during which time period is used in computing annual income?

12 months following certification or recertification

13. To convert income to annual amounts, multiply:

a) Monthly income	x	<u>12</u>
b) Weekly income	x	<u>52</u>
c) Bi-weekly	x	<u>26</u>
d) Semi-monthly	x	<u>24</u>
e) Hourly full-time	x	<u>2080</u>

14. If someone is paid on the 1st and 15th of the month, which calculation would be used?

Semi-monthly

15. Who is considered a dependent?

A member of the family (excluding foster children/adults) other than the family head, spouse, or cohead who is under 18 years of age or who is 18 years of age or over and is a disabled person, or is a full-time student

16. Describe the two methods for annualizing seasonal income.

Method 1: Annualize current income and conduct an interim reexam when income changes.

Method 2: Calculate anticipated income from all known sources for the entire year. No interim reexam is needed.

17. What income of a minor is counted?

All income except employment

18. What is the difference in what income is counted if the minor is head or spouse?

All income of head or spouse is counted

19. What income is counted for a person 18 years of age or older:
- a) If the person is a full-time student? Earned income up to \$480
 - b) If the person is a part-time student? All
 - c) If the person is not a student? All
20. Is employment income before taxes (gross) or after taxes (net) taken? Gross
21. When an individual receives Social Security benefits, is the amount with or without Medicare premiums included in annual income?
The amount should include Medicare when computing annual income.
22. If Social Security benefits are reduced to make up for a prior overpayment by Social Security, what amount is included in annual income?
Include the amount provided, not the amount that would have been provided if no error had been made.
23. If a family receives foster child care payments, is it counted in annual income? Explain your answer: NO, As long as the child is a qualified foster child with payment coming from the agency responsible for making foster child care payments.
24. What is counted as income if a spouse is in the military and stationed out of the home?
All except the special pay for exposure to hostile fire.
25. How do you treat income received from persons outside the household?
Count regular, not sporadic, contributions as income.
26. Describe the differences in how the income is treated if the outside person is a family member.
There is no difference.
27. If a person is receiving alimony or child support payments on an irregular basis, what is used as income?
Count amounts awarded unless applicant/tenant certifies that the entire amount is not provided and has filed with agency responsible for enforcing payment, or otherwise has made an effort to collect.

28. What expenses may be deducted from income from a business?
**Straight-line depreciation, interest, and
all other operating expenses except those in #29**
29. What expenses may not be deducted from income from a business?
**Business expansion and
capital improvements**
30. How is the income the family takes out of the business treated?
**As income except
for reimbursement of investment**
31. Give two (2) examples of lump-sum payments that are counted as income.
**1) Delayed start of unemployment benefits;
2) Delayed start of TANF benefits.**
32. 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 requirements.**
33. What part of grants and scholarships is treated as income?
No part of a grant or scholarship is treated as income
34. How are student loans treated?
Student loans are not considered income.
35. When a participant family experiences an increase in annual income as a result of new employment or an increase in earnings, list the three events that would qualify them for the EID:
**1) Employment by a family member who was previously unemployed for one or more
years prior to employment.
2) Increased earning by a family member whose earnings increased during participation
in an economic self-sufficiency or job training program.
3) New employment or increased earnings by a family member who has received
TANF benefits or services within the past six months.**
36. What is the definition of *previously unemployed* for the EID?
**A person who earned not more than could be earned working 10 hours per week,
50 weeks a year at the established minimum wage.**

37. Are the 12-month exclusion periods for the EID consecutive or cumulative?
Both the 12-month full exclusion and the 12-month phase-in are consecutive.
38. If a family member is enrolled in a state or local employment training program, what part of their earnings is excluded?
Incremental earnings and benefits from state or local employment training programs are excluded.
39. Is a live-in aide's income included in or excluded from annual income?
Excluded
40. List nine (9) examples of income that is counted for HUD purposes:
- 1) **Wages**
 - 2) **Net business income**
 - 3) **Interest, dividends, and other income from assets**
 - 4) **Social Security including Medicare, if applicable**
 - 5) **Unemployment**
 - 6) **Welfare assistance**
 - 7) **Alimony and child support**
 - 8) **Military pay**
 - 9) **Retirement, pensions, etc.**
41. List eleven (11) examples of income that is not counted for HUD purposes:
- 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 military pay for exposure to hostile fire**
 - 7) **Income from training programs such as Workforce, HUD-funded training programs, PASS**
 - 8) **Sporadic income**
 - 9) **Wages earned from the U.S. Census Bureau as a temporary census taker**
 - 10) **Student loans**
 - 11) **Earned income tax credit**

42. How is rental income from a property treated?

Rent less operating expenses (net income)

II. Assets

43. What is the income calculation formula when the family's total cash value of assets is less than or equal to \$5,000?

