References

References

Appendix A:
RIM Tenant File Review Checklist-PH/HCV

Appendix A

Tenant File Review Checklist

Rental Integrity Monitoring

Public Housing / Sec. 8 Housing Choice Voucher

PHA Name:	
PHA No.:	
HUD Reviewer:	
Date of Review:	
Last Name of Family Head:	
SSN of Family Head:	

A. Family Composition

	Last Name	First Name	Relation	Date of Birth	Sex	SSN	9886? √	Dis? √	C/EI? √
1.a.			Head						
b.									
c.									
d.									
e.									
f.									
g.									
h.									
i.									

Recent Admission Family only:

2.a. **Date of Admission:**

		Yes	No	Unclear
b.	Application materials complete and capture all information for eligibility, income and rent?			
c.	Family executed form HUD-9886: Authorization for Release of Information / Privacy Act Notice?			
d.	Family composition and characteristics identified? Verified & documented?			
e.	SSNs disclosed, or certification if no SSN assigned? Verified & documented?			
f.	Evidence of citizenship or eligible immigration status for all members? Verified & documented?			

Reexamination Family only:

3.a. **Current Reexam Effective Date:** **Prior Reexam/Admission Effective Date:**

b. **Reexam Type:**
- ☐ Annual Income & Composition
- ☐ 3-Year Income & Composition (**PH** only)
- ☐ Interim / Special / Other
- ☐ Annual Composition (**PH** only)

		Yes	No	Unclear
c.	***All Sec. 8 HCV only:*** PHA conducts annual reexam of income & composition?			
d.	***All PH only:*** PHA conducts annual reexam of composition?			
e.	***PH income-based rent only:*** PHA conducts annual reexam of income?			
f.	***PH flat rent only:*** PHA conducts at least 3-year reexam of income?			
g.	Reexamination materials complete and capture all information for eligibility, income and rent?			
h.	Family composition & characteristics identified, including new members? Verified & documented?			
i.	Family executed form HUD-9886: Authorization for Release of Information / Privacy Act Notice?			
j.	SSNs disclosed, or certification if no SSN assigned? Verified & documented?			
k.	Evidence of citizenship / eligible immigration status for all members? Verified & documented?			

Shaded cells represent information which may be cross-referenced with HUD-50058

B. *Annual Income and Assets*

*** For detailed calculations, refer to *B. Annual Income and Assets Worksheet* in Appendix C**

1.	**Final Asset Income** (ref. HUD-50058, line 6j.):	**PHA:**	*** $**	**HUD:** *** $**

		Yes	No	Unclear
2.	PHA identifying assets for all family members? Verified &documented?			
3.	PHA accurately calculating net cash value of assets?			
4.	PHA accurately calculating anticipated actual income from assets?			
5.	Assets > $5000: PHA accurately calculating imputed asset income, using correct passbook rate?			
6.	PHA accurately calculating final asset income, using larger of anticipated actual vs. imputed?			

7.	**TOTAL ANNUAL INCOME** (ref. HUD-50058, line 7i.):	**PHA:**	*** $**	**HUD:** *** $**

		Yes	No	Unclear
8.	Wages and earned income accurately calculated, verified & documented?			
9.	Earned income exclusion/disallowance accurately calculated?			
10.	**PH:** Where PHA uses Individual Savings Account (ISA), PHA deposits appropriate amount?			

		Yes	No	Unclear
11.	Welfare benefit income accurately calculated, verified & documented?			
12.	Where family member subject to "Specified Welfare Benefit Reduction", PHA uses imputed welfare income?			
13.	Family requested review of imputed welfare income calculation? If denied, PHA provided written notice?			

		Yes	No	Unclear
14.	SS/SSI/pension income accurately calculated, verified & documented?			

		Yes	No	Unclear
15.	"Other" income accurately calculated, verified & documented?			

		Yes	No	Unclear
16.	Total Annual Income accurately calculated, verified & documented?			

C. *Dwelling Unit / Utility Allowance*

**** For detailed calculations, refer to *C. Utility Allowance Worksheet* in Appendix C**

1.a. **Unit Address:** b. **No. of Bedrooms:**

2.a. ***PH only* – Project Name:** b. ***PH only* – Project No.**

		Yes	No	Unclear
3.a.	Tenant family responsible for some or all utilities in unit?			

b.	**Total Utility Allowance** (ref. HUD-50058, line 10e., 10r., 12m.):	**PHA:**	**** $**	**HUD:** **** $**

		Yes	No	Unclear
c.	Correct Utility Allowance used, computed accurately?			

Shaded cells represent information which may be cross-referenced with HUD-50058

D. Adjusted Income

*** For detailed calculations, refer to *D. Adjusted Income Worksheet* in Appendix C**

					Yes	No	Unclear
1.a	**Dependent Deduction** (ref. HUD-50058, line 8r. and 8s.):	**PHA:**	*** $**	**HUD:**	*** $**		
b.	Dependent Deduction accurately calculated; verified & documented by PHA?						
2.a.	**Elderly / Disabled Family Deduction** (ref. HUD-50058, line 8p.):	**PHA:**	*** $**	**HUD:**	*** $**		
b.	Elderly/Disabled Family Deduction accurately calculated; verified & documented by PHA?						
3.a.	**Medical/Disability Assistance Expenses Deduction:** (ref. HUD-50058, line 8n.)	**PHA:**	*** $**	**HUD:**	*** $**		
b.	Medical/Disability Assistance Exp. Deduction accurately calculated; verified & documented by PHA?						
4.a.	**Child Care Expenses Deduction** (ref. HUD-50058, line 8t.):	**PHA:**	*** $**	**HUD:**	*** $**		
b.	Child Care Expenses Deduction accurately calculated; verified & documented by PHA?						
5.a.	***Public Housing only:* Permissive Deductions:** (ref. HUD-50058, line 8e.):	**PHA:**	*** $**	**HUD:**	*** $**		
b.	Permissive deduction accurately calculated; verified & documented by PHA?						
6.a.	**Total All Deductions** (ref. HUD-50058, line 8x.):	**PHA:**	*** $**	**HUD:**	*** $**		
b.	Total All Deductions accurately calculated; verified & documented by PHA?						
7.a.	**TOTAL ADJUSTED INCOME** (ref. HUD-50058, line 8y.):	**PHA:**	*** $**	**HUD:**	*** $**		
b.	Total Adjusted Income accurately calculated; verified & documented by PHA?						

Shaded cells represent information which may be cross-referenced with HUD-50058

Complete Section E. for a Public Housing family only.

E. Rent – Public Housing only

*** For detailed calculations, refer to *E. Public Housing Rent Worksheet* in Appendix C**

		Yes	No	Unclear
1.a.	Family offered choice of rent methods:			

b. Tenant Rent is: ☐ **Income-based** ☐ **Flat**

Income-based Rent:

2. Income-based Rent method is: ☐ **Traditional** ☐ **PHA Alternative**

Traditional TTP

3. **TTP** – traditional method (ref. HUD-50058, line 9j., 10d.): **PHA:** * $ **HUD:** * $

		Yes	No	Unclear
4.	**Traditional income-based TTP** accurately calculated?			
5.a.	Family qualified for Minimum Rent financial hardship exemption? Verified & documented?			
b.	Minimum Rent TTP suspended for long-term hardship and reinstated for temporary hardship?			
6.	Family is a "mixed" family eligible for Prorated assistance (If "Yes", go to **Line 11.**)?			

PHA Income-based TTP

7. **TTP** – alternative method (ref. HUD-50058, line 9j., 10d.): **PHA:** * $ **HUD:** * $

		Yes	No	Unclear
8.	**PHA Alternative Income-based TTP** accurately calculated?			
9.	**PHA Alternative Income-based TTP** does not exceed **Traditional income-based TTP**?			
10.	Family is a "mixed" family eligible for Prorated assistance (If "Yes", go to **Line 11.**)?			

Prorated TTP

11. **TTP** for a "Mixed" family (ref. HUD-50058, line 10p.): **PHA:** * $ **HUD:** * $

		Yes	No	Unclear
12.	**TTP** for a "Mixed" family accurately calculated?			

Income-based Tenant Rent

13. **TENANT RENT** (ref. HUD-50058, line 10f., 10s.): **PHA:** * $ **HUD:** * $

14. **Utility Reimbursement** (ref. HUD-50058, line 10f., 10s.): **PHA:** * $ **HUD:** * $

		Yes	No	Unclear
15.	**TENANT RENT** accurately calculated?			
16.	Income-based TENANT RENT agrees with Rent Rolls?			

Flat Rent

17. **Flat Rent** based on PHA schedule (ref. HUD-50058, line 10b.): **PHA:** * $ **HUD:** * $

18. **Flat Rent** for a "Mixed" Family (ref. HUD-50058, line 10b.): **PHA:** * $ **HUD:** * $

		Yes	No	Unclear
19.	Flat Rent accurately calculated by PHA?			
20.	Flat Rent agrees with Rent Rolls?			

Shaded cells represent information which may be cross-referenced with HUD-50058

Complete Section F. for a Section 8 Housing Choice Voucher family only.

F. Family Rent and HAP – Section 8 HCV only

*** For detailed calculations, refer to *F. Section 8 HCV Rent and HAP Worksheet* in Appendix C**

Total Tenant Payment (TTP)

1.	**TTP** (ref. HUD-50058, line 9j. or 12r.):	**PHA:**	*** $**	**HUD:**	*** $**

		Yes	No	Unclear
2.	TTP accurately calculated?			
3.a.	Family qualified for Minimum Rent financial hardship exemption? Verified & documented?			
b.	Minimum Rent TTP suspended for long-term hardship and reinstated for temporary hardship?			

Payment Standard

4.a	**Payment Standard** (ref. HUD-50058, line 12j.):	**PHA:**	*** $**	**HUD:**	*** $**

		Yes	No	Unclear
b.	Correct Payment Standard used?			

Gross Rent and Total HAP

5.	**Gross Rent** (ref. HUD-50058, line 12p.):	**PHA:**	*** $**	**HUD:**	*** $**
6.	**Total HAP** (ref. HUD-50058, line 12s.):	**PHA:**	*** $**	**HUD:**	*** $**

		Yes	No	Unclear
7.	Total HAP accurately calculated?			

Reexamination Family only:

		Yes	No	Unclear
8.a.	Reexamination has resulted in HAP of zero ($0) dollars?			
b.	If "Yes", HAP contract remained in effect up to 6 months after reexam effective date?			

Family Rent to Owner and HAP to Owner (Non-prorated, Non-mixed Family only)

9.	**Total Family Share of Rent** (ref. HUD-50058, line 12t.):	**PHA:**	*** $**	**HUD:**	*** $**
10.	**HAP to Owner** (ref. HUD-50058, line 12u.):	**PHA:**	*** $**	**HUD:**	*** $**
11.	**Family Rent to Owner** (ref. HUD-50058, line 12v.):	**PHA:**	*** $**	**HUD:**	*** $**
12.	**Utility Reimbursement** (ref. HUD-50058, line 12w.):	**PHA:**	*** $**	**HUD:**	*** $**

		Yes	No	Unclear
13.	Family Rent to Owner and HAP (Non-prorated) accurately calculated by PHA?			
14.	HAP agrees with HAP register?			

Family Rent to Owner and HAP to Owner (Prorated, Mixed Family only)

15.	**Prorated Family Rent to Owner** (ref. HUD-50058, line 12ai.):	**PHA:**	*** $**	**HUD:**	*** $**
16.	**Prorated HAP to Owner** (ref. HUD-50058, line 12aj.):	**PHA:**	*** $**	**HUD:**	*** $**

		Yes	No	Unclear
17.	Family Rent to Owner and HAP (Prorated) accurately calculated by PHA?			
18.	HAP agrees with HAP register?			

Shaded cells represent information which may be cross-referenced with HUD-50058

Complete Section F. for a Section 8 Housing Choice Voucher family only.

F. Family Rent and HAP – Section 8 HCV only

*** For detailed calculations, refer to *F. Section 8 HCV Rent and HAP Worksheet* in Appendix C**

Total Tenant Payment (TTP)

1.	**TTP** (ref. HUD-50058, line 9j. or 12r.):	**PHA:**	* $	**HUD:**	* $

		Yes	No	Unclear
2.	TTP accurately calculated?			
3.a.	Family qualified for Minimum Rent financial hardship exemption? Verified & documented?			
b.	Minimum Rent TTP suspended for long-term hardship and reinstated for temporary hardship?			

Payment Standard

4.a	**Payment Standard** (ref. HUD-50058, line 12j.):	**PHA:**	* $	**HUD:**	* $

		Yes	No	Unclear
b.	Correct Payment Standard used?			

Gross Rent and Total HAP

5.	**Gross Rent** (ref. HUD-50058, line 12p.):	**PHA:**	* $	**HUD:**	* $
6.	**Total HAP** (ref. HUD-50058, line 12s.):	**PHA:**	* $	**HUD:**	* $

		Yes	No	Unclear
7.	Total HAP accurately calculated?			

Reexamination Family only:

		Yes	No	Unclear
8.a.	Reexamination has resulted in HAP of zero ($0) dollars?			
b.	If "Yes", HAP contract remained in effect up to 6 months after reexam effective date?			

Family Rent to Owner and HAP to Owner (Non-prorated, Non-mixed Family only)

9.	**Total Family Share of Rent** (ref. HUD-50058, line 12t.):	**PHA:**	* $	**HUD:**	* $
10.	**HAP to Owner** (ref. HUD-50058, line 12u.):	**PHA:**	* $	**HUD:**	* $
11.	**Family Rent to Owner** (ref. HUD-50058, line 12v.):	**PHA:**	* $	**HUD:**	* $
12.	**Utility Reimbursement** (ref. HUD-50058, line 12w.):	**PHA:**	* $	**HUD:**	* $

		Yes	No	Unclear
13.	Family Rent to Owner and HAP (Non-prorated) accurately calculated by PHA?			
14.	HAP agrees with HAP register?			

Family Rent to Owner and HAP to Owner (Prorated, Mixed Family only)

15.	**Prorated Family Rent to Owner** (ref. HUD-50058, line 12ai.):	**PHA:**	* $	**HUD:**	* $
16.	**Prorated HAP to Owner** (ref. HUD-50058, line 12aj.):	**PHA:**	* $	**HUD:**	* $

		Yes	No	Unclear
17.	Family Rent to Owner and HAP (Prorated) accurately calculated by PHA?			
18.	HAP agrees with HAP register?			

Shaded cells represent information which may be cross-referenced with HUD-50058

References

Appendix B:
RIM Tenant File Review Checklist - Instructions

Tenant File Review Checklist Instructions

Rental Integrity Monitoring

Public Housing / Sec. 8 Housing Choice Voucher

General Information

As a part of Rental Integrity Monitoring (RIM) income and rent reviews, HUD staff are to determine Public Housing Agency (PHA) compliance with federal public housing income and rent regulations and requirements, through review of a sample of public housing and Section 8 Housing Choice Voucher (HCV) tenant file records. For purposes of RIM reviews, tenant file records are the critical pieces of source documentation, used as evidence to support HUD determinations and conclusions in all areas of the review.

The **Appendix A: RIM Tenant File Review Checklist** has been designed to guide the HUD reviewer through a file review and to document the results of the review. This **Appendix B: RIM Tenant File Review Checklist Instructions** has been designed as a reference document, offering detailed, line-by-line guidance to the HUD reviewer for completing the file review checklist. The instructions explain each piece of information included in the tenant file review, as well as the conclusions the HUD reviewer must reach when examining the information.

Using the Checklist and the Instructions

1. Review the contents of *each* tenant file included in the tenant file sample, completing a copy the file review checklist (**Appendix A**) as documentation of the file review.

2. The checklist is divided into the following sections:

   - **Header**
   - **A. Family Composition**
   - **B. Annual Income and Assets**
   - **C. Dwelling Unit / Utility Allowance**
   - **D. Adjusted Income**
   - **E. Rents – Public Housing only**
   - **F. Family Rent and HAP – Section 8 HCV only**

3. Proceed through the checklist, section-by-section, recording information and answering questions, as appropriate.

   - Complete the Header and Sections A. through D. for both public housing and Section 8 HCV families.
   - Complete Section E. for public housing families only. Complete Section F. for Section 8 HCV families only.
   - In all sections, record the information, including dollar amounts, that the PHA is using in the income and rent process, as reflected in the file record. Also record HUD calculation results, where these differ.
   - In all sections, assess the accuracy and thoroughness of file information by answering the questions about the information. Where a definitive "Yes/No" answer cannot be determined, based on the file record, indicate "Unclear" and make a note of the issue. Where a question is not applicable to a given family, simply draw a line through the question, note "N/A" beside the question, or some other reasonable method.

4. Cross-reference tenant file information with information recorded on the HUD-50058, Family Report, for the family (where the HUD-50058 is available). Shaded cells on the checklist represent information found in the tenant file that may also be found on the HUD-50058.

5. Use the checklist instructions (**Appendix B**) as a *reference* document, as necessary, to clarify the type of information to be gathered on the checklist, the conclusions to be reached and the basis for those conclusions. Instructions are organized to correspond to the checklist section titles.

6. Where tenant file income and rent calculations are confusing or unclear, use the actual HUD-50058 for the family as the first option for clarification. Where the HUD-50058 is unavailable, the reviewer may use a blank copy of the HUD-50058, or may use **Appendix C: RIM Tenant File Review Checklist Worksheets** to manually calculate and cross-check various aspects of income and rent, based on the file documentation. Worksheets are organized to correspond to the checklist section titles.

Checklist Worksheets

To support the file review, worksheets have been developed for use in calculating public housing and Section 8 HCV income and rent, with detailed instructions for the use of each worksheet. Worksheets are found as a separate **Appendix C** to the **RIM Guide**.

Worksheets may be used as necessary to aid the HUD reviewer in determining and documenting income and rent, based on the contents of the tenant file. Worksheets are particularly useful for situations where tenant file documentation is confusing or unclear, and a HUD-50058 is unavailable for the family. Worksheets also include information not found on the HUD-50058.

The Worksheets are organized to correspond to the appropriate section of the checklist where they might be used:

- ***B. Annual Income and Assets Worksheet***
- ***C. Dwelling Unit / Utility Allowance Worksheet***
- ***D. Adjusted Income Worksheet***
- ***E. Public Housing Rent Worksheet***
- ***F. Section 8 HCV Rent and HAP Worksheet***

On-hand Resources for Tenant File Reviews

During the course of each tenant file review, the HUD reviewer will need to refer to various PHA policies, PHA procedures, documents, schedules and other resources in order to check the file documentation. Following is a partial listing of resources that the HUD reviewer should have "on-hand" when conducting a file review.

a. **Public Housing Admissions and Occupancy Policies** – including occupancy standards, flat rent schedules, ceiling rent schedules (if any), minimum rent schedule, PHA "alternative" income-based rent determination method (if any), including PHA use of "permissive" deductions when computing Adjusted Income

b. **Section 8 Administrative Plan** – including subsidy standards, minimum rent schedule, payment standard schedules, policies on use of "special" housing types, etc.

c. **Utility Allowance schedules** – both public housing and Section 8 HCV

d. **Form HUD-50058 and Form HUD-50058 Instruction Booklet**

e. **Housing Choice Voucher Guidebook**

f. **HUD Notice PIH 2001-15 (HA)** – improving income integrity

g. **HUD Notice PIH 2001-41 (HA)** – Section 8 tenant-based assistance for housing conversion actions.

Other documents and resources may also be useful and should be requested as needed, depending on the particular circumstances of the tenant file under review.

Categories of Tenant Families

The tenant file checklist, the instructions, and the worksheets reference two basic categories of tenant families:

- **Recent Admission** families are families who have been admitted to public housing within the past 12 months (for public housing), or have initially leased a unit under the PHA's Section 8 HCV program within the past 12 months (for Section 8 HCV families).

- **Reexamination** families are families that have been residents in the PHA's public housing program (for public housing families), or participants in the PHA's Section 8 HCV program (for Section 8 HCV families) for at least one year and have undergone at least one reexamination of family income and composition.

Requirements differ slightly between these two categories of families. Where appropriate, the checklist, instructions and worksheets note these differences.

In addition, *for Section 8 HCV families only*, the checklist, the instructions and the worksheets make a distinction between two additional categories of families:

- **Mover** families are Section 8 assisted families who have moved within the PHA's jurisdiction with continued assistance within the past 12 months.

  These families are unique in that, because their assistance is on-going, the PHA should be conducting regular reexaminations of income and composition for the families. In this respect, Mover families are similar to Reexamination families. However, because they have recently moved to a new unit within the jurisdiction, the tenant file record should include evidence of voucher issuance, request for tenancy approval, initial HQS inspections, determination of unit and owner eligibility, etc. In this respect, Mover families are similar to Recent Admission families.

- **Portability-In** families are Section 8 assisted families who have exercised portability to *move into* the PHA's jurisdiction within the last 12 months.

  These could be families where the PHA is acting as the Receiving PHA, administering assistance and billing the Initial PHA. Or, they could be families where the PHA has elected to "absorb" the family into their own Section 8 program. Portability-In families are similar to Mover families in that they are not selected from the waiting list but will have recently gone through the process of voucher issuance and lease-up. However, in some cases, Portability-In families are also similar to Recent Admission families in that the PHA must establish eligibility for certain Portability-In families, prior to providing assistance.

Tenant File Review Checklist Instructions

Rental Integrity Monitoring

Public Housing / Sec. 8 Housing Choice Voucher

Header

At the top of each checklist, record the following information:

- Indicate the name of the **PHA** being reviewed (HUD-50058, line 1a.)
- Indicate the **PHA Number** (HUD-50058, line 1b.)
- Record the name of the **HUD Reviewer** conducting the review of this particular tenant file.
- Record the **Date** of the review, either the date(s) of the RIM review as a whole or the date of this particular file review. All documentation related to a given RIM review should be dated.
- To readily identify this particular file review, record the **Last Name of the Family Head** for the tenant family whose file is being reviewed (HUD-50058, line 3b.)
- Indicate the **Social Security Number (SSN)** of the Family Head (HUD-50058, line 3n.)

A. Family Composition

This section captures basic information about family composition and characteristics, important for establishing the eligibility for admission and continued occupancy of the family and its members, the family's qualifications for various income deductions and allowances, the appropriate unit size and type for the family, the appropriate subsidy standard for the family, among other determinations.

All relevant information about family composition and characteristics should be found in the tenant file. No standard format exists. Information is likely to be recorded on one or more documents developed by the PHA for this purpose. The PHA may also maintain a copy or a portion of the Form HUD-50058 in the tenant file.

The section also asks the reviewer to assess the quality of the PHA's application and reexamination processes, as reflected in this particular tenant file.

For a **Recent Admission** family, whether public housing or Section 8 HCV, examine any PHA-developed application form(s) or other documents and materials used by the PHA in the application process to successfully establish family eligibility, suitability, subsidy standard, income, deductions, etc. For this type of family, the PHA will be establishing eligibility for the first time. The HUD reviewer will examine the relevant information, captured by the PHA in its application materials, and ensure that this information has been verified and documented using third-party, written verification whenever possible.

For a **Reexamination** family, whether public housing or Section 8 HCV, the HUD reviewer will be examining the most recent reexamination process for the family and the extent to which the PHA used reexamination form(s), "continued occupancy" forms or other documents and materials to successfully establish the tenant family's current circumstances – income, deductions, changing family composition, eligibility of new members, etc. Note that family circumstances might have changed since the prior family reexamination (or family admission if this is the first reexamination). Eligibility and suitability of new members joining the household since admission or since the last reexamination should be documented.

A. Family Composition

Reexamination requirements differ slightly for public housing and Section 8 HCV.

- Every tenant family that has been in occupancy with the PHA for at least one (1) year should contain a record of an annual reexamination of some kind.
- For the Section 8 HCV program, the PHA is required to reexamine both income and composition of every housing voucher family at least annually. The annual reexamination determines the continued eligibility of the family and establishes the HAP subsidy payment to be made on behalf of the family.
- For the public housing program, the PHA is required to reexamine the family composition of every family at least annually. The PHA is required to reexamine family income at least annually for a family paying an income-based rent. However, for a family paying a flat rent, the PHA is required to reexamine family income at least once every three (3) years. For a flat rent family, the HUD reviewer will need to determine where the family is in the 3-year "cycle" and ensure that the annual reexamination is covering the appropriate information for that year.

In addition, the PHA may require the family to report interim changes in family income or family circumstances as well. PHA policy could require an interim reexamination, special reexamination, or some other type of reexamination "in-between" the regular annual reexamination. Or, the family's situation may be such that the PHA schedules regular interim reexaminations on a monthly, quarterly, semi-annual, or some other basis, until the family's situation stabilizes. For these interim or special types of reexaminations, the PHA may not necessarily re-verify all of the family's information, but only those pieces of information that prompted the interim reexamination to begin with (e.g., fluctuating income, uncertain custody and family composition, etc.).

While not directly related to income and rent determinations, two eligibility screening criteria are important for purposes of this review. These include the provision of Social Security Numbers **(SSNs)** for all family members age six and older, and the establishment of **citizenship** or **eligible immigration status** of all family members. The HUD reviewer should examine each tenant file record for clear verification and documentation of these two criteria, whether at admission for all family members or at reexamination for any new members joining the family.

Lines	File Review Guidance
1.a. – 1.i.	For each family member, record the following information under the appropriate column: • **Last Name** (HUD-50058, line 3b.) • **First Name** (HUD-50058, line 3c.) • **Relation** in the family (HUD-50058, line 3h.) • **Date of Birth** (HUD-50058, line 3e.) • **Sex** (HUD-50058, line 3g.) • **Social Security Number** (HUD-50058, line 3n.) The unit may include residents who are not considered family members (for example, live-in aide(s), foster children, foster adults, etc.). This information should be determined based on the "relation" code on HUD-50058, line 3h., for each household resident. List these residents in the table, noting their relationship to the family and any other pertinent information (age, sex, etc.). While not eligible as family members, these additional residents will affect the size and type of unit the family is entitled to.

A. Family Composition

Lines	File Review Guidance
	In addition, the following determinations must be made by individual family member. Assess the following and place a checkmark "√" under the appropriate column. **9886?** Review the file for evidence of execution of Form HUD-9886, Authorization for the Release of Information / Privacy Act Notice, to be signed by each member of the family household age 18 years or older. PHAs should secure signatures at the time of application for recently admitted families. At the time of reexamination, the PHA should also secure signatures of any new adult members joining the household, or any existing family members who reach the age of 18. The PHA may routinely require a new HUD-9886 to be signed and executed at every reexamination, in order to have a relatively current authorization on file for new verifications. (NOTE: In addition to HUD-9886, the PHA may have developed its own release, consent and authorization forms to use for verification of specific types of information). **Dis?** Determine whether this particular family member has a **Disability** (HUD-50058, line 3j.) and, if so, confirm that this status is verified and documented. • Establishing whether the family head or spouse is a *person age 62 or older*, or whether the family head or spouse is a *person with disabilities*, is important for determining whether the family will qualify for the mandatory income deduction given to all elderly/disabled families and for the mandatory medical deductions given to all elderly/disabled families. • Establishing whether any family member meets the definition of a *person with disabilities* is important for determining whether the family will qualify for the mandatory deduction for attendant care and disability assistance expenses for a family with a disabled family member. **C/EI?** Confirm that the PHA has verified and documented **citizenship** or **eligible immigration status** (HUD-50058, lines 3i. And 3p.) for this particular family member. • Establishing the number of family members with and the number without citizenship or eligible immigration status is an important determination, both for the family's eligibility and for proration of rental assistance for "mixed" families (discussed later in the checklist).

Complete **Line 2.a.** through **Line 2.f.** only for a tenant family who is a **Recent Admission** family. Then proceed to ***Section B. Annual Income and Assets***.

Lines	File Review Guidance
2.a.	Identify **Date of Admission** from the tenant file records. • Date of admission should correspond to HUD-50058, line 2b. – Effective date of action, where line 2a. – Type of action, is Code 1: "New Admission." Use the dwelling lease to cross-check the actual date of admission.

A. Family Composition

Lines	File Review Guidance
2.b.	The PHA's own internally-developed materials used to gather basic family information in the application process are critical to establishing the family's eligibility, computing income and rent, etc. These materials should be examined closely to ensure that they are effective in identifying all aspects of the family's situation, that key information is not omitted and that the PHA is using the materials properly and consistently. Review the application materials used for this family to ensure that the materials capture information necessary to establish eligibility and suitability for tenancy, including: • All information related to income, exclusions, deductions, other factors affecting rent, family composition and circumstances, etc. • All information relevant to eligibility of the family, particularly income eligibility, provision of Social Security Numbers and citizenship/eligible immigration status. Many PHAs use Form HUD-50058 as a supporting document for applications. While maintaining a copy of the HUD-50058 in the tenant's file is certainly acceptable, the HUD-50058 was not designed to serve as the actual application form. In reviewing the tenant files, the HUD reviewer should ensure that the PHA does not rely solely on the HUD-50058 to document the application process.
2.c.	Confirm that a copy of Form HUD-9886, Authorization for the Release of Information / Privacy Act Notice, was signed by each member of the family household age 18 years or older. Refer to the **"(9886)"** column on the family composition table (**Line A.1.a.** through **Line A.1.i.**), earlier in this section to identify any individual family members who are missing the notice.
2.d.	Ensure that all family members are clearly identified, that family composition and member characteristics are clear, and that this information is adequately documented using proper verification methods. Refer to the family composition table (**Line A.1.a.** through **Line A.1.i.**), earlier in this section.
2.e.	The family is required to disclose SSNs for all family members at least six (6) years of age. The PHA is required to document SSNs, using appropriate verification methods. If no SSN has been assigned to a particular family member, a certification to that effect must be in the file. Ensure that SSN information is adequately documented using proper verification methods. Refer to the family composition table (**Line A.1.a.** through **Line A.1.i.**), earlier in this section.
2.f.	The family is required to establish citizenship or eligible immigration status for each family member. The PHA is required to document this information, using appropriate verification methods. Where the family is unable to establish citizenship or eligible immigration status for each family member, the family may still qualify as a "mixed" family eligible for *prorated* rental subsidy assistance. Ensure that information is adequately documented for all family members using proper verification methods. Refer to the **"(C/EI)"** column on the family composition table (**Line A.1.a.** through **Line A.1.i.**), earlier in this section to identify any individual family members who are missing the documentation. For those non-citizen family members claiming eligible immigration status, and who submit the required documentation and evidence, the PHA is required to verify that status with the Immigration and Naturalization Service (INS). This verification process would be conducted by the PHA simultaneously with verification of other aspects of the family or family member's eligibility.

A. Family Composition

Lines	File Review Guidance
	The INS verification process involves primary and secondary verification: **Primary Verification** Primary verification of the individual's eligible immigration status is conducted by the PHA through the INS automated system – Systematic Alien Verification for Entitlements (SAVE). The SAVE system provides the following information: • Alien registration number • Verification number • First name • Last name • Immigration status message (If the primary verification method confirms eligible immigration status, the PHA will receive a message of "INS Status Confirmed." If the primary verification method fails to confirm eligible immigration status, the PHA will receive a message of "Institute Secondary Verification." In this case, secondary verification must be performed.) **Secondary Verification** Within 10 days of receiving the response of "institute secondary verification," the PHA must initiate secondary verification. The PHA submits a written request for secondary verification to a designated INS office. The request consists of photocopies (front and back) of the original INS documents submitted by the individual, attached to a copy of INS form G-845S. Upon receipt of this information, INS undertakes a manual search of its records in an attempt to determine the individual's immigration status. Upon conclusion of this manual search, INS will return the documents to the PHA with a completed copy of INS form G-845S. If eligible immigration status is confirmed, the form will so indicate. If INS is unable to confirm eligible immigration status, the form will so indicate.

Tenant File Review Checklist Instructions

Rental Integrity Monitoring

Public Housing / Sec. 8 Housing Choice Voucher

A. Family Composition

Complete the following **Line 3.a.** through **Line 3.k.** only for a tenant family who is a **Reexamination** family. Then proceed to ***Section B. Annual Income and Assets***.

Lines	File Review Guidance
3.a.	Identify **effective date** of the **current reexamination**, from the tenant file records. Effective date of the reexamination should correspond to HUD-50058, line 2b. – Effective date of action, where line 2a. – Type of action, is either: • Code 2: "Annual Reexamination"; • Code 3: "Interim Reexamination"; • Code 12: "Flat Rent Annual Update" (for annual reexamination of family composition only); and • Code 7: "Other Change of Unit (if the PHA conducts some type of reexamination in conjunction with a family move to a different unit between regularly scheduled reexaminations) The PHA will have its own written materials used to facilitate the reexamination process. Use the PHA's forms, the dwelling lease, or any riders or attachments to the lease, to cross check the reexamination effective date. Identify the **effective date** of the immediate **prior reexamination** (or **admission**, if this is the first reexamination)., from the tenant file records.
3.b.	Record the specific type of reexamination under review for this family. • Annual Income & Composition – applicable to all Section 8 HCV families, to all public housing families paying an income-based rent, and could also be conducted for a public housing family paying a flat rent; • 3-Year Income & Composition – applicable only to a public housing family paying a flat rent; • Annual Composition only – applicable only to a public housing family paying a flat rent; • Interim / Special / Other – applicable to any family, Section 8 HCV, public housing income-based rent or public housing flat rent, depending on the circumstances which prompted the reexamination.
3.c.	***All Section 8 HCV only:*** The PHA must conduct regular *annual* reexaminations of both income and composition for all Section 8 HCV-assisted families, and ensure that the regular reexaminations take effect within a 12-month period of each other. Review the documentation for the prior regular family reexamination (or family admission, if this is the first reexamination.). Compare the effective date of the **prior** reexamination/admission with the effective date of the **current** regular reexamination (**Line 3a.**). Ensure that no more than 12 months have passed between the effective dates of these two events.
3.d.	***All Public Housing only:*** Regardless of rent method chosen in the public housing program – **income-based rent** or **flat rent**, the PHA must conduct an *annual* reexamination of family composition. Review the documentation for the prior family reexamination of family composition (or family admission, if this is the first reexamination.). Compare the effective date of the **prior** reexamination/admission with the effective date of the **current** reexamination of family composition (**Line 3a.**). Ensure that no more than 12 months have passed between the effective dates of these two events.

A. Family Composition

Lines	File Review Guidance
3.e.	***Public Housing Income-based Rent only:*** For a family paying an **income-based rent**, the PHA must conduct regular *annual* reexaminations of income, and ensure that the regular reexaminations take effect within a 12-month period of each other. This would be coordinated with the annual reexamination of family composition (see **Line 3.d.**). Review the documentation for the prior family reexamination of family income (or family admission, if this is the first reexamination.). Compare the effective date of the **prior** reexamination/admission with the effective date of the **current** reexamination of family income (**Line 3a.**). Ensure that no more than 12 months have passed between the effective dates of these two events.
3.f.	***Public Housing Flat Rent only:*** For a family paying a **flat rent** only, the PHA must conduct a reexamination of income at least once every three years. Review the documentation for the prior family reexamination of family income (or family admission, if this is the first reexamination.). Compare the effective date of the **prior** reexamination/admission with the effective date of the **current** reexamination of family income (**Line 3a.**). Ensure that no more than 36 months have passed between the effective dates of these two events.
3.g.	Unlike recent admissions, the PHA will not be establishing eligibility or suitability of the family at reexamination. However, annual reexaminations will require re-verification of income, composition and other family circumstances that might affect the eligibility of any family members and their qualification for income exclusions, deductions, etc. The PHA's own internally-developed materials used to gather basic family information in the reexamination process are critical. These materials should be examined closely to ensure that they are effective in identifying all aspects of the family's situation, that key information is not omitted and that the PHA is using the materials properly and consistently. The HUD reviewer should review the reexamination materials used for this family to ensure that all relevant information has been verified and documented by the PHA. • All information related to income, exclusions, deductions, other factors affecting rent, family composition and circumstances, etc. • All information relevant to eligibility of new family members, SSNs, citizenship and eligible immigration status, criminal and drug activity screening, registered sex offender screening, etc. • All information relevant to changing family circumstances which might affect family income and rent. This could include current family members gaining citizenship or eligible immigration status since admission, or since the last reexamination. Many PHAs use Form HUD-50058 as a supporting document for reexaminations. While maintaining a copy of the HUD-50058 in the tenant's file as a supporting document is certainly acceptable, the HUD-50058 was not designed to serve as a reexamination form. In reviewing the tenant files, the HUD reviewer should ensure that the PHA does not rely solely on the HUD-50058 to document the reexamination process.

A. Family Composition

Lines	File Review Guidance
3.h.	Ensure that all family members are clearly identified, that family composition and member characteristics are clear, and that this information is adequately documented using proper verification methods. Refer to the family composition table (**Line A.1.a.** through **Line A.1.i.**), earlier in this section. Where family composition and characteristics have changed since admission or since the last reexamination, including adding new members, ensure that the PHA is capturing this information in the reexamination process, properly screening these new members for eligibility and suitability for tenancy, as it would with any new admission to the program. In addition, if the family household has added new residents who are not family members (e.g., live-in aides, foster children, foster adults, etc.), ensure that the PHA is capturing this information and applying some form of screening to these new residents, as well.
3.i.	Confirm that a copy of Form HUD-9886, Authorization for the Release of Information / Privacy Act Notice, was signed by each member of the family household age 18 years or older. Refer to the **"(9886)"** column on the family composition table (**Line A.1.a.** through **Line A.1.i.**), earlier in this section to identify any individual family members who are missing the notice. The PHA should secure signatures at the time of reexamination as a condition of continued assistance for reexamination families.
3.j.	The family is required to disclose SSNs for all family members at least six (6) years of age. The PHA is required to document SSNs, using appropriate verification methods. If no SSN has been assigned to a particular family member, a certification to that effect must be in the file. Ensure that SSN information is adequately documented using proper verification methods. Refer to the family composition table (**Line A.1.a.** through **Line A.1.i.**), earlier in this section. For a reexamination family, SSNs should have been disclosed and verified during admission or a prior reexamination and would not have to be re-verified unless family member circumstances have changed. However, the HUD reviewer may need to search documentation prior to the current reexamination to identify SSN disclosure, documentation and/or certification. The tenant file should include disclosure and documentation of SSNs for any new family members joining the family since the prior reexamination, as well as disclosure and documentation of any family members who have reached the age of six (6) since the prior reexamination, and did not disclose/document SSNs at the prior reexamination.

A. Family Composition

Lines	File Review Guidance
3.k.	The family is required to establish citizenship or eligible immigration status for each family member. The PHA is required to document this information, using appropriate verification methods. Where the family is unable to establish citizenship or eligible immigration status for each family member, the family may still qualify as a "mixed" family eligible for *prorated* rental subsidy assistance. Ensure that information is adequately documented for all family members using proper verification methods. Refer to the **"(C/EI)"** column on the family composition table (**Line A.1.a.** through **Line A.1.i.**), earlier in this section to identify any individual family members who are missing the documentation. For those non-citizen family members claiming eligible immigration status, and who submit the required documentation and evidence, the PHA is required to verify that status with the Immigration and Naturalization Service (INS). This verification process would be conducted by the PHA simultaneously with verification of other aspects of the family or family member's eligibility. The INS verification process involves primary and secondary verification: **Primary Verification** Primary verification of the individual's eligible immigration status is conducted by the PHA through the INS automated system – Systematic Alien Verification for Entitlements (SAVE). The SAVE system provides the following information: • Alien registration number • Verification number • First name • Last name • Immigration status message (If the primary verification method confirms eligible immigration status, the PHA will receive a message of "INS Status Confirmed." If the primary verification method fails to confirm eligible immigration status, the PHA will receive a message of "Institute Secondary Verification." In this case, secondary verification must be performed.) **Secondary Verification** Within 10 days of receiving the response of "institute secondary verification," the PHA must initiate secondary verification. The PHA submits a written request for secondary verification to a designated INS office. The request consists of photocopies (front and back) of the original INS documents submitted by the individual, attached to a copy of INS form G-845S. Upon receipt of this information, INS undertakes a manual search of its records in an attempt to determine the individual's immigration status. Upon conclusion of this manual search, INS will return the documents to the PHA with a completed copy of INS form G-845S. If eligible immigration status is confirmed, the form will so indicate. If INS is unable to confirm eligible immigration status, the form will so indicate. For a reexamination family, verification on citizenship or eligible immigration status should have been submitted and verified during admission or a prior reexamination. Status would not have to be re-verified unless circumstances have changed for any family member. However, the HUD reviewer may need to search documentation prior to the current reexamination to identify citizenship/immigration status evidence, documentation, certifications, etc. This determination is especially important for establishing whether the family is a "mixed" family eligible for *prorated* rental assistance. • The tenant file should include documentation of citizenship or eligible immigration status for any new family members joining the family since the prior reexamination, as well as disclosure and documentation of any family members whose citizenship status or eligible immigration status has changed since the prior reexamination.

B. Annual Income and Assets

For any Section 8 HCV family, accurate determination of Annual Income is the first step in accurate calculation of Adjusted Income, Rent, and Housing Assistance Payments (for Section 8 HCV). For any public housing family electing to pay an income-based rent, accurate determination of Annual Income is the first step in accurate calculation of Adjusted Income and Tenant Rent. Accurate calculation of Annual Income and Tenant Rent is also crucial to permit a public housing family to make an informed choice about which rent method they prefer – income-based or flat – both at the time of admission and at the time of reexamination.

This section of the checklist focuses on the various potential income streams for the family – earned income, benefit income, assets, Social Security, etc. The HUD reviewer should ensure that the PHA is correctly identifying all relevant income sources and correctly determining amounts to be included in Annual Income and amounts to be excluded from consideration as Annual Income. In addition, the PHA should understand the distinction between amounts that are excluded from Annual Income "off-the-top" and amounts that are deducted from Annual Income when calculating Adjusted Income (discussed in section ***D. Adjusted Income*** of the checklist).

The HUD reviewer should ensure that PHA calculations of income are correct, including *annualizing* income for the full 12 month period. The HUD reviewer should also ensure that all income sources and amounts are adequately verified and documented using the basic principles and hierarchy of verification.

As with many other criteria related to admission and reexamination, no standard format exists for recording critical information on Annual Income. This information is likely to be recorded on one or more documents developed by the PHA for this purpose. The HUD reviewer should identify the PHA-developed application and reexamination form(s) or other documents and materials used by the PHA to capture income information in the admissions and reexamination processes. The PHA may also maintain a copy or a portion of the form HUD-50058 in the tenant file.

The HUD-50058 is structured to lead the PHA through the process of accurate calculation of income and rent. Calculation errors should be virtually eliminated for any PHA that consistently uses the HUD-50058 to submit data to MTCS for all its tenant families. However, the HUD-50058 cannot ensure that the PHA adequately verifies income information, nor can it ensure that the PHA accurately identifies appropriate income amounts. In this respect, the tenant file review process is more than an exercise in checking math.

Lines	File Review Guidance
1.	Based on the tenant file documentation, record the **Final Asset Income** (if any) for the tenant family in the space provided on this line. If the HUD reviewer used the ***Annual Income and Assets Worksheet*** (Appendix C) to compute assets and asset income, refer to the result on **Line 5.** of the assets table. Make a note where the PHA calculation of assets and asset income disagrees with the HUD calculation. Assets include, but are not limited to: • Savings accounts • Stocks, bonds and other forms of capital investments • Real property (land or property owned or bequeathed) Ensure that the PHA includes any business or family assets that the family may have disposed of for *less than fair market value* during the two (2) years preceding the effective date of the admission or reexamination (as appropriate).

B. Annual Income and Assets

Lines	File Review Guidance
	Assets do not include: • Interest in Indian Trust Lands • Equity accounts in HUD homeownership programs • Necessary items of personal property, such as furniture and automobiles • Trust funds, in cases where the trust is not revocable by, or under the control of, any member of the family or household. For each asset, establish the net cash value of the asset. The actual dollar value of the asset may have been known by the PHA at the time of the admission/reexamination (e.g., the amount in a savings account). PHA policy may also establish some formula to determine the value of an asset that may fluctuate over the course of the year. In some cases, a family might incur costs if the asset were to be actually liquidated by the family. In such cases, the dollar value of the asset should be the *net* cash value, after subtracting any costs to sell the asset from the asset's value. If the asset is expected to generate any actual "income" (such as interest on a savings account), establish the amount of income that the asset is anticipated to generate in the 12-month period following the effective date of the admission/reexamination. Final asset income is determined by using the *larger* of total anticipated actual asset income or imputed asset income. Cross check with HUD-50058, line 6j.
2.	Based on the PHA's determinations from the tenant file and the HUD-50058, confirm that the PHA has accurately identified all assets for all family members. Ensure that the PHA has checked for any assets disposed of for less than fair market value in the two (2) years preceding the effective date of the admission/reexamination. Ensure that assets are adequately verified and documented using the basic principles and hierarchy of verification.
3.	Based on the PHA's determinations from the tenant file and the HUD-50058, confirm that the PHA has accurately determined the net cash value of any asset listed. Where the PHA has established that the family disposed of assets for less than fair market value in the two (2) years preceding the effective date of the admission/reexamination, confirm that the PHA accurately established the fair market value of the disposed asset as well as the actual value received in the disposition. Ensure that the asset values are adequately verified and documented using the basic principles and hierarchy of verification.
4.	Based on the PHA's determinations from the tenant file and the HUD-50058, confirm that the PHA has accurately determined the anticipated actual income (if any) generated by the assets listed. Ensure that asset income is adequately verified and documented using the basic principles and hierarchy of verification.
5.	Where the PHA has verified that the total net cash value of the family's assets exceeds $5000, use the PHA's determinations from the tenant file and the HUD-50058 to confirm that the PHA has accurately calculated an imputed asset income based on the current passbook rate. Ensure that the PHA is using the appropriate passbook rate.

