

# **Trainer Manual**

## **Module 2**

### **Part A: Trainer Instructions and Lesson Plans**



**OVERVIEW OF MODULE 2**

- **Objectives.** The participant learning objectives of Module 2 are described on page 2-1 of the Participant Manual. From a trainer's perspective the module is intended to:
  - Reinforce the concepts covered in Module 1
  - Introduce new topic areas as described below
  - Give learners continuing opportunities to practicing calculations
- **Organization of Module 2.** The module consists of the five parts shown below. For a detailed description of the Parts see pages 2-2 and 2-3 of the Participant Manual.
  - Part I. Consent and Verification
  - Part II. Disclosure of Social Security Numbers
  - Part III. Restrictions on Assistance to Noncitizens
  - Part IV. Additional Types of Annual income
  - Part V. Advanced Topics
- **Self Study Tests.** The module includes pre- and post-training tests that are intended to be for the participant's use to identify areas that require additional study.
  - In addition to providing the correct answer, the explanations contained in the answers provide further elaborations of requirements.
  - In a classroom setting these test questions could easily be used as additional exercises.
  - Self study learners should review the explanations carefully.
  - The tests should not be used as the basis for certification or as part of a performance evaluation process. They do not provide enough questions to make a valid assessment for either of those purposes.
- **Appendix 3.** With Module 2 a new appendix is added to the manual. This appendix provides a list of the documents that may be accepted as documentation of eligible immigration status. It is a reprint of the list found in chapter 3, figure 3-4, of 4350.3 REV-1.

**TRAINING APPROACH**

- **Introduction.** If Module 2 is presented at the same time as Module 1 it is not necessary to give an overview of the entire training program (Modules 1-6). But if Module 2 is presented as a stand-alone module the introduction would be appropriate.
  - If generally the same audience that participated in Module 1 is available for Module 2, the overview can be brief.
  - See pages T-i through T-x of the Trainer Manual for this introduction.
- **Parts I, II, III** should be presented together. They present an overview of key documentation requirements related to family consent to verification, social security numbers, and citizenship/immigrant status.
  - Following this discussion participants complete Case Study 1. Case Study 1 introduces the Hunt family and focuses on documentation requirements.
  - Specific instructions for introducing and discussing the case study are provided where the case study appears in the module.
- **Part IV** course materials introduce new types of income that are either included or excluded from income. Although general verification concepts were introduced in Module 1, they are reinforced here by discussion of verification requirements for the new types of income.
  - Following the discussion, participants will complete two case studies using the same family introduced in Case Study 1.
  - Case Study 2 focuses primarily on new income topics.
  - Case Study 3 also covers the new income topics, but in addition reinforces documentation requirements by adding another (non eligible immigrant) to the household.
  - Specific instructions for introducing and discussing the case study are provided where the case study appears in the module.
- **Part V** addresses special issues: exceptions to the minimum rent requirements, treatment of welfare rent in as-paid states, and utility reimbursements.
  - Case Study 4 consists of a series of questions related to these topics.

**LESSON PLAN AND AGENDA: CONFERENCE CALL**

- The lesson plan shown below is for a three-hour conference call.
- The plan makes the following assumptions:
  - In order to successfully cover the material contained in Module 2 in three hours, participants must complete the pre-training self test, review the materials, and complete the case studies in advance.
  - Approximately 30 minutes of the call will be set-aside for questions from participants.
  - The post-training self test is an important part of Module 2, but it is not intended to be covered in the conference call itself. It is shown on the plan as an activity to be completed after self-study of the Module 2 materials, or after the conference call.
- A sample agenda for this conference call is found at the beginning of the Module 2 Participant Manual, on the page entitled “Agenda.”

**Sample Lesson Plan  
Module 2 - Three Hour Conference Call**

***Module 2 Objectives***

- At the end of this module, participants will be able to:
  - Explain and apply documentation requirements related to citizenship and eligible immigrant status
  - Identify for which family members social security number (SSN) documentation is required and what types of documentation are acceptable
  - Describe and apply Handbook 4350.3, REV-1 requirements related to the following kinds of income:
    - Temporary Assistance for Needy Families
    - Unemployment assistance
    - Food stamps and food contributions
    - Regular contributions and gifts
  - Determine when exceptions to the minimum rent requirement may be granted
  - Calculate a total tenant payment (TTP) and assistance payment when minimum rent does not apply and when proration of rent is required

***Pre-Call Participant Preparation***

- Complete the pre-training self test, review Module 2, complete case studies 1-4.
- Estimated level of effort: 3 hours (learner with experience); 4-5 hours (new learner).

***Methods, Timeframes and Materials***

- Of necessity, the training method on a conference call is primarily lecture. A participant question and answer period will be provided at the end of the conference call.
- The chart below summarizes the timeframes and materials for each segment of the conference call.
- A sample agenda is provided in the Annotated Participant Manual (Part B of the Trainer Manual).

<b>Module 2 - Conference Call Content Timeframes and Materials</b>	
<b>Topic</b>	<b>Timeframes and Materials</b>
<p><b>Introductions and Overview</b></p> <ul style="list-style-type: none"> <li>• Introduce call facilitators</li> <li>• Module 2 Introduction</li> <li>• Review agenda for the call</li> </ul>	<ul style="list-style-type: none"> <li>🕒 Timeframe: 15 minutes</li> <li>📄 Manual: pages 2-1 through 2-8</li> <li>Self Test Answers in Participant Manual, Attachment A, pages 2-73 through 2-75</li> </ul>
<p><b>Parts I-III Summary Discussion</b></p> <ul style="list-style-type: none"> <li>• Verification Consent</li> <li>• Social Security Numbers</li> <li>• Citizenship/Immigrant Status</li> <li>• Review Case Study 1</li> </ul>	<ul style="list-style-type: none"> <li>🕒 Timeframe: 45 minutes (15 of which are for Q&amp;A)</li> <li>📄 Manual: pages 2-9 through 2-32</li> <li>Case Study 1 Answers in Participant Manual Attachment B, pages 2-77 through 2-80</li> </ul>
<p><b>Part IV: Summary Discussion</b></p> <ul style="list-style-type: none"> <li>• Welfare and TANF</li> <li>• Unemployment</li> <li>• Regular contributions and gifts</li> <li>• Casual or sporadic income</li> <li>• Food stamps and food contributions</li> <li>• Lump sum payments</li> <li>• Adjustments for prior overpayment</li> <li>• Review case studies 2 and 3</li> </ul>	<ul style="list-style-type: none"> <li>🕒 Timeframe: 45 minutes (15 of which are for Q&amp;A)</li> <li>📄 Manual: pages 2-33 through 2-50</li> <li>Case Study Answers in Participant Manual Attachments C and D, pages 2-81 through 2-90</li> </ul>
<p><b>Part V: Summary Discussion</b></p> <ul style="list-style-type: none"> <li>• Exceptions to Minimum Rent Requirement</li> <li>• Welfare income in as-paid states</li> <li>• Review Case Study 4</li> </ul>	<ul style="list-style-type: none"> <li>🕒 Timeframe: 45 minutes</li> <li>📄 Manual: pages 2-51 through 2-66</li> <li>Case Study Answers in Participant Manual Attachment E, pages 2-91 through 2-99</li> </ul>
<p><b>Question and Answer Session</b></p> <p><b>Wrap-up</b></p>	<ul style="list-style-type: none"> <li>🕒 Timeframe: 30 minutes</li> <li>📄 Manual: None</li> </ul>
<p><b>Post-training Self Test</b></p> <ul style="list-style-type: none"> <li>• Participants may use this tool <b>after</b> studying Module 2 or <b>after</b> the conference call</li> </ul>	<ul style="list-style-type: none"> <li>🕒 Timeframe: 15 minutes</li> <li>📄 Manual: pages 2-67 through 2-70</li> <li>Self Test Answers in Participant Manual Attachment F, pages 2-100 through 2-104</li> </ul>

**LESSON PLAN AND AGENDA: CLASSROOM TRAINING**

- The lesson plan and agenda shown below are for a one-day (6 hour) classroom training program on Module 2.
- A full day may be required to train Module 2 topics in detail with a new learner group, but a full day may not be required for more experienced learners.
- Especially if participants must travel a significant distance to attend the training, you may wish to consider asking new learners to study the material in advance and then cover two modules in a single day.

**Sample Lesson Plan  
Module 2 - Classroom Training**

***Module 2 Objectives***

- At the end of this module, participants will be able to:
  - Explain and apply documentation requirements related to citizenship and eligible immigrant status
  - Identify for which family members social security number (SSN) documentation is required and what types of documentation are acceptable
  - Describe and apply Handbook 4350.3, REV-1 requirements related to the following kinds of income:
    - Temporary Assistance for Needy Families
    - Unemployment assistance
    - Food stamps and food contributions
    - Regular contributions and gifts
  - Determine when exceptions to the minimum rent requirement may be granted
  - Calculate a total tenant payment (TTP) and assistance payment when minimum rent does not apply and when proration of rent is required

*Methods, Timeframes and Materials*

- The format is intended to be an interactive discussion.
  - Participants generally are not expected to complete the Pre-training Self Test before the day of the session. The test may be administered as part of the formal session and/or participants may be encouraged to take the test during the registration process.
  - Participants will complete the case studies during the session.
  - Participants should complete the Post-training Self Test as part of the session.
- The chart below summarizes the timeframes and materials for each segment of the training. The chart includes references to Power Point slides that have been prepared for use in the classroom.
- A sample agenda is provided following the chart.

**Module 2 - Classroom Training  
Content Timeframes and Materials**

<p><b>Pre-training Self Test</b> (Participants may be asked to complete the self study test before the session begins as part of the registration process or as part of the introduction, as shown below.)</p>	
<b>Topic</b>	<b>Timeframes and Materials</b>
<p><b>Introductions and Overview of the Training</b> <i>Format: Presentation and Information Collection</i></p> <ul style="list-style-type: none"> <li>• Introduction of trainer(s) and participants</li> <li>• Introduction to Module 2</li> <li>• Review agenda for the training</li> <li>• Administer Pre-training Self Test</li> </ul>	<ul style="list-style-type: none"> <li>🕒 Timeframe: 15 minutes without self test; 30 minutes with self test</li> <li>📖 Manual: pages 2-1 through 2-8</li> <li>▶▶ Power Points: 1-22</li> <li>Self Test answers in Participant Manual Attachment A, pages 2-73 through 2-76</li> </ul>
<p><b>Consent and SSN Disclosure</b> <i>Format: Presentation and Interactive Discussion</i></p> <ul style="list-style-type: none"> <li>• Verification Consent</li> <li>• Social Security Numbers</li> </ul>	<ul style="list-style-type: none"> <li>🕒 Timeframe: 45 minutes</li> <li>📖 Manual: pages 2-9 through 2-18</li> <li>▶▶ Power Points: 23-53</li> </ul>

**Module 2 - Classroom Training  
Content Timeframes and Materials**

<p><b>Citizenship/Immigration Status</b> <i>Format: Interactive Discussion and 2 case study exercises</i></p> <ul style="list-style-type: none"> <li>• Documentation Requirements</li> <li>• Timeframes and Delays</li> <li>• Verification and Appeals</li> <li>• Review Case Study 1</li> </ul>	<ul style="list-style-type: none"> <li>🕒 Timeframe: 1 hour; 15 minutes</li> <li>📄 Manual: pages 2-19 through 2-32</li> <li>▶▶ Power Points: 54-98 Case Study Answers in Attachment B, pages 2-77 through 2-80</li> </ul>
<p><b>Additional Income Sources</b> <i>Format: Interactive Discussion and 1 case study exercise</i></p> <ul style="list-style-type: none"> <li>•Welfare and TANF</li> <li>• Unemployment</li> <li>• Regular contributions and gifts</li> <li>• Casual or sporadic income</li> <li>• Food stamps and food contributions</li> <li>• Lump sum payments</li> <li>• Adjustments for prior overpayment</li> <li>• Review case studies 2 and 3</li> </ul>	<ul style="list-style-type: none"> <li>🕒 Timeframe: 1 hour</li> <li>📄 Manual: pages 2-33 through 2-50</li> <li>▶▶ Power Points: 99-148 Case Study Answers in Attachments C and D, pages 2-81 through 2-90</li> </ul>
<p><b>Advanced Topics</b> <i>Format: Case study exercises and discussion</i></p> <ul style="list-style-type: none"> <li>• Exceptions to Minimum Rent Requirement</li> <li>• Welfare income in as-paid states</li> <li>• Review Case Study 4</li> <li>• Discussion may include self test questions as well as those provided in Case Study 4</li> </ul>	<ul style="list-style-type: none"> <li>🕒 Timeframe: 30 minutes</li> <li>📄 Manual: pages 2-51 through 2-70</li> <li>▶▶ Power Points: 149-194 Case Study Answers in Participant Manual Attachment E, pages 2-91 through 2-99 Self Test answers in Participant Manual Attachment F, pages 2-100 through 2-104</li> </ul>

**Sample Agenda  
Module 2 Classroom Training - 6 Hours**

**MULTIFAMILY HOUSING CASE STUDIES TRAINING PROGRAM  
AGENDA**

<b>8:30 -9:00</b>	<b>Registration</b>
<b>8:30 - 9:30</b>	<b>Introductions and Overview of the Training (including administration of self-study test)</b>
<b>9:30 - 10:15</b>	<b>Verification Consent and Social Security Number Disclosure</b>
<b>10:15 - 10:30</b>	<b>Break</b>
<b>10:30 - 11:30</b>	<b>Citizenship/Immigration Status</b>
<b>11:30 - 12:00</b>	<b>Case Study 1</b>
<b>12:00 - 1:00</b>	<b>Lunch</b>
<b>1:00 - 2:30</b>	<b>Additional Income Sources Case Study 2 and Case Study 3</b>
<b>2:30 - 2:45</b>	<b>Break</b>
<b>2:45 - 3:45</b>	<b>Advanced Topics Case Study 4</b>
<b>3:45 - 4:15</b>	<b>Post-training Self Test and Discussion</b>
<b>4:15</b>	<b>Wrap Up</b>

**NOTES**

**Trainer Manual**

**Module 2**

**Part B: Annotated Participant Manual**

### **TRAINER NOTES**

- The agenda on the following page is the agenda for a conference call format. See Part A for an agenda for classroom training.
- The agenda is followed by a table of contents for Module 2 that begins the specific introduction to Module 2. The table of contents is a reference tool for participants and does not need to be discussed.
- The appropriate place to discuss the organization of Module 2 is on page 2-2.

**RHIP HELP DESK CONFERENCE CALL  
MODULE 2  
December 1, 2004  
AGENDA**

Time: 1:00 PM to 4:00 PM EST

Chairperson: Cynthia Thomas, HUD

Facilitators: Cynthia Thomas, HUD  
Nan McKay, Nan McKay and Associates

Confirmation Number: 30924510

Dial In Number: 1-800-659-1025

**Pre-conference Participant Responsibilities**

- Complete the pre-training self test and review answers
- Review training manual
- Complete Case Studies 1-4

**1:00 - 1:15 Introductions**

**1:15 - 1:45 Consent and Verification**

**Documentation of Social Security Numbers (SSNs)**

**Citizenship and Eligible Immigrant Status**

- Case Study 1 - Introducing the Hunt Family

**1:45 - 2:00 Questions on Case Study 1**

**2:00 - 2:30 Additional Types of Annual Income**

- Case Study 2 - The Hunt Family Again
- Case Study 3 - The Hunt Family, Part 3

**2:30 - 2:45 Questions on Case Studies 2 and 3**

**2:45-3:30 Advanced Topics**

- Case Study 4

**3:30 - 4:00 Questions and Answers**

**Post Training Participant Responsibilities**

- Complete post-training self test
- Complete training evaluation

**TRAINER NOTES**

- The introduction that begins on page 2-1 is an introduction specifically for Module 2.
- The objectives on page 2-2 identify the specific topics that will be included in Module 2.
- The discussion on pages 2-2 and 2-3 explain how the module is organized. Here, and not the table of contents is the correct place to discuss contents with participants.
- The pre-training self test begins on page 2-5. When these materials are used for a conference call format, the self-test should be completed in advance. For classroom training, the trainer may instruct participants to complete the test during the registration process or as part of the introductory session. Answers to this test are found in the Participant Manual on page 2-73.