Use actual income from assets

44. What is the income calculation formula when the family's total cash value of assets is greater than \$5,000?

Use the greater of actual income or imputed asset income

45. How is imputed income from assets calculated?

PHA passbook rate x total cash value of assets.

Use calculation when cash value of assets exceeds \$5,000.

46. List ten (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

47. List four (4) examples of assets not counted for HUD purposes.

1) Personal property

2) Interest in Indian trust lands

3) Assets not accessible by family

4) Assets part of active business or farming operation

48. 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

49. 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
-
50. Are trusts always considered an asset? If not what is the exception?
Revocable/accessible trusts are counted.
Irrevocable trusts are not counted.
-
51. Are lump sums always considered an asset?
No. Processing delays of periodic payments such as welfare and unemployment are considered income, with the exception of deferred Social Security, SSI, and Veterans' disability lump sums. For all other lump sums, the amount must be retained and verifiable in order to be counted as an asset.
-
52. What amount is used when an asset is owned jointly by a family member and a person outside the household?
If the family member has access to total, count it all.
-
53. When is personal property counted as an asset?
When it is an investment
-
54. How do you treat life insurance policies?
Cash surrender value treated as asset
-
55. What happens if a family member has "given away" an asset for less than fair market value?
Count as if it were still owned.
(Count market value less expenses, less what was received.)
-
56. How long is the asset counted in that situation?
Two years from date disposed of
-
57. What are the three (3) exceptions to assets being disposed of for less than fair value?
1) When the result of foreclosure
2) When the result of bankruptcy
3) When the result of divorce or separation agreement
-

III. HUD Allowances

58. Name the four (4) categories of people who are never considered a dependent.

1) **Head**

2) **Spouse or co-head**

3) **Foster children/adults**

4) **Live-in attendants and their family members**

59. 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.

60. How much is the dependent allowance?

\$480

61. What age of children are eligible for child care?

12 and younger

62. In what situations is a family eligible for child care?

1) **Adult working**

2) **Adult attending school**

3) **Adult looking for work**

63. What are three (3) restrictions on the use of child care?

1) **Reasonable**

2) **Not paid by someone else**

3) **Expense does not exceed money earned by person enabled to work**

64. Can child support payments be counted as child care?

No, they cannot be counted as child care payments

65. What two (2) expenses are eligible as a disability assistance expense?

1) **Care attendants**

2) **Auxiliary apparatus**

66. What two (2) conditions qualify a family for the disability assistance allowance?

1) **Enable a family member to work**

2) **Must be a disabled person in household**

67. What is the maximum amount of disability assistance?

Earned income of household member enabled to work

68. Give three (3) examples of auxiliary apparatus.

1) **Wheelchairs**

2) **Ramps**

3) **Adaptations to vehicles**

69. What type of family qualifies for a medical allowance?

Head, spouse, or cohead is 62 or older, or disabled

70. Who in the family qualifies for a medical allowance if the head is disabled?

Everyone except foster children/adults or live-in attendants or their family members

71. List nine (9) examples of medical expenses.

1) **Doctors**

2) **Health-care facilities**

3) **Medical insurance premiums**

4) **Prescription drugs/non-prescription drugs**

5) **Transportation**

6) **Dental**

7) **Live-in/periodic assistance**

8) **Monthly payment on accumulated medical bills**

9) **Eyeglasses, hearing aids**

IV. Rent Calculation

72. What is the formula for determining tenant rent?
Total tenant payment minus utility allowance
-
73. What is the formula for determining URP?
Total tenant payment minus utility allowance
-
74. What are ceiling rents?
They are a function of income-based rent. The family is then charged the lesser of the TTP or the ceiling rent.
-
75. What is the formula for determining total tenant payment?
Greatest of: 30% of monthly adjusted income; 10% of monthly income; welfare rent (if applicable); or the PHA's minimum rent.
-
76. When a family qualifies for a temporary hardship exemption from the minimum rent, the PHA must:
Protect the family from eviction due to inability to pay the minimum rent for 90 days from the date of the exemption request, reinstate the minimum rent retroactively to the beginning of the suspension, and offer a reasonable repayment agreement.
-
77. How often must a PHA review the income of families paying flat rent?
Not less than once every three years.
-
78. How often are families given a choice between income-based and flat rent?
At annual reexam only.
-
79. For mixed families, how is rent calculated?
Mixed families will have their rent prorated, which means they will pay more in rent than they would if everyone in the household was eligible under the noncitizens rule.
-