B. Annual Income and Assets

Lines	File Review Guidance
6.	Use the PHA's determinations from the tenant file and the HUD-50058 and confirm that PHA appropriately calculated final asset income by using the larger of total anticipated actual asset income (if any) or imputed asset income (if assets exceed $5000).
7.	Based on the tenant file documentation, record the **Total Annual Income** for the tenant family in the space provided on this line. If the HUD reviewer used the ***Annual Income and Assets Worksheet*** (Appendix C) to compute Annual Income, refer to the result on **Line 4.** of the Annual Income table. Make a note where the PHA calculation of Annual Income disagrees with the HUD calculation. Income may be received from a variety of sources. Form HUD-50058 categorizes these sources as: • **Wages**, including business income, federal wages or compensation, PHA wages or compensation, military wages, or other wages received from a public or private source. • **Welfare**, including general welfare assistance, annual imputed welfare income, and TANF assistance. • **SS/SSI/Pensions**, including periodic pensions and annuities, Supplemental Security Income, Social Security benefits, etc. • **Other Income Sources**, including child support, medical reimbursement, Indian Trust/per capita, other non-wage sources, unemployment benefits, etc. There are many types of income that are excluded "off-the-top" when calculating Annual Income. Using the file documentation, examine the record of any income sources where the PHA has identified the income source but has elected <u>not</u> to count the income in the Annual Income computation. Ensure that the PHA has not inappropriately <u>excluded</u> sources of income that should be <u>included</u>. A partial listing of income sources to be excluded: • Wages of family members under age 18 • Earnings over $480 for full-time students over age 18 • Payments for student financial assistance paid directly to the student or educational institution. • Lump-sum additions to family assets (inheritance, insurance payments, capital gains, etc.) • Lump-sum payments of deferred benefits • Temporary, non-recurring, sporadic income • Amounts received for reimbursements of medical expenses of any family member • Income of a Live-in Aide • Adoption assistance payments in excess of $480 per child • Payments to keep developmentally disabled family members at home. • Payments received for care of foster children or adults • Special armed forces pay • Foreign government reparations payments. • Earnings and benefits from employment training programs funded by HUD • Incremental earnings/benefits from participation in qualifying state/local employment programs • Reimbursement for out-of-pocket expenses while attending a public assisted training program • Resident service stipend not to exceed $200 for services to the PHA (if applicable to PHA)

B. Annual Income and Assets

Lines	File Review Guidance
	Because Annual Income reflects the amount of income anticipated to be received in the 12-months following the effective date of the admission/reexamination, any income information received by the PHA for a lesser period must be projected out over the entire 12-month period. To do this, it may be necessary to establish the *rate* at which this lesser income amount is received (e.g., hourly, weekly, monthly, etc.) in order to calculate an *annualized* amount of income that reflects the total amount of income that would be received by the family member over the entire 12-month period. Note that there are certain conditions under which the PHA must provide an ***earned income exclusion*** from Annual Income to a qualified family. Earned income exclusion is addressed on **Line 9.** and **Line 10.**
8.	Based on the PHA's determinations from the tenant file and the HUD-50058, confirm that wages and earned income are accurately identified for all family members, and adequately verified and documented using the basic principles and hierarchy of verification. Ensure that the PHA has accurately calculated wages and earned income.
9.	Where a family member is eligible for the ***earned income exclusion***, confirm that the exclusion was accurately calculated by the PHA. In the public housing program, any a family undergoing a **reexamination** and paying an income-based rent may be entitled to an earned income exclusion for <u>any</u> family member. In the Section 8 HCV program, any a family undergoing a **reexamination** and paying an income-based rent may be entitled to an earned income exclusion for <u>any family member who is a person with disabilities</u>. Generally, this earned income exclusion would not apply to a **recent admission** family in either program. In the Section 8 HCV program, the earned income exclusion would also not apply to a **portability-in** family, where the family was <u>not</u> already receiving assistance in the Initial PHA's jurisdiction. This is because the earned income exclusion does not apply for purposes of admission to the program. However, in the Section 8 HCV program, the earned income exclusion <u>would apply</u> to a **mover** family, moving with continued assistance within the PHA's jurisdiction, and a **portability-in** family, where the family <u>was</u> already receiving assistance in the Initial PHA's jurisdiction. These categories of families are already receiving assistance under the HCV program and are not being initially admitted. Conditions under which the PHA must provide an ***earned income exclusion*** include: • Family's Annual Income increases as a result of the employment of any family member (public housing), or any family member who is a person with disabilities (Section 8 HCV), and who was previously unemployed for one or more years prior to employment; • Family's Annual Income increases as a result of increased earnings of any family member (public housing), or any family member who is a person with disabilities (Section 8 HCV), during participation in any economic self-sufficiency or other job training program; • Family's Annual Income increases as a result of new employment or increased earnings of any family member (public housing), or any family member who is a person with disabilities (Section 8 HCV), during or within 6 months after receiving assistance, benefits or services under any state program for temporary assistance for needy families funded under Part A of Title VI of the Social Security Act, as determined by the PHA in consultation with the local agencies administering temporary assistance for needy families (TANF) and Welfare-to-Work (WtW) programs.

B. Annual Income and Assets

Lines	File Review Guidance
	For a qualified family – For the first cumulative 12-month period beginning on the date the disabled family member is first employed or the family first experiences the increase in Annual Income attributable to employment, there is a 100% exclusion from the family's Annual Income. For the second cumulative 12-month period beginning on the date the family member is first employed or the family first experiences the increase in Annual Income attributable to employment, the exclusion is a 50% exclusion from the family's Annual Income. This can be a complicated and tricky determination, and the HUD reviewer should examine PHA documentation and calculations carefully for consistency with regulatory criteria and current HUD guidance. Note that the current version of the HUD-50058 does not lead the PHA through the calculation of earned income exclusion. The PHA should have its own locally-developed materials to calculate this exclusion and to document how the excluded amount was arrived at. The resulting excluded amount would then be recorded on the HUD-50058 in the appropriate space on line 7e.
10.	***Public Housing only***: As an alternative to the earned income exclusion, the PHA may offer the family an *Individual Savings Account (ISA)*. The decision to offer an ISA in lieu of the earned income exclusion is entirely discretionary on the part of the PHA, not the family. The PHA's Admissions and Occupancy policies must outline this policy, if the PHA chooses to adopt this approach. Where the PHA is offering an ISA in lieu of the earned income exclusion, the PHA would calculate rent as usual, but would deposit into the account the difference between the rent amount actually collected and the amount that would have been collected with the earned income exclusion. On this **Line 10.**, confirm that the PHA is accurately calculating the amount and depositing this amount into the family's account. The HUD reviewer should examine PHA records on deposits to the family's account, to ensure consistency with the documentation in the tenant file. The HUD reviewer should also look for evidence that the PHA has provided the family with an annual report on the status of the account, as required by regulations.
11.	Based on the PHA's determinations from the tenant file and the HUD-50058, confirm that the PHA has accurately identified sources of welfare benefit income for all family members. Ensure that welfare benefit income is adequately verified and documented using the basic principles and hierarchy of verification. Ensure that the PHA has accurately calculated welfare benefit income.
12.	If the family has welfare benefit income, determine if the family has experienced a *specified welfare benefits reduction*. If so, confirm that the PHA properly basing welfare benefit income on imputed welfare income, verifying and documenting the amount of the reduction, reason for reduction, etc.
13.	If the PHA has based welfare benefit income on imputed welfare income, determine if the file contains any evidence that the family requested a review of the PHA's calculation of income. If so, review the PHA's documentation. Where the PHA denied the family's request or refused to change the amount after review, ensure that the PHA provided proper written notice to the family

B. Annual Income and Assets

Lines	File Review Guidance
14.	Based on the PHA's determinations from the tenant file and the HUD-50058, confirm that the PHA has accurately identified Social Security, Supplemental Security Income (SSI) and other pension income for all family members. Ensure that Social Security, SSI and other pension income is adequately verified and documented using the basic principles and hierarchy of verification. Ensure that the PHA has accurately calculated Social Security, SSI and other pension income.
15.	Use the results from the table, as well as the PHA's determinations from the tenant file and the HUD-50058, and confirm that the PHA has accurately identified all "other" income sources for all family members. Ensure that "other" income is adequately verified and documented using the basic principles and hierarchy of verification discussed in the Introduction. Ensure that the PHA has accurately calculated "other" income.
16.	In general, based on your file review, make an overall determination that the **Total Annual Income** figure computed by the PHA and used for this family was accurately calculated and that all sources and amounts were properly verified and documented using the basic principles and hierarchy of verification. Make note of the specific areas where PHA calculation of Annual Income disagrees with the HUD calculation.

C. Dwelling Unit / Utility Allowance

This section captures basic information about the actual unit occupied by the tenant family. For purposes of income and rent determinations, this information is important for establishing the utility allowance to be provided to the family and, for the Section 8 HCV, will impact the family's rent and HAP payments to the owner.

All relevant information should be found in the tenant file on the dwelling lease, inspection form(s), and other PHA-developed materials.

Lines	File Review Guidance
1.a.	Record the address of the unit where the tenant family lives. This information should be recorded on the Dwelling Lease and other PHA admission and reexamination materials in the tenant file. For **recent admission**, **mover** and **portability-in** families in the Section 8 HCV program, the information should also be found on HUD-52517: Request for Tenancy Approval. Cross check the unit address with HUD-50058, line 5a.
1.b.	Record the actual number of bedrooms in the unit where the family lives. This information should be recorded on the Dwelling Lease and other PHA admission and reexamination materials in the tenant file, including the Housing Quality Standards (HQS) inspection report for Section 8 HCV families. For **recent admission**, **mover** and **portability-in** families in the Section 8 HCV program, cross check this information with the unit size listed on the family's Housing Voucher, HUD-52646, based on the PHA's subsidy standards. It is possible that the family selected a unit whose size is different than the unit size listed on the family's voucher. Cross check the number of bedrooms in the unit with HUD-50058, line 5d.

C. Dwelling Unit / Utility Allowance

Lines	File Review Guidance
2.a.	***Public Housing only***: Record the name of the project where the unit is located. This information should be recorded on the Dwelling Lease and other PHA admission and reexamination materials in the tenant file. Project name is not reflected on the HUD-50058.
2.b.	***Public Housing only***: Record the project number where the unit is located. This information should be recorded on the Dwelling Lease and other PHA admission and reexamination materials in the tenant file. Cross check the project number with HUD-50058, line 1d.
3.a.	Based on the file documentation, determine if the family is responsible for some or all of the unit's utilities, appliances or other housing services. If the answer is "Yes", go to **Line 3.b.** If the answer is "No", enter $0 on **Line 3.b.** and proceed to ***Section D. Adjusted Income***.
3.b.	Where the tenant family is responsible for paying for or providing some or all of the unit's utilities, appliances or other housing services, the family must be given a utility allowance in the Section 8 HCV program. Generally, for a **recent admission**, **mover**, or **portability-in** family in the Section 8 HCV program, the Request for Tenancy Approval should fully outline the utility combination for this unit and responsibility for utilities. However, the PHA may have determined that the owner's proposed rent was not rent reasonable and the owner subsequently changed the rent amount. One approach to changing the rent amount might have been a change in responsibility for certain utilities – e.g., the owner might have elected to assume responsibility for providing additional utilities under the lease. In this case, the utility combination on the Request for Tenancy Approval would need to be revised to reflect these changes in utility responsibilities. For a **reexamination** family, the utility combination might have changed significantly since the prior reexamination (or initial leasing). Both the dwelling lease and the HAP contract should specify the current combination of utilities and appliances, particularly if these have changed. In the public housing program, where the tenant family is paying an income-based rent and is responsible for paying for or providing some or all of the unit's utilities, appliances or other housing services, the family must also be given a utility allowance. Utility allowances should be based on the PHA's schedule for such allowances, taking into account the size and type of unit and the type of utility used. Note that, even between units of the same bedroom size in the same project, utility allowances may vary due to actual unit physical size, location within the project, types of utilities applicable to different units, etc. Based on the tenant file documentation, record the **Total Utility Allowance** provided to the tenant family in the space provided on this line. If the HUD reviewer used the ***Utility Allowance Worksheet*** (Appendix C) to compute utility allowance, refer to the total from the utility allowance table on the worksheet.
3.c.	Based on your file review, make a determination that the **Utility Allowance** computed by the PHA and used for this family was accurately calculated, based on the appropriate PHA utility allowance schedule(s). Make a note where the PHA determination of utility allowance disagrees with the HUD determination.

D. Adjusted Income

In computing **Adjusted Income**, the PHA must take **Total Annual Income** and subtract various deductions. There are four basic mandatory income deductions that must be provided to qualified families when computing Adjusted Income:

- Dependent deduction;
- Elderly/Disabled Family deduction;
- Medical/Disability Assistance Expenses deduction;
- Child Care Expenses deduction

For all tenant files reviewed, ensure that the PHA has verified the family's qualification for the deductions using appropriate verification methods. Ensure that the PHA has properly calculated the mandatory deduction amounts. Note instances where the PHA has not provided the appropriate deduction to an apparently qualified family.

In the public housing program, the PHA has the discretion to establish additional deductions from Annual Income, over and above the mandatory deductions, when computing Adjusted Income. These are permissive deductions and must be adopted by written policy. The HUD reviewer should review the PHA's Admissions and Occupancy Policies and determine if the PHA has adopted any permissive deductions. If so, ensure that the family has been given any appropriate permissive deductions for which they qualify, based on the PHA's policy. Ensure that these permissive deductions are properly verified using appropriate verification methods, and that the deduction amounts are properly calculated.

As with Annual Income, no standard format exists for recording or calculating Adjusted Income. This information is likely to be recorded on one or more documents developed by the PHA for this purpose. The HUD reviewer should identify the PHA-developed application and reexamination form(s) or other documents and materials used by the PHA to capture income information in the admissions and reexamination processes. The PHA may also maintain a copy or a portion of the form HUD-50058 in the tenant file.

Again, the HUD-50058 is structured to lead the PHA through the process of accurate calculation of income and rent. Calculation errors should be virtually eliminated for any PHA that consistently uses the HUD-50058 to submit data to MTCS for all its tenant families. However, the HUD-50058 cannot ensure that the PHA adequately verifies income information, including income adjustments, nor can it ensure that the PHA accurately identifies appropriate income and adjustment amounts. In this respect, the tenant file review process is more than an exercise in checking math.

Lines	File Review Guidance
1.a.	Based on the tenant file documentation, record the **Dependent Deduction** (if any) for the tenant family in the space provided on this line. If the HUD reviewer used the ***Adjusted Income Worksheet*** (Appendix C) to calculate deductions, refer to the result on **Line 1.b.** of that worksheet. Dependents include any family members who are under age 18, have a disability, or are full-time students of any age. Dependents who are temporarily absent from the home, but listed on the lease, should be included. Dependents do not include household members who are head of household, spouse of head, foster children, foster adults, live-in aides, the children of live-in aides, or any other members of the household who are not considered family members. Cross check the number of dependents with HUD-50058, line 8q. Where the family has dependents, total dependent deduction should be calculated by multiplying the total number of dependents times the standard dependent deduction of $480 per dependent. Cross check with HUD-50058, line 8r. to ensure that PHA has used the standard deduction amount in its calculation. Cross check total dependent deduction amount, as reflected in tenant file, with HUD-50058, line 8s.

D. Adjusted Income

Lines	File Review Guidance
1.b.	Ensure that the PHA has accurately calculated the dependent deduction amount, and that dependent status is properly verified and documented by the PHA. Make a note where the PHA determination of dependent deduction disagrees with the HUD determination.
2.a.	Based on the tenant file documentation, record the **Elderly/Disabled Family Deduction** (if any) for the tenant family in the space provided on this line. If the HUD reviewer used the ***Adjusted Income Worksheet*** (Appendix C) to calculate deductions, refer to the result on **Line 2.b.** of that worksheet. Confirm whether the family qualifies as an "elderly/disabled" family. For the family to qualify for this deduction, the head of the family, the spouse of the head, or the sole member of the family must be a person age 62 or over, <u>or</u> be a disabled person. Refer to the checklist table under section ***A. Family Composition*****,** where age and disability status of family head and spouse were established. The standard "elderly/disabled" family deduction is $400 per family. Note that this deduction is <u>per family</u>, not per individual. Cross check with HUD-50058, line 8p. to ensure that PHA has used the standard deduction amount in its calculation.
2.b.	Ensure that the PHA has accurately calculated the elderly/disabled family deduction amount, and that the family's status is properly verified and documented by the PHA. Make a note where the PHA determination of elderly/disabled family deduction disagrees with the HUD determination.
3.a.	Based on the tenant file documentation, record the **Medical/Disability Assistance Expenses Deduction** (if any) for the tenant family in the space provided on this line. If the HUD reviewer used the ***Adjusted Income Worksheet*** (Appendix C) to calculate deductions, refer to the result on **Line 14.** of that worksheet. A family is entitled to a deduction for the sum of the following, to the extent the sum exceeds three percent of Annual Income: • Unreimbursed medical expenses for an elderly or disabled <u>family</u> (i.e., head, spouse or sole member is elderly or disabled); • Unreimbursed reasonable attendant care and auxiliary apparatus expenses for <u>each</u> member of any family who is a person with disabilities, to the extent necessary to enable <u>any</u> member of the family (including the member with disabilities) to be employed. Any deduction given for these types of expenses may not exceed the earned income received by the family member(s) who are 18 years of age or older and who are enabled to work because of the care or apparatus. This can be a tricky computation, particularly when the family has <u>both</u> medical expenses and attendant care/auxiliary apparatus expenses. The HUD-50058, lines 8f. – 8n., correctly leads the PHA through this calculation, assuming the PHA has accurately identified and verified the expense amounts used.
3.b.	Ensure that the PHA has accurately calculated the medical/disability assistance expenses deduction amount, and that the expenses are properly verified and documented by the PHA. Make a note where the PHA determination of medical/disability assistance expenses deduction disagrees with the HUD determination.

D. Adjusted Income

Lines	File Review Guidance
4.a.	Based on the tenant file documentation, record the **Child Care Expenses Deduction** (if any) for the tenant family in the space provided on this line. If the HUD reviewer used the ***Adjusted Income Worksheet*** (Appendix C) to calculate deductions, refer to the result on **Line 20.** of that worksheet. Child care expenses are defined as: Amounts anticipated to be paid by the family for the care of children under 13 years of age during the period for which Annual Income is computed, but only where such care is necessary to enable a family member to actively seek employment, be gainfully employed, or to further his or her education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for child care. In the case of child care necessary to permit employment, the amount deducted shall not exceed the amount of employment income that is included in Annual Income. Not all child care expenses are eligible to be used as a deduction. Only child care expense that are necessary to enable a member of the family to seek employment, be gainfully employed or to further his/her education are eligible. Child care expenses for any other purpose are not eligible as a deduction. Of course, a PHA could interpret these terms broadly. Many activities could fall under the umbrella of "enabling a family member to actively seek employment or be gainfully employed" or "enabling a family member to further his/her education." Again, PHA policy should clarify the types of employment-related or education-related activities that might qualify for the child care expenses deduction Determine if the family includes any family members who are under age 13. Refer to the checklist table under section ***A. Family Composition*****,** where date of birth of each family member was confirmed. Cross check with HUD-50058, line 8t.
4.b.	Ensure that the PHA has accurately calculated the child care expenses deduction amount, and that the expenses are properly verified and documented by the PHA. Make a note where the PHA determination of child care expenses deduction disagrees with the HUD determination.
5.a.	***Public Housing only:*** Based on the tenant file documentation, record the **Total Permissive Deductions** (if any) for the tenant family in the space provided on this line. If the HUD reviewer used the ***Adjusted Income Worksheet*** (Appendix C) to calculate deductions, refer to the result on **Line 22.** of that worksheet. PHAs may adopt, by written policy, *permissive* deductions from Annual Income to determine Adjusted Income. Permissive deductions are one of many strategies that the PHA may adopt as an *alternative* approach to dwelling rents. Adoption of permissive deductions is at the sole discretion of the PHA, provided the amounts are not already required to be deducted from Annual Income and are not reimbursed to the family from some other source. While the PHA may elect to give permissive deductions for any number of good reasons, all of these deductions will mean reduced rents, and it is the PHA that must absorb any resulting reduction in rents. Review the PHA's Admissions and Occupancy policies and determine if the PHA has adopted any *permissive* deductions from Annual Income. Obviously, the specific permissive deduction, the deduction amount and eligibility for the deduction will vary widely from PHA to PHA.

D. Adjusted Income

Lines	File Review Guidance
5.b.	Confirm that the PHA has accurately calculated the permissive deduction amount. Confirm that any expenses that form the basis for the calculations were properly verified and documented using the basic principles and hierarchy of verification discussed in the Introduction. Confirm that the family was eligible for the permissive deductions awarded. Determine if the family appeared to be eligible for permissive deductions that were not awarded by the PHA and, if so, has the PHA documented the reasons for not awarding the deductions. Make a note where the PHA determination of permissive deductions disagrees with the HUD determination.
6.a.	Based on the tenant file documentation, record the **Total All Deductions** (if any) for the tenant family in the space provided on this line. If the HUD reviewer used the ***Adjusted Income Worksheet*** (Appendix C) to deductions, refer to the result on **Line 24.** of that worksheet. The total of all of the deductions given to the family should equal the total of these checklist figures: • **Dependent Deduction (Line 1.a.)** • **Elderly/Disabled Family Deduction (Line 2.a.)** • **Medical/Disability Assistance Expenses Deduction (Line 3.a..)** • **Child Care Expenses Deduction (Line 4.a.),** and • **Permissive Deductions (Line 5.a.)** Cross check the total with the PHA's calculations and HUD-50058, line 8x.
6.b.	In general, based on your file review, make an overall determination that the **Total All Deductions** figure computed by the PHA and used for this family was accurately calculated and that all circumstance and deduction amounts were properly verified and documented using the basic principles and hierarchy of verification. Is there consistency and agreement between the documentation in the tenant file, the PHA's calculations, the information recorded on HUD-50058, and your calculations? Does the documentation in the tenant file actually support the deductions given? Make note of the specific areas where PHA calculation of deductions disagrees with the HUD calculation.
7.a.	Based on the tenant file documentation, record the **Total Adjusted Income** for the tenant family in the space provided on this line. If the HUD reviewer used the ***Adjusted Income Worksheet*** (Appendix C) to deductions, refer to the result on **Line 25.** of that worksheet.
7.b.	In general, based on your file review, make an overall determination that the **Total Adjusted Income** figure computed by the PHA and used for this family was accurately calculated. Make note of the specific areas where PHA calculation of Annual Income disagrees with the HUD calculation.

Complete Section E. for a Public Housing family only.

E. Rent – Public Housing only

Public housing tenant families are given a choice of paying either an Income-based Rent or a Flat Rent (not based on income), both at the time of admission and at the time of annual reexamination. At the time of annual reexamination, a tenant family may "switch" from their current rent method to the alternative rent method

For those families choosing an Income-based Rent, the first steps in computing rent are to compute Annual Income and Adjusted Income. The actual income-based rent methodology used by the PHA can be either the "traditional" method (i.e, 30% of Adjusted Income / 10% of Annual Income / Welfare Rent), or an *"alternative"* method, developed by the PHA. Whatever the method, an income-based rent cannot exceed the rent that would be calculated under the traditional method. Income-based rents must be no lower than a PHA-established minimum rent, and may also be "capped" on the upper end by a PHA-established ceiling rent.

For those families choosing a Flat Rent, rent is based on a flat rent schedule for all units, developed by the PHA, based on comparability with the local rental market. The PHA is also required to compute an income-based rent, where necessary to permit the family to compare the rents based on the two methods and make an informed choice. The family must provide updated income information in order for the PHA to make the calculation.

Between the time of admission and the family's first annual reexamination, and between regularly scheduled annual reexaminations, the family paying a flat rent may choose to "switch" from the flat rent to the income-based rent. Under these circumstances, the PHA should conduct an interim reexamination for the family in order to establish the income-based rent. Again, the family must provide updated income information in order for the PHA to make the calculation.

For either rent method, income-based or flat, the rent may be "prorated" for a family that includes both members with citizenship or eligible immigration status and members without citizenship or eligible immigration status.

Because of the great flexibility given PHAs in designing their approach to tenant rent, the HUD reviewer will need to examine the PHA Plan and Admissions and Occupancy policies carefully to gain a thorough understanding of the PHA's policies and procedures, how the PHA's alternative method (if any) works, calculations made, percentages used, flat rent schedule, etc. PHA materials in the tenant file should give a clear picture of how any rent method was applied to this tenant family. As with income, no standard format exists for calculating rent. This information is likely to be recorded on one or more documents developed by the PHA for this purpose. The HUD reviewer should identify any PHA-developed documents and materials used by the PHA to calculate rent. The PHA may also maintain a copy or a portion of the form HUD-50058 in the tenant file.

Again, remember that that the HUD-50058 is structured to lead the PHA through the process of accurate calculation of income and rent. Calculation errors should be virtually eliminated for any PHA that consistently uses the HUD-50058 to submit data to MTCS for all its tenant families. However, the HUD-50058 cannot ensure that the PHA adequately verifies income information, including income adjustments, nor can it ensure that the PHA accurately identifies appropriate income and adjustment amounts.

Lines	File Review Guidance
1.a.	Based on the tenant file documentation, indicate whether the tenant file record includes evidence that the family was given a choice of the two rent methods: **Income-based Rent** or **Flat Rent**. This information should be clearly documented in the tenant file
1.b.	Based on the tenant file documentation, indicate whether the Tenant Rent is an **Income-based Rent** or a **Flat Rent**. Cross check the type of rent method selected with HUD-50058, line 10u.

E. Rent – Public Housing only

Where the family has elected to pay an **Income-based Rent**, complete **Line 2.** through **Line 16.** of the checklist.
Where the family has elected to pay a **Flat Rent**, skip these lines and proceed to **Line 17.** of the checklist.

Lines	File Review Guidance
2.	Review the PHA's Admissions and Occupancy policies and determine if the PHA has adopted an *alternative* method for computing income-based rent. Indicate the type of income-based rent method used: *traditional* method or a PHA *alternative* method (if any). Where the PHA has adopted an *alternative* method, it will still be necessary to compute TTP under the traditional method to establish the upper limit of the *alternative* income-based TTP. The PHA is permitted to develop an income-based rent structure that uses income-based rents other than the traditional "30% of Adjusted / 10% of Annual" Total Tenant Payment (TTP) figures. The PHA can develop income-based rent policies that use a percentage of family income (Annual or Adjusted Income) or some other "reasonable" system to determine income-based rents. One restriction is that the traditional TTP amount now becomes the upper limit of what the PHA can use as an income-based rent. In other words, the PHA's rent policies cannot establish income-based rents that would exceed the amounts calculated under the traditional TTP method, but it can establish income-based rents that would be less than the amounts calculated under the traditional TTP method. Utility allowances and utility reimbursements still apply. So, whatever income-based rent the PHA comes up with, added to whatever utility allowance the family has to pay, cannot exceed the traditional TTP amounts. If the utility allowance exceeds the PHA-determined income-based rent, then utility reimbursements would be paid by the PHA. This latitude gives the PHA lots of options on how to handle income-based rents. Many of these options for *alternative* methods are simply variations on the traditional method and are addressed in other sections of the checklist. For example: The PHA could adopt permissive deductions to Annual Income when computing Adjusted Income (discussed under section ***D. Adjusted Income***); The PHA could adopt ceiling rents as a "cap" on traditional income-based rents(discussed later in this section of the checklist); The PHA could compute income-based rent under the traditional method and deposit a portion of the rent in an escrow or savings account for the future benefit of the family. However, the PHA could also adopt a rent approach that uses percentages different from the traditional "30% of Adjusted / 10% of Annual" approach.
3.	Based on the tenant file documentation, record the **Total Tenant Payment (TTP)** for a tenant family paying an income-based rent, in the space provided on this line. If the HUD reviewer used the ***Public Housing Rent Worksheet*** (Appendix C) to calculate TTP, refer to the result on **Line 2.** of that worksheet. Cross check PHA calculations of TTP with HUD-50058, line 9j. and line 10d. (if capped by ceiling rent).
4.	Based on the tenant file documentation, conclude that the PHA accurately calculated traditional, income-based TTP, based on the documented Annual and Adjusted Income amounts.

E. Rent – Public Housing only

Lines	File Review Guidance
5.a.	Where the TTP is based on the minimum rent, the PHA must grant an exemption from minimum rent to any family if the PHA determines that the family is unable to pay the minimum rent due to financial hardship (unless hardship is temporary). Review the tenant file record and determine whether the family requested "financial hardship exemption" from paying a minimum rent. If so, ensure that the PHA established that a qualifying long-term financial hardship existed, based on regulatory requirements for suspension of minimum rent and on any other circumstances established by PHA policy. Ensure that this determination is documented using appropriate verification techniques. Cross check with HUD-50058, line 9m.
5.b.	Ensure that the PHA correctly suspended the minimum rent for a qualifying long-term, financial hardship exemption. Where the minimum rent was waived, cross check with HUD-50058, line 9h. Where the PHA verified that the hardship was temporary, ensure that the PHA correctly reinstated the minimum rent in accordance with regulatory requirements. Ensure that these determinations are documented using appropriate verification techniques.
6.	A family which includes both members <u>with</u> and members <u>without</u> citizenship or eligible immigration status (i.e., a "mixed" family) must have its rent "prorated" based on the percentage of family members with citizenship or eligible immigration status. This proration of rent applies to all families, regardless of whether the family chooses an income-based rent or a flat rent. For purposes of proration of an income-based rent, indicate whether the tenant file includes evidence that the PHA determined the family to be a "mixed" family. Refer back to section ***A. Family Composition*** of the checklist to confirm whether the family includes members without citizenship or eligible immigration status. Ensure that this documented in the file, using appropriate verification techniques. Cross check with HUD-50058, lines 10j. and 10k. Where the family is a "mixed" family, eligible for prorated assistance, and paying a traditional, income-based rent, skip **Lines 7.** through **10.** and proceed to **Line 11.**
7.	Based on the tenant file documentation, record the **Total Tenant Payment (TTP)** for a tenant family paying an income-based rent where the rent is computed based on an *alternative* income-based method. If the HUD reviewer used the ***Public Housing Rent Worksheet*** (Appendix C) to calculate TTP, refer to the result on **Line 3.** of that worksheet. Because of the significant flexibility given to PHAs in the development of an *alternative* income-based rent system, no single approach will apply to all PHAs in all situations. Where the PHA has adopted an *alternative* income-based rent method, the HUD reviewer will need to carefully examine the PHA's A&O policies to fully understand the PHA's method. PHA-developed materials, worksheets, computer software, and other tools used by the PHA to compute an *alternative* income-based rent will be critical. Cross check PHA calculations of TTP with HUD-50058, line 9j. and line 10d. (if capped by ceiling rent). Also, examine HUD-50058, line 9e. to determine if a percentage other than 30% was used to calculate percentage of Adjusted Monthly Income and, if so, does this percentage match the PHA's *alternative* income-based rent method?

E. Rent – Public Housing only

Lines	File Review Guidance
8.	Based on your understanding of the PHA's alternative income-based method and your review of the PHA's documentation, confirm that the PHA has accurately calculated alternative income-based TTP. If necessary, attach copies of any worksheets or documents used by the PHA to arrive at the alternative income-based TTP.
9.	Income-based TTP computed by the traditional method acts as an upper limit on the amount of income-based TTP computed by the PHA *alternative* method. Ensure that the PHA has made this comparison between TTP amounts computed by both methods, and that the *alternative* method TTP does not exceed the traditional method TTP. Refer to the traditional method income-based TTP found on **Line 3.**
10.	A family which includes both members <u>with</u> and members <u>without</u> citizenship or eligible immigration status (i.e., a "mixed" family) must have its rent "prorated" based on the percentage of family members with citizenship or eligible immigration status. This proration of rent applies to all families, regardless of whether the family chooses an income-based rent or a flat rent. For purposes of proration of an income-based rent, indicate whether the tenant file includes evidence that the PHA determined the family to be a "mixed" family. Refer back to section ***A. Family Composition*** of the checklist to confirm whether the family includes members without citizenship or eligible immigration status. Ensure that this documented in the file, using appropriate verification techniques. Cross check with HUD-50058, lines 10j. and 10k. Where the family is a "mixed" family, eligible for prorated assistance, and paying an *alternative* income-based rent, proceed to **Line 11.**
11.	Based on the tenant file documentation, record the **Total Tenant Payment (TTP)** for a "mixed" tenant family paying an income-based rent, in the space provided on this line. If the HUD reviewer used the ***Public Housing Rent Worksheet*** (Appendix C) to calculate prorated TTP for a "mixed" family, refer to the result on **Line 8.** of that worksheet. Cross check with HUD-50058, lines 10p.
12.	Based on the tenant file documentation, conclude that the PHA accurately calculated the prorated income-based TTP for a "mixed" family.
13.	Based on the tenant file documentation, record the **Tenant Rent** for a tenant family paying an income-based rent, in the space provided on this line. If the HUD reviewer used the ***Public Housing Rent Worksheet*** (Appendix C) to calculate Tenant Rent for a family paying an income-based rent, refer to the result on **Line 11.** of that worksheet. In general, Tenant Rent is computed by subtracting the appropriate utility allowance (**Line C.4.b.**) from the TTP (either **Line E.3.** or **Line E.11.**). Where the utility allowance exceeds the TTP, proceed to **Line 14.** Cross check with HUD-50058, line 10f. (for a non-prorated rent) or line 10s. (for a prorated rent).

E. Rent – Public Housing only

Lines	File Review Guidance
14.	Based on the tenant file documentation, record the **Utility Reimbursement** for a tenant family paying an income-based rent, where the utility allowance exceeds the TTP. If the HUD reviewer used the ***Public Housing Rent Worksheet*** (Appendix C) to calculate utility reimbursement, refer to the result on **Line 12.** of that worksheet. Cross check with HUD-50058, line 10f. (for a non-prorated rent) or line 10s. (for a prorated rent). Ensure that the file record indicates that the PHA is paying a utility reimbursement directly to the family or to the utility supplier(s).
15.	In general, based on your file review, conclude that the PHA's calculation of income-based **Tenant Rent** is accurate.
16.	Double-check the **Tenant Rent** amount against the PHA's rent rolls to ensure agreement and consistency.

Where the family has elected to pay an **Flat Rent**, complete **Line 17.** through **Line 20.** of the checklist. Where the family has elected to pay a **Income-based Rent**, skip these lines.

Lines	File Review Guidance
17.	Based on the tenant file documentation, record the **Flat Rent** applicable to this family. If the HUD reviewer used the ***Public Housing Rent Worksheet*** (Appendix C) to calculate utility reimbursement, refer to the result on **Line 13.** of that worksheet. The PHA must have a **Flat Rent** schedule establishing flat rents for all of its units. Review this schedule and determine the flat rent applicable to this dwelling unit. Cross check with HUD-50058, line 10b.
18.	Based on the tenant file documentation, record the prorated **Flat Rent** for a "mixed" tenant family, in the space provided on this line. If the HUD reviewer used the ***Public Housing Rent Worksheet*** (Appendix C) to calculate prorated flat rent for a "mixed" family, refer to the result on **Line 18.** of that worksheet. This amount should have been entered on HUD-50058, line 10b., as the "Unit's flat rent." NOTE that the HUD-50058 does not lead the PHA through the calculation of a prorated Flat Rent. However, the **Form HUD-50058 Instruction Booklet**, **Appendix III**, includes a worksheet for computing prorated Flat Rent.
19.	In general, based on your file review, conclude that the PHA's calculation of **Flat Rent** is accurate.
20.	Double-check the **Flat Rent** amount against the PHA's rent rolls to ensure agreement and consistency.

Complete Section F. for a Section 8 Housing Choice Voucher family only.

F. Family Rent and HAP – Section 8 HCV only

This section of the checklist covers various calculations of rent and assistance payments which the PHA must make in the Section 8 Voucher program. This is a fairly detailed process, though not particularly complicated. The calculations are basic mathematical calculations. At different points in the process, the PHA makes various logical decisions, based on the numbers, which then lead the PHA on to the next set of calculations.

No standard format exists for calculating rent. This information is likely to be recorded on one or more documents developed by the PHA for this purpose. Most PHAs use some form of computer-based system or software application to calculate rent and HAP, based on figures entered by PHA staff. Remember that that the HUD-50058 is structured to lead the PHA through the process of accurate calculation of income and rent. Calculation errors should be virtually eliminated for any PHA that consistently uses the HUD-50058 to submit data to MTCS for all its tenant families. However, the HUD-50058 cannot ensure that the PHA adequately verifies income information, including income adjustments, nor can it ensure that the PHA accurately identifies appropriate income and adjustment amounts.

For purposes of the tenant file review, it's important for the HUD reviewer to understand how these calculations are made and not rely solely on the results generated through computer-based applications. By walking through the calculations, step-by-step, the HUD reviewer will get a clearer picture of the accuracy of the calculations and, more importantly, the key decision points in the process and why certain calculations are made in a certain manner. Ultimately, this will enable the HUD reviewer to better troubleshoot any PHA errors or misunderstandings and provide better technical assistance. In this respect, the rent and HAP review process should be more than simply an exercise in checking math.

Housing Conversion Actions: Certain voucher-assisted families may have received their housing voucher pursuant to a housing conversion action, such as a project-based preservation prepayment, a project-based owner opt-out, a HUD enforcement action or a HUD property disposition.

When a family receives a voucher in this manner, they may elect to stay in the project where they already reside (possibly the same unit) and use their voucher assistance in that project (note that certain restrictions apply in these circumstances). Where the family chooses to stay and is eligible to do so, the family may qualify for ***enhanced*** voucher assistance. This ***enhanced*** assistance may impact the payment standard applied to the family, the family's rent and the HAP payments made for the family.

Housing conversion actions and their relationship to Section 8 tenant-based assistance are thoroughly discussed in HUD Notice 2001-41 (HA), issued 11/14/2001. When reviewing a tenant file for a family receiving ***enhanced*** voucher assistance, refer to Notice 2001-41 for guidance on determining the appropriate family rent and HAP.

Lines	File Review Guidance
1.	Based on the tenant file documentation, record the **Total Tenant Payment (TTP)** for a Section 8 HCV tenant family, in the space provided on this line. If the HUD reviewer used the ***Section 8 HCV Rent and HAP Worksheet*** (Appendix C) to calculate TTP, refer to the result on **Line 2.** of that worksheet. Cross check PHA calculations of TTP with HUD-50058, line 9j. and line 12r.
2.	Based on the tenant file documentation, conclude that the PHA accurately calculated Section 8 HCV TTP, based on the documented Annual and Adjusted Income amounts.

F. Family Rent and HAP – Section 8 HCV only

Lines	File Review Guidance
3.a.	Where the TTP is based on the minimum rent, the PHA must grant an exemption from minimum rent to any family if the PHA determines that the family is unable to pay the minimum rent due to financial hardship (unless hardship is temporary). Review the tenant file record and determine whether the family requested "financial hardship exemption" from paying a minimum rent. If so, ensure that the PHA established that a qualifying long-term financial hardship existed, based on regulatory requirements for suspension of minimum rent and on any other circumstances established by PHA policy. Ensure that this determination is documented using appropriate verification techniques. Cross check with HUD-50058, line 9m.
3.b.	Ensure that the PHA correctly suspended the minimum rent for a qualifying long-term, financial hardship exemption. Where the minimum rent was waived, cross check with HUD-50058, line 9h. Where the PHA verified that the hardship was temporary, ensure that the PHA correctly reinstated the minimum rent in accordance with regulatory requirements. Ensure that these determinations are documented using appropriate verification techniques.
4.a.	Based on the tenant file documentation, record the **Payment Standard** applied to this Section 8 HCV tenant family, in the space provided on this line. If the HUD reviewer used the ***Section 8 HCV Rent and HAP Worksheet*** (Appendix C) to determine payment standard, refer to the result on **Line 3.** of that worksheet for any family who is a **recent admission**, **mover**, **portability-in**, or **enhanced voucher** family. Refer to the result on **Line 8.** of that worksheet for any family who is a **reexamination** family . Cross check with HUD-50058, line 12j.
4.b.	Based on the tenant file documentation, conclude that the PHA applied the appropriate payment standard to this tenant family, based on the PHA's payment standard schedule, the size of the family, the size of the unit the family occupies, and other criteria related to changes in the PHA's payment standard schedule and subsidy standards over the previous year.
5.	Based on the tenant file documentation, record the **Gross Rent** of the unit occupied by the Section 8 HCV tenant family, in the space provided on this line. If the HUD reviewer used the ***Section 8 HCV Rent and HAP Worksheet*** (Appendix C) to determine gross rent, refer to the result on **Line 11.** of that worksheet. In general, gross rent is computed by adding the appropriate utility allowance (**Line C.4.b.**) to the Rent-to-Owner. Cross check with HUD-50058, line 12p.

F. Family Rent and HAP – Section 8 HCV only

Lines	File Review Guidance
6.	Based on the tenant file documentation, record the **Total Housing Assistance Payment (HAP)** to the owner, in the space provided on this line. If the HUD reviewer used the ***Section 8 HCV Rent and HAP Worksheet*** (Appendix C) to determine total HAP, refer to the result on **Line 12.c.** of that worksheet. In general, total HAP is based on the lower of the Payment Standard applicable to the unit, minus the TTP, or the Gross Rent of the unit, minus the TTP. Note that, when calculating HAP for ***enhanced*** voucher assistance families, there should be no difference between the Payment Standard and the Gross Rent. Cross check with HUD-50058, line 12s.
7.	Based on the tenant file documentation, conclude that the PHA accurately calculated total HAP.
8.a.	***Reexamination family only:*** Refer to the calculation of HAP (**Line 6.**) at the reexamination effective date (annual, interim, special, other, etc.). Was the HAP zero ($0)? If "Yes", proceed to **Line 8.b.** If "No", skip **Line 8.b.** and proceed to **Line 9.** If the reexamination results in a zero ($0) HAP, the family may continue as a program participant for six months from the date of the reexamination effective date. During that period the HAP contract between the PHA and the owner remains in effect. If the family circumstances change during the six month period and the family again needs assistance, the PHA conducts an interim reexamination and reinstates assistance. At the end of six months, if the subsidy has not been restored, the HAP contract will terminate.
8.b.	Where the calculation of HAP resulted in a zero ($0) HAP – At the point in time that you are reviewing this tenant file, has it been less than 6 months since the reexamination effective date? If "Yes", confirm that the HAP contract remains in effect and that the family continues as a program participant. If the tenant file review is taking place later than six months after the reexamination effective date, and the family circumstances have not changed, confirm that the HAP contract has terminated.
Complete **Line 9.** through **Line 14.** only for a family who is not a "mixed" family and will not have their housing assistance prorated.	
9.	Based on the tenant file documentation, record the **Family Share of Rent**, in the space provided on this line. If the HUD reviewer used the ***Section 8 HCV Rent and HAP Worksheet*** (Appendix C) to determine Family Share of Rent , refer to the result on **Line 13.b.** of that worksheet for any family who is a **recent admission**, **mover**, or **portability-in** family. Refer to the result on **Line 14.** of that worksheet for any family who is a **reexamination** family or **enhanced voucher** family. The Family Share of Rent is the family's contribution toward the *Gross* Rent for the unit. The Family Share may be the same as the TTP or may be a higher amount, depending on the unit the family selects. Where the family leases a unit with a Gross Rent that is less than or equal to the payment standard, the Family Share will be the same as the TTP.

F. Family Rent and HAP – Section 8 HCV only

Lines	File Review Guidance
	For a **recent admission**, **mover**, or **portability-in** family, the family may lease a unit with a Gross Rent that is greater than the payment standard. When the Gross Rent for the unit exceeds the payment standard, this typically means that the family will be obligated to pay a relatively larger portion of their income for their share of the rent. While this is allowable in the housing choice voucher program, there is an upper limit or ceiling on the amount of rent a family can pay relative to their income. This upper limit or ceiling is known as the **Maximum Initial Rent Burden**. The Family Share of Rent may not exceed 40% of the family's Adjusted Monthly Income. This restriction only applies to the initial leasing and initial assisted occupancy in a particular unit. It would not apply to any subsequent rent increases during the family's assisted occupancy in that same unit. So, for such a family, the Family Share of Rent will be the TTP plus the amount by which the Gross Rent exceeds the Payment Standard, but not to exceed the "maximum initial rent burden." For a **reexamination** family (i.e., a family undergoing a reexamination of income and rent, and remaining in their unit with continued assistance – not a mover or a portability-in family), determination of "maximum initial rent burden" does not apply. So, where a reexamination family is leasing a unit with a Gross Rent greater than the Payment Standard, the Family Share of Rent will be the TTP plus the amount by which the Gross Rent exceeds the Payment Standard. Note also that the "maximum initial rent burden" does not apply to a family receiving ***enhanced*** voucher assistance, who elects to stay in the unit they were already occupying under project-based assistance. Cross check the result with HUD-50058, line 12t.
10.	Based on the tenant file documentation, record the actual **HAP to Owner**, in the space provided on this line. If the HUD reviewer used the ***Section 8 HCV Rent and HAP Worksheet*** (Appendix C) to determine HAP to Owner, refer to the result on **Line 15.** of that worksheet. Generally, HAP to Owner is computed by taking the lowest of the Rent to Owner or the Total HAP (**Line 6.**). Cross check the result with HUD-50058, line 12u.
11.	Based on the tenant file documentation, record the actual **Family Rent to Owner**, in the space provided on this line. If the HUD reviewer used the ***Section 8 HCV Rent and HAP Worksheet*** (Appendix C) to determine Family Rent to Owner, refer to the result on **Line 16.** of that worksheet. Generally, Family Rent to Owner is computed by subtracting the HAP to Owner (**Line 10.**) from the Rent to Owner. Cross check the result with HUD-50058, line 12v.
12.	Based on the tenant file documentation, record the **Utility Reimbursement** to a Section 8 HCV family. If the HUD reviewer used the ***Section 8 HCV Rent and HAP Worksheet*** (Appendix C) to calculate utility reimbursement, refer to the result on **Line 17.** of that worksheet. Generally, utility reimbursement is computed by subtracting the actual HAP to Owner (**Line 10.**) from the Total HAP (**Line 6.**), but not to exceed the actual **Utility Allowance** (**Line C.4.b.**). Cross check the result with HUD-50058, line 12w.