## Multifamily Housing Case Studies

A RHIP Training Program

Table of Contents

Module 2 — Trainer Manual

INTRODUCTION TO MODULE 2 . . . . .	2-1
MODULE 2 – PRE-TRAINING SELF TEST . . . . .	2-5
PART I CONSENT AND VERIFICATION . . . . .	2-9
PART II DISCLOSURE OF SOCIAL SECURITY NUMBERS . . . . .	2-15
PART III DOCUMENTATION OF CITIZENSHIP AND ELIGIBLE IMMIGRANT STATUS . . . . .	2-19
Case Study 1: The Hunt Family . . . . .	2-27
PART IV ADDITIONAL TYPES OF ANNUAL INCOME . . . . .	2-33
Case Study 2: The Hunt Family Again . . . . .	2-41
Case Study 3: The Hunt Family Part 3 . . . . .	2-46
PART V ADVANCED TOPICS . . . . .	2-51
MINIMUM RENT EXCEPTIONS . . . . .	2-51
Case Study 4A: Minimum Rent Exceptions . . . . .	2-56
PUBLIC ASSISTANCE IN AS-PAID LOCALITIES . . . . .	2-58
UTILITY REIMBURSEMENT REFRESHER . . . . .	2-59
Case Study 4B: Welfare Rent in As-Paid States . . . . .	2-60
Case Study 4C: Utility Reimbursement . . . . .	2-63
MODULE 2 – POST-TRAINING SELF TEST . . . . .	2-67
ATTACHMENT A – PRE-TRAINING SELF TEST ANSWERS . . . . .	2-73
ATTACHMENT B – CASE STUDY 1 ANSWERS . . . . .	2-77
ATTACHMENT C – CASE STUDY 2 ANSWERS . . . . .	2-81
ATTACHMENT D – CASE STUDY 3 ANSWERS . . . . .	2-86
ATTACHMENT E – CASE STUDY 4 ANSWERS . . . . .	2-91
ATTACHMENT F – POST-TRAINING SELF TEST ANSWERS . . . . .	2-100



## INTRODUCTION TO MODULE 2

### OVERVIEW

- This module is the second in a series of six training modules developed in support of the Rental Housing Integrity Improvement Project (RHIP).
- The module includes brief topic discussions based on Handbook 4350.3 REV-1 Occupancy Requirements for Subsidized Multifamily Housing and four case studies that are designed to give the learner practice in applying HUD policies.
- This module focuses on three key areas:
  - Family consent to verify information
  - Requirements concerning disclosure and documentation of social security numbers
  - Documentation of citizenship or immigration status
- In addition, the module continues the discussion of annual and adjusted income begun in Module 1 of this training series. This module introduces HUD requirements about the following sources of income:
  - Temporary assistance for needy families (TANF)
  - Unemployment assistance
  - Food stamps and food contributions
  - Casual or sporadic gifts
  - Regular contributions or gifts
- The module may be used as a self-study tool or in a formal training program.

**OBJECTIVES**

- At the end of this module, participants will be able to:
  - Explain and apply documentation requirements related to citizenship and eligible immigrant status
  - Identify for which family members Social Security documentation is required and what types of documentation are acceptable
  - Describe and apply Handbook 4350.3 REV-1 requirements related to the following kinds of income:
    - Temporary Assistance for Needy Families (TANF)
    - Unemployment assistance
    - Food stamps and food contributions
    - Casual or sporadic gifts
    - Regular contributions and gifts
  - Determine when exemptions to the minimum rent requirement may be granted
  - Calculate a total tenant payment (TTP) and assistance payment when minimum rent does not apply and when proration of rent is required

**ORGANIZATION OF MODULE 2**

- ***Part I: Consent and Verification*** explains the requirement for families to consent to the verification of information necessary to determine eligibility, income, and rent including execution of form HUD-9887 and form HUD-9887-A. It also discusses Handbook 4350.3 REV-1 instructions for the development of verification forms for specific purposes.
- ***Part II: Disclosure of Social Security Numbers (SSNs)*** describes the requirement to disclose SSNs and the actions the owner must take if SSNs are not provided.
- ***Part III: Restrictions on Assistance to Noncitizens*** describes which noncitizens may be eligible to receive housing assistance and documentation requirements for both citizens and noncitizens. It also describes the proration of assistance that is required if a family has some eligible and some non-eligible members.

- ***Part IV: Additional Types of Annual income.*** Module 1 addressed earned income, alimony and child support, and foster care payments in detail. Module 2 discusses the types of income listed below, including verification requirements related to these sources.
  - Temporary assistance for needy families (TANF)
  - Unemployment assistance
  - Food stamps and food contributions
  - Casual or sporadic gifts
  - Regular contributions or gifts
- ***Part V: Advanced Topics*** addresses three special issues that arise infrequently, but nonetheless must be understood by owners.
  - Exemptions to the minimum rent requirement
  - Welfare assistance in as-paid localities
  - Utility reimbursement payments

**NOTES**

**MODULE 2 – PRE-TRAINING SELF TEST**

- Note: This test is provided as a learning tool for participants. The pre-training self test is designed to measure your level of knowledge **before** you study this module. Answer the questions as best you can (without looking at the training materials or Handbook 4350.3 REV-1). A post-test is available at the end of the module to measure how much you have learned.

<b>Answers to Pre-training Self Test are in Attachment A at the end of this module.</b>
---

1. If all adult family members have signed form HUD-9887 and HUD-9887-A, individual verification forms for specific purposes do not need signatures.
  - a. True
  - b. False
2. Noncitizens over the age of 62 do not have to document their status in the same way as other noncitizens.
  - a. True
  - b. False
3. Owner-created verification forms are valid for 15 months from [choose one answer]
  - a. The date of signature by the family member
  - b. The effective date of the certification or recertification
  - c. The date it is sent to a third party
  - d. The date it is received from a third party
4. Worker's compensation, unemployment and other payments in lieu of earnings are included in annual income.
  - a. True
  - b. False
5. If some family members are able to provide documentation of Social Security Number and some are not, the family's assistance may be prorated.
  - a. True
  - b. False



10. Project manager Sally was telling a story to her friend over lunch at a local restaurant about one of her most “interesting” tenants - Mabel Johnson. The person sitting at the next table was Mabel’s son. Which of the following is true?
- a. Sally’s use of the information about Mabel is unrestricted
  - b. The information about Mabel is public record
  - c. Mrs. Johnson could sue Sally for damages
  - d. Mrs. Johnson could sue Sally’s employer for damages

**TRAINER NOTES: APPROACH TO CASE STUDY 1 AND PRESENTATION MATERIALS****Purpose**

- Case Study 1 is designed to introduce the learner to three key documentation responsibilities of owners: verification consent, social security number disclosure, and citizenship/immigrant status.
- The written materials in Parts I-III summarize the Handbook 4350.3 REV-1 requirements and the Case Study requires the participants to apply those requirements to the Hunt family.

**Materials**

- The case study introduces the Hunt family. The case study contains eight questions related to the documentation requirements. No income and rent calculations are required.
- The case study, in question 5, asks learners to evaluate a sample owner verification form.
- Answers to the case study are found in Attachment B on page 2-77 in the Participant Manual.

**Presentation vs. Review**

- In a conference call format, participants are expected to have reviewed Parts I-III and completed the case study in advance.
- In a classroom training setting, Parts I-III should be presented as an interactive discussion and participants should complete the case study in class.

**Tips and Cautions**

- Part I discusses form HUD-9887 and HUD-9887-A and also owner-developed verification consent forms. The HUD-9887 forms are not included in the manual. Trainers for classroom setting should ensure that participants have access to Handbook 4350.3 REV-1 or provide these forms as a handout.
- Questions 1, 2, and 6 require “yes” or “no” answers from participants. When discussing the answers it is important to highlight the explanation, as well as the answer.
- The answers to questions 1-4 are fairly straightforward. If time is limited, these questions could be addressed in an interactive format and then participants can complete questions 5-8 independently.

*Notes*

## **PART I    CONSENT AND VERIFICATION**

### **General Requirements**

- Consent and verification forms protect the rights and privacy of families. They:
  - Inform families of how information collected about them will be used
  - Ask families for their authorization to collect the information
- Adult family members must sign consent forms and, as necessary, verification documents that enable the owner to verify the family’s eligibility, unit size and income.
- Families must be denied assistance or have their assistance terminated if any family member refuses to provide the needed consent or other verification forms.
- Owners must comply with the provisions of the federal Privacy Act as well as any state or local laws relating to confidentiality.
  - Any person who knowingly requests, obtains or discloses any information under false pretenses may be subject to a misdemeanor prosecution and fined not more than \$5,000.
  - In addition, any applicant or tenant affected by negligent disclosure of information may bring civil action for damages, and seek other legal relief.

4350.3 REV-1; Ch. 3,  
Par. 3-11

4350.3 REV-1; Appendix 15,  
“Title 18, Section 1001”

Notes

**HUD-required Verification and Consent Forms**

- Adult family members sign two HUD-required forms.
  - HUD-9887, *Notice and Consent to the Release of Information to HUD and to a PHA*
  - HUD-9887-A, *Applicant/Tenant’s Consent to the Release of Information – Verification by Owners of Information Supplied by Individuals who Apply for Housing Assistance*
- **Form HUD-9887**
  - Designed to authorize collection of certain automated information and to facilitate income matching
  - Allows HUD to collect information from a state agency that maintains wage and unemployment claim information (SWICA)
    - Limited to wage and unemployment compensation from last 5 years of housing assistance
  - Allows HUD to collect information from the Internal Revenue Service (IRS) and Social Security Administration (SSA)
    - Limited to current income tax return and W-2 form
  - Signed by head of household, spouse, co-head and each family member at least 18 years of age
  - Signed at initial certification and annual recertification

4350.3 REV-1; Ch. 5, Par. 5-15

**Trainer Note:**

At this point, the trainer should talk the participants through the contents of the HUD-9887 and 9887-A forms.

4350.3 REV-1; Ch. 5, Exhibit 5-5

**Trainer Note:**

HUD has been given authority to match tenant data with the National Directory of New Hires. This authority is being added to the HUD-9887 and the match will be available to owners in the future.

*Notes*

- **Form HUD-9887-A**
  - Allows owners to request and receive information from third-party sources about family
  - Signed by owner, head of household, spouse, co-head and each family member at least 18 years of age
  - Signed at initial certification and annual recertification
- Owners must provide applicants and participants with a copy of signed consent forms, HUD-9887 and HUD-9887-A, as well as:
  - HUD-9887 Fact Sheet, describing verification requirements
  - Resident Rights and Responsibilities brochure
- HUD-9887 and HUD-9887-A forms are valid for 15 months from date of signature.
- HUD-9887 may be used at any time during the entire 15 month effective period.
- HUD-9887-A is used during the 120 day period before the effective date of the certification or recertification.
- After the effective date of the certification/recertification, HUD-9887-A used only when owner has reason to believe tenant-supplied information is incorrect
  - If the tenant has received housing assistance any time during the previous five years, the HUD-9887-A may be used to obtain information from that time period.

4350.3 REV-1; Ch. 5,  
Exhibit 5-6

*Notes*

**Owner-developed Verification Forms**

- Owners create their own verification forms to request information from employers, child care providers, and medical professionals, and information on other items requiring verification.
- The forms:
  - Must include HUD-required language
  - Must clearly indicate who will provide the requested information and who will receive it
  - Are sent to third-party sources with original applicant/tenant signatures
- All adult family members must sign the specific verification forms needed by the owner to verify family income and other applicable eligibility factors.
- Appendix 15 of Handbook 4350.3 REV-1 gives owners specific instructions on:
  - Development of individual consent and verification forms
  - Verification of disability for purposes of establishing qualification for certain income deductions based on disability (discussed in Module 4)
  - Types of information to request when verifying eligibility, income and expenses

4350.3 REV-1; Ch. 3, Par. 3-11, Ch. 5, Par. 5-15, 5-17

**Trainer Note:**

HUD-required language found in 4350.3 REV-1, Appendix 15

4350.3 REV-1; Appendix 15

*Notes*

- All owner created consent forms must:
  - State in bold (or other emphasis) in a prominent place that the applicant/tenant does not have to sign the consent if it is not clear who will provide the information or who will receive the information
  - Include verbatim (Title 18...) the explicit statement on the penalties for misusing the consent form
  - Request only that information necessary to determine the person's eligibility or level of assistance
  - Include verbatim the authorization and consent statement to be signed by the applicant/tenant
    - Statement limits information collected to no more than 12 months old
    - Statement notes that verification of information up to 5 years old would require a separate consent, attached to the signed consent
  - Provide a space for the title, agency/organization, and signature of the third party who is supplying the information. This information will be provided by the third party.
- All owner-created verification forms are valid for 15 months from date of signature.
- Owner-created verification forms are used to gather prospective information about anticipated income.
- When gathering historical data, information requested by owner-created verification forms are restricted to data no more than 12 months old.
  - If owner receives inconsistent information and has reason to believe tenant-supplied information is incorrect, owner may use HUD-9887-A to gather information from any time in last 5 years.

4350.3 REV-1; Appendix 15

**Trainer Note:**  
 HUD-required language found in 4350.3 REV-1, Appendix 15; referred to here as the “Title 18” language.

4350.3 REV-1; Ch. 5, Par. 5-17A

*Notes*

- Owner-created verification forms are used during the 120 day period before the effective date of the certification or recertification.
  - After the effective date of the certification/recertification, owner-created forms are used only when owner has reason to believe tenant-supplied information is incorrect.

Notes

## **PART II DISCLOSURE OF SOCIAL SECURITY NUMBERS**

### **Basic Requirements**

- The head of household, spouse or co-head must disclose SSNs for all family members who are at least six years of age.
- If no SSN has been assigned to a family member, the individual (or parent or guardian for a minor) must sign a certification saying that no SSN has been assigned.
  - At *each* recertification, any family member who previously reported having never received an SSN must again certify that no SSN has been assigned, or supply verification of SSN if one has been assigned.
- After initial disclosure and verification of SSNs:
  - A new member who is at least six years of age must comply with SSN requirements at the next interim or annual recertification
  - A family member that reaches the age of six must comply with SSN requirements at the next annual recertification

4350.3 REV-1; Ch. 3,  
Par. 3-9

4350.3 REV-1; Ch. 5,  
Par. 5-17

*Notes*

**Required Documentation**

- Applicants/tenants must provide documentation of SSNs
- Adequate documentation of SSN means:
  - Original social security card issued by the Social Security Administration (SSA) – **preferred**
  - Driver’s license with SSN
  - Identification card issued by a federal, State, or local agency, a medical insurance provider, or an employer or trade union
  - Earnings statements on payroll stubs
  - Bank statement
  - Form 1099
  - Benefit award letter
  - Retirement benefit letter
  - Life insurance policy
  - Court records
- Where the applicant/tenant supplies SSN documentation other than the original social security card issued by SSA, the applicant/tenant must also certify that the document is complete and accurate.

4350.3 REV-1; Appendix 3

**Trainer Note:**

Note that the original Social Security card issued by the SSA is the preferred documentation, but other forms of documentation are acceptable under certain circumstances.

4350.3 REV-1; Ch. 3,  
Par 3-31

*Notes*

**Applicants/Tenants Unable to Document SSN**

- An applicant that has a SSN but does not have the required documentation may certify to the number and its accuracy.
- In such cases, owners must accept the certification and continue to process the application. However, a family is not permitted to lease a unit until all SSN documentation requirements are met.
  - A family that is otherwise eligible may retain its place on the waiting list for 60 days from the date of the certification.
  - After 60 days, if the family is unable to supply the required SSN documentation, the family is determined ineligible and removed from waiting list.
  - Owner may allow elderly applicants who are unable to submit within the first 60-day period an additional 60 days.

4350.3 REV-1; Ch. 3,  
Par 3-9

**Immigrants Requesting Temporary Lawful Resident Status**

- A person who applies for legalization under the Immigration and Reform Control Act of 1986 is issued a SSN.
  - However, the social security card is held by the Department of Homeland Security (DHS) until the individual is granted temporary lawful resident status.
  - Until the person receives a social security card, the owner may accept as documentation a letter from DHS that states that a SSN has been assigned.

4350.3 REV-1; Ch. 3,  
Par 3-9

**NOTES**

Notes

## PART III DOCUMENTATION OF CITIZENSHIP AND ELIGIBLE IMMIGRANT STATUS

### Basic Requirements

- By law, assistance in federally subsidized housing is restricted to:
  - U.S. citizens or nationals
  - Noncitizens who have eligible immigration status
- The following properties covered by 4530.3 REV-1 are *not* subject to restriction on assistance to noncitizens:
  - Section 221(d)(3) BMIR
  - Section 202 PAC
  - Section 202 PRAC
  - Section 811 PRAC
  - Section 202, with units *not* receiving Section 8 or Rent Supp assistance
- All family members, regardless of age, must declare their citizenship or immigration status.
- Noncitizens must submit appropriate documentation.
  - See **Documentation Requirements** (below) for specific documentation to be submitted by each category of noncitizens.
- A mixed family—a family with one or more ineligible family members and one or more eligible family members—may receive either prorated assistance or continued assistance.
  - Family must have established eligibility prior to 11/29/96 in order to be eligible for continued assistance. See later discussion under *Continued Assistance*.

4350.3 REV-1; Ch. 3,  
Par 3-12A. & B.

*Notes*

- Applicants who hold a noncitizen student visa are ineligible for assistance, as are any noncitizen family members living with the student.
- Owners are responsible for administering restriction on assistance to noncitizens in accordance with regulations.

**Documentation Requirements at Admission**

- Owners determine applicant's citizenship or immigration status during the initial eligibility determination.
- Owners obtain documentation for each family member, regardless of age.
- Owners give each applicant notification of requirement either to submit documentation of citizenship/eligible immigration status or to choose not to claim eligible status.
- Notification must:
  - State that financial assistance is contingent on submission and verification of citizenship or eligible immigration status
  - Describe the type of evidence that must be submitted
  - Give time period in which evidence must be submitted
  - State that assistance may be prorated, denied, or terminated if any or all family members are determined ineligible for assistance
- **For U.S. Citizens**
  - Signed declaration of citizenship
  - Owners may require verification of declaration through U.S. birth certificate or U.S. passport
- **For noncitizens 62 years of age and older**
  - Signed declaration of eligible noncitizen status
  - Proof of age

4350.3 REV-1; Ch. 3,  
Par 3-12E., G, I.

*Notes*

- **For noncitizens under age 62 who claim eligible status**
  - Signed declaration of eligible immigration status
  - Signed consent form
  - Dept. of Homeland Security (DHS) approved document
- **For noncitizens under age 62 not claiming eligible status**
  - No specific documentation is required beyond signed statement acknowledging ineligibility for assistance

4350.3 REV-1; Ch. 3, Figure 3-4

**Trainer Note:**

Appendix 3 of the RHIP Case Studies training materials includes a reprint of 4350.3 Rev-1, Figure 3-4, listing approved DHS documents.