V. Verifications

80. Verifications are valid for how many days?

PHA policy

81. May the PHA charge a participant for obtaining verifications?

No, the PHA must not pass verification costs along to the participant.

82. 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

83. What does the PHA do when a family member disputes EIV employer data?

The PHA must obtain additional third-party verification.

Notes

CHAPTER 8 CASE STUDIES

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	13	N	Eligible citizen
Son	Allan Alexander	10	N	Eligible citizen

Aaron works full time as a receptionist, earning \$8.50 an hour. He pays \$35 a week to his neighbor to care for his two children while he is at work.

The family has chosen income-based rent

The PHA determined passbook rate is .0075

- **Unit information:**
 - The unit's flat rent is \$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 6 months balance for checking accounts
 - There is no ceiling rent

Case Studies

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 Tenant Payment (9j): \$ _____

Tenant Rent (10f): \$ _____

Utility Reimbursement Payment (10f): \$ _____

Head of household name Alexander	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 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
---	---	---

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

Head of household name Alexander	Social Security Number	Date modified (mm/dd/yyyy)
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9. Total Tenant Payment (TTP)

9a. Total monthly income: $8a \div 12$	\$	9a.
9c. TTP if based on annual income: $9a \times 0.10$	\$	9c.
9d. Adjusted monthly income: $8y \div 12$	\$	9d.
9e. Percentage of adjusted monthly income: use 30% for Section 8		9e.
9f. TTP if based on adjusted annual income: $(9d \times 9e) \div 100$	\$	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.

Head of household name	Alexander	Social Security Number	Date modified (mm/dd/yyyy)
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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:	<input type="checkbox"/> Income based	<input type="checkbox"/> Flat
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Case Studies

Case Study 2: Hazelton Family

- **Situation:** The annual reexamination is being processed for the Hazelton family.
- **Family information:**

Relation	Name	Age	Disabled	Citizenship Status
Head	Joan Hazelton	33	N	Eligible citizen
Brother	John Hazelton	24	N	Eligible citizen
Son	Ryan Hazelton	8	N	Eligible citizen
Son	Thomas Hazelton	6	N	Eligible citizen

Joan was receiving \$550 per month in TANF benefits for herself and her two children, Ryan and Thomas. Her TANF benefits have recently been reduced to \$350 and the PHA has verified that the reason for the reduction is because Joan has committed welfare fraud. Joan also receives food stamps in the amount of \$100 per month. John lives with his sister Joan but is not a co-head. He is a full-time student. John works part-time at K-Mart earning \$250 biweekly.

The family has chosen income-based rent.

The PHA determined passbook rate is .0075.

- **Unit information:**
 - The unit's flat rent is \$690
 - The utility allowance is \$50
- **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 6 months balance for checking accounts.
 - There is no ceiling rent

Case Studies

Using the HUD-50058 forms following, please compute the following for the Hazelton family:

Total Annual Income (7i): \$ _____

Final Asset Income (6j): \$ _____

Total Allowances (8x): \$ _____

Total Tenant Payment (9j): \$ _____

Tenant Rent (10f): \$ _____

Utility Reimbursement Payment (10f): \$ _____

Head of household name	Hazelton	Social Security Number	Date modified (mm/dd/yyyy)
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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
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Head of household name	Hazeltan	Social Security Number	Date modified (mm/dd/yyyy)
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8. Expected Income Per Year

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

Head of household name	Hazelton	Social Security Number	Date modified (mm/dd/yyyy)
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9. Total Tenant Payment (TTP)

9a.	Total monthly income: $8a \div 12$	\$	9a.
9c.	TTP if based on annual income: $9a \times 0.10$	\$	9c.
9d.	Adjusted monthly income: $8y \div 12$	\$	9d.
9e.	Percentage of adjusted monthly income: use 30% for Section 8		9e.
9f.	TTP if based on adjusted annual income: $(9d \times 9e) \div 100$	\$	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.