F. Family Rent and HAP – Section 8 HCV only

Lines	File Review Guidance
13.	In general, based on your file review, conclude that the PHA's calculation of **Family Rent to Owner** and **HAP** are accurate.
14.	Double-check the **HAP** amount against the PHA's HAP register to ensure agreement and consistency.
Complete **Line 15.** through **Line 18.** only for a family who is a "mixed" family (includes both members with and members without citizenship or eligible immigration status) and will have their housing assistance prorated.	
15.	Based on the tenant file documentation, record the prorated **Family Rent to Owner** for a "mixed" family, in the space provided on this line. If the HUD reviewer used the ***Section 8 HCV Rent and HAP Worksheet*** (Appendix C) to determine prorated Family Rent to Owner, refer to the result on **Line 22.** of that worksheet. A specific tenant family may include both members who are citizens or have eligible immigration status and members who are not citizens or do not have eligible immigration status (or elect not to state whether they have eligibility status). Such a family is considered a "mixed" family. For a "mixed" family, the amount of housing assistance must be prorated based on the percentage of family members with citizenship or eligible immigration status. Cross check the result with HUD-50058, line 12ai.
16.	Based on the tenant file documentation, record the prorated **HAP Owner** for a "mixed" family, in the space provided on this line. If the HUD reviewer used the ***Section 8 HCV Rent and HAP Worksheet*** (Appendix C) to determine prorated HAP to Owner, refer to the result on **Line 23.** of that worksheet. Cross check the result with HUD-50058, line 12aj.
17.	In general, based on your file review, conclude that the PHA's calculation of prorated **Family Rent to Owner** and prorated **HAP** for a "mixed" family are accurate.
18.	Double-check the **HAP** amount against the PHA's HAP register to ensure agreement and consistency.

References

Appendix C:
RIM Tenant File Review Checklist - Worksheets

B. Annual Income and Assets Worksheet

Assets Table:

	Family Member	Type of Asset	Date of Verification	Net Cash Value of Asset	Anticipated Actual Asset Income
1.a.				$	$
b.				$	$
c.				$	$
d.				$	$
e.				$	$
f.				$	$
g.				$	$
h.				$	$
2.			Totals:	$	$
3.			Current Passbook Rate:	%	
4.			Imputed Asset Income (Total Net Cash Value > $5000):	$	

5. **Final Asset Income (larger of Total Anticipated Actual Asset Income or Imputed Asset Income):** $

Annual Income Table:

	Family Member	Type of Income	Date of Verification	Income Rate	Annualized Income	Income Excluded	Income After Exclusions
1.a.				$	$	($)	$
b.				$	$	($)	$
c.				$	$	($)	$
d.				$	$	($)	$
e.				$	$	($)	$
f.				$	$	($)	$
g.				$	$	($)	$
h.				$	$	($)	$
i.				$	$	($)	$
j.				$	$	($)	$
k.				$	$	($)	$
2.						Total:	$
3.						Final Asset Income (from Asset Table):	$
4.						**TOTAL ANNUAL INCOME:**	$

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B. Annual Income and Assets Worksheet

Assets Table Instructions:

Lines	Instructions
1.a. – 1.h.	Use the table as necessary to record and calculate all assets for all family members. This information should be reflected in PHA file documentation and captured during the application or reexamination process. The determinations used by the PHA are also recorded on the HUD-50058, lines 6a. through 6e. Indicate the name of each family member in the household that has assets. For each family member, indicate the type of asset that has a dollar value or provides income to the family member. Assets include, but are not limited to: • Savings accounts • Stocks, bonds and other forms of capital investments • Real property (land or property owned or bequeathed) Ensure that the PHA includes any business or family assets that the family may have disposed of for *less than fair market value* during the two (2) years preceding the effective date of the admission or reexamination (as appropriate). Assets do not include: • Interest in Indian Trust Lands • Equity accounts in HUD homeownership programs • Necessary items of personal property, such as furniture and automobiles • Trust funds, in cases where the trust is not revocable by, or under the control of, any member of the family or household. For each asset, indicate the date(s) of the source documentation used to verify the asset, asset amount, income generated from the asset, etc. For each asset, establish the net cash value. The actual dollar value of the asset may have been known by the PHA at the time of the admission/reexamination (e.g., the amount in a savings account). PHA policy may also establish some formula to determine the value of an asset that may fluctuate over the course of the year. In some cases, a family might incur costs if the asset were to be actually liquidated by the family. In such cases, the dollar value of the asset should be the *net* cash value, after subtracting any costs to sell the asset from the asset's value. Finally, if the asset is expected to generate any actual "income" (such as interest on a savings account), establish the amount of income that the asset is anticipated to generate in the 12-month period following the effective date of the admission/reexamination.
2.	In the two spaces provided, record the totals of the two columns: **Net Cash Value of Assets** and **Anticipated Actual Asset Income**, respectively. Cross check with HUD-50058, lines 6f. and 6g.
3.	In the space provided, record the current passbook savings rate used by the PHA to compute imputed asset income. The passbook savings rate is generally based on an average rate for banks in the area. Typically, the rate is around **two percent (2%)**. Cross check with HUD-50058, line 6h.

B. Annual Income and Assets Worksheet

Assets Table Instructions (continued):

Lines	Instructions
4.	Where the total **Net Cash Value of Assets** (computed on **Line 2.**) is greater than $5000, use the passbook savings rate to compute an imputed asset income. The total **Net Cash Value of Assets** should be multiplied by the passbook savings rate (converted to a decimal) to arrive at imputed asset income. Enter the result on this line. Example: Net Cash Value of Assets: $6000 Passbook Rate (converted to decimal): X .02 Equals Imputed Asset Income: $ 120 Where the total **Net Cash Value of Assets** is $5000 or less, enter $0. Cross check with HUD-50058, line 6i.
5.	Compare the total **Anticipated Actual Asset Income**, computed on **Line 2.**, with the imputed asset income (if any) computed on **Line 4.** Use the *larger* of these two figures as the **Final Asset Income**. Record the result on this line. This is the amount that the PHA should use as asset income when computing the family's overall **Annual Income** (see **Line 3.** of the Annual Income table). Cross check with HUD-50058, line 6j.

Annual Income Table Instructions:

Lines	Instructions
1.a. – 1.k.	Use the table as necessary to record and calculate all income for all family members. This information should be reflected in PHA file documentation and captured during the application or reexamination process. The determinations used by the PHA are also recorded on the HUD-50058, lines 7a. through 7f. Indicate the name of each family member in the household that received income. For each family member, indicate the type of income that the family member receives. Income may be received from a variety of sources. Form HUD-50058 categorizes these sources as: • **Wages**, including business income, federal wages or compensation, PHA wages or compensation, military wages, or other wages received from a public or private source. • **Welfare**, including general welfare assistance, annual imputed welfare income, and TANF assistance. • **SS/SSI/Pensions**, including periodic pensions and annuities, Supplemental Security Income, Social Security benefits, etc. • **Other Income Sources**, including child support, medical reimbursement, Indian Trust/per capita, other non-wage sources, unemployment benefits, etc. For purposes of using the table, the HUD reviewer should avoid the more general categories used by the HUD-50058 and should record the specific type and source of income appropriate to each specific family member (e.g., name of employer, agency or individual providing income, etc.). For type of income, indicate the date(s) of the source documentation used to verify the type of income, income rate, income amount, and other circumstances related to the income.

B. Annual Income and Assets Worksheet

Annual Income Table Instructions (continued):

Lines	Instructions
	Because Annual Income reflects the amount of income *anticipated* to be received in the 12-months following the effective date of the admission/reexamination, any income information received by the PHA for a lesser period must be projected out over the entire 12-month period. To do this, it may be necessary to establish the *rate* at which this lesser income amount is received (e.g., hourly, weekly, monthly, etc.). Where appropriate, use the file documentation to establish the rate at which a particular income amount is received. Then, using this rate, calculate an *annualized* amount of income that reflects the total amount of income that would be received by the family member over the entire 12-month period. Cross check with HUD-50058, line 7d. There are many types of income that are excluded "off-the-top" when calculating Annual Income. Using the file documentation, examine the record of any income sources where the PHA has identified the income source but has elected not to count the income in the Annual Income computation. Indicate the amount of this "excluded" income (also expressed as an "annualized" amount). Ensure that the PHA has not inappropriately excluded sources of income that should be included. Cross check this income with the income exclusions listed on HUD-50058, line 7e. for each family member. A partial listing of income sources to be excluded: • Earnings over $480 for full-time students over age 18 • Payments for student financial assistance paid directly to the student or educational institution. • Lump-sum additions to family assets (inheritance, insurance payments, capital gains, etc.) • Lump-sum payments of deferred benefits • Temporary, non-recurring, sporadic income • Amounts received for reimbursements of medical expenses of any family member • Income of a Live-in Aide • Adoption assistance payments in excess of $480 per child • Payments to keep developmentally disabled family members at home. • Payments received for care of foster children or adults • Special armed forces pay • Foreign government reparations payments. • Earnings and benefits from employment training programs funded by HUD • Incremental earnings/benefits from participation in qualifying state/local employment programs • Reimbursement for out-of-pocket expenses while attending a public assisted training program • Resident service stipend not to exceed $200 for services to the PHA (if applicable to PHA)

B. Annual Income and Assets Worksheet

Annual Income Table Instructions (continued):

Lines	Instructions
	Earned Income Exclusion: There are certain conditions under which the PHA must provide an ***earned income exclusion*** from Annual Income to a family. These requirements differ slightly in the public housing program and the Section 8 HCV program. In the public housing program, any a family undergoing a **reexamination** and paying an income-based rent may be entitled to an earned income exclusion for any family member. In the Section 8 HCV program, any a family undergoing a **reexamination** and paying an income-based rent may be entitled to an earned income exclusion for any family member who is a person with disabilities. Generally, this earned income exclusion would not apply to a **recent admission** family in either program. In the Section 8 HCV program, the earned income exclusion would also not apply to a **portability-in** family, where the family was not already receiving assistance in the Initial PHA's jurisdiction. This is because the earned income exclusion does not apply for purposes of admission to the program. However, in the Section 8 HCV program, the earned income exclusion would apply to a **mover** family, moving with continued assistance within the PHA's jurisdiction, and a **portability-in** family, where the family was already receiving assistance in the Initial PHA's jurisdiction. These categories of families are already receiving assistance under the Section 8 program and are not being initially admitted to the program. Conditions under which the PHA must provide an **earned income exclusion** from Annual Income include: • Family's Annual Income increases as a result of the employment of any family member (public housing), or any family member who is a person with disabilities (Section 8 HCV), and who was previously unemployed for one or more years prior to employment; • Family's Annual Income increases as a result of increased earnings of any family member (public housing), or any family member who is a person with disabilities (Section 8 HCV), during participation in any economic self-sufficiency or other job training program; • Family's Annual Income increases as a result of new employment or increased earnings of any family member (public housing), or any family member who is a person with disabilities (Section 8 HCV), during or within 6 months after receiving assistance, benefits or services under any state program for temporary assistance for needy families funded under Part A of Title VI of the Social Security Act, as determined by the PHA in consultation with the local agencies administering temporary assistance for needy families (TANF) and Welfare-to-Work (WtW) programs.

B. Annual Income and Assets Worksheet

Annual Income Table Instructions (continued):

Lines	Instructions
	For a qualified family – For the first cumulative 12-month period beginning on the date the disabled family member is first employed or the family first experiences the increase in Annual Income attributable to employment, there is a 100% exclusion from the family's Annual Income. For the second cumulative 12-month period beginning on the date the family member is first employed or the family first experiences the increase in Annual Income attributable to employment, the exclusion is a 50% exclusion from the family's Annual Income. The ***earned income exclusion*** can be a complicated and tricky determination, and the HUD reviewer should examine PHA documentation and calculations carefully for consistency with regulatory criteria and current HUD guidance. Note that the current version of the HUD-50058 does not lead the PHA through the calculation of earned income exclusion. The PHA should have its own locally-developed materials to calculate this exclusion and to document how the excluded amount was arrived at. The resulting excluded amount would then be recorded on the HUD-50058 in the appropriate space on line 7e. The final column on the Income Table is used to record the final "annualized" income for each family member after excluding any income amounts. Cross check this amount with the amount listed on HUD-50058, line 7f. for each family member.
2.	In the space provided, record the total of all amounts in the **Income After Exclusions** column. Cross check with HUD-50058, line 7g.
3.	Record the **Final Asset Income** (if any) for the family, in the space provided on this line. Refer to the total calculated on **Line 5.** of the Asset Table. If no asset income, enter $0.
4.	Add the amounts on **Line 2.** and **Line 3.**, and record the result in space provided on this line. This amount reflects the **Total Annual Income** for the family. Cross check with HUD-50058, line 7i.

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C. Dwelling Unit / Utility Allowance Worksheet

Utility Allowance Table:

Utility	Type	Scheduled UA	Utility	Scheduled UA
Heating		$	Trash	$
Cooking		$	Air Conditioning	$
Water Heating		$	Range	$
Other Electric		$	Refrigerator	$
Water		$	Other:	$
Sewer		$	Other:	$

Total Utility Allowance for dwelling unit (if none, enter $0): **$**

Utility Allowance Table Instructions:

	Instructions
	In the public housing program, where the tenant family is paying an income-based rent and is responsible for paying for or providing some or all of the unit's utilities, appliances or other housing services, the family must be given a utility allowance. Families paying a flat rent do not receive a utility allowance. Utilities for which the family is responsible should be reflected on the family's dwelling lease. In the Section 8 HCV program, any family who is responsible for paying for or providing some or all of the unit's utilities, appliances or other housing services, must be given a utility allowance. • Generally, for a **recent admission** family, a **mover** family moving with continued assistance within the PHA's jurisdiction, or a **portability-in** family, the file should include a form HUD-52517, Request for Tenancy Approval, which fully outlines the utility combination for the unit and responsibility for utilities. However, the PHA may have determined that the owner's proposed rent was not rent reasonable and the owner subsequently changed the rent amount. One approach to changing the rent amount might have been a change in responsibility for certain utilities – e.g., the owner might have elected to assume responsibility for providing additional utilities under the lease. In this case, the utility combination on the HUD-52517 would need to be revised to reflect these changes in utility responsibilities. • For a **reexamination** family, the utility combination might have changed significantly since the prior reexamination (or initial leasing). Both the dwelling lease and the HAP contract should specify the current combination of utilities and appliances, particularly if these have changed. Based on the file documentation, determine if the family is responsible for some or all utilities in the dwelling unit and complete the table by noting the appropriate Utility Allowance (UA) amount for each utility supplied by the family. Utility allowances should be based on the PHA's schedule or schedules for such allowances, taking into account the size and type of unit and the type of utility used. Note that, even between units of the same bedroom size in the same project, utility allowances may vary due to actual unit physical size, location within the project, types of utilities applicable to different units, etc. Total all of the scheduled UA amounts to arrive at the **Total Utility Allowance** amount for the unit. Enter this total in the space provided on this line. Cross check with HUD-50058, line 10e. or line 10r. for the public housing program. Cross check with HUD-50058, line 12m.. for the Section 8 HCV program.

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D. Adjusted Income Worksheet

Dependent Deduction:

1.a.	Total number of dependents in Family:	
b.	**Dependent Deduction** (Total number of dependents X $480):	**$**

Elderly / Disabled Family Deduction:

		Yes	No	Unclear
2.a.	Family qualifies as "Elderly" or "Disabled" family?			
b.	If "Yes", enter $400 **Elderly / Disabled Family Deduction**. If "No", enter $0:	**$**		

Medical Expenses

	Family Member	Medical Expense Description	Date of Verification	Annual Expense Amount
3.a.				$
b.				$
c.				$
d.				$
e.				$
f.				$

4.	**Total Annual Medical Expense:**	**$**

Disability Assistance Expenses

	Family Member	Disability Assistance Expense Description	Date of Verification	Annual Expense Amount
5.a.				$
b.				$
c.				$
d.				$
e.				$

6.	**Total Annual Disability Assistance Expenses:**	**$**

Medical / Disability Assistance Expenses Deduction:

			Yes	No	Unclear
7.	Three (3) percent of Annual Income (Annual Income Table **Line 4.** x **0.03**):	**$**			
8.a.	Family includes both "disabled" family member(s) and employed family member(s)?				
b.	Family incurs disability assistance expenses to enable family member(s) to be employed?				
c.	Amount of disability assistance expenses that are unreimbursed & reasonable:	**$**			
9.	**Line 8.c.** minus **Line 7.**:	**$**			

- If result is a negative number <u>and</u> **Line 2.a.** is "Yes", copy amount from **Line 8.c.**
- If result is a negative number <u>and</u> **Line 2.a.** is "No", enter $0

10.	Amount of employment income made possible by disability assistance expenses:	**$**
11.	The <u>lower</u> amount of **Line 9.** or **Line 10.**:	**$**

- If **Line 8.c.** is less than **Line 7.** <u>and</u> **Line 2.a.** is "Yes", copy amount from **Line 9.**

D. Adjusted Income Worksheet

12.	If **Line 2.a.** is "Yes", amount of unreimbursed medical expenses for entire family:	**$**
13.	Sum of **Line 11.** and **Line 12.**:	**$**
14.	**Medical / Disability Assistance Expenses Deduction:**	**$**

- If **Line 8.c.** = $0, subtract **Line 7.** from **Line 13.** If negative result, enter $0
- If **Line 8.c.** is less than **Line 7.**, subtract **Line 7.** from **Line 13.** If negative result, enter $0
- If **Line 8.c.** is greater than or equal to **Line 7.**. enter amount from **Line 13.**

Child Care Expenses

	Family Member	Child Care Expense Description	Date of Verification	Annual Expense Amount
15.a.				$
b.				$
c.				$
d.				$
e.				$

16.	**Total Annual Child Care Expenses:**	**$**

Child Care Expenses Deduction:

			Yes	No	Unclear
17.a.	Family includes member(s) under age 13?				
b.	Amount of unreimbursed, reasonable child care costs incurred by family:	**$**			
18.a.	Family has any member(s) employed?				
b.	Child care costs enable member(s) to be employed?				
c.	Amount of employment income enabled by child care costs:	**$**			
d.	Amount on **Line 17.b.**, not to exceed amount on **Line 18.c.**	**$**			
19.a.	Family has any member(s) furthering education?				
b.	Child care costs enable member(s) to further education?				
20.	**Child Care Expenses Deduction:**	**$**			

- Where both **Line 18.a.** and **Line 18.b.** are "Yes", enter amount from **Line 18.d.**
- Where **Line 18.a.** is "No", but **Lines 19.a.** and **19.b.** are "Yes", enter amount from **Line 17.b.**

P.H. Permissive Deductions

	Family Member	Type of Deduction	Date of Verification	Annual Amount
21.a.				$
b.				$
c.				$

22.	**PH: Total Permissive Deductions:**	**$**

D. Adjusted Income Worksheet

23.	**Total Annual Income:**	**$**
24.	**Total All Deductions:**	**$**
25.	**TOTAL ADJUSTED INCOME** = **Line 23.** minus **Line 24.**:	**$**

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D. Adjusted Income Worksheet

Adjusted Income Instructions:

Line	Instructions
1.a.	Indicate the total number of dependents in the household. Dependents include any family members who are under age 18, have a disability, or are full-time students of any age. Dependents who are temporarily absent from the home, but listed on the lease, should be included. Dependents do not include household members who are head of household, spouse of head, foster children, foster adults, live-in aides, the children of live-in aides, or any other members of the household who are not considered family members. Refer to the Tenant File Review Checklist table under section ***A. Family Composition***, to identify family member dependents.
1.b.	Calculate the total **Dependent Deduction** for the family. The standard dependent deduction is $480 per dependent. Cross check with HUD-50058, line 8r., to ensure that PHA has used the standard deduction amount in its calculation. Multiply **Line 1.a.** times $480. Cross check total dependent deduction amount, as reflected in tenant file, with HUD-50058, line 8s
2.a.	Confirm whether the family qualifies as an "elderly" or "disabled" family. For the family to qualify for this deduction, the head of the family, the spouse of the head, or the sole member of the family must be a person age 62 or over, <u>or</u> be a disabled person. Refer to the Tenant File Review Checklist table under section ***A. Family Composition***, where age and disability status of family head and spouse were established.
2.b.	If the answer on **Line 2.a.** is "Yes", calculate the **Elderly/Disabled Family Deduction** for the family. The standard "elderly/disabled" family deduction is $400 per family. Note that this deduction is <u>per family</u>, not per individual. Cross check with HUD-50058, line 8p., to ensure that PHA has used the standard deduction amount in its calculation.

D. Adjusted Income Worksheet

Adjusted Income Instructions (continued):

Line 3.a. through **Line 14.** of the worksheet assess whether the family has medical expenses and/or disability assistance expenses, whether the family qualifies for a deduction for these expenses and, if so, the amount of this deduction.

A family is entitled to a deduction for the sum of the following, to the extent the sum exceeds three percent of Annual Income:

- Unreimbursed medical expenses for an elderly or disabled family (i.e., head, spouse or sole member is elderly or disabled);
- Unreimbursed reasonable attendant care and auxiliary apparatus expenses for each member of any family who is a person with disabilities, to the extent necessary to enable any member of the family (including the member with disabilities) to be employed. Any deduction given for these type of expenses may not exceed the earned income received by the family member(s) who are 18 years of age or older and who are enabled to work because of the care or apparatus.

This can be a tricky computation, particularly when the family has both medical expenses and attendant care/auxiliary apparatus expenses. The HUD-50058, lines 8f. – 8n., correctly leads the PHA through this calculation, assuming the PHA has accurately identified and verified the expense amounts used.

Line	Instructions
3.a. - 3.f.	Use the table as necessary to record and calculate **medical expenses** for all family members in any family that is an "elderly" or "disabled" family only. The HUD reviewer should ensure that medical expenses are unreimbursed expenses, not paid by a source outside the family. The PHA should also count unreimbursed medical expenses for the entire family (not just the elderly/disabled head or spouse). Where there is a partial payment of these expenses by an outside party, only the portion of the expenses paid by the family may be counted. PHA policy should outline acceptable forms of verification and documentation of anticipated medical expenses. Indicate the name of each family member in the household that incurred medical expenses. For each family member, give a description of the medical expense. This description should note the type of expense, rate the expense is incurred, and any other relevant information about the expense. This information should be reflected in PHA file documentation and captured during the application or reexamination process. For each type of medical expense, indicate the date(s) of the source documentation used to verify the type of expense, expense rate, expense amount, and other circumstances related to the expense. The final column on the table is used to record the "annual" amount for each type of medical expense – the amount the family member is projected to pay for this medical expense over the 12-month period following the effective date of the admission or reexamination.
4.	In the space provided, record the total of all amounts in the **Annual Expense Amount** column. Cross check with HUD-50058, line 8k.

D. Adjusted Income Worksheet

Adjusted Income Instructions (continued):

Line	Instructions
5.a. - 5.e.	Use the table as necessary to record and calculate **disability assistance expenses** for all family members in any family. Disability assistance expenses are defined as reasonable expenses that are anticipated, during the period for which Annual Income is computed, for attendant care and Auxiliary apparatus for a disabled family member and that are necessary to enable a family member (including the disabled member) to be employed, provided that the expenses are neither paid to a member of the family nor reimbursed by an outside source. (NOTE the distinction between these expenses and child care expenses, which may enable a family member to be employed or further education). Examples of such expenses could include payment for a caregiver to take care of the disabled family member while another family member is at work; or could include special equipment or apparatus to enable the disabled family member to go to work. The HUD reviewer should examine the PHA's tenant file documentation for a clear record of these expenses. The PHA should maintain a clear record that the expenses are not being paid by another party but are paid by the family. Where there is a partial payment of these expenses by an outside party, only the portion of the expenses paid by the family may be counted. The PHA should also maintain a clear record of whether any expenses were considered not reasonable and, if so, on what basis. Generally, where the PHA decides to not count certain expenses on the basis that the expenses were "unreasonable," this decision should flow from established PHA policy on the reasonableness of such expenses. Where more than one family member is employed, review the PHA's approach to determining whether all employed family members are enabled to be employed by the expenses or, if not, which member or members are enabled to be employed by the expenses. Indicate the name of each family member in the household that incurred disability assistance expenses. For each family member, give a description of the expense. This description should note the type of expense, rate the expense is incurred, and any other relevant information about the expense. This information should be reflected in PHA file documentation and captured during the application or reexamination process. For each type of disability assistance expense, indicate the date(s) of the source documentation used to verify the type of expense, expense rate, expense amount, and other circumstances related to the expense. The final column on the table is used to record the "annual" amount for each type of disability assistance expense – the amount the family member is projected to pay for this expense over the 12-month period following the effective date of the admission or reexamination.
6.	In the space provided, record the total of all amounts in the **Annual Expense Amount** column. Cross check with HUD-50058, line 8g.

D. Adjusted Income Worksheet

Adjusted Income Instructions (continued):

Line	Instructions
7.	Calculate three (3) percent of the family's **Annual Income**. If you used the Annual Income table to calculate Annual Income, refer to **Line 4.** of that table. Otherwise, identify Annual Income from the tenant file record. This amount acts as a "threshold" for medical expenses and/or disability assistance expenses, when determining a deduction for a qualified family. Only the eligible expenses that rise above this level may be considered for a deduction. Cross check this calculation with HUD-50058, line 8f.
8.a.	Determine if the family includes <u>any</u> family members who are disabled. Refer to the Tenant File Review Checklist table under section ***A. Family Composition***, where the disability status of each family member was confirmed. Determine if the family includes <u>any</u> family members who are employed (including the disabled family member). If you used the Annual Income table to calculate Annual Income, refer to that table where income and types of income were identified for every family member. Otherwise refer to the tenant file record. Where the family includes <u>both</u> family member(s) who are disabled <u>and</u> family member(s) who are employed (including the disabled family member), proceed to **Line 8.b.** If the family does <u>not</u> include any members who qualify as disabled persons, then the family would <u>not</u> qualify for any deduction for disability assistance expenses. If the family includes any members who qualify as disabled persons, but does <u>not</u> include any family member(s) who are employed, then the family would <u>not</u> qualify for any deduction for disability assistance expenses. In this instance, skip **Line 8.b.** through **Line 10.**, enter $0 in the space provided on **Line 11.**, then proceed to **Line 12.**
8.b.	Where the family includes any members who qualify as disabled persons <u>and</u> includes any family member(s) who are employed, the PHA will need to determine if the family incurs any disability assistance expenses to enable the family member(s) to be employed and the amount of those expenses that are unreimbursed by an outside source <u>and</u> are "reasonable." Refer to **Line 5.a.** through **Line 6.** for calculations of disability assistance expenses for the family. Where a qualified family incurred such expenses, enter "Yes" and proceed to **Line 8.c.** Where the family includes any members who qualify as disabled persons <u>and</u> includes any family member(s) who are employed, but the family does <u>not</u> incur any disability assistance expenses to enable the family member(s) to be employed, then the family would <u>not</u> qualify for any deduction for disability assistance expenses. In this instance, skip **Line 8.c.** through **Line 10.**, enter $0 in the space provided on **Line 11.**, then proceed to **Line 12.**
8.c.	Record the amount of unreimbursed, reasonable disability assistance expenses in the space provided on this line. Refer to the total on **Line 6.**, from the table used to calculate disability assistance expenses for the family. Cross check this amount with HUD-50058, line 8g.

D. Adjusted Income Worksheet

Adjusted Income Instructions (continued):

Line	Instructions
9.	Subtract the amount on **Line 8.c.** from the amount on **Line 7.** The results of this calculation should be consistent with the amount on Form HUD-50058, line 8h., for this tenant family. If **Line 8.c.** is greater than or equal to **Line 7.**, this means that disability assistance expenses equal or exceed three percent of Annual Income and the family *may* be entitled to a deduction. In this instance, simply record the result in the space on this line and continue the calculations on **Line 10.** If **Line 8.c.** is less than **Line 7.**, this means that three percent of Annual Income exceeds disability assistance expenses. In this instance, the family might still qualify for a deduction if the family is an "elderly/disabled" family and has unreimbursed medical expenses. For this reason, the HUD reviewer should check the answer to the question on **Line 2.a.** On that line, a determination was made whether the family qualified as an "elderly" or "disabled" family. • If the answer on **Line 2.a.** was "No", the family does not qualify as an "elderly/disabled" family and will receive no medical/disability assistance expenses deduction. In this instance, skip **Line 9.** through **Line 13.**, enter $0 in the space provided on **Line 14.**, then proceed to **Line 15.a.** • If the answer on **Line 2.a.** was "Yes", the family does qualify as an "elderly/disabled" family and may still be entitled to a deduction if unreimbursed medical expenses are large enough. For this reason, the HUD reviewer should enter the amount of reasonable, unreimbursed disability assistance expenses from **Line 8.c.** in the space provided, and continue the calculations on **Line 10.**
10.	So far, we've established that the family includes members who qualify as disabled persons and includes any family member(s) who are employed and has unreimbursed, reasonable disability assistance expenses. We've also established that these expenses either exceed three percent of Annual Income or, if not, the family qualifies as an "elderly/disabled" family. The next step in the process is to compare the disability assistance expenses with the employment income made possible by these expenses. First, we must determine the amount of employment income. PHA tenant file documentation should be clear on which family member or members are enabled to be employed by the disability assistance expenses. If the HUD reviewer completed the Annual Income table, refer to **Line 1.a.** through **Line 1.k.** on that table, where income and income amounts were identified for every family member. Otherwise, refer to the tenant file record. Record the amount of employment income made possible by the disability assistance expenses in the space provided on this line. Cross check this amount with HUD-50058, line 8i.

D. Adjusted Income Worksheet

Adjusted Income Instructions (continued):

Line	Instructions
11.	On this line, we establish the amount of allowable disability assistance expense. To do this, we must first refer back to our comparison of the family's actual, unreimbursed, reasonable disability assistance expenses with three percent of the family's Annual Income (the same comparison we made on **Line 9.**). If **Line 8.c.** is greater than or equal to **Line 7.**, this means that disability assistance expenses equal or exceed three percent of Annual Income and the family *may* be entitled to a deduction. In this instance, compare the amount of employment income made possible by the disability assistance expenses on **Line 10.** with the amount by which disability assistance expenses exceeded three percent of Annual Income from **Line 9.** Record the lower of these two amounts in the space provided on this **Line 11.** • It's important to note why this comparison is made in this way. The regulations explicitly state that "…any *deduction* given for these type of expenses may not exceed the earned income received by the family member(s) who are 18 years of age or older and who are enabled to work because of the care or apparatus." It is the potential deduction for disability assistance expenses that must be compared with the actual employment income. The PHA does not simply compare expenses (**Line 8.c.**) with employment income. If **Line 8.c.** is less than **Line 7.**, this means that three percent of Annual Income exceeds disability assistance expenses. Again, the family might still qualify for a deduction if the family is an "elderly/disabled" family and has unreimbursed medical expenses. So, we again refer back to the question on **Line 2.a.** where we determined if the family qualified as an "elderly" or "disabled" family. Where the answer to the question on **Line 2.a.** is "Yes" and the family does qualify as an "elderly/disabled" family, then the HUD reviewer should simply carry over the amount from **Line 9.** and enter this amount in the space provided on this **Line 11.** (Note that If the answer to the question on **Line 2.a.** is "No", then **Line 9.** instructed you to skip to **Line 14.** and enter $0. Since here you are on **Line 11.**, we can assume that's not the case). • It's important to note that there is no reason to compare the amount on **Line 9.** with the employment income on **Line 10.** in this instance. Why? Because, again, it is the potential deduction for disability assistance expenses that must be compared with the actual employment income. Because disability assistance expenses do not exceed three percent of Annual Income, there is no potential deduction for these expenses alone. The results of this calculation should be consistent with the amount on Form HUD-50058, line 8j., for this tenant family. Continue the calculations on **Line 12.**
12.	Where the answer to the question on **Line 2.a.** was "Yes", then the family qualifies as an "elderly" or "disabled" family. In that case, review the PHA's tenant file documentation and identify medical expenses for the family. Where the HUD reviewer used the table on **Line 3.a.** through **Line 4.** to calculate medical expenses for the family, use the total from **Line 4.** Otherwise, refer to the tenant file record. Enter the amount of total annual medical expenses for the family in the space provided on this **Line 12.** Where the answer to the question on **Line 2.a.** was "No", the family does not qualify as an "elderly" or "disabled" family and would not be entitled to any deduction for medical expenses. In this instance, enter $0 in the space provided. Cross check this result with HUD-50058, line 8k.

D. Adjusted Income Worksheet

Adjusted Income Instructions (continued):

Line	Instructions
13.	On this line, total the results of the allowable disability assistance expenses calculations (**Line 11.**) and the amount of unreimbursed medical expenses (**Line 12.**). Cross check this result with HUD-50058, line 8m.
14.	On this line, we calculate the final **Medical / Disability Assistance Expenses Deduction**. The amount we use for the deduction will depend on the results of our prior calculations and determinations. **1st:** Check the amount on **Line 8.c.** Where this amount is $0, this means that either: **a.** The family does not include any disabled family members, or **b.** The family does not include any employed family members, or **c.** The family did not incur disability assistance expenses to enable a family member to be employed Where the amount on **Line 8.c.** = $0, subtract **Line 7.** from **Line 13.** and enter the result in the space provided. The result represents the amount of deduction for this family. If the result is a ***negative*** number, then the family's medical expenses (if any) did not exceed the three percent of Annual Income "threshold." In this instance, enter $0 in the space provided. **2nd:** Assuming that the amount on **Line 8.c.** does not equal $0, we return to our comparison of the family's actual, unreimbursed, reasonable disability assistance expenses with three percent of the family's Annual Income (same comparison we made on **Line 9.** and again on **Line 11.**). **a.** If **Line 8.c.** is greater than or equal to **Line 7.**, then disability assistance expenses equal or exceed three percent of Annual Income. This means that the disability assistance expenses incurred by the family to enable a family member to be employed were alone sufficient to equal or exceed the three percent of Annual Income medical/disability "threshold." In this instance, enter the amount from **Line 13.** in the space provided on this line. This represents the amount of deduction for this family. **b.** If **Line 8.c.** is less than **Line 7.**, this means that three percent of Annual Income exceeds disability assistance expenses. In other words, whatever disability assistance expenses were incurred by the family to enable a family member to be employed, these expenses alone did not exceed the three percent of Annual Income medical/disability "threshold." In this instance subtract **Line 7.** from **Line 13.** and enter the result in the space provided. The result represents the amount of deduction for this family. If the result is a ***negative*** number, then the family's medical expenses (if any) did not exceed the three percent of Annual Income "threshold." In this instance, enter $0 in the space provided. Cross check your result with HUD-50058, line 8n.

D. Adjusted Income Worksheet

Adjusted Income Instructions (continued):

Line 15.a. through **Line 20.** assess whether the family has child care expenses, whether the family qualifies for a deduction for these expenses and, if so, the deduction amount. Child care expenses are defined as:

> Amounts anticipated to be paid by the family for the care of children under 13 years of age during the period for which Annual Income is computed, but only where such care is necessary to enable a family member to actively seek employment, be gainfully employed, or to further his or her education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for child care. In the case of child care necessary to permit employment, the amount deducted shall not exceed the amount of employment income that is included in Annual Income.

Not all child care expenses are eligible to be used as a deduction.

Child care expenses must be "reasonable." The regulations offer no clarification or definition of the term "reasonable" but leave it to the discretion of the PHA. The PHA should maintain a clear record of whether any expenses were considered not reasonable and, if so, on what basis. Generally, where the PHA decides to not count certain expenses on the basis that the expenses were "unreasonable," this decision should flow from established PHA policy on the reasonableness of such expenses.

Child care expenses used as a deduction should be unreimbursed expenses. The family may be a participant in a federal, state or local program that provides child care for the family free-of-charge, or reimburses the family for all or part of their child care expenses. To the extent that child care and child care expenses are provided or paid for on behalf of the family, these expenses would not be eligible to be used as deductions. PHA documentation is critical. The PHA should maintain a clear record that the expenses are not being paid by another party but are paid by the family. Where there is a partial payment of these expenses by an outside party, only the portion of the expenses paid by the family may be counted.

Only child care expense that are necessary to enable a member of the family to seek employment, be gainfully employed or to further his/her education are eligible. Child care expenses for any other purpose are not eligible as a deduction. Of course, a PHA could interpret these terms broadly. Many activities could fall under the umbrella of "enabling a family member to actively seek employment or be gainfully employed" or "enabling a family member to further his/her education." Again, PHA policy should clarify the types of employment-related or education-related activities that might qualify for the child care expenses deduction.

Line	Instructions
15.a. - 15.e.	Use the table as necessary to record and calculate **child care expenses** incurred by the family. Indicate the name of each family member in the household that incurred child care expenses. For each family member, give a description of the child care expense. This description should note the type of expense, reason for the expense, rate the expense is incurred, and any other relevant information about the expense. This information should be reflected in PHA file documentation and captured during the application or reexamination process. For each type of expense, indicate the date(s) of the source documentation used to verify the type of expense, expense rate, expense amount, and other circumstances related to the expense. The final column on the table is used to record the "annual" amount for each type of expense – the amount the family member is projected to pay for this child care over the 12-month period following the effective date of the admission or reexamination.

D. Adjusted Income Worksheet

Adjusted Income Instructions (continued):

Line	Instructions
16.	In the space provided, record the total of all amounts in the **Annual Expense Amount** column. Note that this amount will not necessarily be the same amount as recorded on HUD-50058, Line 8t. The calculations on **Line 17.a**. through **Line 20.** will establish the amount that should be recorded on HUD-50058, Line 8t.
17.a.	Determine if the family includes any family members who are under age 13. Refer to the Tenant File Review Checklist table under section ***A. Family Composition***, where the date of birth of each family member was confirmed. If "Yes", proceed to **Line 17.b.** Note that these expenses are child care expenses - for the care of children, not adults. The definition clarifies this to mean children under the age of 13. If the family does not include any members who are under age 13, then the family would not qualify for any deduction for child care expenses. Expenses for the care of anyone in the family age 13 and over could possibly be covered under the deduction given for unreimbursed disability assistance expenses, as discussed in the previous section. However, in this case, note the difference - deductions given for unreimbursed disability assistance expenses are allowable only to the extent necessary to enable a family member to be employed (no mention of furthering education). If the answer is "No", skip **Lines 17.b.** through **19.b.**, enter $0 in the space provided on **Line 20.**, then proceed to **Line 21.a.**
17.b.	Where the family includes members who are under age 13, record the annual amount of expenses (if any) that the family incurs for the care of these children, to the extent that these expenses are not reimbursed by an outside source and are "reasonable." If you used the table on **Line 15.a.** through **Line 16.** to calculate annual child care expenses, refer to **Line 16.** of that table. Otherwise, identify annual child care expenses from the tenant file record. Where the family does not incur any expenses for the care of members who are under age 13, skip **Line 17.b.** through **Line 19.b.**, enter $0 in the space provided on **Line 20.** Then proceed to **Line 21.a.**
18.a.	Where the family includes any members who are under age 13 and incurs any expenses for the care of these children, determine whether the family includes any family members who are employed. If the HUD reviewer completed the Annual Income table, refer to **Line 1.a.** through **Line 1.k.** on that table, where types of income and income amounts were identified for every family member. Otherwise, refer to the tenant file record. Where the family includes any members who are employed, answer "Yes" and proceed to **Line 18.b.** If the family includes any members who are under age 13, but does not include any family member(s) who are employed, then answer "No", skip **Lines 18.b.** through **18.d.**, then proceed to **Line 19.a.**

D. Adjusted Income Worksheet

Adjusted Income Instructions (continued):

Line	Instructions
18.b.	Where the family includes any members who are under age 13, incurs expenses for the care of these children, and includes any family member(s) who are employed, the PHA will need to determine if the child care expenses enable the family member(s) to be employed. Note that child care expenses may be used to enable any family member to be employed, not just the head of the family or the spouse. The HUD reviewer should examine the PHA's tenant file documentation for a clear record of these expenses and the connection between the expenses and enabling a family member to be employed. Where more than one family member is employed, review the PHA's approach to determining which member or members are enabled to be employed by the expenses. If the answer is "Yes", proceed to **Line 18.c.** If the answer is "No", skip **Line 18.c.** and **Line 18.d.**, then proceed to **Line 19.a.**
18.c.	Record the amount of employment income enabled by the child care expenses. Again, PHA documentation should be clear on the connection, or lack of connection, between child care expenses and employment of a family member. If the HUD reviewer completed the Annual Income table, refer to **Line 1.a.** through **Line 1.k.** on that table, where types of income and income amounts were identified for every family member. Otherwise, refer to the tenant file record.
18.d.	Enter the amount of unreimbursed, reasonable child care expenses from **Line 17.b.**, not to exceed the amount on **Line 18.c.** Child care expenses incurred to enable a family member to work should not exceed the amount of employment income earned. A PHA could give a deduction for child care expenses up to, but not in excess of, the amount of employment income earned.
19.a.	Determine whether the family includes any family members who are furthering their education. Again, PHA documentation is critical. The PHA should maintain a clear record of family member enrollment/attendance at an educational institution, days attended, hours, etc. PHA policies should outline verification and documentation criteria for "furthering education." If the answer to the question on this **Line 19.a.** is "Yes", proceed to **Line 19.b.** If the answer to the question on this **Line 19.a.** is "No", skip **Line 19.b.** and proceed to **Line 20.**
19.b.	The PHA will need to determine if the child care expenses for the care of children under age 13 are necessary to enable the family member(s) to further their education. Note that child care expenses may be used to enable any family member(s) to further their education, not just the head of the family or the spouse. The HUD reviewer should examine PHA tenant file documentation for a clear record of these expenses and the connection between the expenses and enabling a family member to further their education. Based on file documentation, determine if child care expenses enable the family member(s) to further their education. Proceed to **Line 20.**

D. Adjusted Income Worksheet

Adjusted Income Instructions (continued):

Line	Instructions
20.	On this line, calculate the final **Child Care Expenses Deduction**. The amount we use for the deduction will depend on the results of our prior calculations and determinations. **1st:** Where the answers to the questions on both **Line 18.a.** and **Line 18.b.** are "Yes", this means that the family has an employed family member and that the child care costs incurred by the family enable a family member to be employed. In this instance, the amount of the deduction given for child care expenses is "capped" by the amount of income earned by the family member who is enabled to be employed. Enter the amount from **Line 18.d.** in the space provided on this line. **2nd:** Where the answer to the question on **Line 18.a.** is "No", but the answers to the questions on **Line 19.a.** and **Line 19.b.** are "Yes", this means that the family does not have an employed family member but does have a family member furthering their education, and that the child care costs incurred by the family enable a family member to further their education. In this instance, there is no employment income to "cap" the amount of the deduction given for child care expenses. So, the child care expenses deduction is equal to the amount of the unreimubursed, reasonable expenses from **Line 17.b.** Cross check with HUD-50058, line 8t.

Public Housing only: PHAs may adopt, by written policy, *permissive* deductions from Annual Income to determine Adjusted Income. Permissive deductions are one of many strategies that the PHA may adopt as an *alternative* approach to dwelling rents. Adoption of permissive deductions is at the sole discretion of the PHA, provided the amounts are not already required to be deducted from Annual Income and are not reimbursed to the family from some other source. While the PHA may elect to give permissive deductions for any number of good reasons, all of these deductions will mean reduced rents, and it is the PHA that must absorb any resulting reduction in rents.

Review the PHA's Admissions and Occupancy policies and determine if the PHA has adopted any *permissive* deductions from Annual Income. Obviously, the specific permissive deduction, the deduction amount and eligibility for the deduction will vary widely from PHA to PHA.

Line	Instructions
21.a. - 21.c.	Where the PHA has adopted permissive deductions from Annual Income, use the table as a worksheet to record and calculate all permissive deductions for all family members. This information should be reflected in PHA file documentation and captured during the application or reexamination process. Indicate the name of each family member in the household that has been awarded a permissive deduction. For each family member, offer a brief description of the type of permissive deduction awarded, based on PHA policy. For each type of deduction, indicate the date(s) of the source documentation used to verify the type of deduction and any circumstances related to the deduction. Indicate the dollar amount of each permissive deduction. The determinations used by the PHA are also recorded on the HUD-50058, lines 8b. through 8e.
22.	Total of all amounts in the **Annual Amount** column and record the results in the space provided as **PH: Total Permissive Deductions**. Cross check with the amount recorded on the HUD-50058, line 8e.

D. Adjusted Income Worksheet

Adjusted Income Instructions (continued):

Line	Instructions
23.	Record the family's **Total Annual Income**. If you used the Annual Income table to calculate Annual Income, refer to **Line 4.** of that table. Otherwise, identify Annual Income from the tenant file record.
24.	Total all of the deductions given to the family, including: • **Dependent Deduction (Line 1.b.)** • **Elderly/Disabled Family Deduction (Line 2.b.)** • **Medical/Disability Assistance Expenses Deduction (Line 14.)** • **Child Care Expenses Deduction (Line 20.),** and • **Permissive Deductions (Line 22.)** Enter the total in the space provided on this line. Cross check the total with the PHA's calculations and HUD-50058, line 8x.
25.	Subtract the **Total All Deductions** on **Line 24.** from the **Total Annual Income** on **Line 23.** to arrive at **Total Adjusted Income**. Cross check the total with the PHA's calculations and HUD-50058, line 8y.