**Documentation Requirements after Admission**

- If status of a family member changes from ineligible to eligible, the family may request an interim recertification to re-determine eligibility.
- If a new member joins the family, required evidence of citizenship/immigration status must be submitted at the first interim or regular recertification after the person moves to the unit.

**Submitting Documentation**

- Applicants submit required documentation of citizenship/immigration status within the timeframe specified by the owner.
- If applicant cannot supply documentation within the specified timeframe, the owner may grant the applicant an extension of not more than 30 days.
  - Owner may establish shorter extension period based on circumstances of the individual case.
  - Owner informs applicant in writing:
    - If request is granted, owner includes new deadline for submitting the documentation
    - If request is denied, owner must state the reasons for the denial.

4350.3 REV-1; Ch. 3, Par 3-12J., K.

*Notes*

- **NOTE:** Because of prohibition against delaying assistance to obtain verification of citizenship/immigration status, owners should implement procedures to verify eligible immigration status as early as possible in the eligibility verification process.

**Verification of Immigration Status**

- Owners must verify with Dept. of Homeland Security (DHS) the validity of documents provided by applicants and tenants.

- **Primary Verification**

- Owners are not required to verify the status of members who claim they are not eligible.
- Owner's use DHS automated computer-based system – the Systematic Alien Verification for Entitlements (SAVE) system – to verify the applicant's status in the Alien Status Verification Index (ASVI) database.
- Refer to 4350.3 REV-1, Chapter 3, for details on conducting primary verification using the DHS system.

- **Secondary Verification**

- Where primary verification fails, owners may need to institute manual secondary verification process.
- Within 10 days of receiving notification to institute secondary verification, owner prepares DHS Form G-845S.
- Owner sends Form G-845S, and photocopies of DHS documents submitted by family member, to DHS.
- DHS returns to the owner a copy of Form G-845S indicating results of secondary verification.

4350.3 REV-1; Ch. 3,  
Par 3-12L.

4350.3 REV-1; Appendix 2

4350.3 REV-1; Ch. 3,  
Par 3-12L.

Notes

**Notification and Appeals**

- Once owner has determined the citizenship/immigration status of all family members, owner must:
  - Notify family that family is eligible for full assistance
  - Notify family that family is eligible for partial assistance, as a mixed family
  - Notify family that family is ineligible for assistance (must be in writing)
  
- Where a determination of ineligibility is based on DHS determination, family has 30 days to appeal a negative decision directly to the DHS.
  - DHS should respond to appeal within 30 days
  - If the DHS decision results in a negative determination of eligibility, the family has 30 days to request a hearing with the owner.
  
- Owners may *not delay* family’s assistance if family submitted immigration information in a timely manner but DHS verification or appeals process has not been completed.
  - If at least one member of the family is eligible, the owner must offer the family an available unit.
  - Owner offers full assistance to those family members whose documents were received on time.
  - Family members who did not submit documentation on time are considered “ineligible” for purposes of computing assistance, until verification and appeals process has been completed.
  - Owners provide appropriate assistance (full or prorated) to such families until information establishing the immigration status of any remaining noncitizen family members has been received and verified.

4350.3 REV-1; Ch. 3, Par 3-12K.

4350.3 REV-1; Ch. 3, Par 3-12M

4350.3 REV-1; Ch. 3, Par 3-12K.

**Trainer Note:**

This can be a tricky determination if a family member did not submit documentation on time. Trainer should walk through example on pg. 3-25 of 4350.3 REV-1 to illustrate this point.

*Notes*

4350.3 REV-1; Ch. 3,  
Par 3-12N., P.

**Prorated Assistance for Mixed Families**

- “Mixed families” include members that are citizens and/or eligible immigrants, plus members that are noncitizens without eligible immigration status.
- Amount of assistance is adjusted based on number of eligible family members compared with total number of family members.
- Number of eligible family members divided by total number of family members produces a fraction.
- Full assistance payment multiplied by the fraction equals prorated assistance.
  - Note: When determining the full assistance payment, the income of *all* family members, including ineligible noncitizens, must be counted.
- Prorated assistance results in increased TTP.

***Example***

- 4 eligible family members
- 5 total family members
- \$600 full assistance
- \$200 current TTP
- $\$600 \times \frac{4}{5} = \$480$  prorated assistance
- $(\$600 - \$480) + \$200 = \$320$  new TTP

*Notes*

**Continued Assistance for Mixed Families**

4350.3 REV-1; Ch. 3,  
Par 3-12O., P.

- Mixed family receiving assistance on 6/19/95 entitled to continue to receive full assistance if:
  - Head, spouse, or co-head was a citizen or had eligible immigration status
  - Family did not include any members who did not have eligible immigration status, except for head, spouse, parents of the head, parents of the spouse, or children of head or spouse
- Eligibility for continued assistance must have been established prior to 11/29/96.
- If any non-eligible family members added after 11/29/96, the family qualifies for prorated assistance.

**NOTES**

## CASE STUDY 1: THE HUNT FAMILY

### Background

- The Hunt family is applying for an apartment in Edgewater Apartments.
- Lucy Hunt, the head of household, is a 37 year old single mother. Her three children – daughter Sara, age 17, daughter Susan, age 5, and son Sammy, age 13 – live with her.
- Lucy’s boyfriend, Ricky Ricardo, also lives with her and is considered a member of the family. Ricky is not considered by the family to be the head or co-head, but as another adult member of the family.
- Today’s date is March 15 and you are processing the family’s application for housing.
- [Note: For Case Study 1, assume that the family is income-eligible. Case Study 1 will focus on documentation that the Hunts must provide. Case Studies 2 and 3 will address income and rent issues.]

**Question 1:** The Hunt family must consent to and authorize the owner to request independent verification of data required for program participation. In addition, the Hunt family must disclose and document social security numbers (SSNs). For each member of the Hunt family, indicate whether or not consent and SSN disclosure are required.

Member	Name	Age	Consent Required?		SSN Disclosure Required?	
			Yes	No	Yes	No
Head	Lucy	37	Yes	No	Yes	No
Other Adult	Ricky	38	Yes	No	Yes	No
Daughter	Sara	17	Yes	No	Yes	No
Son	Sammy	13	Yes	No	Yes	No
Daughter	Susan	5	Yes	No	Yes	No

**Question 2:** As a part of the application process, you have informed the Hunt family of the requirement either to submit evidence of citizenship or eligible immigration status, or to choose not to claim eligible immigration status. Are there any Hunt family members where establishment of citizenship or immigration status is **not** required? If so, which ones?



**Question 4:** Ricky eventually provides you with an annotated Form I-94, Arrival-Departure Record as evidence of eligible immigration status. You have now received acceptable citizenship or eligible immigration status documentation from all Hunt family members. Are your responsibilities for documentation of citizenship or eligible immigration status for all Hunt family members now complete? If not, what else must you do?

**Question 5:** You have developed your own verification form to request information on family income for the Hunt family. A copy of that verification form is included on the following page. Does this form meet HUD's requirements for owner-developed verification forms? Explain your answer.

# Sample Owner Verification Form

## VERIFICATION CONSENT

**DATE:**

**FROM:** David Scott  
Edgewater Apartments

**RETURN THIS VERIFICATION TO THE PERSON LISTED ABOVE**

**SUBJECT:** Verification of Information Supplied by an Applicant for Housing Assistance

**NAME:** \_\_\_\_\_

**ADDRESS:** \_\_\_\_\_

This person has applied for housing assistance under a program of the U.S. Department of Housing and Urban Development (HUD). HUD requires the housing owner to verify all information that is used in determining this person's eligibility or level of benefits.

We ask your cooperation in providing the following information and returning it to the person listed at the top of the page. Your prompt return of this information will help to ensure timely processing of the application for assistance. Enclosed is a self-addressed, stamped envelope for this purpose. The applicant/tenant has consented to this release of information as shown below.

=====

**INFORMATION BEING REQUESTED**

\_\_\_\_\_  
Name and Title of Person  
Supplying the Information

\_\_\_\_\_  
Firm/Organization

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

=====

**RELEASE:** I hereby authorize the release of the requested information. Information obtained under this consent is limited to information that is no older than 12 months. There are circumstances that would require the owner to verify information that is up to 5 years old, which would be authorized by me on a separate consent attached to a copy of this consent.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**Question 6:** Using your personal computer, you access the SAVE AVSI database to perform primary verification of the documents provided by the Hunt family. For each family member, the system returns a message as listed below. For each Hunt family member, indicate whether the verification process is complete.

Member	Name	Age	AVSI Message	Verification Completed?	
Head	Lucy	37	Lawful Permanent Resident	Yes	No
Other Adult	Ricky	38	Institute Secondary Verification	Yes	No
Daughter	Sara	17	Lawful Permanent Resident	Yes	No
Son	Sammy	13	Lawful Permanent Resident	Yes	No

**Question 7:** Let’s assume that secondary verification was necessary in this instance for Ricky. How would this be accomplished?

**Question 8:** While awaiting reply from DHS on secondary verification for Ricky, an apartment becomes available and the Hunt family is the “next” applicant family on the waiting list. Can you offer the unit to the Hunt family? Why or why not?

**TRAINER NOTES: APPROACH TO CASE STUDIES 2 AND 3 AND PRESENTATION MATERIALS****Purpose**

- Case studies 2 and 3 reinforce learning from Case Study 1 related to documentation and introduce HUD requirements related to new sources of income including: welfare (TANF), unemployment, sporadic income, food stamps and food contributions, regular contributions. Treatment of lump sum receipts is also highlighted.

**Materials**

- The written materials in Part IV summarize Handbook 4350.3 REV-1 requirements.
- Both cases studies continue with the Hunt family that was introduced in Case Study 1.
- In Case Study 2 family composition is unchanged. The focus of the exercises is to determine which sources of income are included and excluded and then to compute the family's income, TTP and assistance payment.
- In Case Study 3 an additional family member moves into the unit. This person ultimately is determined to be an ineligible noncitizen. The exercise focuses on understanding applicable documentation requirements, appeals to Dept. of Homeland Security (DHA) and the owner, and pro-rating the assistance payment for a mixed family.
- Answers to case studies 2 and 3 start on page 2-81 (Attachments C and D) of the Participant Manual.

**Presentation vs. Review**

- In a conference call format, participants are expected to have reviewed Parts I-III and completed the case study in advance.
- In a classroom training setting Parts I-III should be presented as an interactive discussion and participants should complete the case study in class.

**Tips and Cautions**

- While many types of “contributions” may come in to the family, some are “income” and some are not. This is an important point to make in Case Study 2.
- Case Study 3 illustrates the situation of family members without eligible immigration status, yet earning income that must be counted in the family's annual income. The individual's full income must be counted, despite the fact that the family must pay an increased rent due to the individual's ineligible status. This may be a confusing point for some and merits discussion.

*Notes*

## **PART IV ADDITIONAL TYPES OF ANNUAL INCOME**

### **Overview**

- 24 CFR 5.609 lists sources of income that by law are included in annual income and excluded from annual income (see Appendix 2).
- Module 1 discussed the following types of income:
  - Earned income, including wages, bonuses, commissions and tips
  - Alimony and child support
  - Foster care payments
- This module discusses the treatment and verification of the following additional sources:
  - Welfare assistance and Temporary Assistance for Needy Families (TANF)
  - Unemployment assistance
  - Regular contributions and gifts
  - Casual or sporadic income
  - Food stamps and food contributions
  - Lump sum payments
  - Adjustments for prior overpayment

## Notes

**Welfare Assistance and Temporary Assistance for Needy Families (TANF)**

- Welfare assistance received by the family is included in annual income
  - Welfare assistance could be provided by state, county or local entities
- Temporary Assistance for Needy Families (TANF) is considered welfare assistance under 24 CFR 5.609(b)(6).
- Certain payments made by the welfare agency are *excluded*:
  - Amounts received to pay or in reimbursement of medical expenses of any family member
  - Amounts received to pay or in reimbursement of out of pocket expenses (uniforms, transportation, child care) which are made to enable the person's participation in a specific program
- Special calculations are necessary for “as-paid” state, county or local public assistance programs.
- “As-paid” system means a system where:
  - The family receives an amount from a public agency specifically for shelter and utilities; and
  - The amount is adjusted based upon the actual amount the family pays for shelter and utilities.
- Additional information and examples of the special calculations are discussed in Part V of this module.
- **Third-party Verification**
  - **Written:** Award or benefit notification letters prepared and signed by authorizing agency
  - **Oral:** Telephone or in-person contact with income source, documented in file by the owner

4350.3 REV-1; Exhibit 5-1

**Trainer Note:**

Appendix 2 of the RHIP Case Studies training materials includes a reprint of 4350.3 Rev-1, Exhibit 5-1, listing the income inclusions and exclusions.

4350.3 REV-1; Ch. 5, Par 5-6l.

4350.3 REV-1; Appendix 3

Notes

- **Documents Provided by Applicant/Tenant**
  - Current or recent check stubs with date, amount, and check number recorded by the owner
  - Award letters or computer printout from agency
  - Copies of validated bank deposit slips, with identification by bank
- **Verification Tips**
  - Checks, check stubs, or automatic bank deposit slips will not necessarily provide gross amounts of benefits if applicant has deductions made for any reasons.
  - Award letters/printouts from agency may be out of date; telephone verification of letter/printout is recommended.

**Payments in Lieu of Earnings**

4350.3 REV-1; Exhibit 5-1

- Payments received in lieu of earnings are counted in annual income under 24 CFR5.609 (b)(5).
- Except for certain lump sum amounts, discussed later in this module, payments in lieu of earnings includes:
  - Unemployment
  - Disability compensation
  - Worker’s compensation
  - Severance pay
- This module focuses on unemployment.

*Notes*

4350.3 REV-1; Appendix 3

- **Third –party Verification**
  - **Written:** Verification form completed by unemployment compensation agency
  - **Oral:** Telephone or in-person contact with agency, documented in file by the owner
- **Documents Provided by Applicant/Tenant**
  - Copies of checks or records from unemployment agency provided by applicant stating payment amounts and dates
  - Benefit notification letter signed by authorizing agency
- **Verification Tips**
  - Award letters/printouts from agency may be out of date; telephone verification of letter/printout is recommended.
  - Frequency of payments and expected length of benefit term must be verified.
  - Income not expected to last full 12 months must be calculated based on 12 months and interim recertification completed when benefits stop.

*Notes***Regular Contributions and gifts**

- Owners must count as income any regular contributions and gifts from persons not living in the unit. This includes:
  - Rent and utility payments paid on behalf of the family
  - Other cash or non-cash contributions provided on a regular basis, unless otherwise excluded [see Food Contributions below.]
- Contributions made to a family's child care provider, by a person not living in the unit, are excluded from the family's income.
  - NOTE: Where child care expenses are reimbursed by an outside source, these expenses are not eligible to be used for a child care deduction.
- **Third-party Verification**
  - **Written:** Notarized statement or affidavit signed by the person providing the assistance giving the purpose, dates, and value of gifts
  - **Oral:** Telephone or in-person contact with source, documented in file by the owner
- **Documents Provided by Applicant/Tenant**
  - Copies of checks paid to the care provider
  - Contract or agreement with a child care center
- **Applicant/Tenant Self Declaration as Verification**
  - Notarized statement or affidavit signed by applicant stating purpose, dates, and value of gifts
- **Verification Tips**
  - Child care is often an informal (and sometimes cash) arrangement. If a family provides a self declaration, explain to the family the records that should be kept in the future.

4350.3 REV-1; Ch. 5,  
Par 5-6F., Exhibit 5-1

**Trainer Note:**

This can be a confusing point. Amounts paid to the family to reimburse child care expenses can neither be used as child care deduction or income.

4350.3 REV-1; Appendix 3

Notes

**Casual or Sporadic Income**

- Temporary, nonrecurring, or sporadic income (including gifts) is *excluded* from annual income. This would include:
  - Gifts for special occasions (birthdays, Christmas, etc.)
  - Occasional part-time work such as paid baby-sitting
  - One-time, short term job opportunities that are not expected to reoccur (e.g., 4 weeks employment at a delivery service during the holiday season)

**Food Stamps and Food Contributions**

- Generally, the *value* of food provided to the family from a source outside the family is excluded from income. This includes:
  - Meals on Wheels program
  - Food stamps
  - Other programs providing food for the needy
  - Groceries provided by persons not living in the household
  - Amounts received under the School Lunch Act and the Child Nutrition Act of 1966, including reduced lunches and food under the Supplemental Food Program for Women, Infants and Children (WIC)
- However, if someone outside the family regularly provides money to the family, with the intent of enabling the family to purchase groceries, this would be considered a regular contribution and would be counted.

4350.3 REV-1; Exhibit 5-1

4350.3 REV-1; Ch.5, Par 5-6P., Exhibit 5-1

**Trainer Note:**

4350.3 REV-1 permits the exclusion of the *value* of food provided as groceries. It does not permit the exclusion of cash contributions made with the intent that they be used for food.