Head of household name	Hazelton	Social Security Number	Date modified (mm/dd/yyyy)
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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:	<input type="checkbox"/> Income based	<input type="checkbox"/> Flat
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Case Studies

Case Study 3: Estrada Family

- **Situation:** The annual reexamination is being processed for the Estrada family.
- **Family information:**

Relation	Name	Age	Disabled	Citizenship Status
Head	Francisco Estrada	62	N	Eligible citizen
Spouse	Juana Estrada	61	N	Eligible citizen

Francisco owned a home worth \$100,000. Several months ago, he sold the home to his son for \$1. His brother paid all of the transfer fees and there was no mortgage balance. Francisco has a certificate of deposit (CD) with a current balance of \$4,200. The CD's penalty for early withdrawal is \$400 and it earns 4% annually.

Juana recently won the lottery in the amount of \$5,000. She spent \$4,500 on a car and put the remaining \$500 in a non-interest bearing checking account.

Francisco's gross Social Security benefit is \$680 per month, but \$80 is taken out to pay his Medicare premium. In addition, their anticipated annual medical expenses are \$1,000.

The family has chosen income-based rent.

The PHA determined passbook rate is .0075.

- **Unit information:**
 - The unit's flat rent is \$500.
 - The utility allowance is \$50.
- **PHA policy:**
 - The PHA's minimum rent is \$50.
 - There is no ceiling rent

Case Studies

Using the HUD-50058 forms following, please compute the following for the Estrada family:

Total Annual Income (7i): \$ _____

Final Asset Income (6j): \$ _____

Total Allowances (8x): \$ _____

Total Tenant Payment (9j): \$ _____

Tenant Rent (10f): \$ _____

Utility Reimbursement Payment (10f): \$ _____

Head of household name	Estrada	Social Security Number	Date modified (mm/dd/yyyy)
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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
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Head of household name Estrada	Social Security Number	Date modified (mm/dd/yyyy)
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8. Expected Income Per Year

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

Head of household name	Estrada	Social Security Number	Date modified (mm/dd/yyyy)
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9. Total Tenant Payment (TTP)

9a.	Total monthly income: $8a \div 12$	\$	9a.
9c.	TTP if based on annual income: $9a \times 0.10$	\$	9c.
9d.	Adjusted monthly income: $8y \div 12$	\$	9d.
9e.	Percentage of adjusted monthly income: use 30% for Section 8		9e.
9f.	TTP if based on adjusted annual income: $(9d \times 9e) \div 100$	\$	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.

Head of household name	Estrada	Social Security Number	Date modified (mm/dd/yyyy)
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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:	<input type="checkbox"/> Income based	<input type="checkbox"/> Flat
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Case Studies

Case Study 4: Dasher Family

- **Situation:** The PHA is processing an interim reexamination for the Dasher family.
- **Family information:**

Relation	Name	Age	Disabled	Citizenship Status
Head	David Dasher	37	N	Eligible citizen
Spouse	Donna Dasher	36	Y	Eligible citizen
Brother	Ryan Dasher	11	Y	Eligible citizen
Sister	Dawn Dasher	9	N	Eligible citizen

Donna has a life insurance policy with a cash surrender value of \$2,032 that pays an annual dividend of \$45. Ryan has a savings account with a current balance of \$452 that pays 1.5% interest annually. Both Ryan and Dawn have irrevocable college trust funds in the amounts of \$5,000 and \$4,000, respectively. Neither of them may access the funds until they turn 18 years old.

The PHA is processing an interim because David is entering the phase-in period of the earned income disallowance (EID). When he initially qualified for the EID, his baseline income was \$2,000 in TANF benefits. Now he is employed and earning \$10,000 annually. TANF benefits have stopped. Donna receives \$350 per month in SSI.

David pays \$40 per week in child care for Ryan and Dawn while he is at work. The family's anticipated annual medical expenses are as follows: David: \$450; Donna: \$2,000; Ryan: \$150; Dawn: \$90.

The family has chosen income-based rent

The PHA determined passbook rate is .0075.