E. Public Housing Rent Worksheet

Income-based Rent:

Income-Based TTP

1.a.	Monthly Income (Annual Income ÷ 12):	**$**
b.	10% of Monthly Income (**Line 1.a.** X 0.10):	**$**
c.	Monthly Adjusted Income (Adjusted Income ÷ 12):	**$**
d.	30% of Monthly Adjusted Income (**Line 1.c.** X 0.30):	**$**
e.	Welfare Rent (if applicable):	**$**
f.	Minimum Rent:	**$**
g.	Ceiling Rent (if applicable):	**$**
2.	**TOTAL TENANT PAYMENT (TTP)** based on traditional income-based method:	**$**
	• Highest of **Line 1.b., 1.d., 1.e., 1.f.**, not to exceed **Line 1.g.**	
3.	**TOTAL TENANT PAYMENT (TTP)** based on alternative income-based method:	**$**

Income-based Prorated TTP

4.	Maximum Rent established for this unit type:	**$**
5.	Family Maximum Subsidy (**Line 4.** minus **Line 2.** or **Line 3.**):	**$**
6.a.	Total Number of family members:	
b.	Number of family members eligible for prorated rent subsidy	
7.	Total Rent Subsidy for which family is eligible:	$
	• (**Line 5.** ÷ **Line 6.a.**) x **Line 6.b.**	
8.	**TOTAL TENANT PAYMENT (TTP)** for a "Mixed" family:	**$**
	• **Line 4.** minus **Line 7.**	

Income-based Tenant Rent

9.	TTP based on appropriate method (**Line 2.**, **Line 3.**, or **Line 8.**):	$
10.	Utility Allowance:	$
11.	**Income-based TENANT RENT:**	**$**
	• **Line 9.** minus **Line 10.** If result is negative, enter $0 and go to **Line 12.**	
12.	**UTILITY REIMBURSEMENT** (Amount by which **Line 10.** exceeds **Line 9.**):	**$**

Flat Rent

13.	**Flat Rent** applicable to this dwelling unit, based on PHA Flat Rent schedule:	**$**

Prorated Flat Rent

14.	Maximum Rent established for this unit type:	**$**
15.	Family Maximum Subsidy (**Line 14.** minus **Line 13.**):	**$**
16.a.	Total Number of family members:	
b.	Number of family members eligible for prorated rent subsidy	
17.	Total Rent Subsidy for which family is eligible:	$
	• (**Line 15.** ÷ **Line 16.a.**) x **Line 16.b.**	
18.	**Flat Rent** for a "Mixed" family (**Line 14.** minus **Line 17.**):	**$**

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E. Public Housing Rent Worksheet

Public Housing Rent Worksheet Instructions

Public housing tenant families are given a choice of paying either an **Income-based Rent** or a **Flat Rent** (not based on income), both at the time of admission and at the time of annual reexamination. At the time of annual reexamination, a tenant family may "switch" from their current rent method to the alternative rent method

For those families choosing an **Income-based Rent**, the first steps in computing rent are to compute Annual Income and Adjusted Income (covered in previous sections of the checklist). The actual income-based rent methodology used by the PHA can be either the *"traditional"* method (i.e, 30% of Adjusted Income / 10% of Annual Income / Welfare Rent), or an *"alternative"* method, developed by the PHA. Whatever the method, an income-based rent cannot exceed the rent that would be calculated under the traditional method.

Income-based rents must be no lower than a PHA-established minimum rent, and may also be "capped" on the upper end by a PHA-established ceiling rent.

For those families choosing a **Flat Rent**, rent is based on a flat rent schedule for all units, developed by the PHA, based on comparability with the local rental market. The PHA is also required to compute an income-based rent, where necessary to permit the family to compare the rents based on the two methods and make an informed choice. The family must provide updated income information in order for the PHA to make the calculation.

Between the time of admission and the family's first annual reexamination, and between regularly scheduled annual reexaminations, the family paying a flat rent may choose to "switch" from the flat rent to the income-based rent. Under these circumstances, the PHA should conduct an interim reexamination for the family in order to establish the income-based rent. Again, the family must provide updated income information in order for the PHA to make the calculation.

For either rent method, income-based or flat, the rent may be "prorated" for a family that includes both members with citizenship or eligible immigration status and members without citizenship or eligible immigration status.

Because of the great flexibility given PHAs in designing their approach to tenant rent, the HUD reviewer will need to examine the PHA Plan and Admissions and Occupancy policies carefully to gain a thorough understanding of the PHA's policies and procedures; whether the PHA uses an *alternative* method and, if so, how the method works, calculations made, percentages used; the PHA's flat rent schedule, etc. PHA materials in the tenant file should give a clear picture of how any rent method was applied to this tenant family.

No standard format exists for calculating rent. This information is likely to be recorded on one or more documents developed by the PHA for this purpose. The HUD reviewer should identify any PHA-developed documents and materials used by the PHA to calculate rent, including computer software programs.

The PHA may also maintain a copy or a portion of the form HUD-50058 in the tenant file. Remember that that the HUD-50058 is structured to lead the PHA through the process of accurate calculation of income and rent. Calculation errors should be virtually eliminated for any PHA that consistently uses the HUD-50058 to submit data to MTCS for all its tenant families. However, the HUD-50058 cannot ensure that the PHA adequately verifies income information, including income adjustments, nor can it ensure that the PHA accurately identifies appropriate income and adjustment amounts. In this respect, the tenant file review process is more than an exercise in checking math.

E. Public Housing Rent Worksheet

Public Housing Rent Worksheet Instructions (continued)

Line 1.a. through **Line 12.** are applicable only to a family that has elected to pay an **Income-based Rent**. Where the family has elected to pay a **Flat Rent**, skip **Line 1.a.** through **Line 12.** and proceed to **Line 13.**

Use **Line 1.a.** through **Line 3.** to compute **Total Tenant Payment (TTP)**. **Line 1.a.** through **Line 2.** compute TTP based on the *traditional* method. **Line 3.** asks for TTP computed via the PHA *alternative* method (if any).

Line	Instructions
1.a.	**Monthly Income** is unadjusted income. Compute Monthly Income by dividing Annual Income by **12**. If you used the Annual Income table on the ***Annual Income and Assets Worksheet*** to calculate Annual Income, refer to **Line 4.** of that table. Otherwise, identify Annual Income from the tenant file record. Insert Monthly Income in the space provided on this line. Cross check this amount with HUD-50058, line 9a.
1.b.	Compute 10% of Monthly Income by multiplying the result on **Line 1.a.** times **0.10**. Insert the result in the space provided on this line. Cross check this amount with HUD-50058, line 9c.
1.c.	Compute **Monthly Adjusted Income** by dividing Adjusted Income by 12. If you used the ***Adjusted Income Worksheet*** to compute Adjusted Income, refer to **Line 25.** of that worksheet. Otherwise, identify Adjusted Income from the tenant file record. Insert Monthly Adjusted Income in the space provided on this line. Cross check this amount with HUD-50058, line 9d.
1.d.	Compute 30% of Monthly Adjusted Income by multiplying the result on **Line 1.c.** times **0.30**. Insert the result in the space provided on this line. Cross check this amount with HUD-50058, line 9f.
1.e.	**Welfare Rent** is only applicable where the family is receiving welfare assistance and the welfare assistance agency specifically designates a portion of the assistance for shelter and utilities. This designated portion may also be adjusted by the Welfare Agency in accordance with the family's actual cost of shelter and utilities. Welfare Rent is used in only a limited number of areas nationwide. Insert the Welfare Rent figure in the space provided on this line. If none, insert $0. Cross check this amount with HUD-50058, line 9g.
1.f.	PHAs must adopt a **Minimum Rent** policy for public housing units. The minimum rent established by the PHA may range anywhere from $0 to $50. The minimum rent policy is outlined in the PHA's Admissions and Occupancy Policies. Insert the minimum rent amount in the space provided on this line. Cross check with HUD-50058, line 9h. Where the PHA "waived" Minimum Rent for this family, insert $0.
1.g.	Some PHAs may adopt **Ceiling Rents** which serve as a "cap" on public housing income-based rents, preventing income-based rents (specifically, TTP) from rising above a certain level. Ceiling rents, if used, should be adopted by policy and listed in a ceiling rent schedule. Review the PHA's Admissions and Occupancy Policies and determine if the PHA uses ceiling rents. If so, determine if the PHA has used a ceiling rent to "cap" the income-based rent for this tenant family. Record the ceiling rent amount in the space provided. Ensure that the correct ceiling rent was used. Cross check with HUD-50058, lines 10c.

E. Public Housing Rent Worksheet

Public Housing Rent Worksheet Instructions (continued)

Line	Instructions
2.	Compute the traditional, income-based **Total Tenant Payment (TTP)** for this family, based on the larger of **Line 1.b., Line 1.d., Line 1.e.** or **Line 1.f.**, but not to exceed the ceiling rent cap (if any) imposed by **Line 1.g.** Insert TTP in the space provided on this line. Cross check PHA calculations of TTP with HUD-50058, line 9j. and (if capped by ceiling rent) with HUD-50058, line 10d.
3.	Because of the significant flexibility given to PHAs in the development of an *alternative* income-based rent system, there is no single approach or process that will apply to all PHAs in all situations. Where the PHA has adopted an *alternative* income-based rent method, the HUD reviewer will need to carefully examine the PHA's Admissions and Occupancy policies to fully understand the PHA's method. PHA-developed materials, worksheets, computer software, and other tools used by the PHA to compute an alternative income-based rent will also be critical. Where the PHA has adopted an *alternative* income-based rent method, determine the **Total Tenant Payment (TTP)** computed via this *alternative* method. Enter this amount in the space provided on this line. Cross check PHA calculations of TTP with HUD-50058, line 9j. and (if capped by ceiling rent) with HUD-50058, line 10d.

Line 4. through **Line 8.** are applicable only to circumstances where the family is a "mixed" family, eligible for prorated assistance, and is paying an income-based **Total Tenant Payment (TTP)** determined by either the *traditional* method or by a PHA *alternative* method.

Any family that includes both members with citizenship or eligible immigration status and members without citizenship or eligible immigration status is a "mixed" family, eligible for prorated assistance. Where the family is not a "mixed" family and is paying an income-based rent, proceed to **Line 9.**

Line	Instructions
4.	Enter the **Maximum Rent** established by the PHA for this type of unit, in the space provided on this line. Cross check with HUD-50058, lines 10h. PHAs should maintain documentation on the calculation of Maximum Rent for various unit sizes. To calculate Maximum Rent, the PHA should list all of the TTPs paid by all of the tenants in all of the units of this particular size in the PHA's jurisdiction. Generally, this should produce a wide range of TTPs, from low dollar amounts to high dollar amounts. The PHA would then identify the specific TTP that falls at the 95th percentile – in other words, the specific TTP where 95% of the other TTPs are less than the chosen TTP and 5% of the other TTPs are more than the chosen TTP. This chosen TTP is the **Maximum Rent**. NOTE that this is not the same as averaging all of the TTPs, then computing 95% of that average. For more guidance, refer to HUD Guidebook 7465.7: Restriction on Assistance to Noncitizens.

E. Public Housing Rent Worksheet

Public Housing Rent Worksheet Instructions (continued)

Line	Instructions
5.	Compute the **Family Maximum Subsidy** for this family. This figure is determined by first identifying the family's income-based TTP, computed by whatever method – *traditional* (**Line 2.**) or *alternative* (**Line 3.**). The TTP is then subtracted from the Maximum Rent (computed on **Line 4.**). The result is the **Family Maximum Subsidy**. Enter this amount in the space provided on this line. Cross check with HUD-50058, lines 10i.
6.a	Identify the total number of family members in the household, including any members who are not citizens and who do not have eligible immigration status. This does not include live-in aides, foster children/adults, or other residents not listed on the dwelling lease as family members. Refer back to section ***A. Family Composition*** of the tenant file review checklist to confirm the number of family members. Enter this number in the space provided on this line. Cross check with HUD-50058, lines 10k.
6.b.	Of the total number of family members identified on **Line 6.a.**, identify the number of members that are eligible for rent subsidy, based on the Noncitizen rule. This means the number of family members who have been verified to be citizens or verified to have eligible immigration status. It also includes family members where verification is "pending." Again, refer back to section ***A. Family Composition*** of the tenant file review checklist to confirm the family members with and without citizenship or eligible immigration status. Enter this number in the space provided on this line. Cross check with HUD-50058, lines 10j.
7.	Compute of the **Total Rent Subsidy** for which this "mixed" family is eligible. Take the Family Maximum Subsidy (**Line 5.**), divide this number by the total number of family members in the household (**Line 6.a.**), then multiply the result by the total number of eligible family members (**Line 6.b.**). Enter the result in the space provided on this line. Cross check with HUD-50058, line 10n.
8.	Compute the **Total Tenant Payment (TTP)** for this "mixed" family. Take the Maximum Rent for this unit (**Line 4.**) and subtract the Total Rent Subsidy for which this "mixed" family is eligible (**Line 7.**). Enter amount in the space provided on this line. Cross check with HUD-50058, line 10p.

E. Public Housing Rent Worksheet

Public Housing Rent Worksheet Instructions (continued)

Line 9. through **Line 12.** of the checklist assess the calculation of actual **Tenant Rent** for any family paying an income-based rent (*traditional* or *alternative*). Tenant Rent is the actual amount of rent the family will pay to the PHA for the unit. The Tenant Rent may be different from the TTP if the family is responsible for paying some or all of the utilities at the unit.

Line	Instructions
9.	Identify the family's income-based TTP, computed by whatever method was appropriate – *traditional* non-prorated (**Line 2.**), *alternative* non-prorated (**Line 3.**), or prorated (**Line 8.**). Enter this number in the space provided on this line. Cross check with HUD-50058, line 10a. (for a non-prorated rent) or line 10p. (for a prorated rent). Where a ceiling rent was used to "cap" the non-prorated income-based rent for this tenant family, cross check with HUD-50058, line 10d.
10.	Where the family is responsible for paying some or all of the utilities in the unit, identify the **Utility Allowance** provided to this family for tenant-supplied utilities. If you used the ***Dwelling Unit / Utility Allowance Worksheet*** to calculate the family's utility allowance, refer to the utility allowance table on that worksheet. Otherwise, identify the utility allowance from the tenant file record. Enter this number in the space provided on this line. Cross check with HUD-50058, line 10e. (for a non-prorated rent) or line 10r. (for a prorated rent). Where the family is not responsible for paying any utilities in the unit, the amount recorded for Utility Allowance should be $0.
11.	Compute **Income-based Tenant Rent** by subtracting the appropriate Utility Allowance (**Line 10.**) from the TTP (**Line 9.**). If the result is a positive number, enter the result in the space provided on this line. Cross check with HUD-50058, line 10f. (for a non-prorated rent) or line 10s. (for a prorated rent). Skip **Line 12.** and proceed to **Line 13.** If the resulting Tenant Rent is a negative number (less than $0), enter $0 and proceed to **Line 12.**
12.	Where the Utility Allowance exceeds the TTP, the tenant family is entitled to a **Utility Reimbursement** in the amount that the utility allowance exceeds the TTP. In the space provided on this line, enter the amount by which the appropriate Utility Allowance (**Line 10.**) exceeds the TTP (**Line 9.**). Cross check with HUD-50058, line 10f. (for a non-prorated rent) or line 10s. (for a prorated rent).

E. Public Housing Rent Worksheet

Public Housing Rent Worksheet Instructions (continued)

Line 13. through **Line 18.** are applicable only to a family that has elected to pay a **Flat Rent**. Where the family has elected to pay an **Income-based Rent**, skip **Line 13.** through **Line 18.**

Line 13. is applicable to any family paying a Flat Rent. **Line 14.** through **Line 18.** are applicable only to a "mixed" family, eligible for prorated assistance, and paying a Flat Rent. NOTE that the HUD-50058 does not lead the PHA through the calculation of a prorated Flat Rent. However, the **Form HUD-50058 Instruction Booklet**, **Appendix III**, includes a worksheet for computing prorated Flat Rent.

Line	Instructions
13.	The PHA must have a **Flat Rent** schedule establishing flat rents for all of its units. Review this schedule and determine the flat rent applicable to this dwelling unit. Record this amount in the space provided on this line. Cross check with HUD-50058, line 10b.
14.	Enter the **Maximum Rent** established by the PHA for this type of unit, in the space provided on this line. (NOTE: This is the same determination as was made on **Line 4.**). PHAs should maintain documentation on the calculation of Maximum Rent for various unit sizes. To calculate Maximum Rent, the PHA should list all of the TTPs paid by all of the tenants in all of the units of this particular size in the PHA's jurisdiction. Generally, this should produce a wide range of TTPs, from low dollar amounts to high dollar amounts. The PHA would then identify the specific TTP that falls at the 95th percentile – in other words, the specific TTP where 95% of the other TTPs are <u>less than</u> the chosen TTP and 5% of the other TTPs are <u>more than</u> the chosen TTP. This chosen TTP is the **Maximum Rent**. NOTE that this is <u>not</u> the same as averaging all of the TTPs, then computing 95% of that average. For more guidance, refer to HUD Guidebook 7465.7: <u>Restriction on Assistance to Noncitizens</u>.
15.	Compute the **Family Maximum Subsidy** for this family. This figure is determined by first identifying the Flat Rent (**Line 13.**) for the unit. The Flat Rent is then subtracted from the Maximum Rent (**Line 14.**). The result is the **Family Maximum Subsidy**. Enter this amount in the space provided on this line.
16.a.	Identify the total number of family members in the household, including any members who are not citizens and who do not have eligible immigration status. This does <u>not</u> include live-in aides, foster children/adults, or other residents not listed on the dwelling lease as family members. Refer back to section ***A. Family Composition*** of the tenant file review checklist to confirm the number of family members. (NOTE: This is the same determination as was made on **Line 6.a.**). Enter this number in the space provided on this line.

E. Public Housing Rent Worksheet

Public Housing Rent Worksheet Instructions (continued)

Line	Instructions
16.b.	Of the total number of family members identified on **Line 16.a.**, identify the number of members that are eligible for rent subsidy, based on the Noncitizen rule. This means the number of family members who have been verified to be citizens or verified to have eligible immigration status. It also includes family members where verification is "pending." Again, refer back to section ***A. Family Composition*** of the tenant file review checklist to confirm the family members with and without citizenship or eligible immigration status. (NOTE: This is the same determination as was made on **Line 6.b.**). Enter this number in the space provided on this line.
17.	Compute the **Total Rent Subsidy** for which this "mixed" family is eligible. Take the Family Maximum Subsidy (**Line 15.**), divide this number by the total number of family members in the household (**Line 16.a.**), then multiply the result by the total number of eligible family members (**Line 16.b.**). Enter the result in the space provided on this line.
18.	Compute the **Flat Rent** for this "mixed" family. Take the Maximum Rent for this unit (**Line 14.**) and subtract the Total Rent Subsidy for which this "mixed" family is eligible (**Line 17.**). Enter this amount in the space provided on this line. This amount should have been entered on HUD-50058, line 10b., as the "Unit's flat rent."

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F. Section 8 HCV Rent and HAP Worksheet

Total Tenant Payment (TTP)

1.a.	Monthly Income (Annual Income ÷ 12):	$	
b.	10% of Monthly Income (**Line 1.a.** X 0.10):	$	
c.	Monthly Adjusted Income (Adjusted Income ÷ 12):	$	
d.	30% of Monthly Adjusted Income (**Line 1.c.** X 0.30):	$	
e.	Welfare Rent (if applicable):	$	
f.	Minimum Rent:	$	
g.	"Enhanced Voucher" Minimum Rent (if applicable):		
2.	**TOTAL TENANT PAYMENT (TTP)**		$

- Highest of **Line 1.b., 1.d., 1.e., 1.f.** or **1.g.**

Payment Standard

Recent Admission / Mover / Portability-In / Enhanced Voucher Family:

3.	Payment Standard :	$

Reexamination Family:

						Yes	No	Unclear
4.	Current Payment Std. based on:	**a.** actual unit size:	$	**b.** subsidy std.:	$			
5.	Prior Payment Std. based on:	**a.** actual unit size:	$	**b.** subsidy std.:	$			

6.a.	Based on actual unit size – current Pay. Std. *increased* or *remained the same* over prior Pay. Std.?				
b.	If "Yes", record Current reexam Payment Std., based on actual unit size, from **Line 4.a.**	$			
c.	If "No", record Prior reexam Payment Std., based on actual unit size, from **Line 5.a.**	$			
7.a.	Based on subsidy std. – current Pay. Std. *increased* or *remained the same* over prior Pay. Std.?				
b.	If "Yes", record Current reexam Payment Std., based on subsidy std., from **Line 4.b.**	$			
c.	If "No", record Prior reexam Payment Std., based on subsidy std., from **Line 5.b.**	$			
8.	Payment Standard :	$			

Gross Rent and Total HAP

9.	Rent to Owner:	$	
10.	Utility Allowance:	$	
11.	**Gross Rent** (**Line 9.** + **Line 10.**):		$
12.a.	Payment Standard (**Line 3.** or **Line 8.**) minus TTP (**Line 2.**):	$	
b.	Gross Rent (**Line 11.**) minus TTP (**Line 2.**):	$	
c.	**Total Housing Assistance Payment (HAP)** = Lowest of **Line 12.a.** or **Line 12.b.** :		$

F. Section 8 HCV Rent and HAP Worksheet

Family Rent to Owner and HAP to Owner (Non-prorated)

Recent Admission / Mover / Portability-In Family:

13.a.	40% of Monthly Adjusted Income (**Line 1.c.** x 0.40):	**$**
b.	**Total Family Share of Rent** = (**Line 11.** minus **Line 12.c.**) <= **Line 13.a.**	**$**

Reexamination / Enhanced Voucher Family:

14.	**Total Family Share of Rent** = **Line 11.** minus **Line 12.c.** :	**$**

15.	**HAP to Owner** (Lowest of **Line 9.** or **Line 12.c.**):	**$**
16.	**Family Rent to Owner** (**Line 9.** minus **Line 15.**):	**$**
17.	**Utility Reimbursement** = **Line 12.c.** minus **Line 15.**, not to exceed **Line 10.** :	**$**

Family Rent to Owner and HAP to Owner (Prorated)

18.	Total Non-prorated HAP (**Line 12.c.**):	**$**	
19.a.	Total Number of family members:		
b.	Number of family members eligible for prorated rent subsidy		
20.	**Total Prorated HAP** = (**Line 19.b.** ÷ **Line 19.a.**) X **Line 18.** :	$	
21.	**Prorated Family Share of Rent** (**Line 11.** minus **Line 20.**):	**$**	
22.	**Prorated Family Rent to Owner** (**Line 21.** minus **Line 10.**):		**$**
23.	**Prorated HAP to Owner**:		**$**

- **Line 9.** minus **Line 22.**, if **Line 22.** is positive
- **Line 9.**, if **Line 22.** is negative

F. Section 8 HCV Rent and HAP Worksheet

Section 8 HCV Rent and HAP Worksheet Instructions

This worksheet checklist covers various calculations of rent and assistance payments which the PHA must make in the Section 8 Voucher program. This is a fairly detailed process, though not particularly complicated. The calculations are basic mathematical calculations. At different points in the process, the PHA makes various logical decisions, based on the numbers, which then lead the PHA on to the next set of calculations.

No standard format exists for calculating rent. This information is likely to be recorded on one or more documents developed by the PHA for this purpose. Most PHAs use some form of computer-based system or software application to calculate rent and HAP, based on figures entered by PHA staff. Remember that that the HUD-50058 is structured to lead the PHA through the process of accurate calculation of income and rent. Calculation errors should be virtually eliminated for any PHA that consistently uses the HUD-50058 to submit data to MTCS for all its tenant families. However, the HUD-50058 cannot ensure that the PHA adequately verifies income information, including income adjustments, nor can it ensure that the PHA accurately identifies appropriate income and adjustment amounts. In this respect, the tenant file review process is more than an exercise in checking math.

For purposes of the tenant file review, it's important for the HUD reviewer to understand how these calculations are made and not rely solely on the results generated through computer-based applications. By walking through the calculations, step-by-step, the HUD reviewer will get a clearer picture of the accuracy of the calculations and, more importantly, the key decision points in the process and why certain calculations are made in a certain manner. Ultimately, this will enable the HUD reviewer to better troubleshoot any PHA errors or misunderstandings and provide better technical assistance. In this respect, the rent and HAP review process should be more than simply an exercise in checking math.

Housing Conversion Actions: Certain voucher-assisted families may have received their housing voucher pursuant to a housing conversion action, such as a project-based preservation prepayment, a project-based owner opt-out, a HUD enforcement action or a HUD property disposition.

When a family receives a voucher in this manner, they may elect to stay in the project where they already reside (possibly the same unit) and use their voucher assistance in that project (note that certain restrictions apply in these circumstances). Where the family chooses to stay and is eligible to do so, the family may qualify for ***enhanced*** voucher assistance. This ***enhanced*** assistance may impact the payment standard applied to the family, the family's rent and the HAP payments made for the family.

Housing conversion actions and their relationship to Section 8 tenant-based assistance are thoroughly discussed in HUD Notice 2001-41 (HA), issued 11/14/2001. When reviewing a tenant file for a family receiving ***enhanced*** voucher assistance, refer to Notice 2001-41 for guidance on determining the appropriate family rent and HAP.

Line	Instructions
Use **Line 1.a.** through **Line 2.** to compute **Total Tenant Payment (TTP)**.	
1.a.	**Monthly Income** is unadjusted income. Compute Monthly Income by dividing Annual Income by **12**. If you used the Annual Income table on the ***Annual Income and Assets Worksheet*** to calculate Annual Income, refer to **Line 4.** of that table. Otherwise, identify Annual Income from the tenant file record. Insert Monthly Income in the space provided on this line. Cross check this amount with HUD-50058, line 9a.

F. Section 8 HCV Rent and HAP Worksheet

Section 8 HCV Rent and HAP Worksheet Instructions (continued)

Line	Instructions
1.b.	Compute 10% of Monthly Income by multiplying the result on **Line 1.a.** times **0.10**. Insert the result in the space provided on this line. Cross check this amount with HUD-50058, line 9c.
1.c.	Compute **Monthly Adjusted Income** by dividing Adjusted Income by 12. If you used the ***Adjusted Income Worksheet*** to compute Adjusted Income, refer to **Line 25.** of that worksheet. Otherwise, identify Adjusted Income from the tenant file record. Insert Monthly Adjusted Income in the space provided on this line. Cross check this amount with HUD-50058, line 9d.
1.d.	Compute 30% of Monthly Adjusted Income by multiplying the result on **Line 1.c.** times **0.30**. Insert the result in the space provided on this line. Cross check this amount with HUD-50058, line 9f.
1.e.	**Welfare Rent** is only applicable where the family is receiving welfare assistance and the welfare assistance agency specifically designates a portion of the assistance for shelter and utilities. This designated portion may also be adjusted by the Welfare Agency in accordance with the family's actual cost of shelter and utilities. Welfare Rent is used in only a limited number of areas nationwide. Insert the Welfare Rent figure in the space provided on this line. If none, insert $0. Cross check this amount with HUD-50058, line 9g.
1.f.	PHAs must adopt a **Minimum Rent** policy for Section 8 HCV-assisted families. The minimum rent established by the PHA may range anywhere from $0 to $50. The minimum rent policy is outlined in the PHA's Administrative Plan. Insert the minimum rent amount in the space provided on this line. Cross check with HUD-50058, line 9h. Where the PHA "waived" Minimum Rent for this family, insert $0.
1.g.	Families assisted with ***enhanced*** voucher assistance have a special statutory minimum rent requirement. The law requires that the family pay <u>no less than</u> the rent the family was paying on the date of the eligibility event for the project in question. (The eligibility event is the expiration date of the expiring project-based contract, in the case of owner opt-outs, and is the effective date of the prepayment of the mortgage or voluntary termination of the mortgage insurance, in the case of preservation prepayments). If the family's income subsequently decreases to significant extent from the gross income on the date of the eligibility event, the minimum rent is recalculated. The ***enhanced*** voucher minimum rent only applies if the family remains in the project, and does not apply if the family takes the voucher assistance and moves from the project. If the tenant file under review is a tenant family receiving ***enhanced*** voucher assistance, enter the **Enhanced Voucher Minimum Rent** in the space provided. Cross check with HUD-50058, line 9i.
2.	Compute the **Total Tenant Payment (TTP)** for this family, based on the <u>larger</u> of **Line 1.b., Line 1.d., Line 1.e. Line 1.f.**, or **Line 1.g.** Insert TTP in the space provided on this line. Cross check PHA calculations of TTP with HUD-50058, line 9j. and with HUD-50058, line 12r.

F. Section 8 HCV Rent and HAP Worksheet

Section 8 HCV Rent and HAP Worksheet Instructions (continued)

Line 3. through **Line 8.** address **Payment Standards**.

Each PHA establishes a schedule of payment standard amounts by bedroom size. The range of possible payment standard amounts is based on HUD's published Fair Market Rent (FMR) schedule for the area(s) in which the PHA has jurisdiction. FMRs are based on either the 40th or 50th percentile of rents charged for standard rental housing in the FMR area. A PHA may set its payment standard amounts anywhere from 90% to 110% of the published FMRs, or higher or lower with HUD approval. The level at which payment standard amounts are set will directly affect the amount of subsidy a family will receive and the amount of rent they will pay

In general, the payment standard amount applied to a Section 8 HCV family must be the lower of:

- Payment standard amount appropriate for the family's size and composition, based on the PHA's subsidy standards, or
- Payment standard amount appropriate for the size of the unit actually leased by the family.

Payment standards will vary, based on whether the unit is a special housing type:

a. For an individual receiving HCV assistance in a ***Single Room Occupancy (SRO)*** unit, the payment standard used is 75% of the zero (0) bedroom payment standard on the PHA's schedule. If the unit is in an "exception" rent area, the payment standard used is 75% of the zero (0) bedroom "exception" payment standard

b. For any family receiving voucher assistance in a ***Congregate Housing*** unit:
- If there is only one (1) room in the private living area for the assisted family, the payment standard used is the zero (0) bedroom payment standard on the PHA's schedule.
- If there are two (2) or more rooms in the private living area for the assisted family, the payment standard used is the one (1) bedroom payment standard on the PHA's schedule.

c. For any family receiving voucher assistance in a ***Group Home***, the payment standard used is the lower of:
- The payment standard for the family unit size, based on the PHA's subsidy standards, or
- The family's pro-rata share of payment standard based on the size of the entire Group Home

d. For any family receiving voucher assistance in ***Shared Housing***, the payment standard used is the lower of:
- The payment standard for the family unit size, based on the PHA's subsidy standards, or
- The family's pro-rata share of payment standard based on the Shared Housing unit size

e. For any family receiving voucher assistance in a ***Cooperative Housing*** unit, the payment standard used is the payment standard applicable to the Cooperative Housing unit size, based on the PHA's schedule.

f. For any family receiving voucher assistance to lease a ***Manufactured Home Space***, the payment standard is drawn from a separate schedule developed by the PHA specifically for Manufactured Home spaces. This separate schedule establishes payment standards at 90% to 110% of the Fair Market Rents (FMRs) for Manufactured Home spaces (which are set at 40% of the normal two bedroom FMRs).

Note that, for any family receiving ***enhanced*** voucher assistance, a special payment standard is used. For such families, the payment standard is the Gross Rent for the unit, regardless of whether the Gross Rent exceeds the PHA's normal payment standard, based on the PHA's schedule.

F. Section 8 HCV Rent and HAP Worksheet

Section 8 HCV Rent and HAP Worksheet Instructions (continued)

If the tenant family under review is a **reexamination** family, the HUD reviewer will need to determine if the PHA has taken any of the following actions since the previous reexamination (or admission, if this is the first reexamination):

- The PHA has increased the Payment Standard applicable to this family or area;
- The PHA has decreased the Payment Standard applicable to this family or area;
- The PHA has adopted new Subsidy Standards governing the size of unit appropriate for the family, resulting in a Payment Standard that is higher than the family's previous Payment Standard.
- The PHA has adopted new Subsidy Standards governing the size of unit appropriate for the family, resulting in a Payment Standard that is lower than the family's previous Payment Standard.

If so, there are specific requirements governing the applicability of new payment standards to the family. Use **Line 4.** through **Line 8.** to compute the appropriate payment standard for any **reexamination** family.

Use **Line 3.** to record the appropriate payment standard to use for any family that is a **recent admission** family, a **mover** family (moving with continued assistance within the PHA's jurisdiction), a **portability-in** family, or for a family receiving ***enhanced*** voucher assistance.

Line	Instructions
3.	***Recent Admission / Mover / Portability-In / Enhanced Voucher family:*** Review the family's composition and characteristics (refer to ***Section A. Family Composition*** of the tenant file review checklist) and identify the size of the unit the family qualified for at admission, based on the PHA's subsidy standards. This information should be recorded on the family's Housing Voucher (HUD-52646) and other PHA file materials. Using the PHA's Payment Standard schedule, determine the payment standard appropriate to this unit size. Review the HQS inspection report and identify the actual number of bedrooms in the unit occupied by the family (refer to ***Section C. Dwelling Unit*** of the tenant file review checklist). This information should be recorded on the Request for Tenancy Approval (HUD-52517). Using the PHA's Payment Standard schedule, determine the payment standard appropriate to this unit size. Compare the two payment standard amounts and select the lower of the two amounts. For a family receiving ***enhanced*** voucher assistance, select the payment standard that is equal to the Gross Rent of the unit (gross rent will be computed on **Line 11.**). Record the Payment Standard amount in the space provided on this line. Cross check with HUD-50058, line 12j.

F. Section 8 HCV Rent and HAP Worksheet

Section 8 HCV Rent and HAP Worksheet Instructions (continued)

Line	Instructions
4.a.	***Reexamination family:*** Review the HQS inspection report and identify the actual number of bedrooms in the unit occupied by the family (refer to ***Section C. Dwelling Unit*** of the tenant file review checklist). Using the PHA's Payment Standard schedule which was in effect at the time of the **current** reexamination effective date, identify the payment standard appropriate to this unit size. Record this current payment standard in the space provided on this line.
4.b.	Review the family's composition and characteristics (refer to ***Section A. Family Composition*** of the tenant file review checklist) and identify the size of the unit the family qualified for, based on the PHA's subsidy standards in effect at the time of the **current** reexamination effective date. Using the PHA's Payment Standard schedule which was in effect at the time of the **current** reexamination effective date, determine the payment standard appropriate to this unit size. Record this current payment standard in the space provided on this line.
5.a.	Ensure that you have the PHA's Payment Standard schedule which was in effect at the time of the immediate **prior** reexamination effective date (or at the time of admission, if this is the first reexamination). From this Payment Standard schedule, identify the appropriate payment standard for the family, based on the actual size of the unit occupied by the family. Record this current payment standard in the space provided on this line. NOTE: Because this is a **Reexamination** family, the family should be occupying the same unit at the current reexamination as they were at the prior reexamination/admission. Therefore, the unit size for the prior reexamination/admission should be the same as recorded under ***Section C. Dwelling Unit*** of the tenant file review checklist.
5.b.	Ensure that you have the PHA's Subsidy Standard schedule which was in effect at the time of the immediate **prior** reexamination effective date. Using this Subsidy Standard schedule, identify the size of the unit the family qualified for under the applicable subsidy standard. Based on the size of the unit family qualified for, identify the appropriate payment standard for that unit size. Record this current payment standard in the space provided on this line.
6.a.	Compare the payment standard for the actual size of the unit occupied by the family from the **current** reexamination (**Line 4.a.**) with the payment standard for the actual size of the unit occupied by the family from the **prior** reexamination (**Line 5.a.**). Determine if the **current** payment standard amount ***increased*** or ***remained the same***, relative to the **prior** payment standard amount. If the answer is "Yes", go to **Line 6.b.** If the answer is "No", go to **Line 6.c.**

F. Section 8 HCV Rent and HAP Worksheet

Section 8 HCV Rent and HAP Worksheet Instructions (continued)

Line	Instructions
6.b.	Where the answer to the question on **Line 6.a.** is "Yes", this would indicate that either: • The PHA had revised its Payment Standard schedule and the payment standard amount for this unit had ***increased***, or • The PHA had revised its Payment Standard schedule but the payment standard amount for this unit had ***remained the same***, or • The PHA had not revised its Payment Standard schedule and the payment standard amount for this unit had ***remained the same***. In any event, if the answer to the question on **Line 6.a.** is "Yes", copy the payment standard amount from **Line 4.a.** into the space provided on this line.
6.c.	Where the answer to the question on **Line 6.a.** is "No", this would indicate that the PHA had revised its Payment Standard schedule and the payment standard amount for this unit had ***decreased***. If the answer to the question on **Line 6.a.** is "No", copy the payment standard amount from **Line 5.a.** into the space provided on this line.
7.a.	Compare the payment standard for the size of the unit family qualified for, based on subsidy standard, from the **current** reexamination (**Line 4b.**) with the payment standard for the size of the unit family qualified for, based on subsidy standard, from the **prior** reexamination (**Line 5b.**). Determine if the current payment standard amount ***increased*** or ***remained the same***, relative to the prior payment standard amount. If the answer is "Yes", go to **Line 7.b.** If the answer is "No", go to **Line 7.c.**
7.b.	Where the answer to the question on **Line 7.a.** is "Yes", this would indicate that either: • The PHA had revised its Subsidy Standard schedule and that, based on the size of the unit the family qualified for, the payment standard amount for this family had ***increased***, or • The PHA had revised its Subsidy Standard schedule but the payment standard amount for this family had ***remained the same***, or • The PHA had not revised its Subsidy Standard schedule and the payment standard amount for this family had ***remained the same***. In any event, if the answer to the question on **Line 7.a.** is "Yes", copy the payment standard amount from **Line 4.b.** into the space provided on this line. NOTE: This determination assumes that the family's size and composition have remained the same from the prior reexamination to the current reexamination. Where the family's size and composition have changed from the prior reexamination to the current reexamination, and this change results in a different subsidy standard applicable to this family, then copy the copy the payment standard amount from **Line 4.b.** into the space provided on this line, regardless of whether that payment standard amount has ***increased***, ***remained the same*** or ***decreased***.

F. Section 8 HCV Rent and HAP Worksheet

Section 8 HCV Rent and HAP Worksheet Instructions (continued)

Line	Instructions
7.c.	Where the answer to the question on **Line 7.a.** is "No", this would indicate that the PHA had revised its Subsidy Standard schedule and that, based on the size of the unit the family qualified for, the payment standard amount for this unit had ***decreased***. If the answer to the question on **Line 7.a.** is "No", copy the payment standard amount from **Line 5.b.** NOTE: Again, this determination assumes that the family's size and composition have remained the same from the prior reexamination to the current reexamination. Where the family's size and composition have changed from the prior reexamination to the current reexamination, and this change results in a different subsidy standard applicable to this family, then do not record any amount on this **Line 7.c.** Instead, as instructed earlier, copy the payment standard amount from **Line 4.b.** into the space provided on **Line 7.b.**, regardless of whether that payment standard amount has ***increased***, ***remained the same*** or ***decreased***.
8.	**1st:** Refer back to **Line 6b.** and **Line 6.c.** One of these two lines, but not both, should have a payment standard amount recorded. This is the payment standard amount appropriate to the *actual size of the unit occupied by the family*, to be used at the current reexamination. • A basic program requirement is that, when the PHA lowers the payment standard applicable to the family's actual unit size, this lower standard will not apply to families who have already leased units under the higher standard until they move to a new unit, have a change in family size or composition, *or at the second annual reexamination after the PHA lowers its payment standard.* So the PHA will not apply this lower payment standard if this is only the first reexamination after the standard was lowered. **2nd:** Refer back to **Line 7.b.** and **Line 7.c.** One of these two lines, but not both, should have a payment standard amount recorded. This is the payment standard amount appropriate to the *size of the unit the family qualified for*, based on the subsidy standard, to be used at the current reexamination. • A basic program requirement is that, when the PHA revises its Subsidy Standard schedule and this results in a lower payment standard applicable to the family's size and composition, this lower standard will not apply to families who have already leased units under the higher standard until they move to a new unit, have a change in family size or composition, *or at the second annual reexamination after the PHA has revised its Subsidy Standard schedule.* So the PHA will not apply this lower payment standard if this is only the first reexamination after the Subsidy Standard was revised and the resulting payment standard was lowered. **3rd:** Compare the payment standard amount recorded on **Line 6.b.** or **Line 6.c.** with the payment standard amount recorded on **Line 7.b.** or **Line 7.c.** Whichever payment standard amount is the lower of these two amounts, this is the payment standard amount to use for this family at the current reexamination when computing rent and Housing Assistance Payments. Record the Payment Standard amount in the space provided on this line. Cross check with HUD-50058, line 12j.

F. Section 8 HCV Rent and HAP Worksheet

Section 8 HCV Rent and HAP Worksheet Instructions (continued)

Line 9. through **Line 12.c.** represent the calculation of the **Total Housing Assistance Payment (HAP)**, for which the owner of the unit is eligible. HAP is the lower of:

- The Payment Standard for the unit, minus the TTP
- The Gross Rent of the unit, minus the TTP.

Where the family is receiving voucher assistance in a special housing type unit, the following circumstances will impact the calculation of HAP:

a. When calculating the Gross Rent for an individual receiving voucher assistance in a ***Single Room Occupancy (SRO)*** unit, the utility allowance used is 75% of the zero (0) bedroom utility allowance based on the PHA's schedule.

b. When calculating HAP for a family receiving voucher assistance in a ***Congregate Housing*** unit, the Gross Rent amount is the shelter portion of the monthly housing expense. This amount includes utilities, but does not include food service.

c. When calculating Gross Rent for a family receiving voucher assistance in a ***Group Home***, the utility allowance used is the family's pro-rata share of the utility allowance based on the entire Group Home.

d. When calculating Gross Rent for a family receiving voucher assistance in ***Shared Housing***, the utility allowance used is the family's pro-rata share of the utility allowance based on the entire Shared Housing unit.

e. When calculating Gross Rent for a family receiving voucher assistance in a ***Cooperative Housing*** unit, the Gross Rent equals the monthly unit "carrying" charge, plus the normal utility allowance based on the PHA's schedule.

f. When calculating HAP for a family receiving voucher assistance to lease a ***Manufactured Home Space***, the Gross Rent represents the amount paid for the manufactured home space rental and the utility allowance is based on a separate utility allowance schedule developed by the PHA specifically for manufactured home spaces.

Line	Instructions
9.	Record the **Rent to Owner** in the space provided on this line. Rent to Owner is the full rent the owner is charging for the unit, including any utilities that the owner provides under the lease. For a **recent admission**, **mover**, or **portability-in** family, the rent that the owner proposed to charge for the unit should represent the "Rent to Owner" amount on the Request for Tenancy Approval (HUD-52517). If the PHA determined that the owner's proposed rent was not rent reasonable and the owner subsequently changed the rent amount, then the Rent to Owner will be this revised amount. For a **reexamination** family, if there had been an increase in the rent to the owner since the last reexamination (or admission, if this is the first reexamination), or if a rent increase was proposed concurrent with this reexamination, then the Rent to Owner should match this amount. Where there has been no increase in rent to owner, nor is a rent increase proposed, the Rent to Owner should be the same as the rent to owner from the last reexamination (or admission, if this is the first reexamination). Cross check with HUD-50058, line 12k

F. Section 8 HCV Rent and HAP Worksheet

Section 8 HCV Rent and HAP Worksheet Instructions (continued)

Line	Instructions
10.	Where the family is responsible for paying some or all of the utilities in the unit, identify the **Utility Allowance** provided to this family for tenant-supplied utilities. If you used the ***Dwelling Unit / Utility Allowance Worksheet*** to calculate the family's utility allowance, refer to the utility allowance table on that worksheet. Otherwise, identify the utility allowance from the tenant file record. Enter this number in the space provided on this line. Cross check with HUD-50058, line 12m. Where the family is not responsible for paying any utilities in the unit, the amount recorded for Utility Allowance should be $0.
11.	Compute **Gross Rent** by adding the Rent to Owner (**Line 9.**) and the appropriate Utility Allowance (**Line 10.**) Enter the result in the space provided on this line. Cross check with HUD-50058, line 12p.
12.a.	Identify the payment standard used for the family – **Line 3.** for a **recent admission** / **mover** / **portability-in** / **enhanced voucher** family; **Line 8.** for a **reexamination** family. Note that, for a family receiving ***enhanced*** voucher assistance, the payment standard is the Gross Rent for the unit, regardless of whether the Gross Rent exceeds the PHA's normal payment standard, based on the PHA's schedule. Identify the TTP for the family (**Line 2.**). Subtract the TTP from the payment standard and record the result in the space provided on this line.
12.b.	Identify the Gross Rent for the unit (**Line 11.**). Identify the TTP for the family (**Line 2.**). Subtract the TTP from the Gross Rent and record the result in the space provided on this line.
12.c.	Record the lowest of the amounts from **Line 12.a.** or **Line 12.b.** This represents the **Total Housing Assistance Payment (HAP)**. Cross check with HUD-50058, line 12s. Note that, when calculating HAP for ***enhanced*** voucher assistance families, there will be no difference between the calculation of Payment Standard minus TTP and the calculation of Gross Rent minus TTP.

F. Section 8 HCV Rent and HAP Worksheet

Section 8 HCV Rent and HAP Worksheet Instructions (continued)

The Family Share of Rent is the family's contribution toward the *Gross* Rent for the unit. The Family Share may be the same as the TTP or may be a higher amount, depending on the unit the family selects. Where the family leases a unit with a Gross Rent that is less than or equal to the Payment Standard, the Family Share will be the same as the TTP.