*Notes***Lump Sum Payments as Assets**

- Lump sum amounts received by a family are generally considered assets. This includes such receipts as:
  - Inheritances
  - Lump sum lottery winnings
  - Insurance settlements
  - Proceeds from sale of property
  - Settlements from claim disputes over welfare, unemployment, or similar benefits

4350.3 REV-1; Ch.5, Par 5-6O., Exhibit 5-1

**Lump Sum Payments as Income**

- Some lump sum receipts must be counted as income. These include:
  - Most payments caused by delays in the start of a periodic payment (see below)
  - Lottery winnings paid in periodic payments

4350.3 REV-1; Ch.5, Par 5-6O., Exhibit 5-1

**Delays in Processing Periodic Payments**

- Lump sum payments caused by delays in processing periodic payments for unemployment or welfare assistance are included as income.
- How lump sum payments for delayed start of benefits are counted depends upon:
  - When the family reports the change,
  - When an interim re-examination is conducted, and
  - Whether the family's income increases or decreases as a result.

*Notes*

- **Example**
  - Family member loses job on 10/19 and applies for unemployment. Family member receives lump-sum \$700 payment in December to cover 10/20 through 12/5 and begins to receive \$100/week on 12/6.
    - **Option A:** Owner processes one interim reexam immediately, effective 11/1 (to reduce employment income to \$0), and a second interim, effective 1/1, after the unemployment benefits are known.
    - **Option B:** Owner processes one interim reexam, effective 1/1, after the unemployment benefits are known. Reexam is effective retroactively to 11/1, and credit/refund issued to family for rent overpayment in Nov. and Dec.
  - See 4350.3 REV-1, Figure 5-3, for a detailed discussion of this example.
- Lump sum social security or SSI payments that are as a result of deferred periodic payments are excluded from annual income.

### **Adjustments for Prior Overpayment**

- Where an agency is reducing a family's benefits to adjust for a prior overpayment of benefits, count the amount the family is actually provided after the reduction.
- Benefits could include social security payments, SSI, TANF, or unemployment benefits.
- Reduction in benefits should be verified through the normal avenues for verifying the benefit amount.

4350.3 REV-1; Ch.5, Par 5-6H.

## CASE STUDY 2: THE HUNT FAMILY AGAIN

### Background

- You are processing the Hunt family annual reexamination, to be effective on the anniversary date of the family’s move-in, June 1st.
- The Hunt family composition remains unchanged from their admission – Lucy, Ricky, Sara, Sammy and Susan—as reflected in the chart below.
  - The chart summarizes the results of the determinations you made in Case Study 1. SSNs were disclosed (but not necessarily documented) for all family members. Citizenship and/or eligible immigration status was established for all family members, through either primary or secondary verification.

Member	Name	Age	Disabled?	SSN	Citizen status
Head	Lucy	38	N	123-45-6789	Eligible NC
Other Adult	Ricky	39	N	987-65-4321	Eligible NC
Daughter	Sara	18	N	123-45-6788	Eligible NC
Son	Sammy	14	N	123-45-6787	Eligible NC
Daughter	Susan	6	N	123-45-6786	Citizen

- Based on the appropriate occupancy standards, the family is living in a 3-bedroom unit at Edgewater Apartments. The contract rent for the unit is \$900 and the family receives a \$75 utility allowance.

**Question 1:** What are the owner’s responsibilities at this annual recertification with respect to the consent and authorization, SSN disclosure and citizenship documentation requirements discussed in Case Study 1?

- The Hunt family anticipates that it will receive the following income during the coming year.
  - Lucy will receive \$200 per month in food stamps.
  - Lucy reports that her mother will continue to help out by bringing the family about \$100 worth of groceries each month and by making Lucy’s \$300 car payment each month.
  - Lucy also reports that over the past year, her mother gave the family some cash “every now and then.” These contributions totaled \$200 and were received infrequently, whenever the family needed a little help. Lucy does not know whether her mother will provide any additional cash over the coming year.
  - Ricky was employed over the past year, but has recently lost his job (during the annual reexamination process). Ricky has applied for unemployment benefits but has not yet received them. Ricky’s income is now \$0. However, he states that he expects to pick-up odd jobs for awhile until he gets unemployment, and possibly after his unemployment payments begin.
  - Daughter Sara, now age 18, has been working part-time at Starbucks for the past year. She has graduated from high school and will continue to live at home while attending Central Community College full-time over the coming year. She will also continue to work at Starbucks part-time, earning \$6.50 per hour while working 20 hours per week.
  - Lucy will continue to receive TANF at \$600 per month.

**Question 2:** Based on the income information provided, compute Annual income, Adjusted Income, Total Tenant Payment and Assistance Payment for the Hunt family for the annual reexamination effective June 1st. Assume no income from assets.

4a. Family Member Name	4b. FM #	Calculation	4c. Employment or Business	4d. Social Security, Pensions, etc.	4e. Public Assistance	4f. Other Income
<b>4g. Total Income from each source</b>			\$	\$	\$	\$
<b>5. Total Income All Sources</b>			Add all amounts on Line 4g. above:			\$
<b>6. Total Annual income</b>			Add <b>Line 5.</b> + Total Asset Income:			\$

<b>6. Total Annual Income:</b> Carryover from <b>Line 6.</b> on <b>Annual Income</b> table		\$	
<b>Dependent Allowance</b>			
<b>7. Allowance for Dependents</b> (# of dependents _____ x \$480)		\$	
<b>Child Care Allowance</b>			
<b>8. Child Care Allowance</b> (Line 8a. plus Line 8b.)		\$	
8a. Expense enabling family member to work (may not exceed \$ earned by family member enabled to work)	\$		
8b. Expense enabling family member to attend school and/or look for work	\$		
<b>Elderly/Disabled Household Allowance</b>			
Elderly/Disabled Household Allowance (\$400 or \$0)		\$	
<b>Disability Assistance Expenses</b>			
<b>10. Enter total unreimbursed disability assistance expenses:</b>	\$		
<b>11. Enter 3% of Total Annual Income</b> (Line 6. x .03)	\$		
<b>12. Maximum allowable disability assistance expense</b> (Line 10. minus Line 11.)			
• If positive or zero, enter in <b>Box 12a.</b>	12a. \$		
• If negative, enter as positive number in <b>Box 12b.</b>	12b. \$		
<b>13. Enter \$ earned by family member enabled to work as a result of disability expenses</b>	\$		
<b>14. Enter lower of Line 12a. or Line 13.</b> If Line 12a. is blank or zero, enter zero	\$		
<b>Medical Expenses</b>			
<b>15. Enter the total annual unreimbursed medical expenses for all family members of a disabled or elderly family</b>	\$		
<b>Medical/Disability Assistance Expenses Allowance</b>			
<b>16. Enter the total of Line 14. and Line 15.</b>	\$		
<b>17. Enter Line 12b.</b> If Line 12b. is blank or zero, enter zero.	\$		
<b>18. Medical/Disability Assistance Expense: Line 16. minus Line 17.</b> (but not less than zero)		\$	
<b>19. Total Allowances: Total of Lines 7., 8., 9. and 18.</b>		\$	
<b>Total Adjusted Income</b>			
<b>20. Adjusted Annual Income: Line 6. minus Line 19</b>		\$	

1.	<b>Monthly Income</b> (Line 6. from Annual Income table ÷ 12)	\$
2.	<b>Monthly Adjusted Income</b> (Line 20. from Adjusted Income table ÷ 12)	\$
3.	<b>30% of Monthly Adjusted Income</b> (Line 2. x .30)	\$
4.	<b>10% of Monthly Income</b> (Line 1. x .10)	\$
5.	<b>Welfare Rent</b> (If applicable)	\$
6.	<b>Minimum Rent</b> (\$25 for Section 8 / \$0 for PAC/PRAC)	\$
7.	<b>Total Tenant Payment</b> (greater of Line 3., 4., 5., or 6.) <i>Note:</i> May never exceed unit gross rent in Sec. 8 or PAC programs.	\$
8.	<b>Utility Allowance (UA)</b>	\$
9.	<b>Tenant Rent:</b> TTP – UA (Line 7. minus Line 8.)	\$
	<b>a. Tenant Rent:</b> If positive number, enter	\$
	<b>b. Utility Reimbursement:</b> If negative number, enter as positive	\$

1.	<b>Contract Rent:</b>	\$
2.	<b>Utility Allowance</b> (same as Line 8. on Tenant Rent Calc. table)	\$
3.	<b>Gross Rent</b> (Line 1. plus Line 2.)	\$
4.	<b>TTP</b> (same as Line 7. on Tenant Rent Calc. table)	\$
5.	<b>Assistance Payment:</b> (Line 3. minus Line 4.)	\$
5.a.	<b>Assistance Payment to Owner for Rent</b> (Lesser of Line 5. or Line 1.)	\$
5.b.	<b>Assistance Payment to Owner for Utility Reimbursement</b> (Line 5. minus Line 5.a.)	
	<i>Note:</i> Should equal <b>Line 9.b.</b> on <b>Tenant Rent Calc.</b> table	\$

**Question 3:** On June 20th, Ricky reports that he has just received a lump-sum unemployment payment of \$750, to cover his unemployment benefits through June 15th. In addition he reports that, beginning June 16th, he started receiving \$125/week in regular unemployment payments.

- You have already processed the annual reexamination, effective June 1st, with Ricky's income as \$0. What will you do with this new information on Ricky's prospective income? How much, if any, of Ricky's income will you count for the current year?

**Question 4:** On August 5th, Lucy reports that she has just been notified by the local TANF agency that her monthly TANF benefit is being reduced to adjust for a prior overpayment of TANF benefits. Her usual TANF payment of \$600/month will be reduced to \$500, effective with the payment for September 1st and continuing through May of the following year. What, if anything, will you do with this new information on Lucy's income?





**Question 4:** The Hunt family elects not to appeal the DHS determination to DHS. Randy elects to sign a declaration that he does not have eligible immigration status. Because the family wishes to have Randy remain in the unit, the family accepts the offer of prorated rental assistance.

- Below is the current information for the Hunt family, as of the last interim reexamination (from Case Study 2). Based on this information, compute the family’s prorated rental assistance and their new tenant rent, for the interim reexamination effective Nov. 1st.

<b>7. Total Tenant Payment</b> (greater of Line 3., 4., 5., or 6.) <i>Note:</i> May never exceed unit gross rent in Sec. 8 or PAC programs.		<b>\$ 397</b>
<b>8. Utility Allowance (UA)</b>		<b>\$ 75</b>
<b>9. Tenant Rent:</b> TTP – UA (Line 7. minus Line 8.)	<b>a. Tenant Rent:</b> If positive number, enter	<b>\$ 332</b>
	<b>b. Utility Reimbursement:</b> If negative number, enter as positive	<b>\$ 0</b>

<b>1. Contract Rent:</b>		<b>\$ 900</b>
<b>2. Utility Allowance</b> (same as Line 8. on Tenant Rent Calc. table)		<b>\$ 75</b>
<b>3. Gross Rent</b> (Line 1. plus Line 2.)		<b>\$ 975</b>
<b>4. TTP</b> (same as Line 7. on Tenant Rent Calc. table)		<b>\$ 397</b>
<b>5. Assistance Payment:</b> (Line 3. minus Line 4.)		<b>\$ 578</b>
<b>5.a. Assistance Payment to Owner for Rent</b> (Lesser of Line 5. or Line 1.)		<b>\$ 578</b>
<b>5.b. Assistance Payment to Owner for Utility Reimbursement</b> (Line 5. minus Line 5.a.) <i>Note:</i> Should equal <b>Line 9.b.</b> on <b>Tenant Rent Calc.</b> table		<b>\$ 0</b>

**Answer:**

Number of eligible family members:

Total Number of family members:

Prorated Assistance:

Increase in Hunt family TTP:

New TTP:

New Tenant Rent:

**Question 5:** On March 5th, Randy reports that he will be starting a job on March 10th. What will you do with this new information on Randy's prospective income? Given that Randy does not have eligible immigration status and the family is paying prorated rent, must you consider Randy's income in the assisted family's annual income?

**TRAINER NOTES: APPROACH TO CASE STUDY 4 AND PRESENTATION MATERIALS****Purpose**

- Case Study 4 covers three separate “advanced” topics:
  - Exemptions to the minimum rent requirement
  - Welfare income in as-paid states
  - Utility reimbursements

**Materials**

- The written materials in Part V summarize the Handbook 4350.3 REV-1 requirements. The discussion of utility reimbursements is characterized as a “refresher” because the concept was introduced in Module 1.
- Case Study 4A addresses minimum rent exemptions. The concept of minimum rent (as part of the TTP formula) was covered in Module 1, but the exemption criteria were not discussed.
- Case Study 4B requires participants to calculate welfare income and rent in an as-paid state.
- Case Study 4C illustrates the calculation of a utility reimbursement.
- Answers to the Case Study begin on page 2-91 (Attachment E) of the Participant Manual.

**Tips and Cautions**

- As-paid states and localities are relatively rare. Make sure that participants understand that they must determine whether this calculation is applicable. This example used in the case study is an illustration of the concept. Rules vary by jurisdiction.
- For classroom trainers: If all participants are from jurisdictions that are known not to be affected by this issue, consider deleting the discussion and eliminating the Case Study 4B exercise.

Notes

## PART V ADVANCED TOPICS

- Part V covers two policies that rarely apply.
  - Exemptions to the minimum rent
  - Welfare rent in as-paid states
- In addition, Part V revisits the issue of utility reimbursements.

### MINIMUM RENT EXEMPTIONS

#### Overview

- The TTP formula generally requires tenants assisted by the project-based Section 8 program to pay a minimum rent of \$25. [Minimum rent does not apply to Section 202 PAC and Section 202/811 PRAC projects.]
- Owners must waive the minimum rent for any family *unable to pay* due to a *long-term financial hardship*.
- The hardship exemption applies *only* to families who are required by the TTP formula to pay minimum rent.
- The owner must keep records of every waiver requested and the actions taken.

4350.3 REV-1; Ch.5, Par 5-26D.

Notes

## Types of Hardships

- **Loss of Government Assistance.** The family has lost federal, state or local government assistance.
- **Waiting for Government Assistance.** The family is waiting for an eligibility determination for government assistance.
- **Threat of Eviction.** The family would be evicted if the minimum rent requirement was imposed.
- **Change in Circumstances.** Family income decreased due to a change in circumstances, including but not limited to loss of employment.
- **Death in the Family.** A death in the family has occurred. The death must have a financial impact on the family.
- **Other HUD-approved Situations.** HUD has not identified any situations other than those included in the regulation. To approve a hardship based upon other situations, the owner must request HUD approval.

## What Happens When the Exemption is Granted?

- When an exemption is granted the TTP does not automatically become zero.
- The TTP becomes the amount required by the TTP formula (excluding the minimum rent).

### **Example:**

- \$0 30% of monthly adjusted income
  - \$17 10% of monthly gross income
  - \$0 Welfare Rent in as-paid states
  - \$25 Minimum Rent
- In this example, if an exemption from the minimum rent is approved, the family must pay \$17.

### **Trainer Note:**

This is a common error and point of confusion for minimum rent exemptions. An exemption from the minimum rent does not automatically drop a tenant's TTP to zero.

Notes

### Qualifying for the Hardship Exemption

- In order for the owner to approve the exemption, the hardship must have a *long term financial impact that makes the family unable to pay the minimum rent.*
- Sometimes the hardship is direct and easy to establish.

#### *Example 1*

- Mary and her three children live in a Section 8 development. She works part time while the children are in school and pays the \$25 minimum rent.
- Mary is injured in a car accident and will not be able to work for six months.
- Loss of Mary's income clearly has created a hardship that makes the family unable to pay the minimum rent.

#### *Example 2*

- Bernice (46) has recently become disabled. She has applied for Supplemental Social Security (SSI) benefits but they have not yet been approved.
  - Bernice is waiting for assistance from a governmental program. This would qualify her for the minimum rent exemption, assuming that the amount she is required to pay by formula is the minimum rent.
- Some circumstances may be legitimate hardships for the family BUT they do not affect the family's ability to pay minimum rent.

#### *Example 3*

- Bob R. is a single person with a disability living in a Section 8 development. His mother lives nearby and visits nearly every day. Bob's income comes from SSI and a trust fund set up for his care.
- Bob reports that his mother has died. Is this a hardship for Bob? Certainly.
- Is this a financial hardship that makes Bob unable to pay rent? No. Bob's financial situation has not changed.

Notes

## Processing Requests for Minimum Rent Exemptions

- **Request.** When a family requests an exemption, the owner must waive the minimum rent charge effective the first of the month following the family's request. The owner may request reasonable documentation of family circumstances that support the request.
- **Decision.** The owner should make a decision about the request within one week.
- **No Hardship.** If the owner determines that there is no hardship, minimum rent is reinstated.
  - The tenant must pay any minimum rent that was suspended.
  - The owner should offer a reasonable repayment agreement.
- **Temporary Hardship.** If the owner determines that a hardship is temporary (90 days or less), the rent is suspended for 90 days from the date of suspension.
  - At the end of the 90-day period the tenant must repay the suspended amount.
  - The owner should offer a reasonable repayment agreement.
- **Long Term Hardship.** If the owner determines a long-term hardship, the minimum rent is suspended for the duration of the hardship.
  - The owner must recertify the family every 90 days.
  - The owner must determine when the hardship no longer exists.
  - The family with a long-term hardship does NOT have to repay the suspended amounts when the hardship no longer exists.