- **Unit information:**
 - The unit's flat rent is \$650
 - The utility allowance is \$60
- **PHA policy:**
 - The PHA's minimum rent is \$50.
 - There is no ceiling rent

Case Studies

Using the HUD-50058 forms following, please compute the following for the Dasher family:

Total Annual Income (7i): \$ _____

Final Asset Income (6j): \$ _____

Total Allowances (8x): \$ _____

Total Tenant Payment (9j): \$ _____

Tenant Rent (10f): \$ _____

Utility Reimbursement Payment (10f): \$ _____

Earned Income Disallowance Calculation

(HCV: only for persons with disabilities)

Family Name _____

Family Member _____

- How much is the EID family member's Pre-qualifying (baseline) income?
(ALL income of EID family member, including asset income, prior to
qualifying event):

--

Step 1: Calculate the full exclusion amount

A1. Enter EARNED Income of EID family member	\$	
A2: Earned income, if any, included in pre-qualifying income.		
A3: Increase in earned income (A1 – A2) If 0 or negative, STOP. Do not exclude any earned income.		
B. Enter other income of EID family member (including income from assets)		
C. Total Annual Income of EID family member (A1 + B)		
D. Enter Pre-qualifying income	\$	
E. Full exclusion (C minus D, but no more than A3)	= \$	
F. 50% exclusion during phase in period (E x .50 if applicable)	= \$	

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

G. Enter EID family member's earnings (HUD 50058, 7d):	\$	
H. Enter exclusion from E or F, as applicable (HUD 50058, 7e):	\$	
I. EID family member's earned income after exclusions (HUD 50058, 7f): (G minus H)	= \$	

HUD Form 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)
7g. Column total						

Head of household name	Dasher	Social Security Number	Date modified (mm/dd/yyyy)
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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
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Head of household name Dasher	Social Security Number	Date modified (mm/dd/yyyy)
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8. Expected Income Per Year

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

Head of household name	Dasher	Social Security Number	Date modified (mm/dd/yyyy)
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9. Total Tenant Payment (TTP)

9a.	Total monthly income: $8a \div 12$	\$	9a.
9c.	TTP if based on annual income: $9a \times 0.10$	\$	9c.
9d.	Adjusted monthly income: $8y \div 12$	\$	9d.
9e.	Percentage of adjusted monthly income: use 30% for Section 8		9e.
9f.	TTP if based on adjusted annual income: $(9d \times 9e) \div 100$	\$	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.

Head of household name Dasher	Social Security Number	Date modified (mm/dd/yyyy)
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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: <input type="checkbox"/> Income based <input type="checkbox"/> Flat	
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Case Studies

Notes

OPTIONAL CASE STUDIES**Case Study 5: Carlson Family**

- **Situation:** An interim reexamination is being conducted for Chloe Carlson, who has just had her work hours reduced from full-time to part-time.
- **Family information:**

Relation	Name	Age	Disabled	Citizenship Status
Head	Chloe Carlson	53	Y	Eligible citizen
Son	Cameron Carlson	16	Y	Eligible citizen

Chloe Carlson was working full-time at a senior center, but she now works only 25 hours a week. She earns \$260 bi-weekly. Chloe also receives \$140 a month in child support.

Chloe pays her sister \$25 a week to care for Cameron while she is at work. 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.

Ms. Carlson owns a vacant lot valued at \$12,000. She owes \$500 on this land. Were she to sell the lot, she would pay a broker's fee of \$360 and settlement costs of \$120. Chloe currently has \$2,918 in her savings account, earning 2.15% interest. The last six months average balance on Chloe's checking account is \$89. The checking account pays 1.1% interest. Cameron currently has \$1,092 in his savings account, earning 2.25% interest.

The family has chosen income-based rent.

The PHA determined passbook rate is .0075.

- **Unit information:**
 - The unit's flat rent is \$515. The ceiling rent is \$530.
 - The utility allowance is \$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 6 months balance for checking accounts.

Case Studies

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 Tenant Payment (9j): \$ _____

Tenant Rent (10f): \$ _____

Utility Reimbursement Payment (10f): \$ _____

Head of household name	Carlson	Social Security Number	Date modified (mm/dd/yyyy)
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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
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Head of household name Carlson	Social Security Number	Date modified (mm/dd/yyyy)
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8. Expected Income Per Year

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

Head of household name Carlson	Social Security Number	Date modified (mm/dd/yyyy)
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9. Total Tenant Payment (TTP)

9a. Total monthly income: $8a \div 12$	\$	9a.
9c. TTP if based on annual income: $9a \times 0.10$	\$	9c.
9d. Adjusted monthly income: $8y \div 12$	\$	9d.
9e. Percentage of adjusted monthly income: use 30% for Section 8		9e.
9f. TTP if based on adjusted annual income: $(9d \times 9e) \div 100$	\$	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.