For a **recent admission**, **mover**, or **portability-in** family, where the family leases a unit with a Gross Rent that is greater than the Payment Standard, the Family Share of Rent will be the TTP plus the amount by which the Gross Rent exceeds the Payment Standard, but not to exceed the "maximum initial rent burden." The maximum initial rent burden imposes an upper limit on the amount of Family Share of Rent only at the initial leasing of a particular dwelling unit.

For a **reexamination** family, the determination of "maximum initial rent burden" does not apply. So, where a reexamination family leases a unit with a Gross Rent that is greater than the Payment Standard, the Family Share of Rent will be the TTP plus the amount by which the Gross Rent exceeds the Payment Standard.

Note also that the "maximum initial rent burden" does not apply to a family receiving ***enhanced*** voucher assistance, who elects to stay in the unit they were already occupying under project-based assistance.

Line 13.a. through **Line 17.** represent the calculation of **Family Rent to Owner** and **HAP to Owner** for families who are not "mixed" families and will not have their housing assistance prorated.

Line	Instructions
13.a.	***Recent Admission / Mover / Portability-In family:*** Compute 40% of the family's Adjusted Monthly Income by taking **Line 1.c.** and multiplying by **0.40**. Record the result in the space provided on this line. When the Gross Rent for the unit exceeds the Payment Standard, this typically means that the family will be obligated to pay a relatively larger portion of their income for their share of the rent. While this is allowable in the housing choice voucher program, there is an upper limit or ceiling on the amount of rent a family can pay relative to their income. This upper limit or ceiling is known as the **Maximum Initial Rent Burden**. The Family Share of Rent may not exceed 40% of the family's Adjusted Monthly Income. This restriction only applies to the initial leasing and initial assisted occupancy in a particular unit. It would not apply to any subsequent rent increases during the family's assisted occupancy in that same unit.
13.b.	Compute **Family Share of Rent** by subtracting the **Total HAP** (**Line E.12.c.**) from the **Gross Rent** (**Line E.11.**), but not to exceed the amount on **Line E.13.a.** Record the result in the space provided on this line. Cross check with HUD-50058, line 12t.
14.	***Reexamination / Enhanced Voucher family:*** Compute **Family Share of Rent** by subtracting the **Total HAP** (**Line 12.c.**) from the **Gross Rent** (**Line 11.**). Record the result in the space provided on this line. Cross check with HUD-50058, line 12t.

F. Section 8 HCV Rent and HAP Worksheet

Section 8 HCV Rent and HAP Worksheet Instructions (continued)

Use **Line 15.** through **Line 17.** to compute the **Family Rent to Owner** and the **HAP to Owner** for all families.

The Family Rent to Owner is the actual amount of rent the family will pay to the owner for the unit. The Family Rent to Owner may be different from the Family Share of Rent, computed earlier, if the family is responsible for paying some or all of the utilities at the unit. The PHA must also consider whether the family is entitled to a **Utility Reimbursement**.

Lines	File Review Guidance
15.	Compute the actual **HAP to Owner** by taking the lowest of the **Rent to Owner** (**Line 9.**) or the **Total HAP** (**Line 12.c.**). Record the result in the space provided on this line. Cross check with HUD-50058, line 12u.
16.	Compute **Family Rent to Owner** by subtracting the actual **HAP to Owner** (**Line 15.**) from the **Rent to Owner** (**Line 9.**). Record the result in the space provided on this line. Cross check with HUD-50058, line 12v.
17.	Determine the **Utility Reimbursement** (if any) that the family may be entitled to. Subtract the actual **HAP to Owner** (**Line 15.**) from the **Total HAP** (**Line 12.c.**), but not to exceed the actual **Utility Allowance** (**Line 10.**). Record the result in the space provided on this line. Cross check with HUD-50058, line 12w.

A specific tenant family may include both members who are citizens or have eligible immigration status and members who are not citizens or do not have eligible immigration status (or elect not to state whether they have eligibility status). Such a family is considered a "mixed" family. For a "mixed" family, the amount of housing assistance must be prorated based on the percentage of family members with citizenship or eligible immigration status.

Line 18. through **Line 23.** represent the calculation of prorated **Family Rent to Owner** and prorated **HAP to Owner** for families who are "mixed" families.

Line	Instructions
18.	Copy the **Total HAP** (non-prorated) calculated in the normal manner, from **Line 12.c.** Cross check the result with HUD-50058, line 12ab.
19.a.	Identify the total number of family members in the household, including any members who are not citizens and who do not have eligible immigration status. This does not include live-in aides, foster children/adults, or other residents not listed on the dwelling lease as family members. Refer back to section ***A. Family Composition*** of the tenant file review checklist to confirm the number of family members. Enter this number in the space provided on this line. Cross check with HUD-50058, line 12ad.

F. Section 8 HCV Rent and HAP Worksheet

Section 8 HCV Rent and HAP Worksheet Instructions (continued)

Line	Instructions
19.b.	Of the total number of family members identified on **Line 19.a.**, identify the number of members that are eligible for rent subsidy, based on the Noncitizen rule. This means the number of family members who have been verified to be citizens or verified to have eligible immigration status. It also includes family members where verification is "pending." Again, refer back to section ***A. Family Composition*** of the tenant file review checklist to confirm the family members with and without citizenship or eligible immigration status. Enter this number in the space provided on this line. Cross check with HUD-50058, line 12ac.
20.	The PHA must determine a "proration factor" based on the number of family members who are citizens or have eligible immigration status as a fraction of the total number of household members (both eligible and non-eligible). Eligible family members (**Line 19b.**) ÷ Total family members (**Line 19.a.**) = Proration Factor Cross check this proration factor with HUD-50058, line 12ae. Multiply this proration factor by the **Total HAP** calculated in the normal manner (recorded on **Line 18.**) Total normal HAP (**Line 18.**) x Proration Factor = Total Prorated HAP The result will be the **Total Prorated HAP** for this "mixed" family. Enter this number in the space provided on this line. Cross check the result with HUD-50058, line 12af.
21.	Compute the **Prorated Family Share of Rent**. Subtract **Total Prorated HAP** (**Line 20.**) from the **Gross Rent** (**Line 11.**) Enter this number in the space provided on this line. Cross check the result with HUD-50058, line 12ag.
22.	Compute the **Prorated Family Rent to Owner** Subtract the **Utility Allowance** (**Line 10.**) from the **Prorated Family Share of Rent** (**Line 21.**). Enter this number in the space provided on this line. Cross check the result with HUD-50058, line 12ai. If the result is a negative number, this number represents the **Utility Reimbursement** that should be paid on behalf of the family
23.	Compute the **Prorated HAP to Owner**. If the **Prorated Family Rent to Owner** (**Line 22.**) is a positive number or is equal to $0, then subtract **Line 22.** from the **Rent to Owner** (**Line 9.**). Enter the result in the space provided on this line. If the **Prorated Family Rent to Owner** (**Line 22.**) is a negative number, then simply insert the **Rent to Owner** (**Line 9.**) figure in the space provided on this line. Enter this number in the space provided on this line. Cross check the result with HUD-50058, line 12aj.

References

Sources of Error
Administrative and Component Error Tables from the RIM Guidebook

C. Sources of Errors

For purposes of the study, rent errors were divided into two separate categories:

1. Administrative Errors

Administrative errors are primarily errors in procedures and include calculation errors, transcription errors (e.g., tenant file documentation does not match HUD 50058), failure to recertify on time and failure to verify information. The two most common administrative errors were **calculation errors** and **failure to verify and make use of verified income and expense information**. The following table provides the Gross Rent Error and Net Rent Error for households with each type of administrative error:

Administrative Error

Error Type	Gross Rent Error			Net Rent Error		
	% Households in Error	Average Dollars in Error	Standard of Error of Mean	% Households in Error	Average Dollars in Error	Standard of Error of Mean
Transcription Errors	50%	$12	$2.87	50%	- $6	$3.09
Calculation Errors – Allowances	8%	$26	$13.37	8%	- $17	$13.99
Calculation Errors – Income	3%	$10	$4.69	3%	$2	$5.02
Calculation Errors – Other	23%	$18	$6.04	23%	- $8	$6.34
Overdue Recertifications	6%	$9	$3.53	6%	$4	$2.84
Any Administrative Errors	64%	$12	$2.70	64%	- $5	$2.88

2. Component Errors

Component errors are errors in the specific income and expense components used to calculate rent. Component errors usually result when PHA staff do not conduct a thorough tenant interview or do not verify the information obtained during the interview.

Income and deductions were by far the most significant sources of error in determining rent. The following table provides the frequency of the most serious component errors and the average error for the component for households with the same type of error:

Rent Error by Component

Rent Component	No of Households	% of Households	Average Dollar Amount
Earned Income	647,000	26.9%	$6,641
Other Income	289,000	12.0%	$3,853
Pension, etc., Income	326,000	13.6%	$3,701
Asset Income	103,000	4.3%	$3,450
Public Assistance	227,000	9.4%	$2,816
Child Care Allowance	75,000	3.1%	$2,333
Medical Allowance	360,000	15.0%	$1,157
Dependent Allowance	112,000	4.7%	$1,060
Disability Allowance	2,000	0.1%	$600
Elderly/Disabled Allowance	85,000	3.5%	$400
No Component Error	180,000	7.5%	$0
Total	2,406,000	100%	$3,472

References

Excerpts from the Housing Choice Voucher Handbook 7420.10G (April 2001)

- Chapter 5: Eligibility and Denial of Assistance
- Chapter 6: Calculating Rent and HAP Payments
- Chapter 7: Payment Standards

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CHAPTER 5
ELIGIBILITY AND DENIAL OF ASSISTANCE

5.1 CHAPTER OVERVIEW

This chapter outlines HUD's requirements for participation in the housing choice voucher program and provides guidance to PHAs in establishing additional criteria. The PHA should strive for objectivity and consistency when applying these criteria to evaluate the eligibility of families who apply for assistance. PHAs must provide families applying for assistance the opportunity to explain their circumstances, furnish additional information if required, and receive an explanation from the PHA of the basis for any decision regarding their eligibility.

5.2 ELIGIBILITY REQUIREMENTS

There are four factors which affect eligibility:

- *Family definition*. Only applicants who meet a PHA's definition of family are eligible.
- *Income limits*. The household's annual income may not exceed the applicable income limit as established by HUD.
- *Citizenship status*. The applicant must meet the documentation requirements of citizenship or eligible immigration status.
- *Eviction for drug-related criminal activity*. Persons evicted from public housing or any Section 8 program for drug-related criminal activity are ineligible for assistance for at least three years from the date of the eviction.

The PHA's administrative plan must contain procedures for determining eligibility and denial of assistance.

Definition of Family

Program Requirements

Each applicant for assistance under the housing choice voucher program must meet the PHA's definition of family. Within guidelines provided by HUD, a PHA has discretion in its definition of what constitutes a family.

A family is either a single person or a group of persons and includes:

- A household with or without children. A child who is temporarily away from home due to placement in foster care should be considered a member of the family.

- An elderly family, which is defined as a family whose head, co-head, spouse, or sole member is at least 62 years of age; or two or more persons, each of whom are at least 62, living together; or one or more persons who are at least 62 living with one or more live-in aides.

- A disabled family, which means a family whose head, co-head, spouse, or sole member is a person with disabilities; or two or more persons with disabilities; or one or more persons with disabilities with one or more live-in aides.

- A displaced family, which is a family in which each member or the sole member is a person displaced by governmental action, or whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized by federal disaster relief laws.

- A remaining member of a tenant family is a family member of an assisted tenant family who remains in the unit when other members of the family have left the unit.

- A single person who is not an elderly or displaced person, or a person with disabilities, or the remaining member of a tenant family.

PHA Discretionary Policies and Procedures

The PHA is responsible for defining family in its administrative plan. A PHA must include the HUD guidelines listed above in its definition.

Income Limits

HUD establishes income limits by family size for the area in which the PHA is located. The income limits are published annually in a HUD Notice and are generally effective on the date of publication. The income limits are available on the Internet at www.huduser.com at the "datasets" portal.

There are two income limits that are used to determine eligibility for the housing choice voucher program and a third that is used to ensure that the PHA has met its target for assisting the neediest families in the community.

The *very low-income limit*, which is set at 50 percent of the area median income, is the income limit generally used to determine initial program eligibility.

The *low income-limit*, set at 80 percent of the area median income, is used for families whose incomes fall above the very low-income limits but who are considered to be eligible for assistance because they are:

- Continuously assisted under the public housing or Section 8 programs;

- Non-purchasing households in the following homeownership programs: HOPE 1, HOPE 2, or other HUD-assisted multifamily home ownership programs covered under 24 CFR 284.173;

- Displaced as a result of the prepayment of a mortgage or voluntary termination of a mortgage insurance contract.

A PHA may adopt local policies permitting the admission of additional categories of low-income families to address essential local housing needs.

HUD also publishes an *extremely low-income limit* that is set at 30 percent of the area median income. Each PHA must ensure that 75 percent of its admissions in each PHA fiscal year are families whose incomes are at or below the extremely low-income limit. Rules pertaining to "targeting" assistance to extremely low-income families are discussed under preferences in Chapter 4.

PHA DISCRETION IN
LOW-INCOME ELIGIBILITY

One example of a policy a PHA might adopt to permit admission of low-income families is a policy aimed at reducing total subsidy cost. For instance: two sisters want to live together. Individually they meet the very low-income limit. Together they exceed the very low income limit, but not the low-income limit. It will be cheaper to house them in a two-bedroom unit rather than in two one-bedroom units.

Applying Income Limits

Annual Income is compared to the applicable income limit to determine eligibility.

A family's income must be within the income limits for the PHA's jurisdiction at the time the family receives a voucher to search for housing. In addition, the family, when it is first admitted, must select a unit in an area in which the family meets the income limit for the housing choice voucher program.

A PHA with more than one set of income limits within its jurisdiction should use the highest income limit within its jurisdiction when determining initial household eligibility. However, a family whose income is above the limits in one or more areas of that PHA's jurisdiction may lease only in an area where the family is income eligible when it executes its first lease assisted under the voucher program. Similarly, a family exercising portability when first admitted to the program must lease in an area where it is within the eligibility income limit.

Citizenship Status

Limits on Assistance to Non-Citizens

Eligibility for federal housing assistance is limited to U.S. citizens and applicants who have eligible immigration status. Eligible immigrants are persons who qualify for one of the immigrant categories in Table 5-1. Persons claiming eligible immigration status must present appropriate immigration documents, which must be verified by the PHA through the Immigration and Naturalization Service (INS).

Every applicant household for (and participant in) the housing choice voucher program must sign a certification for every household member either claiming status as:

- A U.S. citizen, or
- An eligible alien, or
- Stating the individual's choice not to claim eligible status and acknowledge ineligibility.

Declaration of U.S. Citizenship

For household members claiming U.S. citizenship, only a declaration signed by the household member (or in the case of a minor child, parent) is required by regulation.

However, PHAs are permitted to adopt policies requiring verification through presentation of one of the following:

- United States passport;
- Resident alien card;
- Registration card;
- Social Security card;
- Other appropriate documentation.

If it is the PHA's policy to require verification of citizenship, the PHA administrative plan must clearly state this policy.

Documentation of Eligible Immigration Status

Non-citizens claiming eligible immigration status must provide all of the following evidence:

- The signed declaration of eligible immigration status;

- One of the INS documents specified in the rule. (See Exhibit 5-1, *Non-Citizen Rule – Summary of Documentation Requirements.*);

- A signed verification consent form describing transmission and use of the information obtained.

Families in which all members are citizens or have eligible immigration status are eligible for full housing assistance.

An applicant family without any citizens or members with eligible immigration status is not eligible for assistance.

Non-citizen students are not eligible to receive housing assistance. When a non-citizen student is accompanied by a non-citizen spouse and/or minor children, those family members are also ineligible for assistance. However, citizen spouses and the children of the citizen spouse and non-citizen student are eligible for assistance. When a household includes eligible and ineligible

members it is treated as a "mixed family" as described below. A non-citizen student is defined as a bona fide student who:

- Is pursuing a course of study in this country;
- Has a residence in another country outside of the United States that the person has no intention of abandoning; and
- Is admitted to this country temporarily, solely for the purpose of pursuing a course of study.

Mixed Families

Families that include members who are citizens or have eligible immigration status and members who do not have eligible immigration status (or elect not to state that they have eligibility status) are referred to as "mixed families".

A mixed family is eligible for prorated assistance. Prorated assistance is a calculation of subsidy based on the number of members who are citizens or have eligible immigration status.

CALCULATING PRORATED ASSISTANCE

Assistance for mixed families is calculated based on the percentage of eligible individuals in the household. There are five steps in the calculation.

Steps	***Example***
1. Determine the gross rent for the unit (rent to owner plus the utility allowance).	1. Rent to owner $500 Utility allowance + $50 Gross rent $550
2. Determine the HAP, taking into consideration the income of all family members, regardless of their eligibility status.	2. HAP = $300
3. Divide the number of eligible family members (citizens and those with eligible immigration status) by the total number of members in the household.	3. 3 eligible family members ÷ 4 total family members .75 proration factor
4. Multiply the HAP calculated in Step 2 by the number calculated in Step 3 to determine the family's eligible subsidy portion.	4. Prorated HAP = $300 x .75 = $225
5. The amount of rent the family will pay will be the gross rent for the unit (step 1) less the prorated HAP calculated in Step 4.	5. Prorated Family Share $550 Gross rent -$225 Prorated HAP $325 Prorated Family Share

Notification Requirements

At the time an application is filed, the PHA must notify all applicants for assistance about the rule restricting assistance based on citizenship status and of the requirement to submit documentation of eligible status or to elect not to claim eligible status. The PHA's notice must state the following:

- Financial assistance is contingent upon the appropriate submission and verification of documentation of citizenship or eligible immigration status.
- The types of documentation required and time period for submission. (See Exhibit 5-1.)

As appropriate, assistance will be prorated, denied, or terminated, based on a final determination of ineligibility after all appeals and, if requested, an informal hearing.

Submission of Documentation

Documentation must be submitted by the time of the eligibility determination. Once documents have been submitted and verified for an individual, citizenship documentation for that individual will not need to be collected again.

If the family certifies that the required evidence is temporarily unavailable and it needs more time, the PHA may provide an extension of up to 30 days to submit evidence of eligible status, if the family has submitted the required declaration of eligible immigration status. To obtain an extension, the family must also certify that prompt and diligent efforts will be undertaken to obtain the evidence.

The PHA must inform the family, in writing, whether its request for a time extension of has been granted or denied. If granted, the notice must state the specific period of the extension. If the extension request is denied, the notice must explain the reasons for the denial.

If all required documents have been provided by the family, assistance may not be denied or delayed solely because verification or requested hearings have not been completed.

If required documents have not been submitted by all family members, only prorated assistance may be provided until the required documents have been submitted by all family members.

New family members in currently participating households must submit documentation at the first interim or annual reexamination following occupancy.

If a PHA suspects that an applicant or tenant has misreported his or her immigration status or altered or forged documents, it may refer the case to HUD’s Office of Inspector General for investigation.

PHAs must apply all procedures in a uniform manner. No applicant or resident may be asked for additional information based on country of origin, speech, accent, language, or any other personal characteristic of the applicant or family member. Failure to maintain this performance standard could be a serious violation of the Fair Housing Act.

Verification of Eligible Immigration Status

The PHA must conduct primary verification of eligible immigration status through the INS automated system, Systematic Alien Verification for Entitlements (SAVE). The PHA must take the following steps to access SAVE:

- Complete and submit a Primary Verification User Access Code Agreement form before using SAVE for the first time.

- Each time, access the SAVE system by calling 1-800-365-7620.

- Use the assigned access code to enter the required information. One of the following messages will be received:

  - INS Status confirmed; or
  - Institute Secondary Verification.

- If the message is "Institute Secondary Verification", the PHA must request a manual records search by completing form G-845S, Document Verification Request. This form must be sent to the INS along with photocopies of the original INS documents supplied by the applicant or currently assisted household member within 10 days of receiving the "Institute Secondary Verification" message.

- The PHA is not liable for any action, delay, or failure of the INS in conducting the automated or manual verification.

Delay, Denial, or Termination of Assistance

The PHA may not delay, deny, or terminate assistance to an applicant or currently assisted household if any of the following circumstances apply:

- At least one person in the household has submitted appropriate INS documents;

- The documents were submitted to the INS on a timely basis, but the verification process has not been completed;

- The family member in question moves;

- The INS appeals process has not been completed;

- Assistance is prorated;
- Deferral of termination of assistance is granted; or
- For a program participant, the informal hearing process is not complete.

The PHA must terminate assistance for at least 24 months if it determines that a family has knowingly permitted an ineligible person to live in the assisted unit without informing the PHA.

Assistance may be denied or terminated when:

- Declaration of citizenship or eligible immigration status is not submitted by the specified deadline or any extension;
- Required documentation is submitted but INS primary and secondary verification does not verify immigration status and family does not pursue INS or PHA appeal; or
- Required documentation is submitted but INS primary and secondary verification does not verify immigration status, and INS or PHA appeal is pursued but decision(s) are rendered against the family.

When the PHA decides to deny or terminate assistance, it must send a written notice to the household which includes the following:

- A statement that financial assistance will be denied or terminated and an explanation of why;
- Notification that the family may be eligible for prorated assistance if it is a mixed family;
- In the case of a currently assisted household, the procedures for obtaining relief under the preservation of families provision (e.g. temporary deferral or proration of assistance);
- The right to appeal the results of the secondary verification to the INS; and
- The right to request an informal hearing from the PHA in lieu of an INS appeal or after an appeal.

In the case of applicants, the notice may advise that assistance may not be delayed until the conclusion of the INS appeal process, but may be delayed during the informal hearing process.

EXHIBIT 5-1
NON-CITIZEN RULE – SUMMARY OF DOCUMENTATION REQUIREMENTS

STATUS	DOCUMENTATION
I A Citizen or National of the United States.	DECLARATION: For each family member with this status, a declaration of citizenship signed under penalty of prejury. For each adult, the declaration must be signed by the adult. For each child, the declaration must be signed by an adult residing in the assisted dwelling unit who is responsible for the child.
II. A non-citizen claiming eligible immigration status who is 62 years of age or will be 62 years of age and receiving assistance on the effective date: 9/6/96.	DECLARATION: For each family member with this status, a declaration of eligible immigration status signed under penalty of prejury. Adults must sign their own declarations. AND: Proof of age
III. All other non-citizens claiming eligible immigration status. Categories of eligible immigration status: 1. A non-citizen lawfully admitted for permanent residence as an immigrant (includes special agricultural workers granted lawful temporary resident status). 2. A non-citizen who entered the United States before 1/1/72 (or such later date as enacted by law); and - Has continuously maintained residence in the U.S. since then; and - Who is not ineligible for citizenship, but who is deemed to be lawfully admitted for permanent residence as a result of an exercies of discretion by the Attorney General.	DECLARATION: See II above AND: <u>A verification form</u>: For each adult, the adult must sign the form. For each child, an adult member of the family residing in the unit who is responsible for the child must sign the form. The verification form must state that evidence of eligible immigration status may be released by the PHA to HUD and the INS without responsibility for the future use or transmission of the evidence by the recipient. The form must also notify the signer of the possible release of evidence of eligible immigration status by HUD. Such evidence shall only be released by HUD to the INS for the purpose of establishing eligibility for financial assistance. AND: <u>*INS Primary Verification*</u> of eligible immigration status must be conducted by the PHA through the INS automated SAVE system. If this method fails to verify status, or, if the verification received indicates ineligible immigration status, the PHA must request <u>Secondary INS Verification</u> within 10 days by sending to the local INS Office photocopies of INS documents receiving (front and back) attached to Form G-845S – Document Verification Request. AND: The PHA must request and review an original INS document of eligible immigration status and must retain photocopies and return the original to the individual.

EXHIBIT 5-1
NON-CITIZEN RULE – SUMMARY OF DOCUMENTATION REQUIREMENTS

STATUS	DOCUMENTATION
III. All other Non-citizens with eligible immigration status (continued) 3. A non-citizen who is lawfully present in the United States as a result of: - Refugee status (section 207); or - The granting of asylum (which has not been terminated (section 208); or - The granting of conditional entry (section 203 (a)(7) prior to 4/1/80 because of persecution of fear on account of race, religion, or political opinion, or because of being uprooted by catastrophic national calamity. 4. A non-citizen who is lawfully present in the United States as a result of an exercise of discretion by the Attorney General for emergency reasons or reasons deemed strictly in the public interest (section 221(d)(5)) (e.g., parole status). 5. A non-citizen who is lawfully present in the United States as a result of the Attorney General's'withholding deportation (section 243 (h)) (threat to life or freedom). 6. A non-citizen lawfully admitted for temporary or permanent residence (245A) (amnesty granted).	Acceptable INS Document: • Form I-551 Alien Registration Receipt Card (for permanent resident aliens) • Form I-94 Arrival-Departure Record annotated with one of the following: - "Admitted as a Refugee Pursuant to Section 207" - "Section 208" or "Asylum" - "Section 243(h)" or "Deportation stayed by Attorney General" - "Paroled Pursuant to Section 221 (d)(5) of the INS" • Form I-94 Arrival-Departure Record with no annotation accompanied by: - A final court decision granting asylum (but only if no appeal is taken); - A letter from an INS asylum officer granting asylum (if application is filed on or after 10/1/90) or from an INS district director granting asylum (application filed before 10/1/90); - A court decision granting withholding of deportation; or - A letter from an asylum officer granting withholding or deportation (if application filed on or after 10/1/90). • Form I-688 Temporary Resident Card annotated "Section 245A" or Section 210". • Form I-688B Employment Authorization Card annotate "Provision of Law 274a. 12(11)" or "Provision of Law 274a.12". • A receipt issued by the INS indicating that an application for issuance of a replacement document in one of the above listed categories has been made and the applicant's entitilement to the document has been verified; or • Other acceptable evidence. If other documents are determined by the INS to constitute acceptable evidence of eligible immigration status, they will be announced by notice published in the *Federal Register*.

INS Appeals Process

The PHA must notify the family in writing if the secondary verification process does not confirm eligible immigration status. The notice must indicate whether assistance has been delayed, denied, or terminated and inform the family of the right to file an appeal with the INS.

If the family wants to exercise its right of appeal with the INS, it must take the following steps:

- Within 30 days from the date of the PHA notification, submit a written request, for an appeal with the INS.
- Include with this request a cover letter and any support documentation as well as a copy of the verification request form (Form G-845S) which was submitted by the PHA for the secondary verification request.
- Provide the PHA with a copy of the request for an appeal with the INS.
- Provide any additional documentation that the INS may request.

Within 30 days the INS must render its decision to the family and forward a copy to the PHA.

Fair Housing Requirements

Careless implementation of the rule limiting assistance to non-citizens may result in inadvertent discrimination.

PHAs must take care to comply with all applicable civil rights and other fair housing laws and regulations. The Fair Housing Act prohibits discrimination on the basis of race, color, religion, sex, handicap, familial status, or national origin in the sale, rental or advertising of dwellings, in the provision of brokerage services, or in the availability of residential real estate-related transactions. Such protected classes do not exclude persons who have or are perceived to have HIV/AIDS. Failure to follow all required procedures or to apply program requirements consistently by protected class may result in discrimination and lead to administrative findings or legal action.

In implementing limits on assistance to non-citizens, PHAs must comply also with Section 504 of the Rehabilitation Act, which prohibits discrimination on the basis of any handicap or perceived handicap.

Where feasible, if applicants and participants are not proficient in English, PHAs are instructed to provide notices and documents related to these provisions in a language the individual understands.

Other Required Information

Participation in the housing choice voucher program places an obligation on the family to provide information required by HUD and the PHA when requested, and to cooperate in efforts to verify the information provided. Disclosure of Social Security numbers and signatures on HUD's release authorization form are minimum program requirements.

Disclosure of Social Security Numbers

The PHA must require applicants and program participants to disclose the Social Security numbers (SSN) of all family members age six or older as a condition of admission and continued assistance. Persons who have not been assigned a SSN must execute a certification stating that no SSN has been assigned. This process need occur only one time for each family member. New family members age six or older should be required to disclose or certify at the time the change in family composition is reported to the PHA or the next annual recitification after a family member reaches age six. A parent or guardian must provide the certification for a minor.

The PHA must document the SSN disclosed by each family member. If the family member cannot produce an original Social Security card issued by the Social Security Administration, the PHA may accept one of the following as verification if it includes the SSN:

- A driver's license with SSN.
- Identification card issued by a federal, state, or local agency.
- Identification card issued by a medical insurance company or provider (including Medicare and Medicaid).
- Identification card issued by an employer or trade union.
- Earnings statements on payroll stubs.
- Bank statements.
- IRS Form 1099.
- Benefit award letters from government agencies.
- Retirement benefit letter.
- Life insurance policies.
- Court records (real estate, tax notices, marriage and divorce, judgment, or bankruptcy records).

If applicants cannot produce an original Social Security card, they must certify that the document provided is complete and accurate.

Authorization for the Release of Information/Privacy Act

The PHA must require all adult applicants and participants (age 18 and over) to sign the Authorization for Release of Information/Privacy Act Notice (form HUD-9886) as a condition for admission and continued assistance. The form is valid for only 15 months and must be signed annually at each reexamination.

With each adult member of the household, the PHA should review the information that the form authorizes HUD and the PHA to collect. Once signed, the form provides authorization for the following:

- HUD and the PHA to obtain any information necessary from State Wage Information and Collection Agencies (SWICAs) to verify information provided at the time of application or recertification.
- HUD and the PHA to verify income information with previous and current employers that is pertinent to eligibility or level of assistance.
- HUD to request income tax return information from the IRS and Social Security Administration (SSA) to verify income related to eligibility or level of assistance.

The Privacy Act portion of the form informs applicants and participants that the information that is collected may be used for computer matching with other agencies including the SSA, the IRS, and SWICAs.

5.3 ANNUAL INCOME

Overview

Determinations of program eligibility and total tenant payment for the housing choice voucher program require that the applicant or participant family's annual income be computed at least annually. Regulations specify the amounts to be included in the calculation of annual income.

Definition of Annual Income

Annual income means all amounts, monetary or not, that go to or are on behalf of, the family head or spouse (even if temporarily absent) or to any other family member, or all amounts anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date. Exhibit 5-2, *Income Inclusions*, is the complete definition of annual income as published in the regulations and *Federal Register* notices. Annual income means all amounts that are not specifically excluded by regulation.

EXHIBIT 5-2
INCOME INCLUSIONS AND EXCLUSIONS

INCOME INCLUSIONS

(1) The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;

(2) The net income from operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family;

(3) Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as a deduction in determining net income. An allowance for depreciation is permitted only as authorized in paragraph (2) of this section. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of $5,000, annual income shall include the greater of the actual income derived from net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD;

(4) The full amount of periodic payments received from social security, annuities, insurance policies, retirement funds, pensions, lotteries, disability or death benefits, and other similar types of periodic receipts, including a lump-sum payment for the delayed start of a periodic payment (but see No. 13 under Income Exclusions);

(5) Payments in lieu of earnings, such as unemployment, worker's compensation, and severance pay (but see No. 3 under Income Exclusions);

(6) Welfare Assistance.
   a. Welfare assistance received by the household.
   b. The amount of reduced welfare income that is disregarded specifically because the family engaged in fraud or failed to comply with an economic self-sufficiency or work activities requirement.
   c. If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustments by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare income to be included as income shall consist of:
      (i) The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus
      (ii) The maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph shall be the amount resulting from one application of the percentage;

(7) Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from persons not residing in the dwelling; and

(8) All regular pay, special pay, and allowances of a member of the Armed Forces (whether or not living in the dwelling) who is head of the family, spouse, or other person whose dependents are residing in the unit (but see paragraph (7) under Income Exclusions).

EXHIBIT 5-2 – (CONTINUED)

INCOME EXCLUSIONS

(1) Income from employment of children (including foster children) under the age of 18 years;

(2) Payments received for the care of foster children or foster adults (usually individuals with disabilities, unrelated to the tenant family, who are unable to live alone);

(3) Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains, and settlement for personal or property losses (but see No. 5 under Income Inclusions);

(4) Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;

(5) Income of a live-in aide (as defined by regulation);

(6) The full amount of student financial assistance paid directly to the student or to the educational institution;

(7) The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;

(8) (a) Amounts received under training programs funded by HUD;
(b) Amounts received by a person with disabilities that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);
(c) Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program;
(d) A resident service stipend. This is a modest amount (not to exceed $200 per month) received by a resident for performing a service for the owner, on a part-time basis, that enhances the quality of life in the development. This may include, but is not limited to fire patrol, hall monitoring, lawn maintenance, and resident initiatives coordination and serving as a member of the PHA's governing board. No resident may receive more than one such stipend during the same period of time; or
(e) Incremental earnings and benefits resulting to any family member from participation in qualifying state or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for the period during which the family member participates in the employment training program.

(9) Temporary, nonrecurring, or sporadic income (including gifts). For example, amounts earned by temporary census employees whose terms of employment do not exceed 180 days (Notice PIH 2000-1).

(10) Reparations payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era;

(11) Earnings in excess of $480 for each full-time student 18 years or older (excluding the head of household and spouse);

(12) Adoption assistance payments in excess of $480 per adopted child;

(13) Deferred periodic payments of supplemental security income and social security benefits that are received in a lump-sum payment or in prospective monthly payments;

(14) Amounts received by the family in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit;

(15) Amounts paid by a state agency to a family with a developmentally disabled family member living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home; and

EXHIBIT 5-2 – (CONTINUED)

(16) Amounts specifically excluded by any other federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under the 1937 Act. A notice will be published in the *Federal Register* and distributed to PHAs identifying the benefits that qualify for this exclusion. Updates will be distributed when necessary. The following is a list of income sources that qualify for that exclusion:

a) The value of the allotment provided to an eligible household under the Food Stamp Act of 1977 (7 U.S.C. 2017 (b));
b) Payments to Volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058);
c) Payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(c));
d) Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 459e);
e) Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624(f));
f) Payments received under programs funded in whole or in part under the Job Training Partnership Act (29 U.S.C. 1552(b); (effective July 1, 2000, references to Job Training Partnership Act shall be deemed to refer to the corresponding provision of the Workforce Investment Act of 1998 (29 U.S.C. 2931);
g) Income derived from the disposition of funds to the Grand River Band of Ottawa Indians (Pub.L- 94-540, 90 Stat. 2503-04);
h) The first $2000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U. S. Claims Court, the interests of individual Indians in trust or restricted lands, including the first $2000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands (25 U.S.C. 1407-1408);
i) Amounts of scholarships funded under title IV of the Higher Education Act of 1965, including awards under federal work-study program or under the Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087uu);
j) Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056(f));
k) Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in *In Re Agent*-product liability litigation, M.D.L. No. 381 (E.D.N.Y.);
l) Payments received under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721);
m) The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q);
n) Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j));
o) Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation (Pub. L. 95-433);
p) Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d));
q) Any allowance paid under the provisions of 38 U.S.C. 1805 to a child suffering from spina bifida who is the child of a Vietnam veteran (38 U.S.C. 1805);
r) Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act (42 U.S.C. 10602); and
s) Allowances, earnings and payments to individuals participating in programs under the Workforce Investment Act of 1998 (29 U.S.C. 2931).

(17) Earned Income Disallowance for persons with disabilities [24CFR5.617]

(a) Initial Twelve Month Exclusion [24CFR5.617(C)(1)]
(b) Second Twelve Month Exclusion and Phase-In [24CFR5.617(C)2)
(c) Maximum Four Year Disallowance [24CFR5.617 (C) (3)

Annualizing Anticipated Annual Income

Once the PHA knows and verifies all sources of income are known and verified, the PHA must convert reported income to an annual figure. Convert periodic wages to annual income using the following:

- Multiply hourly wages by the number of hours worked per year (2080 hours for full-time employment with a 40 hour work week and no overtime).
- Multiply weekly wages by 52.
- Multiply bi-weekly wages (paid every other week) by 26.
- Multiply semi-monthly wages (paid twice each month) by 24.
- Multiply monthly wages by 12.

Generally the PHA should use current circumstances to anticipate annual income, unless verification forms indicate an imminent change (e.g., verification indicates an increase of 2.4 percent in Social Security benefits beginning on January 1).

PHAs may choose among several methods to determine the anticipated annual income. The following are two acceptable methods of calculating annual income:

- Calculating projected annual income by annualizing *current* income (and subsequently conducting an interim reexamination if income changes); or
- Using information available to average anticipated *income from* all known sources when the sources are expected to change during the year.

CALCULATING ANTICIPATED ANNUAL INCOME

A teacher's assistant works nine months annually and receives $1,300 per month. During the summer recess, the teacher's assistant works for the Parks and Recreation Department for $600 per month. The PHA may calculate the family's income using either of the following two methods:

- *Calculate Annual Income Based on Current Income*: $15,600 ($1300 x 12 months). An interim reexamination would then be conducted at the end of the school year to recalculate the family's income during the summer months at reduced annualized amount of $7200 ($600 x 12 months).
- *Calculate Annual Income Based on Average Experience*:

$11,700	($1300 x 9 months)
+ 1,800	($ 600 x 3 months)
$13,500	

Using the second method, an interim reexamination would *not* be conducted at the end of the school year. In order to use this method effectively, some history of income from all sources in prior years should be available.

Elements of Annual Income

Income from Assets

Annual income includes income from assets earned during the 12-month period and to which any family member has access. Section 5.4 discusses calculations related to income from assets.

Income of Dependents

A dependent is a family member who is under 18 years of age, is disabled, or is a full-time student. The head of household, spouse, foster child, or live-in-aide are *never* dependents. Some income contributed to the household by dependents is counted and some is not.

Earned income of minors (family members 17 and under) *is not* counted.

Benefit or other *non-earned* income of minors *is* counted.

Although full-time students 18 years of age or older are technically identified as dependents, a small amount of their earned income will be counted. Count only earned income up to a maximum of $480 per year for full-time students, age 18 or older, who are not the heads of household or spouse. If the income is less than $480 annually, count it all. If the annual income exceeds $480, count $480 and exclude the amount that exceeds $480.

All income of a full-time student, 18 years of age or older, is counted if that person is the head of household or spouse.

Payments received by the family for the care of foster children or foster adults are *not* counted. This applies only to payments made through the official foster care relationships with local welfare agencies.

Income of Temporarily Absent Family Members

PHAs must count all income of family members whom the PHA has approved to reside in the unit, even if they are temporarily absent.

Regular Contributions and Gifts

PHAs must count as income any *regular* contributions and gifts (monetary or not) from persons outside the family. This may include rent and utility payments paid on behalf of the family and other cash or non-cash contributions provided on a regular basis.

REGULAR CONTRIBUTIONS AND GIFTS EXAMPLES

1. A divorced woman and her three children are housing choice voucher program participants. The former husband does not pay child support, but each month he brings the family groceries, clothing, or money. On average he provides $100 each month in goods or cash. The $100 value per month is included in the family's annual income.

2. The daughter of an elderly housing choice voucher participant pays the mother's $175 share of rent each month. The $175 value must be included in the participant's annual income.

Temporary Income

Temporary, non-recurring, or sporadic income (including gifts) is not counted.

Income from a Business (Includes Self-Employment Income)

Include the *net income* from operation of a business or profession.

Generally, net income equals gross income less business expense.

Straight-line depreciation of capital assets used in the business or profession may be deducted as a business expense. Interest payments on business loans, and all business expenses other than expenses for expansion or capital improvements are also eligible business expenses. However, expenditures for amortization of capital indebtedness may not be deducted.

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

CAPITAL ASSETS AND BUSINESS EXPENSES

A self-employed house painter owns a truck he uses for his business as well as several ladders, buckets and spray paint guns. He also purchases paint rollers and hand brushes each time he is hired to do a job. The painter may deduct as business expenses the depreciation on his truck and ladders (capital equipment) as well as the cost of the paint, paint thinner, disposable rollers and paint brushes he purchases throughout the year.

Student Financial Assistance

All forms of student financial assistance (grants, scholarships, educational entitlements, work study programs, and financial aid packages) are excluded from annual income. This is true whether the assistance is paid to the student or directly to the educational institution.

State or Local Employment Training Programs

Exclude incremental earnings received from qualified employment training programs and training of resident management staff.

- A qualified training program is one that is part of a state or local employment training program and has clear goals and objectives. This would include programs that have the goal of assisting participants in obtaining employment skills, and are authorized or funded by federal, state, or local law, or operated by a public agency.

- Only exclude the compensation related to the training; other sources of household income are still included.

- Exclude the income only for the period during which the family member participates in the employment training program.

Public Assistance Income in As-Paid Localities

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

An "as-paid" system is one in which 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.

Since there are variations in how as-paid localities calculate shelter and utility, the PHA should discuss the rules for computing income and rents for welfare recipients with the HUD field office.

The public assistance amount specifically designated for rent and utilities is called the "welfare rent".

In general, the welfare rent is treated as a "pass through" from the welfare agency to the PHA.

To determine annual income for public assistance recipients in "as-paid" localities, include:

- The amount of the family's grant for other than shelter and utilities; plus

- The maximum amount the welfare department can pay for shelter and utilities for a family of that size (i.e., the welfare rent). This may be different from the amount the family is actually receiving.

CALCULATING THE "WELFARE RENT"

At application a family's welfare grant is $300, which includes $125 for basic needs and $175 for shelter and utilities (based upon where the family is now living). The maximum the welfare agency allows, however, for shelter and utilities for a family of this size is $190.

Count as Income:

$125	Basic Needs
+$190	Shelter and Utilities
$315	Monthly Public Assistance Income

In some as-paid systems, the shelter and utilities payment is "ratably reduced". (The grant the family actually receives is reduced from the scheduled amount by a percentage.)

In these circumstances, the income to be counted is the maximum amount payable for shelter and utilities reduced by the appropriate percentage.

Treatment of Reductions in Welfare Assistance

A voucher participant does not receive a reduced family share when the family's welfare grant is reduced as the result of fraud, failure to participate in an economic self-sufficiency program, or failure to comply with a work requirement.

Before determining annual income when there has been a reduction in the welfare grant, the PHA must receive written verification from the welfare agency that the benefit reduction was caused by noncompliance or fraud before denying a family's request for a reexamination of income and rent reduction.

The prohibition against reducing rent does not apply when welfare benefits are lost because the lifetime limit on receipt of benefits has expired or in a situation where the family has complied with welfare program requirements but cannot obtain employment.

The amount that the welfare benefit has been reduced because of fraud or a sanction for noncompliance with requirements to participate in an economic self-sufficiency program is identified as the "imputed welfare income". The family's annual income includes the amount of the imputed welfare income plus the total amount of other annual income.

The amount of imputed welfare income is offset by income from other sources received by the family that start after the sanction is imposed. Therefore, if the family has found employment in the time between the sanction and the income certification, the new employment income would be subtracted from the imputed welfare income. If the new employment income were to be greater than the imputed welfare income, there would be no need to include the imputed welfare income in the determination of annual income.

"IMPUTED WELFARE INCOME"

The family's welfare grant was		$3600
The family's welfare grant was reduced by		$3600
The "imputed welfare income" equals		$3600
When the family comes in for reexamination its other annual income from before the sanction is		$2000
The family's total annual income is (the "imputed welfare income" plus all other income)		$5600

At its next reexamination, the family reports income from a new part-time job in the amount of (The family's other income is unchanged.)		$2000
	$3600	
The new income is subtracted from the	$2000	
"imputed welfare income"	$1600	
The amount remaining is added		$1600
To the other annual income		2000
Total annual income		$3600

PHAs are required to make good faith efforts to enter into cooperation agreements with local welfare agencies, both to obtain the necessary information regarding welfare sanctions and to target economic self-sufficiency and other services to housing choice voucher program families. Any housing choice voucher family whose assistance is adversely affected because of PHA enforcement of these requirements must be notified of its right to an informal hearing.

Income of Confined Family Members

If a former family member is confined to a nursing home or hospital on a permanent basis, that person is no longer a member of the assisted household and the income of that person is not counted.

Alimony or Child Support

PHAs must count alimony or child support amounts awarded as part of a divorce or separation agreement *unless* the PHA verifies that the payments are not being made.

The PHA must determine what documentation is required to show that the family receives less than the court-ordered amount. For example, if the household has filed with the local support enforcement agency, print-outs from the agency may indicate the frequency and amount of payments actually received.

Lump Sum Payments Counted as Income

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

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

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

TREATMENT OF DELAYED BENEFIT PAYMENTS RECEIVED IN A LUMP SUM

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

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

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

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

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

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

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

TREATMENT OF DELAYED BENEFIT PAYMENTS: OPTION B

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

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

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

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

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

5.4 DETERMINING INCOME FROM ASSETS

PHAs are required to include in the calculation of annual income any interest or dividends earned on assets held by the family. See paragraph (3) under Exhibit 5-2 for the full HUD definition of asset income to be included in the calculation of annual income, and see Exhibit 5-3*, Summary of Asset Inclusions and Exclusions,* for a more detailed description.

Calculation When Assets Exceed $5,000

When net family assets are $5,000 or less, use the actual income from assets.

When family assets are more than $5,000, use the greater of:

- Actual income from assets; or
- A percentage of the value of such assets based upon the current passbook savings rate as established by HUD. This is called imputed income from assets.