Notes

- ***Determining When the Hardship Ends***

- Neither the regulation nor the handbook provides instructions for determining when a hardship ends. Therefore, owners must establish policies that describe how the owner will determine when the hardship has ended.
- The end of the hardship period is obvious for some situations (e.g., when a family waiting for government assistance begins to receive it).
- In other instances, the end of the hardship period is less clear (e.g., the death of a family member).
- Owners apply whatever criteria they develop consistently and document in the tenant file how the determinations are made.

**Trainer Note:**

Owner policy may be necessary in this area.

---

**CASE STUDY 4A: MINIMUM RENT EXEMPTIONS**

---

1. Which of the following would be justification for an exemption from the minimum rent requirement?
  - a. The family's sole earner has a back injury and can't work for 6 months.
  - b. Mr. Johnson was laid off and has not yet started to receive unemployment.
  - c. Ms. Virtuous's SSI assistance has been terminated as a result of a finding of fraud by the Social Security Administration.
  - d. As a result of a fire, the factory that Mrs. Gonzales works in has been closed. This cuts the family's monthly adjusted income nearly in half (from \$500/month to \$280/month).
  
2. Handbook 4350.3 REV-1 says that owners should offer "reasonable" repayment agreements to families that must repay suspended amounts.
  - Which of the following would *not* be considered "reasonable"? Explain your answer in the space below.
    - a. Permitting the family to pay \$10/month until the amount is repaid.
    - b. Requiring the family to repay in two equal lump sums.
    - c. Deducting a small amount from the family's utility reimbursement each month.

3. Mr. Blake had a job-related injury that has left him permanently disabled. Before the accident his monthly gross income was \$650. Mrs. Blake works part time. Her gross income is \$100/month. They have two children. As a result of Mr. Blake's injury, the family has an outstanding hospital bill of \$10,000.
  - Because their monthly adjusted income will be so low, the family will be required to pay the minimum rent. The family has requested and received a minimum rent hardship exemption.
    - When is it likely that the Blake's hardship exemption will end?
  
4. Ms. Jackson's gross monthly income is \$400. Because of the dependent and child care deductions, she has been paying the minimum rent. Her 16 year old son was killed in an automobile accident. She took off two months from work and has now unpaid funeral expenses of \$1,500. The owner has approved a minimum rent exception.
  - Which of the following would be acceptable criteria for the owner to use to determine when the Johnson's hardship situation ends?
    - a. Allowing a flat 12 months for everyone who has a hardship.
    - b. Establish the number of months that the hardship may last, based upon the dollar amount of the hardship. (For example:  $\$800 + \$1,500 = \$2,300$ , divided by the \$25 Ms. Jackson would otherwise pay in rent = 92 months hardship period)
    - c. Since death is permanent, the exemption should remain as long as the minimum rent is element of the TTP formula that applies.
  - What policy would you establish?

**Proposed policy:.**

*Notes*4350.3 REV-1; Ch.5, Par  
5-6I. & 5-26E.**PUBLIC ASSISTANCE IN AS-PAID LOCALITIES**

- Special calculations of income are necessary for “as-paid” state, county or local public assistance programs.
- “As-paid” system means a system where:
  - The family receives an amount from a public agency specifically for shelter and utilities; and
  - The amount is adjusted based upon the actual amount the family pays for shelter and utilities.
- In the TTP formula, the term “welfare rent” means the amount specifically designated for rent and utilities.
- Even though the amount is adjusted based upon what the family pays, the shelter and utility allowance generally does not cover the actual costs of shelter and utilities.
- To determine annual income from public assistance in as-paid localities, include (1) the amount of the family's grant for other expenses and (2) the maximum amount the welfare department can pay for shelter and utilities for the family's size.

***Example***

- A family's welfare grant is \$410/month.
  - \$185 is for shelter and utilities.
  - \$225 is for other expenses.
  - \$215 is the maximum the welfare department can pay for shelter and utilities for this family's size.
- The owner must include in annual income calculations \$440/month (\$225 + \$215), even though the family only receives \$410.
- Welfare rent rules vary by state and some have been the subject of court decrees. Owners should discuss with the HUD Field Office how the rules are applied in the project's jurisdiction.

*Notes*

**UTILITY REIMBURSEMENT REFRESHER**

- A utility allowance is provided at projects where the tenant is responsible for payment of his/her utilities.
- If a family's TTP is less than the allowance for tenant-paid utilities, the family receives a utility reimbursement.
- In such cases, the owner receives an assistance payment from HUD that covers the entire unit rent and the amount of the utility reimbursement to be paid to the family.
  - When there is a utility reimbursement due the tenant, the owner is to pay this to the tenant monthly so that he/she has money to pay the utility bills.
- In the billing study, one of the areas looked at was the distribution of the utility reimbursement to the tenant by the owner. The study has revealed that:
  - Owners are not paying utility reimbursements to tenants.
  - Owners are not paying the utility reimbursement monthly as required.
  - Owners are applying the utility reimbursement against other charges due from the tenant.

4350.3 REV-1; Ch.5, Par 5-26C.

**Trainer Note:**

The trainer should emphasize this point on the billing study findings re: Owner's responsibility to actually pay the utility reimbursement to the tenant family.

**CASE STUDY 4B: WELFARE RENT IN AS-PAID STATES**

**Trainer Note: If the training participants do not work in an as-paid jurisdiction, you should omit Case Study 4B and proceed to Case Study 4C**

- The Green family lives in an “as-paid” welfare state. The state’s maximum welfare grant is \$400 including \$250 for shelter and utilities and \$150 for other basic needs.
- The Green family receives a welfare grant of \$325. The grant includes \$200 for shelter and utilities and \$125 for basic needs other than shelter and utilities.
- The Green family includes three minor children and the family pays \$950 in eligible child care expenses. The unit rent for the Green family is \$935. The Green family also has a utility allowance of \$95.

**Question:** Using the information provided, and assuming that the welfare grant is the family’s only source of income, complete the rest of the income and rent calculations on the forms that follow.

4a. Family Member Name	4b. FM #	Calculation	4c. Employment or Business	4d. Social Security, Pensions, etc.	4e. Public Assistance	4f. Other Income
R. Green	1					
<b>4g. Total Income from each source</b>			\$	\$	\$	\$
<b>5. Total Income All Sources</b>			Add all amounts on Line 4g. above:			\$
<b>6. Total Annual income</b>			Add <b>Line 5.</b> + Total Asset Income:			\$

<b>6. Total Annual Income:</b> Carryover from <b>Line 6.</b> on <b>Annual Income</b> table		\$	
<b>Dependent Allowance</b>			
<b>7. Allowance for Dependents</b> (# of dependents _____ x \$480)		\$	
<b>Child Care Allowance</b>			
<b>8. Child Care Allowance</b> (Line 8a. plus Line 8b.)		\$	
8a. Expense enabling family member to work (may not exceed \$ earned by family member enabled to work)	\$		
8b. Expense enabling family member to attend school and/or look for work	\$		
<b>Elderly/Disabled Household Allowance</b>			
Elderly/Disabled Household Allowance (\$400 or \$0)		\$	
<b>Disability Assistance Expenses</b>			
<b>10. Enter total unreimbursed disability assistance expenses:</b>	\$		
<b>11. Enter 3% of Total Annual Income</b> (Line 6. x .03)	\$		
<b>12. Maximum allowable disability assistance expense</b> (Line 10. minus Line 11.)			
• If positive or zero, enter in <b>Box 12a.</b>	12a. \$		
• If negative, enter as positive number in <b>Box 12b.</b>	12b. \$		
<b>13. Enter \$ earned by family member enabled to work as a result of disability expenses</b>	\$		
<b>14. Enter lower of Line 12a. or Line 13.</b> If Line 12a. is blank or zero, enter zero	\$		
<b>Medical Expenses</b>			
<b>15. Enter the total annual unreimbursed medical expenses for all family members of a disabled or elderly family</b>	\$		
<b>Medical/Disability Assistance Expenses Allowance</b>			
<b>16. Enter the total of Line 14. and Line 15.</b>	\$		
<b>17. Enter Line 12b.</b> If Line 12b. is blank or zero, enter zero.	\$		
<b>18. Medical/Disability Assistance Expense: Line 16. minus Line 17.</b> (but not less than zero)		\$	
<b>19. Total Allowances: Total of Lines 7., 8., 9. and 18.</b>		\$	
<b>Total Adjusted Income</b>			
<b>20. Adjusted Annual Income: Line 6. minus Line 19</b>		\$	

1.	<b>Monthly Income</b> (Line 6. from Annual Income table ÷ 12)	\$
2.	<b>Monthly Adjusted Income</b> (Line 20. from Adjusted Income table ÷ 12)	\$
3.	<b>30% of Monthly Adjusted Income</b> (Line 2. x .30)	\$
4.	<b>10% of Monthly Income</b> (Line 1. x .10)	\$
5.	<b>Welfare Rent</b> (If applicable)	\$
6.	<b>Minimum Rent</b> (\$25 for Section 8 / \$0 for PAC/PRAC)	\$
7.	<b>Total Tenant Payment</b> (greater of Line 3., 4., 5., or 6.) <i>Note:</i> May never exceed unit gross rent in Sec. 8 or PAC programs.	\$
8.	<b>Utility Allowance (UA)</b>	\$
9.	<b>Tenant Rent:</b> TTP – UA (Line 7. minus Line 8.)	\$
	<b>a. Tenant Rent:</b> If positive number, enter	\$
	<b>b. Utility Reimbursement:</b> If negative number, enter as positive	\$

1.	<b>Contract Rent:</b>	\$
2.	<b>Utility Allowance</b> (same as Line 8. on Tenant Rent Calc. table)	\$
3.	<b>Gross Rent</b> (Line 1. plus Line 2.)	\$
4.	<b>TTP</b> (same as Line 7. on Tenant Rent Calc. table)	\$
5.	<b>Assistance Payment:</b> (Line 3. minus Line 4.)	\$
5.a.	<b>Assistance Payment to Owner for Rent</b> (Lesser of Line 5. or Line 1.)	\$
5.b.	<b>Assistance Payment to Owner for Utility Reimbursement</b> (Line 5. minus Line 5.a.)	
	<i>Note:</i> Should equal <b>Line 9.b.</b> on <b>Tenant Rent Calc.</b> table	\$

**CASE STUDY 4C: UTILITY REIMBURSEMENT**

- The Red family does not live in an “as-paid” welfare state. The Red family receives a welfare grant of \$325.
- The Red family includes three minor children and the family pays \$950 in eligible child care expenses. The unit rent for the Red family is \$935. The Red family also has a utility allowance of \$95.

**Question:** Using the information provided, and assuming that the welfare grant is the family’s only source of income, complete the rest of the income and rent calculations on the forms that follow.

4a. Family Member Name	4b. FM #	Calculation	4c. Employment or Business	4d. Social Security, Pensions, etc.	4e. Public Assistance	4f. Other Income
G. Red	1					
<b>4g. Total Income from each source</b>			\$	\$	\$	\$
<b>5. Total Income All Sources</b>			Add all amounts on Line 4g. above:			\$
<b>6. Total Annual income</b>			Add <b>Line 5.</b> + Total Asset Income:			\$

<b>6. Total Annual Income:</b> Carryover from <b>Line 6.</b> on <b>Annual Income</b> table		\$	
<b>Dependent Allowance</b>			
<b>7. Allowance for Dependents</b> (# of dependents _____ x \$480)		\$	
<b>Child Care Allowance</b>			
<b>8. Child Care Allowance</b> (Line 8a. plus Line 8b.)		\$	
8a. Expense enabling family member to work (may not exceed \$ earned by family member enabled to work)	\$		
8b. Expense enabling family member to attend school and/or look for work	\$		
<b>Elderly/Disabled Household Allowance</b>			
Elderly/Disabled Household Allowance (\$400 or \$0)		\$	
<b>Disability Assistance Expenses</b>			
<b>10. Enter total unreimbursed disability assistance expenses:</b>	\$		
<b>11. Enter 3% of Total Annual Income</b> (Line 6. x .03)	\$		
<b>12. Maximum allowable disability assistance expense</b> (Line 10. minus Line 11.)			
• If positive or zero, enter in <b>Box 12a.</b>	12a. \$		
• If negative, enter as positive number in <b>Box 12b.</b>	12b. \$		
<b>13. Enter \$ earned by family member enabled to work as a result of disability expenses</b>	\$		
<b>14. Enter lower of Line 12a. or Line 13.</b> If Line 12a. is blank or zero, enter zero	\$		
<b>Medical Expenses</b>			
<b>15. Enter the total annual unreimbursed medical expenses for all family members of a disabled or elderly family</b>	\$		
<b>Medical/Disability Assistance Expenses Allowance</b>			
<b>16. Enter the total of Line 14. and Line 15.</b>	\$		
<b>17. Enter Line 12b.</b> If Line 12b. is blank or zero, enter zero.	\$		
<b>18. Medical/Disability Assistance Expense: Line 16. minus Line 17.</b> (but not less than zero)		\$	
<b>19. Total Allowances: Total of Lines 7., 8., 9. and 18.</b>		\$	
<b>Total Adjusted Income</b>			
<b>20. Adjusted Annual Income: Line 6. minus Line 19</b>		\$	

1.	<b>Monthly Income</b> (Line 6. from Annual Income table ÷ 12)	\$
2.	<b>Monthly Adjusted Income</b> (Line 20. from Adjusted Income table ÷ 12)	\$
3.	<b>30% of Monthly Adjusted Income</b> (Line 2. x .30)	\$
4.	<b>10% of Monthly Income</b> (Line 1. x .10)	\$
5.	<b>Welfare Rent</b> (If applicable)	\$
6.	<b>Minimum Rent</b> (\$25 for Section 8 / \$0 for PAC/PRAC)	\$
7.	<b>Total Tenant Payment</b> (greater of Line 3., 4., 5., or 6.) <i>Note:</i> May never exceed unit gross rent in Sec. 8 or PAC programs.	\$
8.	<b>Utility Allowance (UA)</b>	\$
9.	<b>Tenant Rent:</b> TTP – UA (Line 7. minus Line 8.)	\$
	<b>a. Tenant Rent:</b> If positive number, enter	\$
	<b>b. Utility Reimbursement:</b> If negative number, enter as positive	\$

1.	<b>Contract Rent:</b>	\$
2.	<b>Utility Allowance</b> (same as Line 8. on Tenant Rent Calc. table)	\$
3.	<b>Gross Rent</b> (Line 1. plus Line 2.)	\$
4.	<b>TTP</b> (same as Line 7. on Tenant Rent Calc. table)	\$
5.	<b>Assistance Payment:</b> (Line 3. minus Line 4.)	\$
5.a.	<b>Assistance Payment to Owner for Rent</b> (Lesser of Line 5. or Line 1.)	\$
5.b.	<b>Assistance Payment to Owner for Utility Reimbursement</b> (Line 5. minus Line 5.a.)	
	<i>Note:</i> Should equal <b>Line 9.b.</b> on <b>Tenant Rent Calc.</b> table	\$

**NOTES**

**MODULE 2 – POST-TRAINING SELF TEST**

- Note: This test is provided as a learning tool. The post-training self test is designed to measure your level of knowledge after studying this module. Answer the questions as best you can, (without looking at the training materials). Any questions you miss represent areas you should review in the training materials and Handbook 4350.3 REV-1.

**Answers to Post-training Self Test are in Attachment F at the end of this module.**

1. Molly M. (head) is requesting an interim recertification. She has just been notified by the local TANF agency that her monthly TANF benefit is being reduced due to adjust for a prior overpayment of TANF benefits. Her usual TANF payment of \$600/month will be reduced to \$500, effective next month for a period of 8 months. Which of the following is true?
  - a. An interim is not needed. Molly’s income will stay the same because she got the benefit of the higher income before.
  - b. Molly’s TTP can be reduced, but not until her next annual recertification.
  - c. An interim is required to reduce Molly’s income to the amount she will actually receive.
  - d. Third party verification is not required since Molly brought in the original letter dated only last week.
  
2. A family must appeal a negative decision regarding immigration status to the Department of Homeland Security (DHS) within how many days of receiving the notice of the decision?





9. The Briggs family has requested a hardship exemption from the minimum rent requirement. The calculation of TTP is as follows:

- \$4            30% of adjusted income
  - \$11          10% of monthly gross income
  - \$0            Welfare Rent
  - \$25          Minimum Rent.
- If the owner approves the exemption what will the family’s new TTP be?
    - a. \$4
    - b. \$11
    - c. \$15
    - d. \$0

10. Documentation for the Brown family is as follows:

Head (40)	Birth certificate showing U.S. citizenship
Spouse (34)	Form I-551, Alien Registration Receipt
Other Adult (31)	Form I-151, Alien Registration Receipt
Other Adult (21)	Declaration of non-eligible status
Dependent (2)	Birth certificate showing U.S. citizenship

- The family’s calculated TTP is \$330. The gross rent is \$1200. Calculate the assistance payment taking into consideration the citizenship status of all household members.