Head of household name Carlson	Social Security Number	Date modified (mm/dd/yyyy)
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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: <input type="checkbox"/> Income based <input type="checkbox"/> Flat	
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Case Studies

Case Study 6: Egan Family

- **Situation:** An interim reexamination is being processed for the Egan family.
- **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 Egan has just reported that two weeks ago her TANF benefits were reduced from \$475 per month to \$275. The welfare office confirms this, sharing that Ellen failed to comply with the welfare office's economic self-sufficiency program. The sanction will last for the next 12 months. Ellen also reported that yesterday, she started working at Ebony's school, earning \$100 per month. Ellen has already received the earned income disallowance full exclusion and phase-in, and is now ineligible for the disallowance. Eddie continues to work 15 hours per week at the mall, earning \$7.85 per hour. He currently has \$2,500 in his savings account, which earns 2.3% interest.

The family has chosen income-based rent.

The PHA determined passbook rate is .0075.

Unit information:

- The unit's flat rent is \$540.
 - The unit's ceiling rent is \$565
 - The utility allowance is \$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 6 months balance for checking accounts.

Case Studies

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 Tenant Payment (9j): \$ _____

Tenant Rent (10f): \$ _____

Utility Reimbursement Payment (10f): \$ _____

Head of household name Egan	Social Security Number	Date modified (mm/dd/yyyy)
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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
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Head of household name Egan	Social Security Number	Date modified (mm/dd/yyyy)
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8. Expected Income Per Year

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

Head of household name Egan	Social Security Number	Date modified (mm/dd/yyyy)
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9. Total Tenant Payment (TTP)

9a. Total monthly income: $8a \div 12$	\$	9a.
9c. TTP if based on annual income: $9a \times 0.10$	\$	9c.
9d. Adjusted monthly income: $8y \div 12$	\$	9d.
9e. Percentage of adjusted monthly income: use 30% for Section 8		9e.
9f. TTP if based on adjusted annual income: $(9d \times 9e) \div 100$	\$	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.

Head of household name	Egan	Social Security Number	Date modified (mm/dd/yyyy)
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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:	<input type="checkbox"/> Income based	<input type="checkbox"/> Flat
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Case Studies

Case Study 7: 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% interest, with a current balance of \$3,800. (2) A checking account paying 1.1% 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% broker fee if cashed in. (4) CD currently valued at \$6,700 which pays 5.5% interest and carries a \$400 penalty for early withdrawal. (5) CD currently valued at \$4,400 which pays 4.4% 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% 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.

Ms. Green has chosen income-based rent.

The PHA determined passbook rate is .0075.

- **Unit information:**
 - The unit's flat rent is \$445
 - The utility allowance is \$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 6 months balance for checking accounts.
 - There is no ceiling rent

Case Studies

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 Tenant Payment (9j): \$ _____

Tenant Rent (10f): \$ _____

Utility Reimbursement Payment (10f): \$ _____

Head of household name Green	Social Security Number	Date modified (mm/dd/yyyy)
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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
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Head of household name Green	Social Security Number	Date modified (mm/dd/yyyy)
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8. Expected Income Per Year

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

Head of household name Green	Social Security Number	Date modified (mm/dd/yyyy)
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9. Total Tenant Payment (TTP)

9a. Total monthly income: $8a \div 12$	\$	9a.
9c. TTP if based on annual income: $9a \times 0.10$	\$	9c.
9d. Adjusted monthly income: $8y \div 12$	\$	9d.
9e. Percentage of adjusted monthly income: use 30% for Section 8		9e.
9f. TTP if based on adjusted annual income: $(9d \times 9e) \div 100$	\$	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.

Head of household name Green	Social Security Number	Date modified (mm/dd/yyyy)
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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:	<input type="checkbox"/> Income based	<input type="checkbox"/> Flat
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Case Study 8: Hope Family

Situation: Our Town Housing Authority (OTHA) is conducting its annual recertification of a public housing tenant, the Hope family.

Family information: The Hope family consists of the following members:

Relation	Name	Age	Disabled	Citizenship Status
Head	Anita Hope	37	N	Eligible citizen
Daughter	Dolly Hope	17	N	Eligible citizen
Daughter	Nancy Hope	13	N	Eligible citizen

Anita Hope works full time as a medical lab assistant and earns \$10.75 per hour. This is her only source of income. She has elected to pay the flat rent for her family's unit for the next 12 months.