EXHIBIT 5-3
SUMMARY OF ASSET INCLUSIONS AND EXCLUSIONS

A. ASSETS INCLUDE:	B. ASSETS DO NOT INCLUDE:
1. Amounts in savings and checking accounts. 2. Stocks, bonds, savings certificates, money market funds and other investment accounts. 3. Equity in real property or other capital investments. Equity is the estimated current market value of the asset less the unpaid balance on all loans secured by the assets *and* reasonable costs (such as broker fees) that would be incurred in selling the assets. 4. The cash value of trusts that may be withdrawn by the family. 5. IRA, Keogh and similar retirement savings accounts, even though withdrawal would result in a penalty. 6. Some contributions to company retirement/ pension funds. Note the discussion below on accessibility of the funds. 7. Assets, which although owned by more than one person, allow unrestricted access by the applicant. 8. Lump sum receipts such as inheritances, capital gains, lottery winnings, insurance settlements, and other claims. 9. Personal property held as an investment such as gems, jewelry, coin collections, antique cars, etc. 10. Cash value of life insurance policies. 11. Assets disposed of for less than fair market value during the two years preceding certification or recertification.	1. Necessary personal property, except as noted in A.9. 2. Interest in Indian trust lands. 3. Assets that are part of an active business or farming operation. 4. *NOTE*: Rental properties are considered personal assets held as an investment rather than business assets unless real estate is the applicant's/tenant's main occupation. 5. Assets not controlled by or accessible to the family and which provide no income for the family. 6. Vehicles especially equipped for the disabled. 7. Equity in owner-occupied cooperatives and manufactured homes in which the family lives.

NOTE: A key factor in whether or not to include an asset in the calculation of annual income is whether any member of the family has access to the asset.

COMPARE ACTUAL INCOME FROM ASSETS TO IMPUTED INCOME FROM ASSETS

Applicant has $7,900 in assets. (Assume passbook rate of 3.5 percent.)

Applicant actual income from assets is paid at 1.5% simple interest annually - $119.

Assets:	$ 7,900
HUD-determined passbook rate	x .035
Inputed income from assets	$ 277

Compare actual interest of $119 to imputed interest of $277. The interest of $277 (the greater of the two) will be used as income from assets in the calculation of annual income.

Additional Guidance On Calculating The Value Of Assets And Income From Assets

Contributions to Company Retirement/Pension Funds

While an individual is employed, count as an asset only amounts the family could withdraw from a company retirement or pension fund without retiring or terminating employment.

After retirement or termination of employment, count as an asset any amount the employee elects to receive as a lump sum from the company retirement/pension fund.

Include in *annual income* any retirement benefits received through periodic payments.

In order to correctly include or exclude as assets any amount now held in retirement/pension funds for employed persons, the PHA must know whether the money is accessible before retirement.

Equity in Real Property

Real property includes land or real estate owned by the applicant or participant household. Equity is the portion of the market value of the asset which is owned by the applicant/participant (the amount which would be available to the household if the property were to be sold). It is equal to the market value less any mortgage or loans secured against the property (which must be paid off upon sale of the property).
Calculate equity in real property as follows:

Market Value - Loan (Mortgage) = Equity

Calculate the cash value of real property as follows:

Equity - Expense to Convert to Cash = Cash Value

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

Assets Disposed of for less than Fair Market Value

At initial certification or reexamination, PHAs must ask whether a household has disposed of an asset for less than its market value within the past two years. If the family has, the PHA must determine the difference between the cash value of the asset at time of sale or other disposal and the actual payment received of for the asset.

Generally, assets disposed of as a result of a divorce, separation, foreclosure, or bankruptcy are *not* considered assets disposed of for less than fair market value. Some of the types of assets that must be considered include cash, real property, stocks, bonds, and certificates of deposit. They must be counted if the household gave them away or sold them for less than the market value.

HUD does not specify a minimum threshold for counting assets disposed of for less than fair market value. A PHA may establish a threshold in its administrative plan that will enable the PHA to ignore small amounts such as charitable contributions. (HUD Handbook 4350.3, for multifamily subsidized housing, uses $1,000 as a threshold.)

ASSET DISPOSED OF FOR LESS THAN FAIR MARKET VALUE: REAL ESTATE

Mrs. Jones "sold" her home to her daughter for $5,000. The home was valued at $19,500 and had no loans secured against it. Mrs. Jones paid broker's fees and settlement costs of $1,700 (8.7% of the sales price – this is a realistic estimate for the locality). The amount to be included in family assets is $12,800.

$19,500	(Market Value)
- 1,700	(Expense to Convert to Cash)
$17,800	(Cash Value)
- 5,000	(Amount Received when Asset Disposed)
$12,800	(Value of Asset Disposed for Less than Fair Market Value)

ASSET DISPOSED OF FOR LESS THAN FAIR MARKET VALUE: STOCKS

Ten months ago the Daniel family gave their son 300 shares of ABC, Inc. stock. The market value was $3,735 ($12.45/share). They incurred a broker's fee of $175 for the transaction.

$ 3,735.00	(Market Value)
- 175.00	(Expense to Convert to Cash)
$ 3,560.00	(Cash Value)
- 00	(Amount Received when Asset Disposed)
$ 3,560.00	(Value of Asset Disposed for Less than Fair Market Value)

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

Valuing Assets

Because of the requirement to include the greater of the actual interest/dividend income earned or a percentage based upon a HUD published passbook rate when assets are greater than $5,000, the value of assets *may* affect the family's annual income.

The PHA must determine the *market value* of the asset and then calculate the *cash value* by subtracting the estimated expense required were the family to convert the asset to cash.

Expense to convert to cash includes costs such as:

- Penalties for premature withdrawal (e.g. the 10% penalty paid when a retirement account is closed prior to retirement age, or a certificate of deposit is withdrawn prior to maturity);
- Broker and legal fees (e.g. a percentage of the value of the asset incurred in the sale of stocks, bonds, real estate, etc.); and
- Settlement costs incurred in real estate transactions (e.g. the typical percentage of sales price for settlement in the locality).

NOTE: PHAs must not require families to dispose of assets in order to determine the costs to convert to cash. These amounts simply reflect a realistic estimate of costs, and by deducting them from the market value of the asset, the imputed income from the asset is based on an amount the family would have in hand if they converted their assets to cash.

5.5 ADJUSTED INCOME

Definition of Adjusted Income

Adjusted income is the annual income of the members of the family residing in or intending to reside in the dwelling unit, less the following mandatory deductions:

- $480 for each dependent;
- $400 for any elderly family or disabled family;
- Child care;
- Disability assistance; and.
- Medical expenses

Dependent Allowance

The family receives an allowance of $480 for each family member who is 1) under 18 years of age, 2) a person with disabilities, or 3) a full-time student.

A household head, spouse, foster child, or live-in aide may *never* be counted as a dependent.

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

Elderly or Disabled Household Allowance

An elderly or disabled family is any family in which the head or spouse (or the sole member) is at least 62 years of age *or* a person with disabilities.

Each elderly or disabled family receives a $400 household allowance. Because this is a "household allowance" each household receives only one allowance, even if both the head and the spouse are elderly.

Child Care Allowance

Reasonable child care expenses for the care of children including foster children, age 12 and younger, may be deducted from annual income if all of the following are true:

- The care is necessary to enable a family member to work, look for work, or further his/ her education (academic or vocational);
- The expense is not reimbursed by an agency or individual outside the household; and
- The expenses incurred to enable a family member to work do not exceed the amount earned.

Child support payments made to another on behalf of a minor who is not living in the applicant household are not child care and *cannot be deducted*.

Care expenses for the care of disabled family members over the age of 12 cannot be deducted as a child care expense, but see the section on *Allowance for Disability Assistance Expenses* below.

When more than one family member works, the PHA must determine which family member is being enabled to work because child care is provided. This is necessary because the child care allowance cannot exceed the income that family member earns. A good general rule is to assume that the child care expenses enable the lowest paid individual to work, unless this is obviously not the case.

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

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

Allowance for Disability Assistance Expense

Families are entitled to a deduction for unreimbursed expenses to cover care attendants and auxiliary apparatus for any family member who is a person with disabilities, to the extent these expenses are necessary to enable a family member (including the member who is a person with disabilities) 18 years of age or older to be employed.

EXAMPLES OF ELIGIBLE DISABILITY ASSISTANCE EXPENSES

The payments made on a motorized wheelchair for the 42 year old son of the head of household enable the son to leave the house and go to work each day on his own. Prior to the purchase of the motorized wheelchair, the son was unable to make the commute to work. These payments are an eligible disability assistance expense.

Payments to a care attendant to stay with a disabled 16-year-old child allow the child's mother to go to work every day. These payments are an eligible disability assistance allowance.

This allowance is equal to the amount by which the cost of the care attendant or auxiliary apparatus exceeds three percent (3%) of gross annual family income. However, the allowance may not exceed the earned income received by the family member who is 18 years of age or older who is able to work because of such attendant care or auxiliary apparatus.

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

CALCULATION OF THE ALLOWANCE FOR DISABILITY ASSISTANCE EXPENSES

Head	36	Earned Income	$12,000
Spouse	35	Earned Income	$10,000
Son	15		

Expenses for care of disabled son = $3,500

Disability Assistance Allowance:

$22,000	Annual Income
x .03	
$ 660	3% of Annual Income
$ 3,500	Total disability assistance expenses
- 660	
$ 2,840	*Allowable* disability assistance expenses

NOTE: $2,840 is less than the income earned, so the full allowance may be deducted.

Allowance for Medical Expenses

The medical expense deduction is permitted only for households in which the head or spouse is at least 62 or disabled (elderly or disabled households).

If the household is eligible for a medical expense deduction, the medical expenses of all family members may be counted (e.g., the orthodontist expenses for a child's braces may be deducted if the household is an elderly or disabled household).

Medical expenses are expenses anticipated to be incurred during the 12 months following certification or reexamination which are not covered by an outside source such as insurance. The medical allowance is not intended to give a family an allowance equal to last year's expenses, but to anticipate regular ongoing and anticipated expenses during the coming year.

Not all elderly or disabled applicants or participants are aware that their expenses for medical care are included in the calculation of adjusted income for elderly or disabled households. For that reason, it is important for PHA staff to probe for information on allowable medical expenses. These may include:

- Services of doctors and health care professionals.
- Services of health care facilities.
- Medical insurance premiums.

- Prescription/non-prescription medicines (prescribed by a physician).
- Transportation to treatment (cab fare, bus fare, mileage).
- Dental expenses, eyeglasses, hearing aids, batteries.
- Live-in or periodic medical assistance.
- Monthly payment on accumulated medical bills (regular monthly payments on a bill that was previously incurred). The allowance may include only the amount expected to be paid in the coming 12 months.

If a family has medical expenses and no disability assistance expenses, the allowable medical expense is that portion of total medical expenses that exceeds three percent of annual income.

CALCULATING MEDICAL EXPENSES

Head 64 Spouse 63

Annual Income	$12,000
Total Medical Expenses	$ 1,500

$12,000	Annual Income
x .03	
$ 360	3% of Annual Income
$ 1,500	
- 360	
$ 1,140	Allowable Medical Expense

Special Calculation for Households Eligible for Disability Assistance and Medical Expenses

If an elderly family or disabled family has both medical expenses and disability assistance expenses, a special calculation is required to insure that the family's three-percent share of these expenses is applied only one time. Because the allowance for disability assistance expenses is limited by the amount earned by the person freed for work, the disability allowance must be calculated before the medical allowance is calculated.

When the family has disability assistance expenses greater than or equal to three percent of annual income, an allowance for disability assistance expenses is computed as described above. In such an instance, the allowance for medical expenses will be equal to the family's total medical expenses.

EXAMPLE:
DISABILITY ASSISTANCE AND MEDICAL EXPENSES

An elderly family has $2,000 in medical expenses and $3,000 in expenses for disability assistance. Annual income is $20,000. $2,400 of annual income is earned because the disability assistance enables a family member to work. Three percent of annual income is $600.

Total Disability Assistance Expense:	$3,000
Less: Three percent of Annual Income:	- 600
	$2,400
Disability Assistance Allowance:	$2,400
Total Medical Expense: (entire 3% of annual income deducted to compute disability allowance)	$2,000

When a family has disability assistance expenses that are less than three percent of annual income, the family will receive no allowance for disability assistance expense. However, the allowance for medical expenses will be equal to the amount by which the sum of both disability and medical expenses exceeds three percent of annual income.

EXAMPLE:
DISABILITY ASSISTANCE AND MEDICAL EXPENSES

An elderly family has $1,000 in medical expenses and $500 in expenses for disability assistance. Annual income is $20,000. $4,000 of annual income is earned because the disability assistance enables a family member to work. Three percent of annual income is $600.

Total Disability Assistance Expense:	$ 500
Less: Three percent of Annual Income	- 600
	($ 100)
Disability Assistance Allowance:	$ 0
Total Medical Expense:	$1,000
Less: Balance of 3% of Annual Income:	- 100
Medical Expense Allowance:	$ 900

If the disability assistance expense exceeds the amount earned by the person who was freed for work, the allowance for disability assistance will be capped at the amount earned by that individual. When the household is also eligible for a medical expense allowance, however, the three percent may have been exhausted in the first calculation and it then will not be applied to medical expenses. The following example illustrates application of the cap on disability

allowance permitting a maximum allowance equal to the income earned by the household member enabled to work.

EXAMPLE:
DISABILITY ASSISTANCE AND MEDICAL EXPENSES

An elderly family has $2,000 in medical expenses and $3,500 in expenses for disability assistance. Annual income is $20,000. $2,400 of annual income is earned because the disability assistance enables a family member to work. Three percent of annual income is $600.

Total Disability Assistance Expense:	$3,500
Less: Three percent of Annual Income	- 600
	$2,900
Disability Assistance Allowance:	$2,400
(cannot exceed $2,400 income generated)	
Total Medical Expense:	$2,000
(entire 3% of Annual Income was deducted to compute the disability allowance)	
Medical Expense Allowance:	$2,000

Errors in Determining Annual and Adjusted Income

There are two major sources of most errors in calculating annual income. Those are: 1) applicants and participants failing to fully disclose all income information; and 2) incorrect allowance calculations often resulting from failure to obtain third party verification.

5.6 VERIFICATION OF FACTORS AFFECTING ELIGIBILITY AND FAMILY RENT

Accurate detemination of income eligibility, allowances, and family rent can occur only with full verification of all factors related to income and family circumstances. While the regulations regarding verification are brief, this activity takes a significant amount of time and attention in administration of the program. Well-designed verification procedures are essential to obtaining full and accurate information, which is essential for the best use of program funds and fair and equitable treatment of all participants.

The tenant file must include third party verification of the following factors:

- Reported family annual income;
- The value of assets;
- Expenses related to deductions from annual income; and
- Other factors that affect the determination of adjusted income.

If third party verification is not available, the file must document efforts to obtain it and why they were unsuccessful.

Third party verification is also required for all factors which affect eligibility and preference. Exhibit 5-5 indicates the appropriate types of third party verification and other sources of verification which may be used when third party verification cannot be obtained.

A PHA policy regarding verification can be helpful in assuring consistent documentation. Such a policy might require that staff mail initial requests for written verification to the source of income (or expense). If the information is not returned within a specified number of days, the PHA may attempt telephone verification. If both written and oral third party verification attempts fail, the applicant or participant may be required to provide documents as verification. The client file must include notes as to why documents provided by the client have been used instead of the preferred third party verification.

A PHA may resort to use of family certification of facts only when neither a third party nor documents are available. The client file would include notes documenting efforts to obtain third party verification and documents for review and an explanation why those were not obtained.

5.7 DENIAL OF ASSISTANCE

An applicant may be denied assistance under the housing choice voucher program only for program violations that are identified as grounds for denial of assistance. Denial of assistance includes:

- Denial of listing on the PHA waiting list;
- Denial or withdrawal of a voucher;
- Refusal to enter into a HAP contract or approve a unit; and
- Refusal to process or provide assistance through portability.

Assistance must be denied for each of the following reasons:

- The applicant does not meet the eligibility criteria described earlier in this chapter (e.g., the applicant family's annual income exceeds the income limit for a family of that size).

- Any adult family member refuses to sign or submit required consent forms (such as the authorization for release of information form or the declaration of citizenship and non-citizen status).

- Any family member has been convicted of manufacturing or producing methamphetamine (commonly referred to as "speed") on the premises of an assisted housing project (including the building or complex in which the unit is located and the associated common areas and grounds).

While the PHA is required to deny assistance to applicants for the reasons listed above, PHAs must establish local policies concerning denial of assistance to applicants for the following reasons:

- The family has violated program obligations. (See Exhibit 5-4.)

EXHIBIT 5-4
FAMILY OBLIGATIONS

Family obligations under the housing choice voucher program include:

- Supplying required information deemed necessary by HUD or the PHA to administer the program. This includes information related to the calculation of income, family composition, signatures on consent forms, submission of documents related to eligible immigration status, and disclosure and verification of social security numbers.
- Responsibility for any breach of HQS caused by the family.
- Permitting HQS inspections.
- Complying with the lease.
- Submitting notices to the PHA and owner before moving out of unit or terminating the lease.
- Supplying the PHA with any eviction notice received from the owner.
- Using the assisted unit as the family's only residence and providing notification of any changes in household composition including the departure of a household member.
- May not sublet or assign the lease.
- May not be absent in violation of the PHA policy on absences from the unit and must provide PHA-requested information on the purposes of family absences.
- Must not own or have any interest in the unit, except ownership in a cooperative.
- Must not be receiving any other form of tenant-based or duplicative assistance.
- Must not engage in drug-related criminal or violent criminal activity.
- Must not commit fraud, bribery or any other corrupt or criminal act in connection with the program.

- Any family member has been evicted from public housing.
- The PHA has terminated assistance for any family member under the certificate or voucher program.
- Any member of the family has commited drug-related criminal activity or violent criminal activity (see further discussion below).
- Any member of the family has commited fraud, bribery, or any other corrupt or criminal act related to any federal housing program.

Crime by Family Members

- The family currently owes rent or other amounts to the PHA or another PHA for amounts in connection with the housing choice voucher, certificate, moderate rehabilitation, or public housing programs.
- The family has not reimbursed any PHA for amounts paid to an owner under a HAP contract for rent, damages to the unit, or other amounts owed by the family under the lease.
- The family has breached an agreement with the PHA to pay amounts owed to a PHA or amounts paid to an owner by a PHA.

If the PHA denies assistance to an applicant because of illegal use, or possession for personal use, of a controlled substance, such use or possession must have occurred within one year before the date that the PHA provides notice to the family of the determination to deny assistance. The PHA cannot deny assistance for such use or possession by a family member, if the family member can demonstrate that he or she:

- Has an addiction to a controlled substance, has a record of such an impairment, or is regarded as having such an impairment; and
- Is recovering, or has recovered from, such addiction and does not curently use or possess controlled substances. The PHA may require a family member who has engaged in the illegal use of drugs to submit evidence of participation in, or successful completion of, a treatment program as a condition to being allowed to reside in the unit.

In determining whether to deny assistance based on drug-related cirminal activity or violent crimial activity, the PHA may deny assistance if the preponderance of evidence indicates that a family member has engaged in such activity, regardless of whether the family member has been arrested or convicted.

PHA Discretion to Consider Circumstances

In deciding whether to deny or terminate assistance because of action or failure to act by members of the family, the PHA has discretion to consider any of the circumstances in each particular case, including the seriousness of the case, the extent of participation or culpability of individual family members, and the effects of denial or termination of assistance on other family members who were not involved in the action or failure to act.

The PHA may impose, as a condition of continued assistance for other family members, a requirement that family members who participated in or were culpable for the action or failure will not reside in the unit. The PHA may permit the other members of a participant family to continue receiving assistance.

MAKING THE DECISION TO DENY ASSISTANCE

In each instance before making a decision to deny housing choice voucher program assistance, PHA staff will want to consider the specific circumstances of the family under review and determine if denial is the best response.

In some instances, the PHA may determine that the seriousness of the situation does not warrant denial. For example, a family whose assistance was terminated for failure to recertify may be evaluated differently than an applicant family who was terminated from public housing for wanton destruction of public housing property.

Timing may also influence the judgment of PHA staff. A family that was terminated very recently for failure to recertify might be denied, while staff might determine that a family evicted from public housing 10 or 12 years ago for property destruction might be given more consideration, particularly if more recent evidence suggests a change in family behavior.

Similarly, if damage caused by a family evicted 10 years ago was attributed to a teenager no longer living with the family, admission to the program might seem a reasonable decision.

5.8 SCREENING

The housing choice voucher program is a rental assistance program designed to provide subsidy in the private rental market. Typical private market rental management practices by owners are encouraged, including screening voucher holders for their suitability as tenants. The PHA's selection of a family to participate in the voucher program is not in any way an endorsement of tenancy nor a prediction of positive family behavior.

Owners are encouraged to screen families on the basis of their tenancy histories and to inquire about factors such as:

- Payment of rent and utility bills;
- Caring for a unit and premises;
- Respecting the rights of others to the peaceful enjoyment of their housing;
- Drug-related criminal activity or other criminal activity that is a threat to the life, safety, or property of others; and
- Compliance with other essential conditions of tenancy.

Before approval of an assisted tenancy, the PHA must tell the owner that screening for suitability is the owner's responsibility. If the PHA has adopted a screening plan, as described below, the PHA should also inform the owner of the specific type of screening conducted.

The PHA is required to provide the owner with:

- The family's current and prior address (as shown in the PHA records); and
- The name and address (if known) of the landlord at the family's current and prior addresses.

This information is intended to assist the owner in conducting his or her own screening.

The PHA may choose to provide a prospective owner with additional information it possesses about the family, including information about the tenancy history of family members or about drug-trafficking by family members. If the PHA chooses to provide such information, it should describe how the information was obtained, and encourage the owner to confirm such information.

When developing such a policy, the PHA should consider a whether all information contained in the tenant file should be provided, or if the PHA should provide only information that has been independently confirmed.. The policy must provide that the PHA will give comparable information about all families to all owners.

The PHA must provide each family with a statement of PHA policy on providing information to owners. The statement describing the policy must be included in the information packet that is given to each family selected to participate in the program.

SAMPLE POLICY ON INFORMATION PROVIDED TO OWNERS

When the family submits a request for tenancy approval, the PHA will provide the prospective owner with the family's current and prior address as shown in the PHA's records. If the PHA has this information, it will also provide the name and address of the landlord at the family's current and prior address.

The PHA will inform the owner that it is the landlord's responsibility to screen prospective tenants for suitability as tenants as evidenced by the family's previous rental history. When the PHA has information related to a family's previous tenancies, the PHA will inform the landlord that the information is available and provide it upon a written request from the landlord. Information will be provided when it is part of the PHA tenant file from a previous housing choice voucher, certificate, moderate reliabilitation, or public housing tenancy, or when the PHA has been able to verify that information it has regarding any other tenancy is reliable. Only the Housing Coordinator may provide information about previous tenancies other than landlord names and addresses. The information may be provided in writing or during an in- person meeting with the prospective landlord. Any information available to the PHA about any potential housing choice voucher program will be provided upon landlord request.

All new families and all families preparing to move will be informed about this policy through information included in the information packet provided at the briefings for new and moving families.

Screening by the PHA

Screening family behavior or suitability for tenancy is a practice which PHAs may adopt to preclude families with poor rental histories from participation in the program. However, even when it adopts screening, the PHA has no liability or responsibility to the owner or other person for the family's behavior or the family's conduct in tenancy.

Performing screening on program applicants and denying program participation for those who have poor rental histories may be a good marketing tool within the community, and may potentially reduce the number of terminations of assistance for program and lease violations. Owner outreach may be more successful if the PHA can describe a reasonable screening methodology that weeds out applicants with specific types of undesirable tenancy behaviors.

However, the PHA must carefully communicate the fact that this screening is not a guarantee of good behavior by voucher holders and that it does not replace the screening an owner may choose to conduct.

A PHA that has adopted a screening policy must include a statement of its policy in the information packet given to each family. The PHA's policy must provide that the PHA will give the same types of information to all families and to all owners.

5.9 DETERMINATION OF UNIT SIZE REQUIREMENTS

The appropriate number of bedrooms needed by an applicant family must be determined by the PHA when it determines family eligibility for a housing choice voucher. The PHA must establish standards that determine the number of bedrooms needed for families of different sizes and composition. For each family, the PHA determines the appropriate number of bedrooms under the subsidy standards. Family unit size is entered on the housing choice voucher issued to the family.

The following requirements apply when determining the family unit size:

- The subsidy standards must provide for the smallest number of bedrooms needed to house a family without overcrowding.
- The subsidy standards must be consistent with space requirements under the housing quality standards (HQS).
- The subsidy standards must be applied consistently for all families of like size and composition.
- A child who is temporarily away from the home because of placement in foster care is considered a member of the family in determining the family's unit size.
- A family that consists of a pregnant woman only, and (no other persons), must be treated as a two-person family.
- Any live-in aide (approved by the PHA to reside in the unit to care for a family member who is disabled or is at least 50 years of age) must be counted in determining the family unit size.
- Two elderly or disabled household members may be given separate bedrooms.
- Unless a live-in-aide resides with the family, the family unit size for any family consisting of a single person must be either a zero or one-bedroom unit, as determined under the PHA's subsidy standards.

In determining family unit size for a particular family, the PHA may grant an exception to its established subsidy standards if the PHA determines that the exception is justified by the age, sex, health, handicap, or relationship of family members or other personal circumstances. (For a single person other than a disabled or elderly person or a remaining family member, such exception may not override the requirement of providing only a zero or one-bedroom unit to a single person.)

Typical PHA Standards Used to Issue Housing Choice Voucher			Standards Used to Determine Acceptability of Unit Size (HQS Rules)	
Housing Choice Voucher Size	Minimum No. of Persons in Household	Maximum No. of Persons in Household	Unit Size	Maximum Occupancy Assuming a Living Room Is Used as a Living/ Sleeping Area
0-BR	1	1	0-BR	1
1-BR	1	2	1-BR	4
2-BR	2	4	2-BR	6
3-BR	4	6	3-BR	8
4-BR	6	8	4-BR	10
5-BR	8	10	5-BR	12
6-BR	10	12	6-BR	14

5.10 NON-DISCRIMINATION AND EQUAL OPPORTUNITY REQUIREMENTS

Overview

PHAs must comply with the following non-discrimination and equal opportunity requirements:

- Executive Orders 11246, 11625, 12138, 12432, and 12259, 46FR 1253 (1980) as amended;
- Executive Order 11063, which prohibits discrimination based on religion or sex;
- Title VI of the 1964 Civil Rights Act, which prohibits discrimination based on race, color, or national origin;
- Section 3 of the Housing and Urban Development Act of 1968;
- The Fair Housing Act (Title VIII of the 1968 Civil Rights Act) which prohibits discrimination in the sale, rental, or financing of housing on the basis of race, color, religion, sex, national origin, handicap, or familial status (which refers to the age and number of children in the family and pregnant women);
- Section 504 of the Rehabilitation Act of 1973;
- The Age Discrimination Act of 1975; and
- Title II of the Americans with Disabilities Act (ADA) (see HUD Notice PIH 95-48).

The PHA is required to make the housing choice voucher program available and accessible to all eligible families and must provide a family with information on how to complete and file a housing discrimination complaint if a family claims illegal discrimination because of race, color, religion, sex, national origin, age, familial status, or disability.

The Fair Housing Act amendments ensure that persons with a disability and families with children are not discriminated against.

It is unlawful to discriminate in private or federally assisted housing against households including one or more persons under age 18 in the household or against people who are pregnant or pursuing custody. The following types of housing intended for the elderly, however, are exempt from this rule:

- State and federal housing that is specifically designed and operated to assist the elderly;
- Housing intended for and solely occupied by persons 62 and older; and
- Housing intended and operated for occupancy by at least one person 55 and older per unit. To qualify for this exemption, 80% of the units must have at least one person 55 or older.

It is unlawful to discriminate against a renter because of the disability of the renter or other household member or the disability of any person associated with the renter or the perceived disability of any of those individuals.

In the Fair Housing Act amendments, the definition of disability includes:

- Physical or mental impairments which limit major life activities;
- A record of having such impairments or being regarded by others as having an impairment.

The example list of impairments is long and includes learning disabilities, diabetes, alcoholism, emotional illness, cancer, heart disease, AIDS, etc. It does *not* include current, illegal use of or addiction to a controlled substance.

Private owners of rental units must permit disabled persons, at their own expense, to make reasonable modifications to the premises (both interior unit and common area) if necessary, to obtain full enjoyment of a dwelling. However, permission may be conditioned on the renter agreeing to restore the unit interior to its previous condition. Permission may also be conditioned on provision of a description of work, assurance it will be done in "workmanlike" manner and that necessary building permits will be obtained.

If requested, owners must make reasonable accommodations to rules and policies to give persons with disabilities equal opportunity to enjoy dwelling and/or common areas (e.g., through assigned parking for persons with disabilities, or animals assisting disabled tenants, even if pets are not generally allowed).

Section 504 Requirements

Section 504 of the Rehabilitation Act of 1973 (as amended) prohibits discrimination under any program or activity receiving federal financial assistance solely on the basis of a disability. The rule requires those who are considered "recipients" of federal funds to ensure that individuals with disability will receive equal opportunity to participate in programs and services in the most appropriate integrated setting.

PHAs are considered "recipients" for this purpose. Owners under the housing choice voucher program are not considered recipients for this purpose, but must comply with the "reasonable accommodation" provisions of the Fair Housing Act amendment.

The definition of an individual with disabilities in Section 504 includes any person who has:

- Physical or mental impairment(s) that substantially limits one or more major life activities; or
- A record of having such impairments or is regarded as having such impairments.

Program Accessibility/Eligibility

To ensure that persons with disabilities have an opportunity to participate in the program, Section 504 requires "recipients" to assure that outreach materials and the application process are open to persons with disabilities. For example, the PHA's application process must be accessible to persons with disabilities, or the PHA must make provisions to take applications from these persons.

To ensure communication accessibility, recipients are required to have TDD or TTY machines (teletypewriter machines used by hearing impaired individuals) or an equally effective communication system. Recipients must pay for the cost of an interpreter for a hearing impaired person upon request, although advance notice may be required, and must provide copies of legal documents and informational materials in braille or on tape for visually impaired applicants. Recipients are not required to take any actions which would result in a fundamental alteration in the nature of the program or undue financial or administrative burden.

Special Rules for the Housing Choice Voucher Program

The PHA must ensure that outreach efforts reach eligible persons with disabilities and that owners with accessible units are encouraged to participate in the program. In addition, PHAs should help families that include an individual with a disability in locating an available, accessible unit. When considering requests for extensions of the voucher term, a PHA must take into account the special problems associated with locating an accessible unit. When required as a reasonable accommodation for a family that includes a person with disabilities, a PHA may establish a higher payment standard.

Chapter 3 describes the requirement for the PHA to execute and include in the PHA plan a certification of its compliance with affirmative, fair housing, and equal opportunity requirements.

Filing a Fair Housing Discrimination Complaint

At the housing choice voucher program briefing, the PHA must instruct families about the potential for encountering housing discrimination and about the procedures for filing a Fair Housing discrimination complaint. The information packet must include the housing discrimination complaint form (form HUD-903) and families must be informed that PHA staff will provide assistance in completing the forms on request.

EXHIBIT 5-5
VERIFICATION REQUIREMENTS

Factor to be Verified	ACCEPTABLE SOURCES				Information Which Must Be Obtained/ Verification Tips
	Third Party		Documents Provided by Applicant	Self-Declaration	
	Written	Oral			
• Employment Income.	• Verification Form with signed Consent to Release completed by employer.	Wages and Salaries • Telephone or in person contact with employer, specifying amount to be paid per pay period and length of pay period. Document in file by the PHA.	• W-2 Forms, if applicant has had some employer for at least two years and increases can be accurately projected, or check stub or earning statements. • Paycheck stubs or earning statements.	• Notarized statements or affidavits signed by applicant which describe amount & source of income.	• Frequency of gross pay (i.e., hourly, bi-weekly, monthly, bi-monthly. • Anticipated increases in pay effective dates. • Require most recent 6-8 consecutive paystubs; do not use check without stub.
• Self-employment, tips, gratuities, etc.	None available.	None available.	• Form 1040/1040A showing amount earned and employment period.	• Notarized statement or affidavit signed by applicant showing amount earned and pay period.	
• Income maintenance payments, benefits, income other than wages (i.e., welfare, Social Security, (SS), Supplemental Security Income (SSI), Disability Income, Pensions).	• Award or benefit notification letters prepared and signed by authorizing agency. • Print-out of benefit amounts generated by PHA through automated tie-in to welfare department computers.	• Telephone or in-person contact with income source, documented in file by the PHA. • Note: For all oral verification, file documentation must include facts, time & date of contract, and name & title of third party.	• Current or recent check with date, amount, and check number recorded by the PHA. • Award Letters. • Copies of validated bank deposit slips/with identification by bank. • Most recent quarterly pension account statement.		• Checks or automatic bank deposit slips may not provide gross amounts of benefits if applicant has deductions made for Medicare Insurance. Confirm amount of the Medicare premium with the Social Security Administration (SSA). • If local Social Security Administration (SSA) fails to provide verification, checks or automatic deposit slips may be accepted as interim verification of SS or SSI; however, the PHA must notify the HUD Field Office of SSA's refusal to verify. • Copying of U.S. Treasury checks is not permitted.

EXHIBIT 5-5
VERIFICATION REQUIREMENTS

Factor to be Verified	Acceptable Sources				Information Which Must Be Obtained/ Verification Tips
	Third Party		Documents Provided by Applicant	Self-Declaration	
	Written	Oral			
• Welfare ayments (as-paid states only).	• Verification form completed by welfare department indicating maximum amount family may receive. • Maximum shelter schedule by household size with ratable reduction schedule.	• Telephone or in-person contact with income source, documented in file by PHA.	• Maximum shelter allowance schedule with ratable reduction schedule with ratable reduction schedule provided by applicant.	• Not appropriate.	• Actual welfare benefit amount not sufficient as proof of income in "as paid" states or localities since income is defined as maximum shelter amount.
• Unemployment compensation.	• Verification form, with signed Consent to Release, completed by source.	• Telephone or in person contact with agency documented in a PHA file.	• Copies of checks or records from agency provided by applicant stating payment amounts and dates. • Benefit notification letter signed by authorizing agency.		• 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-completed when benefits stop.
• Alimony or child support.	• Copy of separation or divorce agreement provided by ex-spouse or court indicating type of support, amount, and payment schedule. • Written statement provided by ex-spouse or income source indicating of all of above. • If applicable, written statement from court/attorney that payments are not being received and anticipated date of resumption of payments.	• Telephone or in person contact with ex-spouse or income source documented in file by the PHA.	• Copy of most recent check, recording date, amount, and check number. • Recent original letters from the court.	• Notarized statement or affidavit signed by applicant indicating amount received. • If applicable, notarized statement or affidavit from applicant indicating that payments are not being received and describing efforts to collect amounts dues.	• Amounts awarded but not received can only be excluded from annual income when applicants have made reasonable efforts to collect amounts due, including filing with courts or agencies responsible for enforcing payments.
• Recurring contributions and gifts.	• Notarized statement or affidavit signed by the person providing the assistance giving the purpose, dates, and value of gifts.	• Telephone or in person contact with source documented in file by PHA.	• Not applicable.	• Notarized statement or affidavit signed by applicant stating purpose, dates, and value of gifts.	• Sporadic contributions and gifts are not counted as income.

EXHIBIT 5-5
VERIFICATION REQUIREMENTS

Factor to be Verified	ACCEPTABLE SOURCES				Information Which Must Be Obtained/ Verification Tips
	Third Party		Documents Provided by Applicant	Self-Declaration	
	Written	Oral			
• Net Income for a business.	• Not applicable.	• Not applicable.	• IRS Form 1040 with Schedule C, E, or F. • Financial Statement(s) of the business (audited or unaudited) including an accountant's calculation of straight-line depreciation expense if accelerated depreciation was used on the tax return or financial statement. • Any loan application listing income derived from business during proceeding 12 months. • For rental property, copies of recent rent checks, on lease and receipts for expenses or IRS Schedule E.		
• Dividend income and savings account interest income.	• Verification form with signed consent to release, completed by bank.	• Telephone or in-person contact with appropriate party, documented in file by the PHA.	• Copies of current statements, bank passbooks, certificates of deposit, if they show required information (i.e., current rate of interest). • Copies of IRS Form 1099 from the financial institution and verification of projected income for the next 12 months. • Broker's quarterly statements showing value of stocks/bonds and earnings credited the applicant.	• Not appropriate.	• The PHA must obtain enough information to accurately project income over next 12 months. • Verify interest rate as well as asset value.

EXHIBIT 5-5
VERIFICATION REQUIREMENTS

Factor to be Verified	ACCEPTABLE SOURCES				Information Which Must Be Obtained/ Verification Tips
	Third Party		Documents Provided by Applicant	Self-Declaration	
	Written	Oral			
• Interest from sale of real property (e.g., contract for deed, installment sales contract, etc.)	• Verification form, with signed consent to release, completed by an accountant, attorney, real estate broker, the buyer, or a financial institution which has copies of the amortization schedule from which interest income for the next 12 months can be obtained.	• Telephone or in-person contact with appropriate party, documented in file by the PHA.	• Copy of the amortization schedule, with sufficient information for the PHA to determine the amount of interest to be earned during the next 12 months. • Note: Copy of a check paid by the buyer to the applicant is not acceptable.		• Only the interest income is counted; the balance of the payment applied to the principal is merely a liquidation of the asset. • The PHA must get enough information to compute the actual interest income for the next 12 months.
• Current net family assets.	• Verification forms, letters or documents with signed Consent to Release, forms from financial institutions, stock brokers, real estate agents, employers indicating the current value of the assets and penalties, or reasonable costs to be incurred in order to convert non-liquid assets into cash.	• Telephone or in-person contact with appropriate source, documented in file by the PHA.	• Passbooks, checking or savings account statements, certificates of deposit, property appraisals, stock or bond documents or other financial statements completed by financial institution. • Copies of real estate tax statements, if tax authority uses approximate market value. • Quotes from attorneys, stock brokers, bankers, real estate agents, verifying penalties, reasonable costs incurred to convert asset to cash. • Copies of real estate closing documents which indicate distribution of sales proceeds and settlement costs.	• Notarized statement or signed affidavit stating cash value of assets or verifying cash held at applicant's home or in safe deposit box.	• Use current balance in saving accounts, average monthly balance in checking accounts for last 6 months. • Use cash value of all assets: the net amount the applicant would receive if the asset were converted to cash. • Note: This information can usually be obtained simultaneously with income from asset verification and employment verification (value of pension).

EXHIBIT 5-5
VERIFICATION REQUIREMENTS

Factor to be Verified	ACCEPTABLE SOURCES				Information Which Must Be Obtained/ Verification Tips
	Third Party		Documents Provided by Applicant	Self-Declaration	
	Written	Oral			
• Assets disposed of for less than fair market value.	• None required.	• None required.	• None required.	• Certification signed by applicant that no member of family has disposed of assets for less than fair market value during preceding 2 years. • If applicable, certification signed by applicant that shows: - Type of assets disposed of, -Date disposed of, -Amount received, and -Market value of asset at the time of disposition.	• Only count assets disposed of within a two year period prior to examination or re-examination.
• Family composition.	• None required.	• None required.	• Income tax returns, school records, marriage certificates, birth certificates, divorce actions, Veterans Administration (VA) records, support payment records.		
• Family type. • (Information verified only to determine eligibility for preferences and allowances.)	• Disability Status: statement from physician or other reliable source, if benefits documenting status are not received.) • Displacement Status: Written statement or certificate of displacement by the appropriate governmental authority.	• Telephone or in-person contact with source documented in file by the PHA.	• Elderly Status (when there is reasonable doubt that applicant is at least 62): birth certificate, baptismal certificate, social security records, driver's license, census record, official record of birth or other authoritative document or receipt of SSI old age benefits or SS benefits. • Disabled, blind – evidence of receipt of SSI or Disability benefits.	• Elderly Status: Applicant's signature on Application is generally sufficient.	• Unless the applicant receives income or benefits for which elderly or disabled status is a requirement, such status must be verified. • Status of disabled family members must be verified for entitlement to $480 dependent deduction and disability assistance allowance.

EXHIBIT 5-5
VERIFICATION REQUIREMENTS

Factor to be Verified	ACCEPTABLE SOURCES				Information Which Must Be Obtained/ Verification Tips
	Third Party		Documents Provided by Applicant	Self-Declaration	
	Written	Oral			
• Medical expenses.	• Verification by a doctor, hospital, or clinic, dentist, pharmacist, etc. of estimated medical costs to be incurred or regular payments expected to be made on outstanding bills which are not covered by insurance..	• Telephone or in-person contact with these sources, documented in file by the PHA.	• Copies of cancelled checks which verify payments on outstanding medical bills which will continue for all or part of the next 12 months. • Copies of income tax forms (Schedule A, IRS Form 1040) which itemize medical expenses, when the expenses are not expected to change over the next 12 months. • Receipts, cancelled checks, pay stubs, which indicate health insurance premium costs, or payments to a resident attendant. • Receipts or ticket stubs which verify transportation expenses directly related to medical expenses.	• Notarized statement or signed affidavit of transportation expenses directly related to medical treatment, if there is no other source of verification.	• Medical expenses are not allowable as deduction unless applicant is elderly or disabled household. Status must be verified.
• Care attendant for disabled family members.	• Written verification from attendant stating amount received, frequency of payments, hours of care. • Written certification from doctor or rehabilitation agency that care is necessary to employment of household member.	• Telephone or in-person contact with source documented in file by the PHA.	• Copies of receipts or cancelled checks indicating payment amount and frequency.	• Notarized statement or signed affidavit attesting to amounts paid.	• The PHA must determine if this expense is to be considered medical or disability assistance.

EXHIBIT 5-5
VERIFICATION REQUIREMENTS

Factor to be Verified	Acceptable Sources				Information Which Must Be Obtained/ Verification Tips
	Third Party		Documents Provided by Applicant	Self-Declaration	
	Written	Oral			
• Auxiliary apparatus.	• Written verification from source of costs and purpose of apparatus. • Written certification from doctor or rehabilitation agency that use of apparatus is necessary to employment of any household member. • In case where the disabled person is employed, statement from employer that apparatus is necessary for employment.	• Telephone or in-person contact with these sources documented in file by the PHA.	• Copies of receipts or evidence of periodic payments for apparatus.		• The PHA must determine if expense is to be considered medical or disability assistance.
• Child care expenses	• Written verification from person who provides care indicating amount of payment, hours of care, names of children, frequency of payment, and whether or not care is necessary to employment or education.	• Telephone or in-person contact with these sources documented in file by the PHA.	• Copies of receipts or cancelled checks indicating payments.		• Allowance provided only for care of children 12 and younger • When same care provider takes care of children and disabled person, the PHA must pro-rate expenses accordingly. • PHAs should keep in mind that costs may be higher in summer months, and during holiday periods. • The PHA must determine which household member has been enabled to work. • Care for employment and education must be prorated to compare to earnings. • Costs must be “reasonable”.

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CHAPTER 6
CALCULATING RENT AND HAP PAYMENTS

6.1 CHAPTER OVERVIEW

The determination of the family's share of total housing costs and the PHA's housing assistance payment (HAP) is a two step process. When the housing choice voucher is issued, the applicant or participant must be given information on the minimum the family is expected to contribute to housing costs and the maximum subsidy that the PHA can pay. Because the family has the option of selecting a unit with a rent that is more or less than the PHA payment standard, the final calculation of the family's share of the housing costs and the HAP amount cannot be completed until the family has selected a unit.

6.2 INFORMATION THE APPLICANT OR PARTICIPANT IS GIVEN AT HOUSING CHOICE VOUCHER ISSUANCE

Minimum and Maximum Tenant Contributions to Housing Costs

It is critical that families receive complete and accurate information on how the program works, what their unit selection options are and the variables that affect the amount the family will be required to contribute to its total housing costs.

Total Tenant Payment

The total tenant payment (TTP) represents the minimum amount a family must contribute toward rent and utilities regardless of the unit selected. The TTP is calculated using a statutory formula and individual income information (see Chapter 5). To calculate TTP, annual adjusted income and annual (gross) income must be converted to monthly adjusted income and monthly gross income by dividing the annual figures by 12 months. The TTP is the greater of:

- 30 percent of monthly adjusted income;
- 10 percent of monthly gross income;
- The welfare rent (in as-paid states only); or
- The PHA minimum rent (PHA determined, see page 6-8).

CALCULATING TOTAL TENANT PAYMENT

30% of Monthly Adjusted Income:	$700 x .30 = $ 210
10% of Monthly Gross Income:	$740 x .10 = $74
Welfare Rent:	N/A
PHA Minimum Rent:	$25
Total Tenant Payment:	$210

The participant will never pay less than the TTP ($210) regardless of the unit selected.

Maximum Initial Rent Burden

When a family selects a unit with a gross rent exceeding the PHA payment standard, the PHA must determine whether the family's share for that unit would exceed the maximum initial rent burden. The family share may not exceed 40 percent of the family's monthly adjusted income when the family initially moves into the unit or signs the first assisted lease for a unit. The maximum initial rent burden applies only when the gross rent for the unit selected exceeds the applicable payment standard.

The level at which the PHA establishes the payment standard will affect a family's ability to find a unit with a rent that will not require the family to pay more than 40 percent of its monthly adjusted income.

The maximum initial rent burden may be calculated when the housing choice voucher is issued so the family will know the maximum amount it can pay for a unit while it is searching for housing.

CALCULATING MAXIMUM INITIAL RENT BURDEN

Payment Standard:	$450
Total Tenant Payment:	$210
40% of Monthly Adjusted Income:	$700 x .40 = $280

Amount family is limited to contributing to total housing costs.	$ 280
PHA maximum subsidy (see below)	+$ 240
Maximum gross rent for this family	$ 520

Maximum Subsidy

The maximum subsidy the PHA can pay in the housing choice voucher program is the payment standard minus the TTP. The maximum subsidy calculation is done at the time the family is issued a housing choice voucher. It is important for the family to know the maximum the PHA will pay while searching for a unit. The actual PHA subsidy can be calculated only after the family has selected a specific unit.

CALCULATING MAXIMUM SUBSIDY

Payment Standard	$450
Minus TTP	$210
Equals Maximum Subsidy	$240

In the examples given, the family knows that, with its monthly adjusted income of $700, it must contribute at least $210 and may pay up to a maximum of $280. The maximum the PHA will contribute is $240. In this case the PHA may tell the family that the maximum gross rent that can be approved is between $450 and $520.