## **Module 2**

### **Attachments**

**NOTES**

**ATTACHMENT A – PRE-TRAINING SELF TEST ANSWERS**

1. If all adult family members have signed form HUD-9887 and HUD-9887A, individual verification forms for specific purposes do not need signatures.

a. True

**b. False\*\***

**Reference:** 4350.3 REV-1, Ch. 3, Par. 3-11A.

2. Noncitizens over the age of 62 do not have to document their status in the same way as other noncitizens.

**a. True\*\***

b. False

**Reference:** 4350.3 REV-1, Ch. 3, Par. 3-12B.

3. Owner-created verification forms are valid for 15 months from [choose one answer]

**a. The date of signature by the family member\*\***

b. The effective date of the certification or recertification

c. The date it is sent to a third party

d. The date it is received from a third party

**Reference:** 4350.3 REV-1, Ch. 5, Par. 5-17A.

4. Worker's compensation, unemployment and other payments in lieu of earnings are included in annual income.

**a. True\*\***

b. False

**Reference:** 4350.3 REV-1, Ch. 5, Exhibit 5-1.

5. If some family members are able to provide documentation of Social Security Number and some are not, the family's assistance may be prorated.

a. True

**b. False\*\***

**Reference:** 4350.3 REV-1, Ch. 3, Par. 3-9.

6. Felicity (head) has lost her job and is having a hard time. Her son David (17) quit school and has taken a job at a fast food restaurant to help out. Which of the following would be counted in annual income?
- Food stamps she receives from the welfare agency
  - The groceries her mother buys her every other week
  - The \$50 Uncle Joe gives her on each of his pay days\*\***
  - David’s earnings

**Reference:** 4350.3 REV-1, Ch. 5, Par. 5-6F.

7. Families in Section 8 project-based projects can request an exemption of the minimum rent requirement but families in Section 202 PAC and Section 202/811 PRAC cannot.
- True\*\***
  - False

**Reference:** 4350.3 REV-1, Ch. 5, Par. 5-26D.

8. If the TTP for family that contains 2 ineligible noncitizens and 3 citizens is \$400 and the gross rent for the unit is \$1,000, what is the assistance payment? Use the space below to make your calculations and explain your answer.

\$1,000	Gross Rent
– 400	TTP
<b>\$600</b>	<b>Assistance payment before proration</b>
600 x 3/5 =	<b>\$360                      Assistance payment after proration</b>

**Reference:** 4350.3 REV-1, Ch. 3, Par. 3-12P.

9. All family members have certified citizenship or submitted documentation of eligible immigrant status but one. The unit is ready for the family to occupy. Which of the following should the manager do next? [choose one answer].
- a. Leave the family at the top of the waiting list, but offer the unit to the next family to avoid vacancy losses.
  - b. Tell the family that they can move in immediately if they will take the undocumented person's name off the lease.
  - c. Move the family in and prorate the assistance payment.\*\***
  - d. Move the family in and pay the full assistance payment.

**Reference:** 4350.3 REV-1, Ch. 3, Par. 3-12K.

10. Project manager Sally was telling a story to her friend over lunch at a local restaurant about one of her most "interesting" tenants - Mabel Johnson. The person sitting at the next table was Mabel's son. Which of the following is true?
- a. Sally's use of the information about Mabel is unrestricted
  - b. The information about Mabel is public record
  - c. Mrs. Johnson could sue Sally for damages.\*\***
  - d. Mrs. Johnson could sue Sally's employer for damages. \*\***

**Reference:** 4350.3 REV-1, Ch. 5, Figure 5-5; Appendix 15

**NOTES**

**ATTACHMENT B – CASE STUDY 1 ANSWERS**

**Question 1:** The Hunt family must consent to and authorize the owner to request independent verification of data required for program participation. In addition, the Hunt family must disclose and document social security numbers (SSNs). For each member of the Hunt family, indicate whether or not consent and SSN disclosure are required.

Member	Name	Age	Consent Required?		SSN Disclosure Required?	
			Yes**	No	Yes**	No
Head	Lucy	37	Yes**	No	Yes**	No
Other Adult	Ricky	38	Yes**	No	Yes**	No
Daughter	Sara	17	Yes	No**	Yes**	No
Son	Sammy	13	Yes	No**	Yes**	No
Daughter	Susan	5	Yes	No**	Yes	No**

**Explanation:** Sara, Sammy and Susan are all non-adult family members, less than 18 years of age. Therefore, consent and authorization is not required of these family members.

SSN disclosure **not** required for Susan, age 5. SSN disclosure is required for all family members at least 6 years of age and older. Note that, even if the family voluntarily discloses SSN for Susan, no documentation is necessary at this time. However, it may be sensible to ask for the documentation when the number is disclosed, even when the documentation is not required at that time. At a minimum, the owner should consider noting in the file to ask for SSN documentation at the next reexamination, after Susan turns six years old, when the documentation will actually be required.

**Reference:** 4350.3 REV-1, CH. 3, Par. 3-9.

**Question 2:** As a part of the application process, you have informed the Hunt family of the requirement either to submit evidence of citizenship or eligible immigration status, or to choose not to claim eligible immigration status. Are there any Hunt family members where establishment of citizenship or immigration status is **not** required? If so, which ones?

**Answer:** NO. All family members, regardless of age, must declare their citizenship or their immigration status. Noncitizens under age 62 who claim to have eligible immigration status must sign a verification consent form and must submit documentation of their immigration status. Individuals under age 62 who claim citizenship must sign a declaration of citizenship.

**Reference:** 4350.3 REV-1, Ch. 3, Par. 3-12B.

**Question 3:** The Hunt family provides the documentation you have requested. This includes signed consent forms, documentation of SSNs, documentation of eligible immigration status, and a signed declaration of citizenship for Susan. However, Ricky presents a number of problems.

- He is out of the country visiting relatives and cannot sign the HUD-9887 and HUD-9887-A until he returns.
  - The only SSN documentation that Lucy can provide for him is his video store membership card.
  - His documentation of eligible immigration status is a signed declaration that Form I-94, Arrival-Departure Record is currently unavailable.
- Answer the following questions regarding Ricky’s situation:
    - a. What action will you take regarding the consent forms Ricky is unable to sign?

**Answer:** All adults in each assisted family must sign the required consent forms or be denied assistance. Where the applicant refuses to sign Forms HUD-9887 or HUD-9887-A, or is unable to sign, the owner must deny assistance until all adults have signed the consent forms.

**Reference:** 4350.3 REV-1, Ch. 3, Par. 3-11

- b. List four documents you would accept as documentation of SSN for Ricky. Can you offer a unit to the family before you get documentation of SSN for Ricky?

**Answer:** Additional forms of acceptable evidence of a SSN include, but not limited to:

- A driver’s license with SSN
- Earnings statements on payroll stubs
- Bank statements
- Form 1099
- Benefit award letter
- Retirement benefit letter
- Life insurance policy
- Court records

You cannot offer a unit to the Hunt family before you get documentation of SSN for Ricky. If you determine that the family is otherwise eligible and that the only outstanding verification is the SSN, then you could permit the Hunt family to retain their place on the waiting list for 60 days from the date of the SSN certification. However, you cannot admit an applicant to the assisted housing unit unless and until the applicant submits required, acceptable SSN documentation.

**Reference:** 4350.3 REV-1, Appendix 3

- c. What is your next step with regard to Ricky’s documentation of eligible immigration status?

**Answer:** Documentation for Ricky is unacceptable. While Form I-94 may be acceptable, if properly annotated, it is not sufficient to simply provide a signed statement that the form is “unavailable.”

Ricky must submit an acceptable form of documentation. You may grant Ricky an extension of up to 30 days to submit acceptable documentation, but only if Ricky certifies that documentation is temporarily unavailable and additional time is needed to collect and submit the documentation. Depending upon the circumstances, you could establish a shorter extension time.

**Reference:** 4350.3 REV-1, Ch. 3, Par. 3-12J; Ch. 3, Figure 3-4

**Question 4:** Ricky eventually provides you with an annotated Form I-94, Arrival-Departure Record as evidence of eligible immigration status. You have now received acceptable citizenship or eligible immigration status documentation from all Hunt family members. Are your responsibilities for documentation of citizenship or eligible immigration status for all Hunt family members now complete? If not, what else must you do?

**Answer:** Owners must verify with the Dept. of Homeland Security (DHS) the validity of documents provided by applicants claiming eligible immigration status. To do this, owner’s use an automated computer-based system – the Systematic Alien Verification for Entitlements (SAVE) system – to verify the applicants’ status in the Alien Status Verification Index (ASVI) database.

**Reference:** 4350.3 REV-1, Ch. 3, Par. 3-12L.

**Question 5:** You have developed your own verification form to request information on family income for the Hunt family. A copy of that verification form is included on the following page. Does this form meet HUD’s requirements for owner-developed verification forms? Explain your answer.

**Answer:** The form does not meet HUD’s requirements. The form is missing:

- The Title 18 statement on the penalties for misusing the consent form and knowingly and willingly supplying false information.
- A statement in a prominent place that the applicant/tenant does not have to sign the consent form if it is not clear who will provide the information.

Note that the form includes a place for the *third party* to provide name, title, and organization. However, this information would be provided *after* the family signs the form. The family would have no way of knowing this information *before* signing.

**Reference:** 4350.3 REV-1, Appendix 15

**Question 6:** Using your personal computer, you access the SAVE AVSI database to perform primary verification of the documents provided by the Hunt family. For each family member, the system returns a message as listed below. For each Hunt family member, indicate whether the verification process is complete.

Member	Name	Age	AVSI Message	Verification Completed?	
Head	Lucy	37	Lawful Permanent Resident	Yes**	No
Other Adult	Ricky	38	Institute Secondary Verification	Yes	No**
Daughter	Sara	17	Lawful Permanent Resident	Yes**	No
Son	Sammy	13	Lawful Permanent Resident	Yes**	No

**Explanation:** Owners must pursue secondary verification when the SAVE AVSI system is unable to verify documentation through primary verification. In this instance, because the system was unable to verify status for Ricky, secondary verification is necessary.

Note that no verification was necessary for Susan because the family declared her to be a citizen.

**Reference:** 4350.3 REV-1, Ch. 3, Par. 3-12L.

**Question 7:** Let’s assume that secondary verification was necessary in this instance for Ricky. How would this be accomplished?

**Answer:** Within 10 days of receiving the message to institute secondary verification, you must manually submit form G-845S, Document Verification Request, along with a photocopy of the documents provided by Ricky, to the DHS office serving the property’s jurisdiction.

**Reference:** 4350.3 REV-1, Ch. 3, Par. 3-12L.

**Question 8:** While awaiting reply from DHS on secondary verification for Ricky, an apartment becomes available and the Hunt family is the “next” applicant family on the waiting list. Can you offer the unit to the Hunt family? Why or why not?

**Answer:** If a unit is available, the family has come to the top of the waiting list, and at least one family member has submitted the required documentation in a timely manner and has been determined to be eligible, the owner cannot delay assistance. The owner must offer the family a unit, and must offer full assistance to those family members whose documentation was received on time.

In this instance, the documentation for *all* Hunt family members was received on time. Four of the five family members are eligible, and you are awaiting word from DHS on Ricky.

Assistance cannot be delayed for the Hunt family, and *full* assistance must be offered because documentation was received on time for all family members.

**Reference:** 4350.3 REV-1, Ch. 3, Par. 3-12K.

**ATTACHMENT C – CASE STUDY 2 ANSWERS**

**Question 1:** What are the owner’s responsibilities at this annual recertification with respect to the consent and authorization, SSN disclosure and citizenship documentation requirements discussed in Case Study 1?

**Answer:** HUD-required consent forms, as well as any owner-developed verification forms, must be signed by all adult members of the household at each annual reexamination. Lucy and Ricky were required to sign consent forms at admission and now must sign the forms at the annual reexamination effective June 1st. In addition, Sara is now 18 years of age and will also be required to sign consent and verification forms at the annual reexamination.

Even though the SSN for Susan was provided at admission, documentation was not presented and was not required because Susan was age 5. SSN disclosure is required for all family members at least 6 years of age and older. At this annual reexamination, Susan is now age 6. So, you must secure appropriate documentation of SSN for Susan at this annual reexamination.

The citizenship and eligible immigration status of all Hunt family members was established at admission. Generally, owners determine citizenship and eligible immigration status only once for each family, during the initial eligibility determination. Once established, it does not need to be reestablished at subsequent reexaminations.

**Reference:** 4350.3 REV-1, Ch. 3, Par. 3-9, Par. 3-11, Par. 3-12, Ch. 5 Par. 5-17B.

**Question 2:** Based on the income information provided, compute Annual income, Adjusted Income, Total Tenant Payment and Assistance Payment for the Hunt family for the annual reexamination effective June 1st. Assume no income from assets.

4a. Family Member Name	4b. FM #	Calculation	4c. Employment or Business	4d. Social Security, Pensions, etc.	4e. Public Assistance	4f. Other Income
Lucy	1	\$300 x 12				\$3,600
Lucy	1	\$600 x 12			\$7,200	
Ricky	2	\$0				\$0
Sara	3	(\$6.50 x 20 x 52) > \$480	\$480			
<b>4g. Total Income from each source</b>			\$480	\$0	\$7,200	\$3,600
<b>5. Total Income All Sources</b>			Add all amounts on <b>Line 4g.</b> above:			\$11,280
<b>6. Total Annual income</b>			Add <b>Line 5.</b> + Total Asset Income:			\$11,280

**Explanation:** The value of Food Stamps is explicitly excluded from consideration as annual income. The value of groceries provided by persons not living in the household – Lucy’s mother, in this instance – is explicitly excluded from consideration as annual income.

Regular contributions and gifts provided by persons not living in the household are explicitly included in annual income. In this instance, that includes the regular contribution in the form of a \$300/month car payment paid by Lucy’s mother.

Temporary, nonrecurring and sporadic income, including gifts, are explicitly excluded from consideration as annual income. Sporadic contributions by Lucy’s mother would not be counted.

Ricky is no longer employed and does not yet receive unemployment benefits. While Ricky expects to pick-up odd jobs, there is no pattern or history to establish this as a regular source of income for the coming year. Such amounts, if received, would qualify as temporary, nonrecurring and sporadic and would be excluded from annual income.

Sara continues to work part-time. However, Sara’s status has changed from a dependent, under age 18, to a dependent full-time student, age 18 or older. Owners should include in annual income only the first \$480 of earned income paid to dependents who are 18 or older and who are full-time students.

Lucy’s monthly TANF payments must be counted as welfare assistance and included in annual income.

**Reference:** 4350.3 REV-1, Ch. 5, Par. 5-6F., Par. 5-6P., Exhibit 5-1

<b>6. Total Annual Income:</b> Carryover from <b>Line 6.</b> on <b>Annual Income</b> table		\$11,280	
<b>Dependent Allowance</b>			
<b>7. Allowance for Dependents</b> (# of dependents <u>  3  </u> x \$480)		\$1,440	
<b>Child Care Allowance</b>			
<b>8. Child Care Allowance</b> (Line 8a. plus Line 8b.)		\$0	
8a. Expense enabling family member to work (may not exceed \$ earned by family member enabled to work)	\$		
8b. Expense enabling family member to attend school and/or look for work	\$		
<b>Elderly/Disabled Household Allowance</b>			
Elderly/Disabled Household Allowance (\$400 or \$0)		\$0	
<b>Disability Assistance Expenses</b>			
<b>10. Enter total unreimbursed disability assistance expenses:</b>	\$		
<b>11. Enter 3% of Total Annual Income</b> (Line 6. x .03)	\$		
<b>12. Maximum allowable disability assistance expense</b> (Line 10. minus Line 11.)	12a. \$		
• If positive or zero, enter in <b>Box 12a.</b>	12b. \$		
• If negative, enter as positive number in <b>Box 12b.</b>			
<b>13. Enter \$ earned by family member enabled to work as a result of disability expenses</b>	\$		
<b>14. Enter lower of Line 12a. or Line 13.</b> If Line 12a. is blank or zero, enter zero	\$		
<b>Medical Expenses</b>			
<b>15. Enter the total annual unreimbursed medical expenses for all family members of a disabled or elderly family</b>	\$		
<b>Medical/Disability Assistance Expenses Allowance</b>			
<b>16. Enter the total of Line 14. and Line 15.</b>	\$		
<b>17. Enter Line 12b.</b> If Line 12b. is blank or zero, enter zero.	\$		
<b>18. Medical/Disability Assistance Expense: Line 16. minus Line 17.</b> (but not less than zero)			
<b>19. Total Allowances: Total of Lines 7., 8., 9. and 18.</b>		\$1,440	
<b>Total Adjusted Income</b>			
<b>20. Adjusted Annual Income: Line 6. minus Line 19</b>		\$9,840	

1.	<b>Monthly Income</b> (Line 6. from Annual Income table ÷ 12)	\$940
2.	<b>Monthly Adjusted Income</b> (Line 20. from Adjusted Income table ÷ 12)	\$820
3.	<b>30% of Monthly Adjusted Income</b> (Line 2. x .30)	\$246
4.	<b>10% of Monthly Income</b> (Line 1. x .10)	\$94
5.	<b>Welfare Rent</b> (If applicable)	\$NA
6.	<b>Minimum Rent</b> (\$25 for Section 8 / \$0 for PAC/PRAC)	\$25
7.	<b>Total Tenant Payment</b> (greater of Line 3., 4., 5., or 6.) <i>Note:</i> May never exceed unit gross rent in Sec. 8 or PAC programs.	\$246
8.	<b>Utility Allowance (UA)</b>	\$75
9.	<b>Tenant Rent:</b> TTP – UA (Line 7. minus Line 8.)	\$171
	<b>a. Tenant Rent:</b> If positive number, enter	
	<b>b. Utility Reimbursement:</b> If negative number, enter as positive	\$0

1.	<b>Contract Rent:</b>	\$900
2.	<b>Utility Allowance</b> (same as Line 8. on Tenant Rent Calc. table)	\$75
3.	<b>Gross Rent</b> (Line 1. plus Line 2.)	\$975
4.	<b>TTP</b> (same as Line 7. on Tenant Rent Calc. table)	\$246
5.	<b>Assistance Payment:</b> (Line 3. minus Line 4.)	\$729
5.a.	<b>Assistance Payment to Owner for Rent</b> (Lesser of Line 5. or Line 1.)	\$729
5.b.	<b>Assistance Payment to Owner for Utility Reimbursement</b> (Line 5. minus Line 5.a.)	\$0
	<i>Note:</i> Should equal <b>Line 9.b.</b> on <b>Tenant Rent Calc.</b> table	

**Question 3:** On June 20th, Ricky reports that he has just received a lump-sum unemployment payment of \$750, to cover his unemployment benefits through June 15th. In addition he reports that, beginning June 16th, he started receiving \$125/week in regular unemployment payments.