The PHA determined passbook rate is .0075.

- **Unit information:**
 - The unit's flat rent is \$525
 - The utility allowance is \$48
- **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 6 months balance for checking accounts.

Case Studies

Using the HUD-50058 forms following, please compute the following for the Hope family:

Total Annual Income (7i): \$ _____

Final Asset Income (6j): \$ _____

Total Allowances (8x): \$ _____

Total Tenant Payment (9j): \$ _____

Tenant Rent (10f): \$ _____

Utility Reimbursement Payment (10f): \$ _____

Head of household name Hope	Social Security Number	Date modified (mm/dd/yyyy)
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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
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Head of household name Hope	Social Security Number	Date modified (mm/dd/yyyy)
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8. Expected Income Per Year

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

Head of household name	Hope	Social Security Number	Date modified (mm/dd/yyyy)
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9. Total Tenant Payment (TTP)

9a.	Total monthly income: $8a \div 12$	\$	9a.
9c.	TTP if based on annual income: $9a \times 0.10$	\$	9c.
9d.	Adjusted monthly income: $8y \div 12$	\$	9d.
9e.	Percentage of adjusted monthly income: use 30% for Section 8		9e.
9f.	TTP if based on adjusted annual income: $(9d \times 9e) \div 100$	\$	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.

Head of household name	Hope	Social Security Number	Date modified (mm/dd/yyyy)
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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:	<input type="checkbox"/> Income based	<input type="checkbox"/> Flat
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Case Studies

Answers to Case Studies**Case Study 1: Alexander Family**

Total Annual Income:	\$ 17,680
Final Asset Income:	\$ 0
Total Allowances:	\$ 1,870
Total Tenant Payment:	\$ 395
Tenant Rent:	\$ 340
Utility Reimbursement Payment:	\$ 0

Case Study 2: Hazelton Family

Total Annual Income:	\$ 7,080
Final Asset Income:	\$ 0
Total Allowances:	\$ 1,440
Total Tenant Payment:	\$ 141
Tenant Rent:	\$ 91
Utility Reimbursement Payment:	\$ 0

Case Study 3: Estrada Family

Total Annual Income:	\$ 8,942
Final Asset Income:	\$ 782
Total Allowances:	\$ 2,092
Total Tenant Payment:	\$ 171
Tenant Rent:	\$ 121
Utility Reimbursement Payment:	\$ 0

Case Study 4: Dasher Family

Total Annual Income:	\$ 10,252
Final Asset Income:	\$ 52
Total Allowances:	\$ 5,822
Total Tenant Payment:	\$ 111
Tenant Rent:	\$ 51
Utility Reimbursement Payment:	\$ 0

Case Study 5: Carlson Family

Total Annual Income:	\$ 8,553
Final Asset Income:	\$ 113
Total Allowances:	\$ 2,973
Total Tenant Payment:	\$ 140
Tenant Rent:	\$ 125
Utility Reimbursement Payment:	\$ 0

Case Study 6: Egan Family

Total Annual Income:	\$ 5,758
Final Asset Income:	\$ 58
Total Allowances:	\$ 960
Total Tenant Payment:	\$ 120
Tenant Rent:	\$ 95
Utility Reimbursement Payment:	\$ 0

Case Study 7: Green Family

Total Annual Income:	\$ 14,295
Final Asset Income:	\$ 5,175
Total Allowances:	\$ 400
Total Tenant Payment:	\$ 347
Tenant Rent:	\$ 312
Utility Reimbursement Payment:	\$ 0

Case Study 8: Hope Family

Total Annual Income:	\$ 22,360
Final Asset Income:	\$ 0
Total Allowances:	\$ 960
Total Tenant Payment:	\$ 535
Tenant Rent:	\$ 525
Utility Reimbursement Payment:	\$ 0

Case Studies

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.

Training Action Plan

**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.

[illegible]

IDEA DESIGN WORKSHEET

IDEA

CURRENT POLICY, PROCEDURE OR PRACTICE

BENEFIT(S) OF THIS RECOMMENDATION

STEPS NECESSARY TO IMPLEMENT

APPLICABLE HUD REFERENCE(S)

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/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 answer(s), 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 skip 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.