HELPING THE FAMILY DETERMINE WHAT RENT IT CAN AFFORD

Family TTP (Minimum the family will pay)	$210		
Maximum Initial Rent Burden			$280
plus Maximum Subsidy	$240		$240
Family may consider units with gross rents between	$450	and	$520

If the family selects a unit with a gross rent at or below $450, the family will pay $210.

Exhibit 6-1, *Sample Handout 1,* provides a sample handout that can be used at the briefing to help families understand how the maximum initial rent burden and the maximum subsidy affect and limit their unit choices.

Total Housing Costs

When searching for a unit, it is important for a family to understand that total housing costs include both the rent to the owner and any additional utility costs that the family will need to pay. Exhibit 6-2, *Sample Handout 2*, can help a family understand the total housing cost for an actual unit.

Utility Allowance

The *utility allowance* is calculated for each family based on a PHA schedule of average utility consumption by unit size for each of the family paid utilities. For example, if the family is expected to pay hot water, heat, and other electric, the PHA uses the utility schedule for the appropriate unit size for each of the utilities and adds the amounts allowed on the utility schedule for the cost of utilities to be paid by the family to determine the total utility allowance for the family. If all the utilities are included in the unit rent, there is no utility allowance.

Rent to Owner and Gross Rent

The *rent to the owner* is the full rent the owner is charging for the unit including any utilities the owner provides under the lease. The *gross rent* represents the entire housing cost. It is calculated by adding the rent to the owner and the utility allowance for the unit. If all the utilities are included in the rent, the rent to the owner and the gross rent will be the same.

GROSS RENT

Rent to Owner		$300
Utility Allowance	+	$125
Gross Rent		$425

6.3 CALCULATIONS COMPLETED FOLLOWING UNIT SELECTION

HAP Subsidy

The actual HAP payment can be calculated only after the family has selected a unit and the gross rent for the unit is known. The subsidy cannot exceed the maximum subsidy calculated above but may be less than the maximum subsidy if the gross rent for the unit is less than the payment standard amount. The HAP is the lower of:

- The payment standard for the family minus the TTP, or
- The gross rent minus the TTP.

CALCULATING THE HAP PAYMENT

Payment Standard	$450
TTP	$210

If the family selects a unit with a gross rent of $425, the HAP is the lower of:

Payment standard – TTP ($450 - $210) = $240; or
Gross rent – TTP ($425 - $210) = $215.

HAP = $215

If the family selects a unit with a gross rent of $500, the HAP is the lower of:

Payment standard – TTP ($450-$210) = $240
Gross rent – TTP ($500 - $210) = $290

HAP = $240

Family Share

The *family share* is the family's contribution toward the gross rent. The family share may be the TTP or a higher amount, depending on the unit the family selects. For a family leasing a unit with a gross rent at or below the payment standard for the family, the family share will be the same as the TTP.

If a family leases a unit with a gross rent above the payment standard for the family, the family share is the TTP plus any amount by which the gross rent exceeds the payment standard. Although it is important for families to understand this concept while searching for housing, the family share cannot be calculated until a unit is selected.

CALCULATING FAMILY SHARE FOR A 2 BEDROOM FAMILY

2 Bedroom Payment Standard:	$450
Monthly Adjusted Income:	$700 x .30 = $210
Monthly Income:	$740 x .10 = $ 74
Welfare Rent:	N/A
PHA Minimum Rent:	$25
Total Tenant Payment:	$210
Maximum initial rent burden:	$700 x 40% = $280

Family selects a 2 Bedroom unit with a gross rent of $425.

Compare the gross rent to the payment standard of $450.
The gross rent is less than the payment standard, therefore,
Family Share equals the TTP of $210.

FAMILY SHARE WHEN THE GROSS RENT EXCEEDS THE APPLICABLE PAYMENT STANDARD

2 Bedroom Payment Standard:	$450
Total Tenant Payment:	$210
Maximum initial rent burden:	$280

Family selects a 2 Bedroom unit with a gross rent of $500.

Compare the gross rent to the payment standard. The gross rent exceeds the payment standard by $50.

Family share = $210 (TTP) + $50 = $260
This unit can be rented because the family's share is less than the maximum initial rent burden of $280.

In the example above, if the family had selected a unit with a gross rent of $550, the unit could not be approved by the PHA because the family share would exceed the maximum initial rent burden. The gross rent of $550 exceeds the payment standard by $100. The family share is calculated as the TTP of $210 + $100 or $310, which exceeds the maximum initial rent burden of $280.

Note that a subsequent rent increase during the family's occupancy of the unit that causes the family share to exceed 40 percent of monthly adjusted income is permissible so long as the new rent to owner is determined to be reasonable. The maximum initial rent burden applies only at the commencement of an assisted occupancy in a particular unit.

Impact of Unit Selection on Subsidy

When a family selects a unit with fewer bedrooms than the family unit size listed on the housing choice voucher, the PHA is required to recompute maximum subsidy. The PHA must apply the payment standard amount for the smaller of the family unit size listed on the family's housing choice voucher or the unit size selected by the family. The utility allowance to be used is always based on the actual size of the selected unit.

Family Rent to Owner

The family rent to owner is the portion of the family share that is paid to the owner for rent. If the family is not responsible for paying any utilities under the lease, family rent to owner will equal family share. Where families are responsible for directly paying some or all of the utilities, family rent to owner is calculated by subtracting the HAP from the rent to the owner.

CALCULATING FAMILY RENT TO OWNER

Rent to the Owner (including all utilities)	$450
Less HAP	$240
Family Rent to Owner	$210

Utility Reimbursement

The amount of the utility reimbursement is the amount by which the HAP payment exceeds the rent to the owner. When there is a utility reimbursement, the PHA pays the full amount of the rent to the owner and sends the utility reimbursement to the family or the utility company.

Note: In this example the tenant pays no rent to the owner.

CALCULATING A UTILITY REIMBURSEMENT

HAP	$415
Less Rent to Owner (including all utilities except electric)	$390
Utility Reimbursement	$25

Prorated Assistance

For families that include both members who are citizens or have eligible immigration status and members who do not have eligible immigration status (or elect not to state that they have

eligibility status), the amount of assistance is prorated, based on the percentage of household members who are citizens or documented eligible immigrants. To calculate prorated assistance, the PHA must follow these steps:

1. Determine gross rent (rent to owner plus utilities) for the unit.

2. Determine the HAP amount, taking into consideration the income of all household members.

3. Determine the proration factor by dividing the number of eligible family members (citizens and those with eligible immigration status) by the total number of members in the household.

4. Multiply the HAP amount calculated in Step 2 by the proration factor calculated in Step 3 to determine the family's eligible subsidy portion or prorated HAP.

5. Subtract the prorated HAP (Step 4) from the gross rent (Step 1).

PRORATION OF HAP: FAMILY OF FOUR
WITH ONE INELIGIBLE NONCITIZEN

Gross Rent:	$550
Payment Standard Amount:	$600
TTP based on all household income:	$250

HAP equals the lesser of:
Payment Standard less TTP ($600- $250 = $350) or
Gross Rent less TTP ($550- $250 = $300)
HAP = $300

Proration Factor: 3 eligible members of 4 total members = ¾ = .75
Prorated HAP: $300 x .75 = $225

Calculate Family Share:
Gross Rent less Prorated HAP equals Family Share
$550 - $225 = $325

6.4 MINIMUM RENT

The Public Housing Reform Act of 1998 makes permanent a minimum rent requirement of between $0 and $50. PHAs are required to formally adopt a minimum rent policy. The policy can establish the minimum rent anywhere within the statutory range. PHAs must amend their PHA administrative plans to reflect the policy. The PHA's minimum rent is a minimum TTP and becomes a part of the TTP formula as indicated on page 6-1. A family whose TTP has been set at the minimum rent may receive a utility reimbursement.

CALCULATION OF UTILITY REIMBURSEMENT FOR FAMILY PAYING MINIMUM RENT

Rent to Owner	$390	
Less HAP	$415	
Utility Reimbursement	($25)	
Family's TTP (PHA's minimum rent)		$50
Plus Utility Reimbursement		$25
Equals the appropriate Utility Allowance for the unit		$75

Exemptions from the Minimum Rent Requirement

If a PHA adopts a minimum rent policy of greater than $0, the PHA must grant exemptions from the minimum rent requirement to any family if the PHA determines that the family is unable to pay the amount due to financial hardship, unless the hardship is temporary. Financial hardship includes circumstances in which families:

- Have lost eligibility or are awaiting an eligibility determination for a federal, state or local assistance program, including a family having a noncitizen household member lawfully admitted for permanent residence and who would be entitled to public benefits but for Title IV of the Personal Responsibility and Work Opportunity Act of 1996;
- Would be evicted as a result of imposing the minimum rent requirement;
- Experience income decreases because of changed circumstances including the loss of employment;
- Have a death in the family; or
- Have other circumstances as determined by the PHA or HUD.

If a family requests a hardship exception, the PHA must suspend the minimum rent charge and adjust the HAP payment effective on the first of the month following the change in the family's circumstances. The PHA may request documentation of the hardship and must determine promptly if the hardship is temporary or long term.

If the hardship is determined to be temporary, the minimum rent is suspended for a period of 90 days from the date of the family's request. At the end of the 90-day period, the minimum rent is reinstated retroactively to the date of suspension. The PHA must offer to execute a reasonable repayment agreement to cover the minimum rent charges accumulated during the suspension period. Hardship determinations are subject to the PHA's informal hearing process.

EXHIBITS 6-1

SAMPLE HANDOUT1: HOW MUCH DOES THIS UNIT COST?

Rent to Owner		$ _____
Utilities not included List appropriate utility allowances from the utility allowance schedule in your briefing pocket.		
Heat	$ _____	
Lights	$ _____	
Cooking gas/electric	$ _____	
Water	$ _____	
Appliance	$ _____	
Air Conditioning	$ _____	
Other	$ _____	
Total Utility Allowance		$ _____
Gross Rent		$ _____

EXHIBIT 6-2

SAMPLE HANDOUT 2
CAN I AFFORD THE UNIT I HAVE FOUND?

Note: Use this handout when the gross rent is greater than the payment standard.

In the housing choice voucher program, the maximum subsidy is set first. That maximum subsidy is based on a "payment standard" established by the PHA. If you wish to lease a unit with a gross rent (rent plus utilities) that is more than the payment standard, you will have to pay that excess, in addition to a designated "total tenant payment" that is based on a percentage of your income.

Program regulations prohibit a family from paying more than 40 percent of its adjusted monthly income if the gross rent for the unit is more than the payment standard when rental assistance begins. The following information is provided to assist you in finding a unit that is affordable to you and eligible within the 40 percent maximum guidelines.

PAYMENT STANDARD		$_____
TOTAL TENANT PAYMENT*		$_____
MAXIMUM SUBSIDY	=	$_____

MAXIMUM SUBSIDY		$_____
40 PERCENT OF MONTHLY ADJUSTED INCOME	+	$_____
MAXIMUM ALLOWABLE GROSS RENT**	=	$_____

*Total Tenant Payment greater of (1) 10 percent of monthly income, (2) 30 percent of adjusted monthly income, (3) the welfare rent, or (4) the minimum rent.

**Gross Rent = rent plus all utilities to be paid by tenant.

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CHAPTER 7
PAYMENT STANDARDS

7.1 CHAPTER OVERVIEW

Payment standards are used to calculate the housing assistance payment (HAP) that the PHA pays to the owner on behalf of the family leasing the unit. Each PHA has latitude in establishing its schedule of payment standard amounts by bedroom size. The range of possible payment standard amounts is based on HUD's published fair market rent (FMR) schedule for the FMR area in which the PHA has jurisdiction. FMRs are based on either the 40th or 50th percentile of rents charged for standard rental housing in the FMR area. A PHA may set its payment standard amounts from 90 percent to 110 percent of the published FMRs, and may set them higher or lower with HUD approval.

The level at which the payment standard amount is set directly affects the amount of subsidy a family will receive, and the amount of rent paid by program participants.

If the family leases a unit with a gross rent at or below the payment standard for the family, the family's share of the rent will be its TTP. If the rent for the unit is higher than the payment standard, the family's share will be higher than the TTP.

If the payment standard amount is too *low:*

- Families may need to pay more than they can afford; or
- Families may have a hard time finding acceptable units or units in more desirable areas;
- Housing choices will be narrowed and the PHA's efforts to affirmatively further fair housing will be undermined.

If the payment standard amount is too *high,* owners may be encouraged to ask for higher than reasonable rents.

Payment standard amounts should be high enough to allow families a reasonable selection of modest, decent, safe, and sanitary housing in a range of neighborhoods in the PHA's jurisdiction. To meet that objective and to support families wishing to move to areas with lower concentrations of poor and minority households, a PHA may establish higher payment standard schedules for certain areas within its jurisdiction so that program families can rent units in more desirable areas.

The PHA's procedures for establishing and revising its payment standard schedule must be set forth in its administrative plan.

7.2 ESTABLISHING PAYMENT STANDARD AMOUNTS

A PHA is required to establish payment standard amounts for each unit size in an FMR area. The payment standard amounts may be within several ranges depending on facts about the rental market. Payment standard amounts may be established:

- Within the "basic range", which is between 90 percent to 110 percent of the 40th percentile FMR;
- Between 90 percent and 110 percent of the 50th percentile FMR if the PHA is within a 50th percentile FMR area;
- Between 90 percent and 110 percent of the 50th percentile rent if the PHA has obtained HUD approved for "success rate" payment standard amounts; or
- As exception payment standard amounts below 90 percent or above 110 percent of the 40th or 50th percentile FMR with HUD approval.

Payment Standard Amounts within the Basic Range

Most PHAs will establish payment standard amounts within the basic range; the other options for setting payment standard amounts are made available as tools for PHAs with special market problems.

Within the basic range, the payment standard is set between 90 percent and 110 percent of the 40th percentile FMR. Whenever the FMR increases or decreases, the PHA must ensure that its payment standard amounts remain within the basic range.

KEEPING THE PAYMENT STANDARD AMOUNT WITHIN THE BASIC RANGE

In October, a PHA established its payment standard for a two-bedroom unit at the FMR limit, which was $300. The following October, an increased FMR was published at $320.

90% of the new FMR = $288
110% of the new FMR = $352

The PHA could:

- Leave the payment standard ($300) in place; $300 is more than 90% and less than 110% of the new FMR.
- Adopt a higher payment standard at any amount up to $352.
- Adopt a lower payment standard down to $288.

Payment Standard Amounts Based on the 50th Percentile FMR: Housing Choice

Payment standards based on the 50th percentile FMR are made available to PHAs in FMR areas where higher payment standards are necessary to increase housing choice throughout a metropolitan area.

50TH PERCENTILE FMRS TO INCREASE HOUSING CHOICE

HUD will establish 50th percentile FMRs to ensure that low-income families have access to a broad range of housing opportunities throughout the metropolitan area and are free to move to neighborhoods of their choice.

The areas where HUD will establish the higher FMRs are those where there is:

- A concentration of voucher holders; and
- Evidence suggesting that this problem may be due to the distribution of affordable rental units in the area.

To increase housing choice throughout a metropolitan area, HUD will increase FMRs to the 50th percentile in metropolitan areas that meet the following criteria:

The FMR area contains at least 100 census tracts;

70 percent or fewer of the census tracts with at least 10 two bedroom rental units are census tracts in which at least 30 percent of the two bedroom rental units have gross rents at or below the two bedroom FMR set at the 40th percentile rent; and

25 percent or more of the tenant-based rental program participants in the FMR area reside in the five percent of the census tracts within the FMR area that have the largest number of program participants.

In those areas where HUD has published 50th percentile FMRs, a PHA may establish its payment standard amounts between 90 and 110 percent of the 50th percentile FMR. All PHAs must use the published FMR or request an exception payment standard (see below).

A PHA that sets a payment standard amount at more than 100 percent of the 50th percentile FMR will be measured under SEMAP to determine its performance in achieving deconcentration.

Payment Standard Amounts Based on the 50th Percentile Rent: Success Rate

PHAs not in metropolitan areas with published 50th percentile FMRs may request HUD approval to use the 50th percentile rent if the higher rent levels are needed to ensure that more voucher holders will be successful in finding decent affordable housing.

The term "success rate" refers to the percent of applicants issued vouchers who successfully find and lease a program unit before the voucher expires.

To qualify for "Success Rate" payment standard amounts using the 50th percentile rent, a PHA must have:

Payment Standard Amounts Based on the 50th Percentile FMR: Housing Choice

Payment standards based on the 50th percentile FMR are made available to PHAs in FMR areas where higher payment standards are necessary to increase housing choice throughout a metropolitan area.

50TH PERCENTILE FMRS TO INCREASE HOUSING CHOICE

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The areas where HUD will establish the higher FMRs are those where there is:

- A concentration of voucher holders; and
- Evidence suggesting that this problem may be due to the distribution of affordable rental units in the area.

To increase housing choice throughout a metropolitan area, HUD will increase FMRs to the 50th percentile in metropolitan areas that meet the following criteria:

The FMR area contains at least 100 census tracts;

70 percent or fewer of the census tracts with at least 10 two bedroom rental units are census tracts in which at least 30 percent of the two bedroom rental units have gross rents at or below the two bedroom FMR set at the 40th percentile rent; and

25 percent or more of the tenant-based rental program participants in the FMR area reside in the five percent of the census tracts within the FMR area that have the largest number of program participants.

In those areas where HUD has published 50th percentile FMRs, a PHA may establish its payment standard amounts between 90 and 110 percent of the 50th percentile FMR. All PHAs must use the published FMR or request an exception payment standard (see below).

A PHA that sets a payment standard amount at more than 100 percent of the 50th percentile FMR will be measured under SEMAP to determine its performance in achieving deconcentration.

Payment Standard Amounts Based on the 50th Percentile Rent: Success Rate

PHAs not in metropolitan areas with published 50th percentile FMRs may request HUD approval to use the 50th percentile rent if the higher rent levels are needed to ensure that more voucher holders will be successful in finding decent affordable housing.

The term "success rate" refers to the percent of applicants issued vouchers who successfully find and lease a program unit before the voucher expires.

To qualify for "Success Rate" payment standard amounts using the 50th percentile rent, a PHA must have:

METHODS FOR DETERMINING EXCEPTION PAYMENT STANDARD AMOUNTS
MEDIAN RENT METHOD

$$\frac{\textbf{Median Exception Area Gross Rent}}{\textbf{Median FMR Area Gross Rent}} = \textbf{Exception Payment Standard Percentage}$$

The Anytown PHA is concerned that voucher families are concentrated in some of the city's poorest neighborhoods. Even with voucher assistance, they cannot afford other areas without paying more than 40 percent of their monthly adjusted income for rent, the maximum initial rent burden allowed under the housing choice voucher program. The PHA is requesting HUD approval for exception payment standards for two-BR, three-BR, and four-BR units in the Broadview area of the city, which has decent housing, good schools, and a low concentration of poor and minority families.

Using Census data, the PHA determines that the median rents for the 2-BR units in the three census tracts that comprise Broadview are $897, $872, and $901, with an $890 overall median. The median rent for the Anytown MSA is $781.

$$\frac{\$890}{\$781} = 1.14 \text{ OR } 114\%$$

With HUD approval, Anytown PHA's payment standards for each unit size in the Broadview exception payment standard area may be up to 114 percent of the Anytown Area FMR.

Anytown's FMRs are set at the 40th percentile of area rents. A PHA using an approved 50th percentile FMR could make a similar request for exceptions above the 50th percentile FMR if local market data supported the request.

METHODS FOR DETERMINING EXCEPTION PAYMENT STANDARD AMOUNTS
40TH OR 50TH PERCENTILE RENT METHOD

The Central State PHA, responding to complaints from voucher holders who need large units about their difficulty finding affordable housing, is requesting HUD approval for exception payment standards for four and five bedroom units throughout its jurisdiction. Census and other available data for the area, which includes only aggregate rent figures for units of all sizes, do not support a request under the median rent method.

Under the 40th or 50th percentile rent method, Central State must support its request for an exception with "statistically representative" rental housing survey data demonstrating that, for four- and five-bedroom units in its jurisdiction, the 40th or 50th percentile rent levels are greater than the HUD established FMRs. Suggestions for obtaining this data can be found in two HUD publications:

- Random Digit Dialing Surveys for large PHAs, and
- Rental Housing Surveys for smaller PHAs.

The PHA is required to conduct an RDD survey for only the portion of the FMR area for its jurisdiction.

The Central State PHA is disputing the published 40th percentile FMRs; if the PHA were in a 50th percentile FMR area, it could use the same approach to challenge published 50th percentile FMRs.

Establishing the Payment Standard Schedule

A PHA initially establishes the payment standard amounts on the payment standard schedule at 90 percent to 110 percent of the published FMR. Like the FMR, the payment standard schedule is established by bedroom size category. The payment standard schedule applies to all voucher units administered by the PHA regardless of the source of funding (e.g., formula allocation, Welfare to Work, or vouchers targeted to specific groups of recipients) or the date on which the vouchers were awarded by HUD.

The PHA may establish one or more separate payment standard amounts within the basic range for designated parts of an FMR area. This may be appropriate where a PHA has determined that its general payment standards are too low to allow families seeking housing in areas with low concentrations of poverty and minority families to lease in these areas.

7.3 REVISING THE PAYMENT STANDARD

Prior to the effective date of any new FMRs, the PHA must review its payment standard schedule and amend it as needed to ensure that the payment standards remain within the basic range (90 percent to 110 percent of the new FMR). If the FMR increases, the PHA must be sure that the payment standards for each unit size are at least 90 percent of the new FMR. Similarly, if the FMR decreases, the PHA must be sure that the payment standards are not more than 110 percent of the new FMR.

PHAs will likely increase payment standards as FMRs increase, to help voucher holders find units and current participants to continue to afford the units they have selected. However, the PHA is not *required* to increase payment standards when FMRs increase so long as the payment standards is from 90 percent to 110 percent of the new FMR.

Annual Review of Payment Standard Amounts

At least annually, generally prior to the preparation of its housing choice voucher program budget, the PHA should review its payment standards to determine whether adjustments are needed for some or all unit sizes. In reviewing the adequacy of its payment standard amounts, the PHA should consider the following:

- *Assisted Families' Rent Burdens:* The PHA should review the percentage of income voucher families use to pay rent to determine the extent to which rent burdens exceed 30 percent of income due to the fact that gross rent levels are above the PHA's payment standard amounts.

- *Availability of Suitable Vacant Units with Rents Below the Payment Standard Amounts:* The PHA should review its rent reasonableness data, vacancy rate data, and other relevant information to determine whether there is an ample supply of vacant units with rents below the payment standard amounts, particularly in areas with low concentrations of poor and minority families.

- *Size and Quality of Units Selected:* The PHA should review the size and quality of units selected by assisted families before concluding that there is a need for a change in the payment standard amounts. Payment standard amount increases should be made only when they are needed to reach units of adequate size and quality in the mid-range of the market.

- *Time to Locate Housing:* The PHA should review the average time required for voucher holders to find units. If the PHA determines that the amount of time required is excessive (i.e. 90 days or more), an increase in the payment standard amount may be needed.

- *Vouchers Expired without Leasing:* The PHA should also review the number of voucher holders whose vouchers expire without their having leased a unit. While some voucher drop-out is to be expected, a substantial number of families unable to lease units with assistance under the housing choice voucher program suggests that payment standard amount may be too low.

- *Large Numbers of Families Moving Out of the PHA's Jurisdiction:* The PHA should review the number of families exercising the portability option to lease in other jurisdictions. Again, while some exercise of portability is to be expected, and may in fact indicate that the PHA is meeting its objectives in expanding housing opportunities for participating families, an excessively high number of families moving out may indicate that the PHA's payment standard amounts are too low.

SEMAP Indicator 7, Expanding Housing Opportunities, further requires a PHA to identify and provide information to voucher holders about housing opportunities outside areas of poverty and minority concentration in their jurisdiction. The PHA is required to look at difficulties experienced by voucher holders in finding housing in these areas, and, if appropriate, to seek HUD approval of exception payment standards for these areas.

Lowering the Payment Standard Amount

The PHA's analysis may indicate that the payment standard amount is too high, in which case the PHA should lower its payment standard to some appropriate amount within the basic range. The lower payment standard amount will not apply to families who have already leased units under the higher standard until they move to a new unit or have a change in their family size or composition, or at the second annual reexamination after the PHA lowers its payment standard.

File Documentation

The PHA should retain documentation of its review of its payment standard schedule to support its determination to change or not to change the payment standard amounts on the payment standard schedule.

7.4 APPLYING THE PAYMENT STANDARD

The payment standard is used to calculate the monthly housing assistance payment for a family under the housing choice voucher program. The HAP is arrived at by taking the *lower* of the:

- Payment standard minus the TTP *or*
- Gross rent for the unit minus the TTP.

Under the housing choice voucher program, if the gross rent for the unit is lower than the payment standard, the family will pay the full TTP. If the gross rent for the unit is higher than the payment standard, the family will pay the TTP plus the amount by which the gross rent exceeds the payment standard.

If during the term of the HAP contract the owner *lowers* the rent for a unit, the HAP will be recalculated using the lower of the initial payment standard or the lower gross rent for the unit.

Payment Standard Amount for a Family

The payment standard amount for a family is the *lower* of:

- Payment standard amount for the family unit size, or
- Payment standard amount for the size of the unit leased by the family.

If the unit is located in an exception area, the PHA must use the appropriate payment standard amount for the exception area.

When the Payment Standard Increases

The payment standard in place on the effective date of the HAP contract remains in place for the duration of the contract term unless the PHA increases or decreases its payment standard. If a payment standard is increased, the higher payment standard is first used in calculating the HAP at the time of the family's regular (annual) reexamination. Families requiring or requesting interim reexaminations will *not* have their HAP payments calculated using the higher payment standard until their next annual reexamination.

When the Payment Standard Decreases

If the PHA lowers its payment standards, the payment standard in effect on the effective date of the HAP contract will remain in effect until the family moves to another unit, has a change in its family size or composition, or until the second annual reexamination after the PHA decreases its payment standard.

Decreases in the applicable payment standard due to changes in family size or composition are effective as of the next regular (annual) reexamination following the change. At that time, the new family size will be used to determine the payment standard.

Higher Payment Standard Amount as a Reasonable Accommodation

Although the housing choice voucher program does not generally allow unit-by-unit exceptions, a PHA may establish a higher payment standard amount within the basic range as a reasonable accommodation for a family with a family member with disabilities.

ESTABLISHING A HIGHER PAYMENT STANDARD AMOUNT AS A REASONABLE ACCOMMODATION

The Williams family has five children and requires a four-bedroom unit. Mrs. Williams is in a wheelchair and cannot go up stairs.

The family has located a modest 4-bedroom ranch house on the outskirts of Midtown that would meet their needs, but the rent is higher than the Midtown PHA's four-bedroom payment standard. The higher rent would require the Williams to pay more than 40 percent of their income for rent, so they cannot lease the unit without a higher payment standard.

The Midtown Housing Authority (MHA) can provide the Williams with an exception payment standard to enable the family to lease the unit if MHA determines the rent to be reasonable.

7.5 RELATED SEMAP INDICATORS

SEMAP Indicator 8 measures the PHA's compliance in setting its payment standards within the basic range, or other amount approved by HUD:

> The PHA's voucher program payment schedule contains payment standards which do not exceed 110 percent of the current applicable published FMR and which are not less than 90 percent of the current applicable published FMR (unless a higher or lower payment standard amount is approved by HUD).

SEMAP Indicator 7 requires the PHA to analyze difficulties experienced by voucher holders finding housing in areas of low poverty and minority concentration and, if appropriate, seek approval from HUD for exception payment standards for these areas.

A new SEMAP Indicator applies only to PHAs that have received approval to establish success rate payment standard amounts. The indicator measures whether voucher holders have been more successful leasing units than before the success rate payment standard amounts were adopted. To earn the five points available through this indicator, the PHA must document improvement using one of two measures:

- More than 75 percent of applicant families issued vouchers were able to lease successfully; or

- The percent of successful applicant families is at least five percentage points higher than when the success rate payment standard was established, *and* the PHA's voucher utilization for the fiscal year is at 95% of units leased or 95% of funds expended.

This new SEMAP indicator will apply in the second full PHA fiscal year that follows the date of HUD approval of success rate payment standard amounts.

Submission of data under the SEMAP Deconcentration bonus is mandatory for a PHA using a payment standard amount that exceeds 100 percent of the 50th percentile FMR when HUD has published 50th percentile FMRs to provide a broad range of housing opportunities throughout a metropolitan area. The submission becomes mandatory starting with the second full PHA fiscal year following initial use of the payment standard amount above the 50th percentile FMR. Submission of deconcentration data for the bonus indicator is optional for other PHAs.

The Deconcentration bonus measures the percent of voucher families with children who have moved to low poverty census tracts. Success under the indicator is measured one of three ways:

- Half or more of all voucher families with children in the PHA's jurisdiction reside in low poverty census tracts; or

- The percent of voucher families with children moving to low-poverty census tracts within the PHA's jurisdiction in the fiscal year is at least 2 percentage points higher than those who reside in those areas at the end of the year; or

- The percent of voucher families with children moving to low-poverty census tracts within the PHA's jurisdiction during the last two PHA fiscal years is at least 2 percentage points higher than the percentage of those families who lived there at the end of the last year.

TREATMENT OF DELAYED BENEFIT PAYMENTS: OPTION B

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

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

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

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

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

5.4 DETERMINING INCOME FROM ASSETS

PHAs are required to include in the calculation of annual income any interest or dividends earned on assets held by the family. See paragraph (3) under Exhibit 5-2 for the full HUD definition of asset income to be included in the calculation of annual income, and see Exhibit 5-3*, Summary of Asset Inclusions and Exclusions,* for a more detailed description.

Calculation When Assets Exceed $5,000

When net family assets are $5,000 or less, use the actual income from assets.

When family assets are more than $5,000, use the greater of:

- Actual income from assets; or
- A percentage of the value of such assets based upon the current passbook savings rate as established by HUD. This is called imputed income from assets.

References

Sample Noncitizen Forms

Declaration of Section 214 Status

Notice to applicants and tenants: In order to be eligible to receive the housing assistance sought, each applicant for or recipient of housing assistance must be lawfully within the U.S. Please read the Declaration statement carefully and sign and return to the Housing Authority's Admissions Office. Please feel free to consult with an immigration lawyer or other immigration expert of your choosing.

I, _____ certify, under penalty of perjury,[1] that, to the best of my knowledge, I am lawfully within the United States because (please check the appropriate box):

[ ] I am a citizen by birth, a naturalized citizen or national of the United States; or

[ ] I have eligible immigration status and I am 62 years of age or older. Attach evidence of proof of age[2] ; or

[ ] I have eligible immigration status as checked below (see reverse side of this form for explanations). Attach INS document(s) evidencing eligible immigration status and signed verification consent form.

- [ ] Immigrant status under ¶¶1001(a)(15) or 101(a)(20) of the INA[3] ; or
- [ ] Permanent residence under ¶249 of INA[4] ; or
- [ ] Refugee, asylum, or conditional entry status under ¶¶207, 208 or 203 of the INA[5] ; or
- [ ] Parole status under ¶¶212(d)(f) of the INA[6] ; or
- [ ] Threat to life or freedom under ¶243(h) of the INA[7]; or
- [ ] Amnesty under ¶245 of the INA[8].

_____ _____

(Signature of Family Member) (Date)

[ ] Check box on left if signature is of adult residing in the unit who is responsible for child named on statement above.

PHA: Enter INS/SAVE Primary Verification #: _____ Date: _____

[See reverse side for footnotes and instructions]

1 **Warning:** 18 U.S. C. 1001 provides, among other things, that whoever knowingly and willfully makes or uses a document or writing containing any false, fictitious, or fraudulent statement or entry, in any manner within the jurisdiction of any department of agency of the United States, shall be fined not more than $10,000 or imprisoned for not more than five years, or both.

The following footnotes pertain to noncitizens who declare eligible immigration status in one of the following categories:

2 Eligible immigration status and 62 years of age or older. For noncitizens who are 62 years of age or older or who will be 62 years of age or older and receiving assistance under a Section 214 covered program on June 19, 1995. If you are eligible and elect to select this category, you must include a document providing evidence of proof of age. No further documentation of eligible immigration status is required.

3 Immigrant status under ¶¶101(a)(15 or 101(a)(20) of INA. A noncitizen lawfully admitted for permanent residence, as defined by ¶101(a)(20) of the Immigration and Nationality Act (INA), as an immigrant, as defined by ¶101(a)(15) of the INA (8 U.S.C. 1101(a)(20) and 1101(a)(15), respectively [*immigrant status*]. This category includes a noncitizen admitted under ¶¶210 or 210A of the INA (8 U.S.C. 1160 or 1161), [*special agricultural worker status*], who has been granted lawful temporary resident status.

4 Permanent residence under ¶249 of INA. A noncitizen who entered the U.S. before January 1, 1972, or such later date as enacted by law, and has continuously maintained residence in the U.S. since the, and who is not ineligible for citizenship, but who is deemed to be lawfully admitted for permanent residence as a result of an exercise of discretion by the Attorney General under ¶249 of the INA (8 U.S.C. 1259) [*amnesty granted under INA 249*].

5 Refugee, asylum, or conditional entry status under ¶¶207, 208 or 203 of INA. A noncitizen who is lawfully present in the U.S. pursuant to an admission under ¶207 of the INA (8 U.S.C. 1157) [*refugee status*]; pursuant to the granting of asylum (which has not been terminated" under ¶208 of the INA (8 U.S.C. 1158) [*asylum status*]; or as a result of being granted conditional entry under ¶203(a)(7) of the INA (U.S.C. 1153(a)7)) before April 1, 1980, because of persecution or fear of persecution on account of race, religion, or political opinion or because of being uprooted by catastrophic national calamity [*conditional entry status*].

6 Parole status under ¶212(d)(5) of INA. A noncitizen who is lawfully present in the U.S. as a result of an exercise of discretion by the Attorney General for emergent reasons or reasons deemed strictly in the public interest under ¶212(d)(5) of the INA (8 U.S.C. 1182(d)5)) [*parole status*].

7 Threat to life or freedom under ¶243(h) of INA. A noncitizen who is lawfully present in the U.S. as a result of the Attorney General's withholding deportation under ¶243(h) of the INA (8 U.S.C. 1253(h)) [*threat to life or freedom*].

8 Amnesty under ¶245A of INA. A noncitizen lawfully admitted for temporary or permanent residence under ¶245A of the INA (8 U.S.C. 1255a) [*amnesty granted under INA 245A*].

Instructions to Housing Authority: Following verification of status claimed by persons declaring eligible immigration status (other than for noncitizens age 62 or older and receiving assistance on June 19, 1995), the PHA must enter INS/SAVE Verification Number and date that it was obtained. A PHA signature is not required.

Instructions to Family Member For Completing Form: On opposite page, print or type first name, middle initial(s) and last name. Place an "X" or "√" in the appropriate boxes. Sign and date at bottom of page. Place an "X" or "√" in the box below the signature if the signature is by the adult residing in the unit who is responsible for child.

Verification Consent Form

CONSENT: I consent to allow the _____(name of PHA)_____ (PHA) to request and to obtain information from the Immigration and Naturalization Service (INS) for the purpose of verifying my eligibility and level of benefits under HUD's assisted housing programs. I understand that the PHA cannot use it to delay, deny or terminate housing assistance because of the immigration status of a family member except as provided in this Guidebook. In addition, I understand I must be given an opportunity to contest the determination with the INS or the PHA, or both.

This consent form expires 15 months after signed.

Signatures:

ADULT:

Head of Household	A- Alien Number	Date	Family Member Age 18 or over	A- Alien Number	Date
Spouse	A- Alien Number	Date	Family Member Age 18 or over	A- Alien Number	Date
Family Member Age 18 or over	A- Alien Number	Date	Family Member Age 18 or over	A- Alien Number	Date
Family Member Age 18 or over	A- Alien Number	Date	Family Member Age 18 or over	A- Alien Number	Date

CHILD:

Family Member Age Under 18	A- Alien Number	Signature of Adult Residing in Unit Responsible for Child	A- Alien Number[1]	Date
Family Member Age Under 18	A- Alien Number	Signature of Adult Residing in Unit Responsible for Child	A- Alien Number[1]	Date
Family Member Age Under 18	A- Alien Number	Signature of Adult Residing in Unit Responsible for Child	A- Alien Number[1]	Date
Family Member Age Under 18	A- Alien Number	Signature of Adult Residing in Unit Responsible for Child	A- Alien Number[1]	Date

1. If citizenship declared by adult, leave blank.

Who must sign: In order to be eligible to receive housing assistance, each noncitizen adult or child applying for, or currently receiving, housing assistance must be lawfully within the U.S. Please read the Verification Consent Form carefully and sign and return to the Housing Authority's Admissions Office. Please feel free to consult with an immigration lawyer or other immigration expert of your choosing.

Privacy Act Statement:

The information on this form is being collected by the _____(name of PHA)_____ to determine the applicant's or tenant's eligibility for housing assistance. The PHA may release this information, without responsibility for the further use or transmission of the evidence by the entity receiving it to: (1) the Department of Housing and Urban Development (HUD), as required by HUD; and (2) to the Immigration and Naturalization Service (INS) for purposes of verification of the immigration status of each individual and not for any other purpose.

Penalties for Misusing this Consent:

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

Use of the information collected on this consent form is restricted to the purposes cited on the form. Any person who knowingly or willfully requests, obtains or discloses any information under false pretenses concerning an applicant or participant may be subject to a misdemeanor and fined not more than $5,000. Any applicant or participant affected by negligent disclosure of information may bring civil action for damages, and seek other relief, as may be appropriate, against the officer or employee of HUD, the PHA or the owner responsible for the unauthorized disclosure or improper use.

Listing of Non-Contending Family Members

I, _____ certify, under penalty of perjury,[1] that the persons listed below are members of my household. Each person listed below has elected not to contend that he or she has eligible immigration status.

_____
(First Name, Middle Initial(s), Last Name)

_____
(First Name, Middle Initial(s), Last Name)

_____
(First Name, Middle Initial(s), Last Name)

_____
(First Name, Middle Initial(s), Last Name)

_____ _____
(Signature of Head of Household or Spouse) (Date)

[1] **Warning:** 18 U.S.C. 1001 provides, among other things, that whoever knowingly and willfully makes or uses a document or writing containing any false, fictitious, or fraudulent statement or entry, in any matter within the jurisdiction of any department or agency of the United States, shall be fined not more than $10,000, imprisoned for not more than five years, or both.

Instructions: If one or more members of a family elect not to contend that he or she has eligible immigration status and the other members of the family establish their citizenship or eligible immigration status, the family may be considered for assistance despite the fact that no declaration or documentation of eligible immigration status is submitted by one or more members of the family. The family, however, must identify to the PHA the family member(s) who will elect not to contend that he or she has eligible immigration status. In the space(s) provided above, type or print the names of the family members who elect not to contend that he or she has eligible immigration status. Listed members of the family do not sign above. However, the Head of Household or Spouse must sign and date the form in the space provided.

Notice of Section 214 Requirements

Notice to Applicants Applying For and Tenants Currently Receiving Section 214 Housing Assistance

The Law. Section 214 of the Housing and Community Development Act of 1980, as amended, prohibits the Secretary of the Department of Housing and Urban Development (HUD) from making financial assistance available to persons who are other than United States citizens, nationals, or certain categories of eligible noncitizens either applying to or residing in specified Section 214 covered programs. Section 214 was implemented by a final "Noncitizens Rule" entitled, Restrictions on Assistance to Noncitizens, which was published in the *Federal Register*, on Monday, March 20, 1995 (60 FR 14816-4861).

When The Law Became Effective. The Noncitizens Rule became effective on June 19, 1995. Until the final rule took effect, the Housing Authority (HA) was prohibited from taking any action based on the citizenship or eligible immigration status of applicants and tenants.

What The Law Means To You. The receipt of financial housing assistance is contingent upon you and your family submitting evidence either of 1) citizenship, or 2) eligible immigration status.

Type of Programs This Law Applies To. The Noncitizens Rule applies to the following HUD-assisted housing programs:

1) Section 8 Rental Certificate Program
2) Section 8 Rental Voucher Program
3) Section 8 Moderate Rehabilitation Program
4) Public and Indian Housing Programs

What Persons Are Covered By This Law. Section 214 applies to all applicants who apply for housing assistance, applicants who are already on a waiting list for housing assistance, and tenants who are already receiving housing assistance under a covered program. Section 214 covers: 1) Citizens and 2) Noncitizens who have eligible immigration status.

What Evidence Will Be Required? Each family member, regardless of age, is required to submit the following evidence:

For Citizens or nationals: A signed declaration of U.S. citizenship (whether by birth or naturalization.

For Noncitizens who are 62 years of age or older and receiving housing assistance on June 19, 1995: A signed declaration of eligible immigration status and proof of age.

For All Other Noncitizens. The evidence consists of: 1) a signed declaration of eligible immigration status; 2) the Immigration and Naturalization Service (INS) documents listed below on this page; and 3) A signed verification consent form.

For All Other Noncitizens, What Immigration Status is Eligible? Under the Noncitizens Rule, a noncitizen would have eligible immigration status under any one of the following six categories which are determined by the INS pursuant to the Immigration and Nationality Act (INA):

> **Immigration Status Under §§101(a)(15) or 101(a)(20) of INA.** A noncitizen lawfully admitted for permanent residence, as defined by §101(a)(20) of the INA, as an immigrant, as defined by §101(a)(15) of the INA (8 U.S.C. 1101(a)(20) and 1101(a)(15), respectively [*immigrant status*]. This category includes a noncitizen admitted under §§210 or 210A of the INA (8 U.S.C. 1160 or 1161) [*special agricultural worker status*], who has been granted lawful temporary resident status.
>
> **Permanent Residence Under §249 of INA.** A noncitizen who entered the U.S. before January 1, 1972, or such later date as enacted by law, and has continuously maintained residence in the U.S. since then, and who is not ineligible for citizenship, but who is deemed to be lawfully admitted for permanent residence as a result of an exercise of discretion by the Attorney General under §249 of the INA (8 U.S.C. 1259) [*amnesty granted under INA 249*].
>
> **Refugee, Asylum, or Conditional Entry Status Under §§207, 208 or 203 of INA.** A noncitizen who is lawfully present in the U.S. pursuant to an admission under §207 of the INA (8 U.S.C. 1157) [*refugee status*]; pursuant to the granting of asylum (which has not been terminated) under §208 of the INA (8 U.S.C. 1158) [*asylum status*]; or as a result of being granted conditional entry under §203(a)(7) of the INA (U.S.C. 1153(a)(7)) before April 1, 1980, because of persecution or fear of persecution on account of race, religion, or political opinion or because of being uprooted by catastrophic national calamity [*conditional entry status*].
>
> **Parole Status Under §212(d)(5) of INA.** A noncitizen who is lawfully present in the U.S. as a result of an exercise of discretion by the Attorney General for emergent reasons or reasons deemed strictly in the public interest under §212(d)(5) of the INA (8 U.S.C. 1182(d)(5)) [*parole status*].
>
> **Threat To Life or Freedom Under §243(h) of INA.** A noncitizen who is lawfully present in the U.S. as a result of the Attorney General's withholding deportation under §243(h) of the INA (8 U.S.Cl. 1253(h)) [*threat to life or freedom*].
>
> **Amnesty Under §245A of INA.** A noncitizen lawfully admitted for temporary or permanent residence under §245A of the INA (8 U.S.C. 1255a) [*amnesty granted under INA 245A*].

What INS Documents Are Acceptable? The <u>original</u> of one of the following documents is acceptable evidence of eligible immigration status, subject to verification with INS:

1) Form I-151, Alien Registration Receipt Card (issued to lawful permanent residents prior to 1979). Form I-151 will no longer be valid after March 20, 1996. Detailed information on how and where to apply for a new green card may be obtained by telephoning the INS toll-free number 1-800-755-0777.

2) Form I-551, Alien Registration Receipt Card (for permanent resident aliens);

3) Form I-94, Arrival-Departure Record, with one of the following annotations:

   a) "Admitted as Refugee Pursuant to Section 207";

   b) "Section 208" or "Asylum";

   c) "Section 243(h)" or "Deportation stayed by Attorney General";

   d) "Paroled Pursuant to Section 212(d)(5) of the INA";

4) If Form I-94, Arrival-Departure Record, is not annotated, then accompanied by one of the following documents:

   a) A final court decision granting asylum (but only if no appeal is taken);

   b) A letter from an INS asylum officer granting asylum (if application is filed on or after October 1, 1990) ***or*** from an INS district director granting asylum (if application filed before October 1, 1990);

   c) A court decision granting withholding of deportation; or

   d) A letter from an asylum officer granting withholding of deportation (if application filed on or after October 1, 1990).

5) Form I-688, Temporary Resident Card, which must be annotated "Section 245A" or "Section 210";

6) Form I-688B, Employment Authorization Card, which must be annotated "Provision of Law 274a.12(11)" or "Provision of Law 274a.12";

7) A receipt issued by the INS indicating that an application for issuance of a replacement document in one of the above-listed categories has been made and the applicant's entitlement to the document has been verified; or

8) If other documents are determined by the INS to constitute acceptable evidence of eligible immigration status, they will be announced by notice published in the *Federal Register*.

Note: Family members are required to submit the original document(s) providing acceptable evidence of eligible immigration status. The HA may not retain the original document(s). HAs must immediately make copies from the original document(s) and return the original documents to the family member.

When Must Evidence of Eligible Immigration Status Be Submitted? Evidence of eligible immigration status must be submitted at the times specified below, subject to any extension granted in accordance with the paragraph below which discusses extensions of time to submit evidence of eligible immigration status.