- You have already processed the annual reexamination, effective June 1st, with Ricky's income as \$0. What will you do with this new information on Ricky's prospective income? How much, if any, of Ricky's income will you count for the current year?

**Answer:** Lump sum payments caused by delays in processing periodic payments for unemployment or welfare assistance must be included as income. Therefore, \$750 lump-sum must be counted as income for the annual reexamination period (June 1 through May 31).

In addition, Ricky's regular weekly unemployment payment of \$125 must be counted as annual income for the annual reexamination period (June 1 through May 31).

Ricky reported the change in a timely manner. An interim reexamination must be conducted to add Ricky's unemployment income to the family's annual income.

Ricky's weekly unemployment income would be annualized for a full 52 week period.

$$\text{\$125/week} \times \text{52 weeks} = \text{\$6,500}$$

To this amount would be added the lump sum payment caused by delay in processing periodic payments for unemployment – \$750.

$$\text{\$6,500} + \text{\$750} = \text{\$7,250 Annual Income for Ricky}$$

The interim reexamination will likely result in an *increase* in rent. The owner must give the family a 30-day notice of rent increase. If the owner is able to process the changes by the end of June, rent increase would be effective August 1st.

**Reference:** 4350.3 REV-1, Ch. 5, Par. 5-6O, Exhibit 5-1

**Question 4:** On August 5th, Lucy reports that she has just been notified by the local TANF agency that her monthly TANF benefit is being reduced to adjust for a prior overpayment of TANF benefits. Her usual TANF payment of \$600/month will be reduced to \$500, effective with the payment for September 1st and continuing through May of the following year. What, if anything, will you do with this new information on Lucy's income?

**Answer:** Where an agency is reducing a family's benefit to adjust for a prior overpayment, you must count the amount that is actually provided to the family, after the adjustment.

Lucy reported the change in a timely manner. An interim reexamination must be conducted to adjust Lucy's TANF income down from the current \$600/month to \$500/month. Lucy's new annual income would be:

$$\text{\$500} \times \text{12} = \text{\$6,000 Annual Income for Lucy}$$

In this case, the interim reexamination will likely result in a rent decrease. No 30-day notice is required for a rent *decrease*. The decrease should be effective at the time the TANF income decreases—September 1st.

**Reference:** 4350.3 REV-1, Ch. 5, Par. 5-6H.

**ATTACHMENT D – CASE STUDY 3 ANSWERS**

**Question 1:** Randy claims not to have a social security number. However, Randy does claim to have eligible immigration status. Given that this is an interim reexamination, what responsibilities (if any) does Randy have for:

- a. Signing consent and verification forms?

**Answer:** Any family member who is 18 years or older must sign the HUD-required consent forms: HUD-9887 and HUD-9887-A. In addition, all adult members of a tenant family must sign individual verification forms authorizing the owner to verify family income and other eligibility factors.

Participants are required to sign and submit consent forms at the next interim or regularly scheduled income reexamination when any person 18 years or older becomes a member of the family.

In this instance, the consent and verification form requirements do apply to Randy, a new family member, at the time of the interim reexamination.

**Reference:** 4350.3 REV-1, Ch. 3, Par. 3-11, 24 CFR 5.230(b)

- b. Disclosing and documenting a social security number (SSN)?

**Answer:** Where a participant family adds a new family member who is at least six years of age, the family must submit to the owner the complete and accurate SSN assigned to the new member and the appropriate SSN documentation for the new member. If the new member has not been assigned a SSN, the member must execute a certification that a SSN has not been assigned. These requirements apply at the next interim or regularly scheduled income reexamination that includes the new member.

In this instance, the SSN disclosure and documentation requirements do apply to Randy at the Nov. 1st interim reexamination. If Randy does not have a SSN, Randy must execute a certification that no SSN has been assigned. The certification must be in a form and manner prescribed by the owner. At each subsequent recertification, Randy must again certify that no SSN has been assigned, or supply verification of SSN if one has been assigned.

**Reference:** 4350.3 REV-1, Ch. 3, Par. 3-12, 24 CFR 5.216(d)

## c. Documentation of eligible immigration status?

**Answer:** All noncitizens under the age of 62 must sign a verification consent form, authorizing the owner to verify eligible immigration status, and provide appropriate documentation of that status (see Participant Manual Appendix 3). For any new occupant of an assisted unit (e.g., a new family member comes to reside in the assisted unit), the required consent and documentation must be submitted at the first interim or regular reexamination following the person's occupancy.

In this instance, Randy has the responsibility to execute the appropriate verification consent form and provide appropriate documentation of eligible immigrant status, at the time of the Nov. 1st interim reexamination.

**Reference:** 4350.3 REV-1, Ch. 3, Par. 3-12E., 24 CFR 5.508(g)

**Question 2:** Randy provides you with a copy of Form I-94, Arrival-Departure Record, annotated with “Section 208.” However, the “Admission for Permanent Residence” endorsement is two years old. Is this an acceptable documentation of eligible immigration status? Based on your answer, what is the next step?

**Answer:** Form I-94, Arrival-Departure Record, annotated with “Section 208,” is an acceptable form of eligible immigration status documentation.

However, in this instance, the “Admission for Permanent Residence” endorsement is over 1 year old. You should attempt to verify the validity of the document by instituting immediate secondary verification. Where a noncitizen presents Form I-94 with an “Admission for Permanent Residence” endorsement over 1 year old, you are authorized to forego primary verification attempts and perform secondary verification immediately.

**Reference:** 4350.3 REV-1, Appendix 2, Par. 3-4

**Question 3:** You institute secondary verification for Randy, through the use of Form G-845S, Document Verification Request. DHS returns a copy of form G-845S to you, indicating that Randy no longer qualifies as a noncitizen with eligible immigration status. You notify the Hunt family that assistance for Randy must be denied, but that the family may be eligible for prorated rental assistance.

a. What are the family's appeal rights?

**Answer:** The family has 30 days from the date of the owner's notification to request an appeal of the DHS results. Appeal must be made in writing directly to DHS, with a copy to the owner. DHS issues a decision within 30 days of receipt of the family's appeal and documentation. The notice is sent to the family, with a copy to the owner. If the family appeals to DHS, when the owner receives a copy of the DHS decision, the owner must notify the family of its right to an informal hearing on the owner's determination of ineligibility. If the family elects not to appeal to DHS, the family may still request an informal hearing with the owner. The request for a hearing must be made within 30 days of receiving the DHS appeal decision, or within 30 days of receiving the notice of denial of assistance from the owner.

**Reference:** 4350.3 REV-1, Ch. 3, Par. 3-12K.

b. What type of rental assistance does the family receive during the appeals process?

**Answer:** Until any appeal made to DHS is resolved, the owner must not delay, deny, reduce or terminate assistance on the basis of immigration status alone. In this instance, the required documentation was submitted in a timely manner. If the family elects to appeal to DHS, the Hunt family would qualify for full assistance until the appeals process is completed and the information establishing the immigration status of Randy has been received and verified.

**Reference:** 4350.3 REV-1, Ch. 3, Par. 3-12K.

**Question 4:** The Hunt family elects not to appeal the DHS determination to DHS. Randy elects to sign a declaration that he does not have eligible immigration status. Because the family wishes to have Randy remain in the unit, the family accepts the offer of prorated rental assistance.

- Below is the current information for the Hunt family, as of the last interim reexamination (from Case Study 2). Based on this information, compute the family’s prorated rental assistance and their new tenant rent, for the interim reexamination effective Nov. 1st.

<b>7. Total Tenant Payment</b> (greater of Line 3., 4., 5., or 6.) <i>Note:</i> May never exceed unit gross rent in Sec. 8 or PAC programs.		<b>\$ 397</b>
<b>8. Utility Allowance (UA)</b>		<b>\$ 75</b>
<b>9. Tenant Rent:</b> TTP – UA (Line 7. minus Line 8.)	<b>a. Tenant Rent:</b> If positive number, enter	<b>\$ 332</b>
	<b>b. Utility Reimbursement:</b> If negative number, enter as positive	<b>\$ 0</b>

<b>1. Contract Rent:</b>	<b>\$ 900</b>
<b>2. Utility Allowance</b> (same as Line 8. on Tenant Rent Calc. table)	<b>\$ 75</b>
<b>3. Gross Rent</b> (Line 1. plus Line 2.)	<b>\$ 975</b>
<b>4. TTP</b> (same as Line 7. on Tenant Rent Calc. table)	<b>\$ 397</b>
<b>5. Assistance Payment:</b> (Line 3. minus Line 4.)	<b>\$ 578</b>
<b>5.a. Assistance Payment to Owner for Rent</b> (Lesser of Line 5. or Line 1.)	<b>\$ 578</b>
<b>5.b. Assistance Payment to Owner for Utility Reimbursement</b> (Line 5. minus Line 5.a.) <i>Note:</i> Should equal <b>Line 9.b.</b> on <b>Tenant Rent Calc.</b> table	<b>\$ 0</b>

<b>Answer:</b>	Number of eligible family members:	<b>5</b>
	Total Number of family members:	<b>6</b>

Prorated Assistance:	$\$578 \times 5/6 =$	<b>482</b>
Increase in Hunt family TTP:	$\$578 - \$482 =$	<b>\$96</b>
New TTP	$\$397 + \$96 =$	<b>\$493</b>
New Tenant Rent:	$\$493 - \$75 =$	<b>\$418</b>

**Reference:** 4350.3 REV-1, Ch. 3, Par. 3-12P.

**Question 5:** On March 5th, Randy reports that he will be starting a job on March 15th. What will you do with this new information on Randy's prospective income? Given that Randy does not have eligible immigration status and the family is paying prorated rent, must you consider Randy's income in the assisted family's annual income?

**Answer:** Despite the fact that Randy is not an eligible noncitizen, you must count Randy's income. Annual income includes all amounts that go to or are received on behalf of the family head, spouse, co-head or any other family member. The fact that Randy is an ineligible noncitizen does not mean that Randy is not a member of the family. You must process an interim reexamination to recalculate income and rent, including prorated rental assistance.

**Reference:** 4350.3 REV-1, Ch. 5, Exhibit 5-1, 24 CFR 5.609(a)

**ATTACHMENT E – CASE STUDY 4 ANSWERS****Case Study 4A Answers**

1. Which of the following would be justification for an exemption from the minimum rent requirement?

**a. The family’s sole earner has a back injury and can’t work for 6 months. \*\***

**Comment:** In this case, the family’s income has decreased due to a change in circumstances. If the family’s hardship circumstances last for the expected 6 months, the hardship would be considered long term and the family would not be required to repay the suspended minimum rent amount.

**Reference:** 4350.3 REV-1, Ch. 5, Par. 5-26D.3.

**b. Mr. Johnson was laid off and has not yet started to receive unemployment. \*\***

**Comment:** If Mr. Johnson’s loss of employment income would result in the family paying a minimum rent, then the family would qualify for a minimum rent hardship exemption due to a change in circumstances. If the family qualifies and requests the exemption, the owner must waive the minimum rent beginning the month immediately following the tenant’s request. It is possible that Mr. Johnson could begin receiving unemployment benefits fairly quickly, before the beginning of the month immediately following his request, such that the family would not be paying a minimum rent. In this instance, the minimum rent exemption would not be necessary.

It is also possible that Mr. Johnson could begin receiving unemployment benefits later than the beginning of the month immediately following his request, but within 90 days of his request. In this case, the exemption would be granted until such time that owner determines the hardship to be temporary. The owner would reinstate the minimum rent 90 days after the date of the suspension. The family would then be responsible for paying the minimum rent, retroactive to the date of the suspension.

**Reference:** 4350.3 REV-1, Ch. 5, Par. 5-26D.3.

**c. Ms. Virtuous’s SSI assistance has been terminated as a result of a finding of fraud by the Social Security Administration. \*\***

**Comment:** In this case, the family’s income has decreased due to a loss in government assistance. The regulation makes no provision for denying the minimum rent exception in the case of loss of income due to fraud.

**Reference:** 4350.3 REV-1, Ch. 5, Par. 5-26D.3.

- d. As a result of a fire, the factory that Mrs. Gonzales works in has been closed. This cuts the family's monthly adjusted income nearly in half (from \$500/month to \$280/month).

**Comment:** Even though the Gonzales family has had a significant decrease in income, and may well be experiencing a “hardship”, the family is not eligible for the hardship exemption because 30% of monthly adjusted income is greater than the \$25 minimum rent ( $\$280 \times .30 = \$84$ ). Of course, the owner will process an interim recertification to bring the family's TTP down to \$84.

2. Handbook 4350.3 REV-1 says that owners should offer “reasonable” repayment agreements to families that must repay suspended amounts. Which of the following would not be considered “reasonable”? Explain your answer.
  - a. Permitting the family to pay \$10/month until the amount is repaid
  - b. Requiring the family to repay in two equal lump sums.
  - c. **Deducting a small amount from the family's utility reimbursement each month. \*\***

**Explain:** A family entitled to a utility reimbursement must receive the full amount of reimbursement each month. Owners cannot apply the utility reimbursement against other charges due from the tenant.

**Reference:** 4350.3 REV-1, Ch. 5, Par. 5-26C.

3. Mr. Blake had a job-related injury that has left him permanently disabled. Before the accident his monthly gross income was \$650. Mrs. Blake works part time. Her gross income is \$100/month. They have two children. As a result of Mr. Blake's injury, the family has an outstanding hospital bill of \$10,000.
  - Because their monthly adjusted income will be so low, the family will be required to pay the minimum rent. The family has requested and received a minimum rent hardship exemption. When is it likely that the Blake's hardship exemption will end?

**Answer:** The family's hardship is the result of a decrease in income due to a change in circumstances – loss of employment income, in this case. When the family begins receiving income from another source, such as workman's compensation or SSI, and this additional income results in a family TTP that exceeds the \$25 minimum rent, the family's hardship exemption will end.

**Reference:** 4350.3 REV-1, Ch. 5, Par. 5-26D.

4. Ms. Jackson's gross monthly income is \$400. Because of the dependent and child care deductions, she has been paying the minimum rent. Her 16 year old son was killed in an automobile accident. She took off two months from work and has now unpaid funeral expenses of \$1,500. The owner has approved a minimum rent exception.
- Which of the following would be acceptable criteria for the owner to use to determine when the Johnson's hardship situation ends?
    - a. **Allowing a flat 12 months for everyone who has a hardship. \*\***
    - b. **Establish the number of months that the hardship may last, based upon the dollar amount of the hardship. \*\* (For example:  $\$800 + \$1,500 = \$2,300$ , divided by the \$25 Ms. Jackson would otherwise pay in rent = 92 months hardship period)**
    - c. **Since death is permanent, the exemption should remain as long as the minimum rent is element of the TTP formula that applies. \*\***

**Comment:** It is the responsibility of the owner to have written policies to address the length of a hardship period and the point at which the hardship “ends”, consistent with HUD policy and regulations. All of these criteria could be used by an owner to establish the length of a hardship period, based on the owner’s own written policies.

- What policy would you establish?

**Answer:** There is no single “correct” answer to this question. Any policy you establish must not conflict with existing statutes, HUD regulations or HUD policy.

**Case Study 4B Answers**

**Trainer Note: If the training participants do not work in an as-paid jurisdiction, you should omit Case Study 4B and proceed to Case Study 4C**

- The Green family lives in an “as-paid” welfare state. The state’s maximum welfare grant is \$400 including \$250 for shelter and utilities and \$150 for other basic needs.
- The Green family receives a welfare grant of \$325. The grant includes \$200 for shelter and utilities and \$125 for basic needs other than shelter and utilities.
- The Green family includes three minor children and the family pays \$950 in eligible child care expenses. The unit rent for the Green family is \$935. The Green family also has a utility allowance of \$95.

**Question:** Using the information provided, and assuming that the welfare grant is the family’s only source of income, complete the rest of the income and rent calculations on the forms that follow.

4a. Family Member Name	4b. FM #	Calculation	4c. Employment or Business	4d. Social Security, Pensions, etc.	4e. Public Assistance	4f. Other Income
R. Green	1	$(\$125 + \$250) \times 12$			\$4,500	
<b>4g. Total Income from each source</b>			\$	\$	\$4,500	\$
<b>5. Total Income All Sources</b>			Add all amounts on Line 4g. above:			\$4,500
<b>6. Total Annual income</b>			Add <b>Line 5.</b> + Total Asset Income:			\$4,500

**Explanation:** Of the family’s total welfare grant of \$325, count the amount the family actually receives for basic needs other than shelter and utilities (\$125). Do not count the amount the family actually receives for shelter and utilities (\$200). Instead, substitute the maximum amount the state could allow for shelter and utilities (\$250).

$$\$125 + \$250 = \$375$$

$$\$375 \times 12 = \$4,500$$

**Reference:** 4350.3 REV-1, Ch. 5, Par. 5-6I.

<b>6. Total Annual Income:</b> Carryover from <b>Line 6.</b> on <b>Annual Income</b> table		\$4,500
<b>Dependent Allowance</b>		
<b>7. Allowance for Dependents</b> (# of dependents <u>3</u> x \$480)		\$1,440
<b>Child Care Allowance</b>		
<b>8. Child Care Allowance</b> (Line 8a. plus Line 8b.)		\$950
8a. Expense enabling family member to work (may not exceed \$ earned by family member enabled to work)	\$	
8b. Expense enabling family member to attend school and/or look for work	\$	
<b>Elderly/Disabled Household Allowance</b>		
Elderly/Disabled Household Allowance (\$400 or \$0)		\$0
<b>Disability Assistance Expenses</b>		
<b>10. Enter total unreimbursed disability assistance expenses:</b>	\$	
<b>11. Enter 3% of Total Annual Income</b> (Line 6. x .03)	\$	
<b>12. Maximum allowable disability assistance expense</b> (Line 10. minus Line 11.)	12a. \$	
• If positive or zero, enter in <b>Box 12a.</b>	12b. \$	
• If negative, enter as positive number in <b>Box 12b.</b>		
<b>13. Enter \$ earned by family member enabled to work as a result of disability expenses</b>	\$	
<b>14. Enter lower of Line 12a. or Line 13.</b> If Line 12a. is blank or zero, enter zero	\$	
<b>Medical Expenses</b>		
<b>15. Enter the total annual unreimbursed medical expenses for all family members of a disabled or elderly family</b>	\$	
<b>Medical/Disability Assistance Expenses Allowance</b>		
<b>16. Enter the total of Line 14. and Line 15.</b>	\$	
<b>17. Enter Line 12b.</b> If Line 12b. is blank or zero, enter zero.	\$	
<b>18. Medical/Disability Assistance Expense: Line 16. minus Line 17.</b> (but not less than zero)		\$0
<b>19. Total Allowances: Total of Lines 7., 8., 9. and 18.</b>		\$2,390
<b>Total Adjusted Income</b>		
<b>20. Adjusted Annual Income: Line 6. minus Line 19</b>		\$2,110

1.	<b>Monthly Income</b> (Line 6. from Annual Income table ÷ 12)	\$375
2.	<b>Monthly Adjusted Income</b> (Line 20. from Adjusted Income table ÷ 12)	\$176
3.	<b>30% of Monthly Adjusted Income</b> (Line 2. x .30)	\$53
4.	<b>10% of Monthly Income</b> (Line 1. x .10)	\$38
5.	<b>Welfare Rent</b> (If applicable)	\$250
6.	<b>Minimum Rent</b> (\$25 for Section 8 / \$0 for PAC/PRAC)	\$25
7.	<b>Total Tenant Payment</b> (greater of Line 3., 4., 5., or 6.) <i>Note:</i> May never exceed unit gross rent in Sec. 8 or PAC programs.	\$250
8.	<b>Utility Allowance (UA)</b>	\$95
9.	<b>Tenant Rent:</b> TTP – UA (Line 7. minus Line 8.)	\$155
	<b>a. Tenant Rent:</b> If positive number, enter	
	<b>b. Utility Reimbursement:</b> If negative number, enter as positive	\$0

1.	<b>Contract Rent:</b>	\$935
2.	<b>Utility Allowance</b> (same as Line 8. on Tenant Rent Calc. table)	\$95
3.	<b>Gross Rent</b> (Line 1. plus Line 2.)	\$1,030
4.	<b>TTP</b> (same as Line 7. on Tenant Rent Calc. table)	\$250
5.	<b>Assistance Payment:</b> (Line 3. minus Line 4.)	\$780
5.a.	<b>Assistance Payment to Owner for Rent</b> (Lesser of Line 5. or Line 1.)	\$780
5.b.	<b>Assistance Payment to Owner for Utility Reimbursement</b> (Line 5. minus Line 5.a.)	\$0
	<i>Note:</i> Should equal <b>Line 9.b.</b> on <b>Tenant Rent Calc.</b> table	

**Explanation:** In an “as-paid” jurisdiction, the maximum amount the jurisdiction could allow for shelter and utilities is known as the welfare rent. When calculating TTP in an as-paid jurisdiction, you must use the greater of 10% of monthly (gross) income, 30% of monthly adjusted income, the minimum rent, or the welfare rent. In this instance, the greater amount is the welfare rent – \$250.

**Reference:** 4350.3 REV-1, Ch. 5, Par. 5-26E.

**Case Study 4C Answers**

- The Red family does not live in an “as-paid” welfare state. The Red family receives a welfare grant of \$325.
- The Red family includes three minor children and the family pays \$950 in eligible child care expenses. The unit rent for the Red family is \$935. The Red family also has a utility allowance of \$95.

Question: Using the information provided, and assuming that the welfare grant is the family’s only source of income, complete the rest of the income and rent calculations on the forms that follow.

4a. Family Member Name	4b. FM #	Calculation	4c. Employment or Business	4d. Social Security, Pensions, etc.	4e. Public Assistance	4f. Other Income
G. Red	1	\$325 x 12			\$3,900	
<b>4g. Total Income from each source</b>			\$	\$	\$3,900	\$
<b>5. Total Income All Sources</b>			Add all amounts on <b>Line 4g.</b> above:			\$3,900
<b>6. Total Annual income</b>			Add <b>Line 5.</b> + Total Asset Income:			\$3,900

<b>6. Total Annual Income:</b> Carryover from <b>Line 6.</b> on <b>Annual Income</b> table		\$3,900
<b>Dependent Allowance</b>		
<b>7. Allowance for Dependents</b> (# of dependents <u>  3  </u> x \$480)		\$1,440
<b>Child Care Allowance</b>		
<b>8. Child Care Allowance</b> (Line 8a. plus Line 8b.)		\$950
8a. Expense enabling family member to work (may not exceed \$ earned by family member enabled to work)	\$	
8b. Expense enabling family member to attend school and/or look for work	\$950	
<b>Elderly/Disabled Household Allowance</b>		
Elderly/Disabled Household Allowance (\$400 or \$0)		\$0
<b>Disability Assistance Expenses</b>		
<b>10. Enter total unreimbursed disability assistance expenses:</b>		\$
<b>11. Enter 3% of Total Annual Income</b> (Line 6. x .03)		\$
<b>12. Maximum allowable disability assistance expense</b> (Line 10. minus Line 11.)		
• If positive or zero, enter in <b>Box 12a.</b>	12a.	\$
• If negative, enter as positive number in <b>Box 12b.</b>	12b.	\$
<b>13. Enter \$ earned by family member enabled to work as a result of disability expenses</b>		\$
<b>14. Enter lower of Line 12a. or Line 13.</b> If Line 12a. is blank or zero, enter zero		\$
<b>Medical Expenses</b>		
<b>15. Enter the total annual unreimbursed medical expenses for all family members of a disabled or elderly family</b>		\$
<b>Medical/Disability Assistance Expenses Allowance</b>		
<b>16. Enter the total of Line 14. and Line 15.</b>		\$
<b>17. Enter Line 12b.</b> If Line 12b. is blank or zero, enter zero.		\$
<b>18. Medical/Disability Assistance Expense:</b> Line 16. minus Line 17. (but not less than zero)		\$0
<b>19. Total Allowances:</b> Total of Lines 7., 8., 9. and 18.		\$2,390
<b>Total Adjusted Income</b>		
<b>20. Adjusted Annual Income:</b> Line 6. minus Line 19		\$1,510

1.	<b>Monthly Income</b> (Line 6. from Annual Income table ÷ 12)	\$325
2.	<b>Monthly Adjusted Income</b> (Line 20. from Adjusted Income table ÷ 12)	\$126
3.	<b>30% of Monthly Adjusted Income</b> (Line 2. x .30)	\$38
4.	<b>10% of Monthly Income</b> (Line 1. x .10)	\$33
5.	<b>Welfare Rent</b> (If applicable)	\$NA
6.	<b>Minimum Rent</b> (\$25 for Section 8 / \$0 for PAC/PRAC)	\$25
7.	<b>Total Tenant Payment</b> (greater of Line 3., 4., 5., or 6.) <i>Note:</i> May never exceed unit gross rent in Sec. 8 or PAC programs.	\$38
8.	<b>Utility Allowance (UA)</b>	\$95
9.	<b>Tenant Rent:</b> TTP – UA (Line 7. minus Line 8.)	\$0
	<b>a. Tenant Rent:</b> If positive number, enter	
	<b>b. Utility Reimbursement:</b> If negative number, enter as positive	\$57

1.	<b>Contract Rent:</b>	\$935
2.	<b>Utility Allowance</b> (same as Line 8. on Tenant Rent Calc. table)	\$95
3.	<b>Gross Rent</b> (Line 1. plus Line 2.)	\$1,030
4.	<b>TTP</b> (same as Line 7. on Tenant Rent Calc. table)	\$38
5.	<b>Assistance Payment:</b> (Line 3. minus Line 4.)	\$992
5.a.	<b>Assistance Payment to Owner for Rent</b> (Lesser of Line 5. or Line 1.)	\$935
5.b.	<b>Assistance Payment to Owner for Utility Reimbursement</b> (Line 5. minus Line 5.a.)	\$57
	<i>Note:</i> Should equal <b>Line 9.b.</b> on <b>Tenant Rent Calc.</b> table	

**Explanation:** The utility allowance (UA) exceeds the TTP by \$57. So, the owner receives an assistance payment equal to the contract rent (\$935) plus the amount by which the UA exceeds the TTP (\$57). The owner retains the \$935 assistance payment and pays the remaining \$57 to the tenant.

**Reference:** 4350.3 REV-1, Ch. 5, Par. 5-26C.

**ATTACHMENT F – POST-TRAINING SELF TEST ANSWERS**

1. Molly M. (head) is requesting an interim recertification. She has just been notified by the local TANF agency that her monthly TANF benefit is being reduced due to adjust for a prior overpayment of TANF benefits. Her usual TANF payment of \$600/month will be reduced to \$500, effective next month for a period of 8 months. Which of the following is true?
  - a. An interim is not needed. Molly’s income will stay the same because she got the benefit of the higher income before.
  - b. Molly’s TTP can be reduced, but not until her next annual recertification.
  - c. An interim is required to reduce Molly’s income to the amount she will actually receive.\*\***
  - d. Third party verification is not required since Molly brought in the original letter dated only last week.

**Explanation:** Where an agency is reducing a family’s benefit to adjust for a prior overpayment, you must count the amount that is actually provided to the family, after the adjustment. Because Molly’s income will be going down, an interim will be necessary to reduce her income and her rent. Third party verification will be necessary for any income source, regardless.

**Reference:** 4350.3 REV-1, Ch. 5, Par. 5-6H.

2. A family must appeal a negative decision regarding immigration status to the Department of Homeland Security (DHS) within how many days of receiving the notice of the decision?

**30 days**

**Reference:** 4350.3 REV-1, Ch. 3, Par. 3-12M.

3. At Janetta’s last annual reexamination you counted the \$150/month that her mother (who does not live in the unit) pays monthly toward her car payment. Janetta has requested an interim recertification stating that her mother is no longer making this payment. Instead she helps Janetta by buying groceries for her family a couple of times a month.
- a. Would you permit the interim? Explain your answer.

**Answer:** An interim reexamination would be permitted because Janetta is losing a countable income source (\$150/month car payment from her mother) and gaining a non-countable income source (groceries provided by her mother). The net effect is that Janetta’s income will be going down. An interim will be necessary to reduce both her income and her rent.

**Reference:** 4350.3 REV-1, Ch. 5, Par. 5-6F., P.

- b. What additional verification would you require?

**Answer:** Preferred third-party verification for contributions and gifts would be a notarized statement or affidavit signed by the person providing the assistance (the mother, in this instance) giving the dates and value of groceries provided. In addition, a notarized statement or affidavit signed by the mother is no longer paying the car payment would be necessary. Oral third-party verification would be telephone or in-person contact with the mother, documented in the tenant file by the owner.

**Reference:** 4350.3 REV-1, Appendix 3.

4. Are there circumstances in which a family can provide the owner with a substitute consent form, in lieu of the HUD-9887 and HUD-9887-A? Describe those circumstances.

**Answer:** There are **no** circumstances under which a family may provide the owner with a substitute consent form or forms, in lieu of the HUD-9887 and HUD-9887-A. These forms are **required** by HUD.

**Reference:** 4350.3 REV-1, Ch. 5, Par. 5-15B.

5. A family has applied to move in at your development. Based upon the information provided by the family in the application, you have determined that the only member of the family who is a citizen is the 6 month old daughter. Can you admit this family (assuming they meet income and other eligibility requirements)? Explain your answer.

**Answer:** Yes, you can admit the family with prorated assistance. As long as one member of the family is a citizen or has eligible immigration status, the family is eligible for housing assistance. However, the family’s assistance must be prorated based on the percentage of eligible members in the family.

**Reference:** 4350.3 REV-1, Ch. 3, Par. 3-12K.

6. The household consists of the head (40), her daughter Vivian (20), and her granddaughter Irene (2). Vivian receives TANF to help support Irene and is a full-time student in a vocational training program sponsored by the welfare department. Which of the following are true?
- The welfare assistance is not counted because it does not go to the head of household
  - Only the first \$480 of welfare assistance is counted because Vivian is a full-time student.
  - The TANF income is counted, regardless of whether the check goes to Vivian or her mother.\*\***
  - Vivian receives \$40/week from the welfare department to cover the cost of transportation to the training center. This amount is not counted as income.\*\***

**Explanation:** Welfare assistance received by the family is countable income, regardless of who receives the income. The first \$480 of earned income by a full-time student is countable income, but Vivian's income is not earned income. Vivian's reimbursement from the welfare department for transportation related to participate in training is excluded, because it qualifies as amounts received for reimbursement of out-of-pocket expenses (e.g., transportation) incurred for participation in a publicly-assisted program.

**Reference:** 4350.3 REV-1, Ch. 5, Par. 5-6A., Exhibit 5-1.

7. Are there any circumstances under which a noncitizen would **not** be required to submit documentation of immigration status? If so, what are those circumstances?

**Answer:** Noncitizens under age 62 who do not claim eligible immigration status may simply sign a declaration to that effect. Noncitizens age 62 and over who claim to have eligible immigration status must sign a declaration of eligible immigration status and must submit proof of age. Noncitizens of any age who live in a development that is **not** subject to the restrictions on assistance to noncitizens would **not** be required to submit documentation. These properties include:

- Sec. 221(d)(3) BMIR
- Sec. 202 PAC
- Sec. 202 PRAC
- Sec. 811 PRAC
- Sec. 202, with units **not** receiving Sec.8 or Rent Supp assistance

**Reference:** 4350.3 REV-1, Ch. 3, Par. 3-12B and Par. 3-12F.

8. A new applicant is willing to sign the consent forms. However, the family expresses great concern over the use of the information obtained via the consent form, as well as concern over their rights and protections under the law.
- What is your responsibility to the family?

**Answer:** You must provide the family with a copy of the signed HUD-9887 and HUD-9887-A forms. In addition, you must provide the family with a copy of the HUD-9887 Fact Sheet, describing the verification requirements for applicants and tenants and the protections that are part of the verification process. Further, you must provide the family with a copy of the Resident Rights and Responsibilities Brochure.

**Reference:** 4350.3 REV-1, Ch. 5, Par. 5-15C.

9. The Briggs family has requested a hardship exemption from the minimum rent requirement. The calculation of TTP is as follows:
- \$4            30% of adjusted income
  - \$11          10% of monthly gross income
  - \$0            Welfare Rent
  - \$25          Minimum Rent.
- If the owner approves the exemption what will the family's new TTP be?
    - a. \$4
    - b. \$11\*\***
    - c. \$15
    - d. \$0

**Explanation:** When the owner waives the \$25 minimum rent charge, the TTP is then calculated at the highest of 30% of adjusted monthly income or 10% of gross monthly income (or welfare rent, if applicable). The TTP will not drop to \$0 unless those calculations all result in \$0.

**Reference:** 4350.3 REV-1, Ch. 5, Par. 5-26D.

10. Documentation for the Brown family is as follows:

Head (40)	Birth certificate showing U.S. citizenship
Spouse (34)	Form I-551, Alien Registration Receipt
Other Adult (31)	Form I-151, Alien Registration Receipt
Other Adult (21)	Declaration of non-eligible status
Dependent (2)	Birth certificate showing U.S. citizenship

- The family's calculated TTP is \$330. The gross rent is \$1200. Calculate the assistance payment taking into consideration the citizenship status of all household members.

<b>Answer:</b>	Number of eligible family members:	<b>4</b>
	Total number of family members:	<b>5</b>
	Non-prorated assistance: $\$1,200 - \$330 =$	<b>870</b>
	Prorated Assistance: $\$870 \times 4/5 =$	<b>\$696</b>
<b>Reference:</b> 4350.3 REV-1, Ch. 3, Par. 3-12P.		

**Trainer Manual**

**Module 2**

**Part C: Power Point Presentation**