> **Applicants.** For applicants, the HA must ensure that evidence of eligible immigration status is submitted not later than the date the HA anticipates or has knowledge that verification of other aspects of eligibility for assistance will occur.
>
> **Families already receiving assistance on June 19, 1995.** For a family already receiving the benefit of assistance in a covered program on June 19, 1995, the required evidence shall be submitted at the first regular reexamination after June 19, 1995, in accordance with program requirements.
>
> **New occupants of assisted units.** For any new family member(s), the required evidence shall be submitted at the first interim or regular reexamination following the person's occupancy.
>
> **Changing participation in a HUD program.** Whenever a family applies for admission to a Section 214 covered program, evidence of eligible immigration status is required to be submitted in accordance with the requirements of the Noncitizens Rule unless the family already has submitted the evidence to the HA for a covered program.
>
> **One-time evidence requirement for continuous occupancy.** For each family member, the family is required to submit evidence of eligible immigration status only one time during continuously-assisted occupancy under any covered program.

What Happens If One Or More Family Members Does Not Qualify?

Assistance to a family may not be delayed, denied, or terminated because of the immigration status of a family member except as provided below. "Family" as used herein refers to both applicants and tenants.

Assistance to an applicant shall not be delayed or denied, and assistance to a tenant shall not be delayed, denied, or terminated, on the basis of ineligible immigration status of a family member if:

1) The primary and secondary verification of any immigration documents that were timely submitted has not been completed;

2) The family member for whom required evidence has not been submitted has moved from the tenant's dwelling unit;

3) The family member who is determined not to be in an eligible immigration status following INS verification has moved from the tenant's dwelling unit;

4) The INS appeals process has not been concluded;

5) For a tenant, the HA informal hearing process has not been concluded;

6) Assistance is prorated;

7) Assistance for a mixed family is continued; or

8) Deferral of termination of assistance is granted.

9) Assistance to an applicant may be delayed after the conclusion of the INS appeal process, but not denied until the conclusion of the HA informal hearing process, if an informal hearing is requested by the family.

Assistance to an applicant shall be denied, and a tenant's assistance shall be terminated, in accordance with the procedures for any of the following events:

1) Evidence of citizenship (i.e., the Declaration) and eligible immigration status is not submitted by the date specified or by the expiration of any extension granted; or

2) Evidence of citizenship and eligible immigration status is submitted timely; but INS primary and secondary verification does not verify eligible immigration status of a family member; and

   a) The family does not pursue INS appeal or HA informal hearing rights; or

   b) INS appeal and HA informal hearing rights are pursued, but the final appeal or hearing decisions are decided against the family member.

What Rights of Appeal Are Available? Three distinct forms of appeal process are available to both applicants and tenants:

1) Appeal to INS. The following instructions apply to the right of appeal to the INS:

   a) Submission of request for appeal. When the HA receives notification that INS secondary verification failed to confirm eligible immigration status, the HA shall notify the family of the results of the INS verification. The family shall have 30 days from the date of the HA's notification to request an appeal of the INS results. The request for appeal shall be made by the family communicating that request in writing directly to the INS. The family must provide the HA with a copy of the written request for appeal and proof of the mailing. For good cause shown, the HA shall grant the family an extension of the time within which to request an appeal.

   b) Documentation to be submitted as part of the appeal to INS. The family shall forward to the designated INS office any additional documentation or written explanation in support of the appeal. The appeal must include a copy of the original Form G-845S received from INS annotated at the top center in bold print: **HUD APPEAL**. The appeal must also include two stamped envelopes, on addressed to the applicant or tenant family, and one addressed to the HA.

c) Results of INS Appeal.

(i) The INS will issue the results of the appeal to the family, with a copy to the HA, within 30 days of its receipt. If, for any reason, the INS is unable to issue a response within the 30-day time period, the INS will inform the family and the HA of the reasons for the delay.

Note: The INS response will be indicated in Section B of Form G-845S, Document Verification Request, which is returned to the family and HA. The INS response will be indicated in Section B by a mark in one of the following boxes: 1, 2, 5, 6, 8, 11, 12, 15, or 18.

(ii) When the HA receives a copy of the INS response, the HA shall notify the family of its right to request an informal hearing on the HA's ineligibility determination.

d) No delay, denial or termination of assistance until completion of INS appeal process; direct appeal to INS. Pending the completion of the INS appeal, assistance may not be delayed, denied or terminated on the basis of immigration status.

2) Informal hearing with HA.

a) When request for hearing is to be made. After receiving notification of the INS decision on appeal, or in lieu of requesting an appeal to the INS, the family may request that the HA provide an informal hearing. This request must be made either within 14 days of the date the HA mails or delivers the notice of denial or termination of assistance, or within 14 days of the mailing of the INS appeal decision (established by the date of the postmark).

b) Extension of time to request hearing. The HA shall extend the period of time for requesting a hearing (for a specified period) upon good cause shown.

c) Informal hearing procedures.

(i) For tenants, the procedures for the hearing before the HA are set forth in 24 CFR Part 966.

(ii) For applicants, the procedures for the informal hearing before the HA are as follows:

(A) Hearing before an impartial individual. The applicant shall be provided a hearing before any person(s) designated by the HA (including an officer or employee of the HA), other than a person who made or approved the decision under review, and other than a person who is a subordinate of the person who made or approved the decision;

(B) Examination of evidence. The applicant shall be provided the opportunity to examine and copy, at the applicant's expense and at a reasonable time in advance of the hearing, any documents in the possession of the HA pertaining to the applicant's eligibility status, or in the possession of the INS (as permitted by INS requirements), including any records and regulations that may be relevant to the hearing;

(C) Presentation of evidence and arguments in support of eligible immigration status. The applicant shall be provided the opportunity to present evidence and arguments in support of eligible immigration status. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings;

(D) Controverting evidence of the project owner. The applicant shall be provided the opportunity to controvert evidence relied upon by the HA and to confront and cross-examine all witnesses on whose testimony or information the HA relies;

(E) Representation. The applicant shall be entitled to be represented by an attorney, or other designee, at the applicant's expense, and to have such person make statements on the applicant's behalf;

(F) Interpretive services. The applicant shall be entitled to arrange for an interpreter to attend the hearing, at the expense of the applicant or HA, as may be agreed upon by both parties;

(G) Hearing to be recorded. The applicant shall be entitled to have the hearing recorded by audiotape (a transcript of the hearing may, but is not required to, be provided by the HA); and

(H) Hearing decision. The HA shall provide the family with a written final decision, based solely on the facts presented at the hearing, within 14 days of the date of the HA informal hearing. The decision shall state the basis for the decision.

3) Judicial relief. A decision against a family member under the INS appeal process or the HA's informal hearing does not preclude the family from exercising the right, that may otherwise be available, to seek redress directly through judicial procedures.

References

Form HUD-50058 and HUD Instruction Bookles

HUD-50058 Form, Family Report

OMB Approval Number 2577-0083 (expires 9/30/2003)

U.S. Department of Housing and Urban Development

Office of Public and Indian Housing

Family Report

Form HUD-50058, Family Report, applies to Public Housing, Indian Housing and Section 8 programs.

Additional instructions are contained in the Form HUD-50058 Instruction Booklet. Copies of the Instruction Booklet can be found on the MTCS 2000 Web Site at http://www.hud.gov/pih/systems/pic/mtcs2000/.

Previous editions are obsolete

Form HUD-50058 (6/2001)

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

Send the Form HUD-50058 data to the electronic address provided by HUD. **Questions?** Contact the MTCS Hotline at 1-800-FON-MTCS (1-800-366-6827) or go to the MTCS Web Site at http://www.hud.gov/pih/systems/mtcs/pihmtcs.html.

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

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

Acronyms

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

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

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

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

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

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

Portability: Renting a dwelling unit with Section 8 assistance outside the jurisdiction of the initial PHA.

Form Conventions:

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

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

Family Report

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

OMB Approval Number 2577-0083
Expires 9/30/2003

1. Agency

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

2. Action

2a. Type of action **1** = New Admission **2** = Annual Reexamination **3** = Interim Reexamination **4** = Portability Move-in (VO only) **5** = Portability Move-out (S8 only) **6** = End Participation **7** = Other Change of Unit **8** = FSS/WtW Addendum Only **9** = Annual Reexamination Searching (VO only) **10** = Issuance of Voucher (VO only) **11** = Expiration of Voucher (VO only) **12** = Flat Rent Annual Update (PH only) **13** = Annual HQS Inspection Only (S8 only) **14** = Historical Adjustment (PH only) **15** = Void	2a.
2b. Effective date (mm/dd/yyyy) of action	2b.
2c. Correction? (Y or N)	2c.
2d. If correction: (check primary reason) ☐ Family correction of income ☐ PHA correction of family income ☐ Family correction (non-income) ☐ PHA correction (non-income)	
2e. Date correction transmitted (mm/dd/yyyy)	2e.
2f. Repayment agreement? (Y or N)	2f.
2g. Monthly amount of repayment	$ 2g.
2h. Date (mm/dd/yyyy) of admission to program	2h.
2i. Projected effective date (mm/dd/yyyy) of next reexamination	2i.
2j. Projected date (mm/dd/yyyy) of next flat rent annual update (Public Housing flat rent only)	2j.
2k. FSS participation now or in the last year? (Y or N)	2k.
2m. Special program (Section 8 only) (check only one): ☐ Enhanced Voucher ☐ Welfare to Work Voucher	
2n. Other special programs: Number 01	2n.
2n. Other special programs: Number 02	2n.
2n. Other special programs: Number 03	2n.
2n. Other special programs: Number 04	2n.
2n. Other special programs: Number 05	2n.
2p. Use if instructed by HUD	2p.
2q. PHA use only	2q.
2r. PHA use only	2r.
2s. PHA use only	2s.
2t. PHA use only	2t.
2u. PHA use only	2u.

	Page Heading
Head of household name:	On every page, enter the head of household's last name (line 3b), first name (line 3c) and middle initial (line 3d). Use this field to identify the head of household if the pages of the Form separate.
Social Security Number:	On every page, enter the head of household's Social Security Number (line 3n). Use this field to identify the head of household if the pages of the Form separate.
Date modified (mm/dd/yyyy):	On every page, enter the date the PHA representative fills out the Form or modifies any Form page.
1:	**Agency**
Line 1a:	Name of the Public Housing Agency (PHA) that completes the family's Form HUD-50058.
Line 1b:	Five-character code composed of the 2-letter postal state code and 3-digit PHA number. The state code indicates the location of the reporting PHA and the number identifies each PHA within a particular state.
Note:	For help obtaining the PHA's identification number, contact the appropriate HUD field office, the HA Profiles Web Site within PIC or the MTCS Hotline at 1-800-FON-MTCS.
Line 1c:	Using the codes provided, indicate the housing assistance program in which the family participates.
Line 1d:	Public/Indian Housing only. The project number is composed of the 2-letter project state code, 3-digit PHA number, 3-digit development number, and 3-digit suffix (if applicable).
Line 1e:	Public/Indian Housing only. Six-character code to capture the tenant's building number.
Line 1f:	Public/Indian Housing only. Three-character code to capture the building's entrance number.
Line 1g:	Public/Indian Housing only. Ten-character code to capture the PHA designated tenant unit number.
2:	**Action**
Line 2a:	Use the codes provided to report the family's type of action.
Note:	When a family that receives flat rent requires a reexamination, use Annual Reexamination (2a=2).
Line 2b:	Date the reported action becomes effective.
Note:	The effective date cannot be earlier than the date of admission to the program (line 2h).
Line 2c:	Allows PHAs to correct fields previously transmitted in error.
Note:	Use a correction for a minor change to a previously submitted record.
Line 2d:	Indicate the primary reason for the correction record.
Line 2e:	The actual date that the PHA completes the correction and transmits the corrected record.
Line 2f:	Indicate if the tenant has entered into a repayment agreement because the tenant previously underreported or misreported income.
Line 2g:	Per the repayment agreement, the amount the tenant pays each month.
Line 2h:	Date the PHA initially admitted the family into the program reported in line 1c.
Line 2i:	The projected effective date of the family's next reexamination.
Line 2j:	Public Housing flat rent only. Projected effective date of the next flat rent annual update.
Line 2k:	Indicate if the family currently participates or participated in the Family Self-Sufficiency program in the past year.
Line 2m:	Section 8 only. Indicate if the family receives an Enhanced Voucher or a Welfare to Work Voucher.
Line 2n:	Indicate if the family participates in a special program.
Note:	See Form HUD-50058 Instruction Booklet for a listing of special programs and their abbreviations.
Line 2p:	HUD may instruct a particular PHA to use this line. If there are not instructions to use these lines, leave them blank.
Line 2q-2u:	PHAs may use these lines for any information they wish to collect.
Note:	HUD encourages PHAs to use lines 2q through 2u for local initiatives.

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

3. Household

3a. Head of household	3b. Last name & Sr., Jr. etc.		3c. First name		3d. MI	3e. Date of birth			3f. Age on effective date of action	
Member number 01	3g. Sex	3h. Relation **H**	3i. Citizenship	3j. Disability (Y/N)	3k. Race		=1		=2	3m. Ethnicity
							=3		=4	
							=5			
	3n. Social Security Number		3p. Alien Registration Number A-		3q. Meeting community service or self-sufficiency requirement? (Public Housing only)					
3a. Member number 02	3b. Last name & Sr., Jr. etc.		3c. First name		3d. MI	3e. Date of birth			3f. Age on effective date of action	
	3g. Sex	3h. Relation	3i. Citizenship	3j. Disability (Y/N)	3k. Race		=1		=2	3m. Ethnicity
							=3		=4	
							=5			
	3n. Social Security Number		3p. Alien Registration Number A-		3q. Meeting community service or self-sufficiency requirement? (Public Housing only)					
3a. Member number 03	3b. Last name & Sr., Jr. etc.		3c. First name		3d. MI	3e. Date of birth			3f. Age on effective date of action	
	3g. Sex	3h. Relation	3i. Citizenship	3j. Disability (Y/N)	3k. Race		=1		=2	3m. Ethnicity
							=3		=4	
							=5			
	3n. Social Security Number		3p. Alien Registration Number A-		3q. Meeting community service or self-sufficiency requirement? (Public Housing only)					
3a. Member number 04	3b. Last name & Sr., Jr. etc.		3c. First name		3d. MI	3e. Date of birth			3f. Age on effective date of action	
	3g. Sex	3h. Relation	3i. Citizenship	3j. Disability (Y/N)	3k. Race		=1		=2	3m. Ethnicity
							=3		=4	
							=5			
	3n. Social Security Number		3p. Alien Registration Number A-		3q. Meeting community service or self-sufficiency requirement? (Public Housing only)					
3a. Member number 05	3b. Last name & Sr., Jr. etc.		3c. First name		3d. MI	3e. Date of birth			3f. Age on effective date of action	
	3g. Sex	3h. Relation	3i. Citizenship	3j. Disability (Y/N)	3k. Race		=1		=2	3m. Ethnicity
							=3		=4	
							=5			
	3n. Social Security Number		3p. Alien Registration Number A-		3q. Meeting community service or self-sufficiency requirement? (Public Housing only)					
3a. Member number 06	3b. Last name & Sr., Jr. etc.		3c. First name		3d. MI	3e. Date of birth			3f. Age on effective date of action	
	3g. Sex	3h. Relation	3i. Citizenship	3j. Disability (Y/N)	3k. Race		=1		=2	3m. Ethnicity
							=3		=4	
							=5			
	3n. Social Security Number		3p. Alien Registration Number A-		3q. Meeting community service or self-sufficiency requirement? (Public Housing only)					

Codes:

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

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

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

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

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

3:	Household
Note:	Complete for each household member.
Note:	The first family member (Member number 01) must be the head of household.
Note:	The household includes everyone who lives in the unit. Household members are used to determine unit size. The family includes all household members except live-in aides and foster children and foster adults. Family members are used to calculate subsidies and payments.
Line 3a:	The Member number identifies the individual listed on that line of the Form.
Line 3b:	Indicate the last name of each household member. Include name suffixes, such as Jr., and separate with a comma. Do not include name prefixes, such as Ms. or Mr.
Line 3c:	Indicate the first name of each household member. Do not include name prefixes, such as Ms. or Mr.
Line 3d:	Indicate the middle initial of each household member. If no middle initial, leave blank. If more than one middle initial, only enter one.
Line 3e:	Indicate the date of birth for each household member.
Line 3f:	Indicate the age in years of each household member on the effective date of action (line 2b).
Line 3g:	Indicate the gender of each household member (M=Male, F=Female).
Line 3h:	Use code at bottom of page that best categorizes the relation or role of each household member.
Line 3i:	Use code at bottom of page that indicates each household member's United States citizenship status.
Line 3j:	Indicate whether or not the household member has a disability.
Line 3k:	Use code or codes at bottom of page that the family says best indicates each household member's race. Select as many codes as appropriate.
Line 3m:	Use code at bottom of page and check the box next to the code the family says best indicates each household member's ethnicity.
Line 3n:	Enter the 9-digit Social Security Number (SSN) issued to each household member by the Social Security Administration (SSA).
Note:	If a Head of Household does not have a SSN, PHA cannot transmit the family's Form HUD-50058 until there is system functionality to do so. If a member who is not the Head does not have a SSN, enter 999999999.
Line 3p:	Enter the Alien Registration Number or A-number issued to each noncitizen household member, if applicable.
Note:	The A-number contains seven, eight or nine numerical digits preceded by the letter A, e.g., A72 735 827. If the A-number has seven digits, enter two zeros before the numbers. If the A-number has eight digits, enter one zero before the numbers. If the A-number is nine digits, enter the number without a leading zero. Do not enter the letter A in any case.
Line 3q:	Public Housing only. Use code at bottom of page to indicate whether the family member met his or her community service or self-sufficiency requirement under PHRA.
Note:	The law requires an average of eight hours of community service per month during the year.
Note:	Use '5' until the community service requirement comes into effect for your particular PHA.

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

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

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

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

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

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

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

Codes:

3h. Relation:	3i. Citizenship:	3k. Race:	3m. Ethnicity:
H = head	EC = eligible citizen	1 = White	1 = Hispanic or Latino
S = spouse	EN = eligible noncitizen	2 = Black/African American	2 = not Hispanic or Latino
K = co-head	IN = ineligible noncitizen	3 = American Indian/Alaska Native	
F = foster child/foster adult	PV = pending verification	4 = Asian	**3q. Community service or self-sufficiency:**
Y = other youth under 18		5 = Native Hawaiian/Other Pacific Islander	1 = yes
E = full-time student 18+			2 = no
L = live-in aide			3 = pending
A = other adult			4 = exempt
			5 = n/a

3r. Reserved

3s. Continued on an additional sheet? (Y or N) 3s.

3:	Household
Note:	Complete for each household member.
Note:	The first family member (Member number 01) must be the head of household.
Note:	The household includes everyone who lives in the unit. Household members are used to determine unit size. The family includes all household members except live-in aides and foster children and foster adults. Family members are used to calculate subsidies and payments.
Line 3a:	The Member number identifies the individual listed on that line of the Form.
Line 3b:	Indicate the last name of each household member. Include name suffixes, such as Jr., and separate with a comma. Do not include name prefixes, such as Ms. or Mr.
Line 3c:	Indicate the first name of each household member. Do not include name prefixes, such as Ms. or Mr.
Line 3d:	Indicate the middle initial of each household member. If no middle initial, leave blank. If more than one middle initial, only enter one.
Line 3e:	Indicate the date of birth for each household member.
Line 3f:	Indicate the age in years of each household member on the effective date of action (line 2b).
Line 3g:	Indicate the gender of each household member (M=Male, F=Female).
Line 3h:	Use code at bottom of page that best categorizes the relation or role of each household member.
Line 3i:	Use code at bottom of page that indicates each household member's United States citizenship status.
Line 3j:	Indicate whether or not the household member has a disability.
Line 3k:	Use code or codes at bottom of page that the family says best indicates each household member's race. Select as many codes as appropriate.
Line 3m:	Use code at bottom of page and check the box next to the code the family says best indicates each household member's ethnicity.
Line 3n:	Enter the 9-digit Social Security Number (SSN) issued to each household member by the Social Security Administration (SSA).
Note:	If family member does not know or have a SSN, enter 999-99-9999.
Line 3p:	Enter the Alien Registration Number or A-number issued to each noncitizen household member, if applicable.
Note:	The A-number contains seven, eight or nine numerical digits preceded by the letter A, e.g., A72 735 827. If the A-number has seven digits, enter two zeros before the numbers. If the A-number has eight digits, enter one zero before the numbers. If the A-number is nine digits, enter the number without a leading zero. Do not enter the letter A in any case.
Line 3q:	Public Housing only. Use code at bottom of page to indicate whether the family member met his or her community service or self-sufficiency requirement under PHRA.
Note:	The law requires an average of eight hours of community service per month during the year.
Note:	Use '5' until the community service requirement comes into effect for the particular PHA.
Line 3r:	Reserved for future HUD use.
Line 3s:	Indicate whether additional household member information is included on an additional sheet of paper as an attachment to the Form.

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

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

4. Background at Admission

4a. Date (mm/dd/yyyy) entered waiting list	4a.
4b. ZIP code before admission	4b.
4c. Homeless at admission? (Y or N)	4c.
4d. Does family qualify for admission over the very low-income limit? (Section 8 only) (Y or N)	4d.
4e. Continuously assisted under the 1937 Housing Act? (Y or N)	4e.
4f. Is there a HUD approved income targeting disregard? (Y or N)	4f.

5. Unit to be Occupied on Effective Date of Action

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

3:	**Household (continued)**
Line 3t:	The total number of people in the household.
Note:	Count all persons, include foster children or adults, live-in aides, and other unrelated individuals (who reside with the family as part of the household). Also include persons who are members of the household but temporarily absent from the home.
Line 3u:	Code that indicates the housing assistance eligibility for family members based on the Noncitizens Rule. The Noncitizens Rule allows PHAs to provide financial assistance to U.S. citizens, nationals, and non-U.S. citizens with eligible immigration status.
Note:	If the family's status under the Noncitizens Rule is prorated assistance (3u=P), the family should fill out the applicable prorated rent calculation when determining rent burden.
Line 3v:	Date the family originally qualified for the continuation of full assistance (3u=C).
Line 3w:	If the designated head of household changed due to discontinued occupancy or other cause such as death, marriage, or remarriage and there are family members who remain in the household, enter the *former* head of household's Social Security Number (SSN).
4:	**Background at Admission**
Line 4a:	Date the PHA placed the family on the waiting list for the program under which they currently receive housing assistance.
Note:	This date must not be later than effective date of action (line 2b).
Line 4b:	The 5-digit ZIP code (+4, if applicable) where the family lived before admission to an assistance program.
Line 4c:	Indicate whether or not the family was homeless at the time the PHA admitted the family to a housing assistance program.
Line 4d:	Section 8 only. Indicate whether or not the family qualified for program admission even though their income exceeds the very low-income limit (50% of the area's median income).
Line 4e:	Indicate whether or not the family is continuously assisted under or currently enrolled in any 1937 Housing Act program at the time of admission.
Line 4f:	Welfare to Work families only. Indicate if the family is disregarded for income targeting under a HUD approved disregard of a portion of welfare to work families.
5:	**Unit to be Occupied on Effective Date of Action**
Line 5a:	The complete address of the housing unit that the household occupies on the effective date of action (line 2b).
Line 5b:	Indicate whether the mailing address is different from the unit address.
Line 5c:	The complete address where the family receives mail, if other than the unit address indicated in line 5a.
Note:	Leave this field blank if the mailing address is the same as the unit address.
Line 5d:	Total number of bedrooms in the unit that the household will occupy on the effective date of action (line 2b).
Line 5e:	Public/Indian Housing only. Indicate whether or not the unit that the family occupies on the effective date of action (line 2b) is a PHA designated handicapped accessible unit.
Line 5f:	Public/Indian Housing only. Indicate whether or not the family requested disability amenities or accessibility features.
Line 5g:	Public/Indian Housing only. Indicate the status of the family's request for disability amenities and/or accessibility features (line 5f) on the effective date of action (line 2b).
Line 5h:	Section 8 only, except Homeownership. The last date the unit passed a full housing quality standards (HQS) inspection.
Line 5i:	Section 8 only, except Homeownership. The last date a PHA inspector performed a full annual housing quality standards (HQS) inspection of the unit that the household occupies.
Note:	This date may be different from the date unit last passed HQS inspection (line 5h) if the unit failed the last HQS inspection.
Line 5j:	Section 8 only. Indicate the year that the unit was built.
Note:	This date is found on the request for tenancy approval form.
Line 5k:	Section 8 only. Indicate the building structure type.
Note:	See the Instruction Booklet for descriptions of each housing type.

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6. Assets

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

7. Income

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

7b: Income Codes

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

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

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8. Expected Income Per Year

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

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

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

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

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

8:	Expected Income Per Year
Line 8a:	The family's total annual family income. Copy from 7i.
Line 8b:	Public Housing only. The name of each family member in the household, and their individual Member number as indicated in line(s) 3a that corresponds to the income information reported.
Line 8c:	Public Housing only. The type of permissible deduction as determined by the PHA.
Line 8d:	Public Housing only. The amount of the permissible deduction.
Line 8e.	Public Housing only. The total of the dollar amounts (permissible deductions) listed in column 8d.
Note:	If the head of household and spouse or co-head are under age 62, and there are no family members with a disability, skip to line 8q. Otherwise, enter all medical expense information for the entire family in lines 8f through 8n.
Line 8f:	Amount of unreimbursed medical and disability expenses that the family must pay before the PHA can deduct an allowance for such expenses from their income. Multiply 0.03 by total annual income (line 8a).
Line 8g:	The family's total annual unreimbursed disability expenses.
Line 8h:	The amount the PHA may potentially deduct for the family's disability expenses. Subtract the medical/disability threshold (line 8f) from the total unreimbursed disability assistance expenses (line 8g).
Note:	If the maximum disability allowance is negative and head/spouse/co-head is under 62 and not disabled, enter 0.
Note:	If the maximum disability allowance is negative and head/spouse/co-head is elderly or disabled, copy the total unreimbursed disability assistance expenses (line 8g).
Line 8i:	Of a family's dollars per year listed in line 7d, determine the earned amount made possible by the unreimbursed disability expenses the family incurs.
Line 8j:	The total disability assistance expense amount the family may deduct. Lower of the maximum disability allowance (line 8h) or the earnings made possible by disability assistance expense (line 8i).
Note:	If the total unreimbursed disability assistance expense (line 8g) is less than the medical/disability threshold (line 8f) and head/spouse/co-head elderly or disabled, copy the maximum disability allowance (line 8h).
Line 8k:	The total annual amount of the family's medical expenses that another source does <u>not</u> reimburse (e.g., copayments for medical insurance).
Note:	If the head/spouse/co-head is under 62 and not disabled, enter 0.
Line 8m:	The amount of the family's total disability assistance (line 8j) and medical expenses (line 8k).
Note:	If no disability expenses, copy the total unreimbursed medical expenses (line 8k).
Line 8n:	The amount of the family's allowance for medical expenses and disability assistance expenses.
Note:	If the family does not have any disability assistance expenses or if the total unreimbursed disability assistance expenses (line 8g) is less than the medical/disability threshold (line 8f), enter the total disability assistance and medical expenses (line 8m) minus the medical/disability threshold (line 8f) If the difference is negative, put zero.
Note:	If disability assistance expense and the total unreimbursed disability assistance expense (line 8g) are greater than or equal to the medical/disability threshold (line 8f), copy the total disability assistance and medical expenses (line 8m).
Line 8p:	The family's standard allowance amount if the head of household or spouse or co-head is elderly (age 62 or over), or disabled. The current allowance is $400.
Line 8q:	The total number of dependents who live in the household and are *under* 18 years of age, or have a disability, or are full-time students of any age.
Line 8r:	Standard allowance amount for each dependent in the household.
Note:	The current allowance per dependent is $480.
Line 8s:	The amount of the family's dependent allowance. Multiply the number of dependents (line 8q) in the household by the standard allowance per dependent amount (line 8r).
Line 8t:	The household's total yearly unreimbursed childcare expenses.
Note:	This is the estimated amount a family expects to pay for childcare during the annual income period.
Line 8u:	Indian Housing only. The total annual amount of education or employment travel-related expense, which may <u>not</u> exceed $1,300 per year ($25 per week).
Line 8v:	Reserved for future HUD use.
Line 8w:	Reserved for future HUD use.
Line 8x:	The total amount of all of the family's allowances. Enter the sum of lines 8e, 8n, 8p, 8s, 8t, and 8u.
Line 8y:	The family's adjusted annual income. Subtract total allowances (line 8x) from total annual income (line 8a).
Note:	If 8x is larger, put 0.

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9. Total Tenant Payment (TTP)

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

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

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

10. Public Housing, Indian Rental, and Turnkey III

10a. TTP: copy from 9j		$ 10a.	
10b. Unit's flat rent (see Instruction Booklet for prorated flat rent calculation)		$ 10b.	
Income Based Rent Calculation (if prorated rent, skip to 10h)			
10c. Ceiling rent, if any		$ 10c.	
10d. Lower of TTP or ceiling rent (if no ceiling rent, put 10a)		$ 10d.	
10e. Utility allowance, if any		$ 10e.	
10f. Tenant rent: 10d minus 10e	If positive or 0, put tenant rent		$ 10f.
	If negative, credit tenant	or CR	$ 10f.
10g. Reserved			
Income Based Prorated Rent Calculation (if not prorated, skip to 10u)			
10h. Public/Indian Housing maximum rent		$ 10h.	
10i. Family maximum subsidy: 10h minus 10a		$ 10i.	
10j. Total number eligible		10j.	
10k. Total number in family		10k.	
10m. Reserved			
10n. Eligible subsidy (10i ÷ 10k) X 10j		$ 10n.	
10p. Mixed family TTP: 10h minus 10n		$ 10p.	
10q. Reserved			
10r. Utility allowance, if any		$ 10r.	
10s. Mixed family tenant rent: 10p minus 10r	If positive or 0, put tenant rent		$ 10s.
	If negative, credit tenant	or CR	$ 10s.
10t. Reserved			

Type of Rent

.10u. Type of rent selected:

☐ Income based ☐ Flat

10v. Reserved

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

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11. Section 8: Pre-merger Certificates (Except Manufactured Home Owner Renting the Space) and PHA Project Based Assistance Only

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

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

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

Prorated Rent Calculation

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

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

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

12. Section 8 Vouchers

12a.	Number of bedrooms on Voucher		12a.
12b.	Is family now moving to this unit? (Y or N)		12b.
12c.	Does the family qualify as a Hard to House family? (Y or N)		12c.
12d.	Did family move into your PHA jurisdiction under portability? (Y or N) (if no, skip to 12g)		12d.
12e.	Cost billed per month (put 0 if absorbed)		$ 12e.
12f.	PHA code billed		12f.
12g.	Housing type: ☐ Group home (prorate gross rent) ☐ Own manufactured home, lease space ☐ SRO: 1 room occupied by 1 person		
12h.	Owner name		12h.
12i.	Owner TIN/SSN		12i.
12j.	Payment standard for the family	$ 12j.	
12k.	Rent to owner	$ 12k.	
12m.	Utility allowance, if any	$ 12m.	
12n.	Reserved		
12p.	Gross rent of unit: 12k + 12m (or Space Rent)	$ 12p.	
12q.	Lower of 12j or 12p (if Premerger Voucher contract, see Instruction Booklet)	$ 12q.	
12r.	TTP: copy from 9j	$ 12r.	
12s.	Total HAP: 12q minus 12r	$ 12s.	
Rent Calculation (if prorated rent, skip to 12ab)			
12t.	Total family share: 12p minus 12s	$ 12t.	
12u.	HAP to owner: lower of 12k or 12s	$ 12u.	
12v.	Tenant rent to owner: 12k minus 12u		$ 12v.
12w.	Utility reimbursement to family: 12s minus 12u, but do not exceed 12m		$ 12w.
Prorated Rent Calculation			
12aa.	Reserved		
12ab.	Normal total HAP: copy from 12s, but do not exceed 12p		$ 12ab.
12ac.	Total number eligible	12ac.	
12ad.	Total number in family	12ad.	
12ae.	Proration percentage: 12ac ÷ 12ad	12ae.	
12af.	Prorated total HAP: 12ab X 12ae	12af.	
12ag.	Mixed family total family contribution: 12p minus 12af	$ 12ag.	
12ah.	Utility allowance: copy from 12m	$ 12ah.	
12ai.	Mixed family tenant rent to owner: 12ag minus 12ah — If positive or 0, put tenant rent		$ 12ai.
	If negative, credit tenant	or CR	$ 12ai.
12aj.	Prorated HAP to owner: 12k minus 12ai. If 12ai is negative, put 12k		$ 12aj.
12ak.	Reserved		

12:	Section 8: Vouchers
Note:	Complete if program type is Tenant-based Voucher (1c=VO) and type of action is New Admission (2a=1), Annual Reexamination (2a=2), Interim Reexamination (2a=3), Portability Move-in (2a=4), or Other Change of Unit (2a=7).
Line 12a:	Unit size (number of bedrooms) listed on the family's Voucher.
Line 12b:	Indicate if the family is now moving into the unit.
Line 12c:	Indicate whether or not the family qualifies as Hard to House. A family qualifies as Hard to House if there are three or more minors or if there is a disabled family member and the family is moving to a different unit.
Line 12d:	Indicate whether or not the household will move or has moved into the PHA's jurisdiction under portability.
Line 12e:	Monthly amount billed to the initial PHA for the family's housing assistance payment (HAP) amount, on-going administrative fee, and any utility reimbursement to the family.
Note:	Enter 0 if the family was absorbed by the receiving PHA.
Line 12f:	The initial PHA's 2-letter state code and 3-digit identification number.
Note:	For help obtaining the initial PHA's identification number, contact the appropriate HUD field office, the HA Profiles Web Site within PIC or the MTCS Hotline at 1-800-FON-MTCS.
Line 12g:	Check the housing type that applies to the family's housing unit.
Line 12h:	The Section 8 unit owner's legal name.
Line 12i:	Tax identification number (TIN) or Social Security Number (SSN) of the legal unit owner.
Line 12j:	Enter maximum monthly assistance payment for a family assisted in the Voucher program.
Line 12k:	Total monthly rent payable to the unit owner under the lease for the contract unit.
Line 12m:	If the payment does not include all utilities, indicate the monthly allowance amount for tenant supplied utilities that apply to the family occupied unit.
Line 12n:	Reserved for future HUD use.
Line 12p:	Gross rent of unit or space rent. Add rent to owner (line 12k) to the utility allowance (line 12m).
Line 12q:	Lower of Voucher payment standard for family (line 12j) or gross rent of unit (line 12p).
Line 12r:	Total tenant payment (TTP). Copy from 9j.
Line 12s:	Total housing assistance payment (HAP), which is composed of the lower of the payment standard for the family or gross rent (line 12q) minus total tenant payment (TTP) (line 12r).
Line 12t:	Amount the family contributes toward rent and utilities. Subtract total housing assistance payment (HAP) (line 12s) from gross rent of unit (line 12p).
Line 12u:	The amount of the housing assistance payment (HAP) to the unit owner. Indicate the lower of the rent to owner (line 12k) or total HAP (line 12s).
Line 12v:	Rent amount the family pays to the owner after deducting the housing assistance payment (HAP) to owner (line 12u) from the rent to owner (line 12k).
Line 12w:	The utility reimbursement to the family from the PHA. Subtract housing assistance payment (HAP) to owner (line 12u) from total HAP (line 12s), but do not exceed the utility allowance (line 12m).
Line 12aa:	Reserved for future HUD use.
Line 12ab:	The amount of the normal total housing assistance payment (HAP).
Line 12ac:	Total number of family members eligible for rent subsidy based on the Noncitizens Rule.
Line 12ad:	Total number of family members in household.
Note:	Include all family members, including ineligible noncitizen family members (3i=IN). Do not include live-in aides or foster children/adults.
Line 12ae:	Percentage of family eligible for rent subsidy. Divide total number eligible (line 12ac) by total number in the family (12ad).
Line 12af:	Multiply total normal housing assistance payment (HAP) (line 12ab) by the proration percentage (line 12ae).
Line 12ag:	Indicate the mixed family total family contribution based on the proration calculation. Take the gross rent of unit (line 12p) minus prorated total housing assistance payment (HAP) (line 12af).
Line 12ah:	If the payment does not include all utilities, indicate the monthly allowance amount for tenant supplied utilities that apply to the family occupied unit.
Line 12ai:	The rent amount the family pays to the owner after subtracting the utility allowance (line 12ah) from the mixed family total family contribution (line 12ag); or the total credit amount the family receives to pay for utilities.
Line 12aj:	The total prorated amount of the housing assistance payment (HAP) to the unit owner. Subtract the mixed family tenant rent to owner (line 12ai) from the rent to owner (line 12k).
Note:	If the mixed family tenant rent to owner (line 12ai) is negative, enter the rent to owner (line 12k).
Line 12ak:	Reserved for future HUD use.

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

13. Section 8: Moderate Rehabilitation (Mod Rehab)

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

Rent Calculation (if prorated, skip to 13p)

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

Prorated Rent Calculation

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

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

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

14. Manufactured Home Owner Renting the Space (Pre-merger Certificates Only)

14a.	Number of bedrooms on Certificate		14a.
14b.	Reserved		
14c.	Did family move into your PHA jurisdiction under portability? (Y or N) (if no skip to 14g)		14c.
14d.	Cost billed per month (put 0 if absorbed)		$ 14d.
14e.	PHA code billed		14e.
14f.	Reserved		
14g.	Space owner name		14g.
14h.	Space owner TIN/SSN		14h.
14i.	Reserved		
14j.	Furniture included in purchase price? (Y or N)		14j.
14k.	Monthly amortization payment	$ 14k.	
14m.	Deduction: If 14j = Y, 14k X 0.15. (if 14j = N, put 0)	$ 14m.	
14n.	Adjusted amortization: 14k minus 14m	$ 14n.	
14p.	Utility allowance, if any	$ 14p.	
14q.	Rent to owner (space rent)	$ 14q.	
14r.	Gross rent: 14n + 14p + 14q	$ 14r.	
14s.	TTP: copy from 9j	$ 14s.	
14t.	Gross rent minus TTP: 14r minus 14s	$ 14t.	
14u.	Reserved		
14v.	HAP to owner: lower of 14q or 14t		$ 14v.

Rent Calculation (if prorated rent, skip to 14aa)

14w.	Tenant rent: 14q minus 14v		$ 14w.
14x.	Reserved		

Prorated Rent Calculation

14aa.	Total number eligible	14aa.	
14ab.	Total number in family	14ab.	
14ac.	Proration percentage: 14aa ÷ 14ab	14ac.	
14ad.	Prorated HAP to owner: 14v X 14ac	$ 14ad.	
14ae.	Mixed family TTP: 14r minus 14ad	$ 14ae.	
14af.	Reserved		
14ag.	Mixed family tenant rent: 14q minus 14ad		$ 14ag.

14:	Manufactured Home Owner Renting the Space (Pre-merger Certificates only)
Note:	This section will be obsolete on September 30, 2001, when all Certificates must be converted to Voucher assistance.
Note:	Complete if program type is Certificates (line 1c=CE) for Manufactured Home Owner Renting the Space and type of action is New Admission (2a=1), Annual Reexamination (2a=2), Interim Reexamination (2a=3), Portability Move-in (2a=4), or Other Change of Unit (2a=7).
Line 14a:	The unit size (number of bedrooms) listed on the family's Certificate.
Line 14b:	Reserved for future HUD use.
Line 14c:	Indicate whether or not the household will move or has moved into the PHA's jurisdiction under portability.
Line 14d:	Monthly amount billed to the initial PHA for the family's housing assistance payment (HAP) amount, on-going administrative fee, and any utility reimbursement to the family.
Note:	Enter 0 if the family was absorbed by the receiving PHA.
Line 14e:	The initial PHA's 2-letter state code and 3-digit identification number.
Note:	For help obtaining the initial PHA's identification number, contact the appropriate HUD field office, the HA Profiles Web Site within PIC or the MTCS Hotline at 1-800-FON-MTCS.
Line 14f:	Reserved for future HUD use.
Line 14g:	The space owner's legal name.
Line 14h:	Tax identification number (TIN) or Social Security Number (SSN) of the legal space owner.
Line 14i:	Reserved for future HUD use.
Line 14j:	Indicate whether or not the manufactured home's purchase price included the cost of furniture.
Line 14k:	The monthly amount paid for principal and interest to amortize the manufactured home's purchase price.
Note:	Include any set-up charges for assembling, skirting, and anchoring the manufactured home.
Line 14m:	The deduction amount for furniture cost from the monthly amortization payment.
Line 14n:	The adjusted monthly amortization payment. Subtract the deduction (line 14m) from the monthly amortization payment (line 14k).
Line 14p:	If the owner does not provide all utilities, indicate the monthly allowance amount for tenant supplied utilities that apply to the family occupied unit.
Line 14q:	The monthly rent payable to the space owner under the lease.
Note:	Includes the required charges for all maintenance and management services, but excludes on-going utility charges.
Line 14r:	The space's total monthly rent amount, or gross rent. Add adjusted amortization (line 14n), the utility allowance (line 14p) and the rent to owner (line 14q).
Line 14s:	The total tenant payment (TTP). Copy from 9j.
Line 14t:	Indicate the total tenant payment (TTP) (line 14s) subtracted from the gross rent (line 14r).
Line 14u:	Reserved for future HUD use.
Line 14v:	The amount of the housing assistance payment (HAP) to the space owner. Indicate the lower amount of the gross rent to owner (line 14q) or gross rent minus total tenant payment (TTP) (line 14t).
Line 14w:	The rent amount the family pays to the owner. Deduct the housing assistance payment (HAP) to owner (line 14v) from the rent to owner (line 14q).
Line 14x:	Reserved for future HUD use.
Line 14aa:	Total number of family members eligible for rent subsidy based on the Noncitizens Rule.
Line 14ab:	Total number of family members in household.
Note:	Include all family members, including ineligible noncitizen family members (3i=IN). Do not include live-in aides or foster children/adults.
Line 14ac:	Percentage of family eligible for rent subsidy. Divide the total number eligible (line 14aa) by the total number in family (line 14ab).
Line 14ad:	The total prorated amount of the housing assistance payment (HAP) to the space owner. Multiply the housing assistance payment (HAP) to owner (line 14v) by the proration percentage (line 14ac).
Line 14ae:	Indicate the mixed family total tenant payment (TTP) based on the proration calculation. Subtract the prorated housing assistance payment (HAP) to owner (line 14ad) from the gross rent (line 14r).
Line 14af:	Reserved for future HUD use.
Line 14ag:	The rent amount the family pays to the owner. Subtract the prorated housing assistance payment (HAP) to owner (line 14ad) from the rent to owner (line 14q).

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

15. Section 8: Homeownership

15a.	Is family now moving to this home? (Y or N)	15a.	
15b.	Date (mm/dd/yyyy) of initial HQS inspection	15b.	
15c.	Did family move into your PHA jurisdiction under portability? (Y or N) (if no, skip to 15f)	15c.	
15d.	Cost billed per month (put 0 if absorbed)	$ 15d.	
15e.	PHA code billed	15e.	
15f.	Monthly homeownership payment (PITI & MIP if applicable)	$ 15f.	
15g.	Utility allowance	$ 15g.	
15h.	Monthly maintenance allowance	$ 15h.	
15i.	Monthly major repair/replacement allowance	$ 15i.	
15j.	Monthly Co-op/Condominium assessments	$ 15j.	
15k.	Monthly principal and interest on debt for improvements, if any	$ 15k.	
15m.	Gross homeownership expense: 15f + 15g + 15h + 15i + 15j+ 15k	$ 15m.	
15n.	Payment standard for family	$ 15n.	
15p.	Lower of 15m and 15n	$ 15p.	
15q.	TTP: copy from 9j	$ 15q.	
15r.	HAP: 15p minus 15q (if 15q is larger, put 0)	$ 15r.	
Subsidy Calculation (if prorated, skip to 15aa)			
15s.	Total family share: 15m minus 15r		$ 15s.
Prorated Subsidy Calculation			
15aa.	Normal total HAP: copy from 15r	$ 15aa.	
15ab.	Total number eligible	15ab.	
15ac.	Total number in family	15ac.	
15ad.	Proration percentage: 15ab ÷ 15ac	15ad.	
15ae.	Prorated HAP: 15aa X 15ad	$ 15ae.	
15af.	Mixed family total family share: 15m minus 15ae		$ 15af.
15ag.	Reserved		
15ah.	Reserved		

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

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

16. Indian Mutual Help

16a.	Adjusted monthly income: copy from 9d	$ 16a.	
16b.	Number between 0.15 and 0.30 corresponding to the % in the mutual help agreement	16b.	
16c.	Gross family cost: 16a X 16b	$ 16c.	
16d.	Utility allowance, if any	$ 16d.	
16e.	Net cost: 16c minus 16d (if 16d is larger, put 0)	$ 16e.	
16f.	Administration charge	$ 16f.	
16g.	Maximum monthly payment in agreement, if any (usually 16f + monthly debt service)	$ 16g.	
16h.	Family cost: higher of 16e and 16f, but not greater than 16g		$ 16h.

16:	Indian Mutual Help
Note:	Complete if program type is Indian Mutual Help (1c=B) and type of action is New Admission (2a=1), Annual Reexamination (2a=2), Interim Reexamination (2a=3), or Other Change of Unit (2a=7).
Line 16a:	The total amount of adjusted monthly income received on a monthly basis. Enter the amount from 9d.
Line 16b:	The Mutual Help and Occupancy Agreement (MHOA) percentage, as indicated in the Mutual Help agreement. Use a decimal between 0.15 and 0.30.
Line 16c:	The total amount of the family's monthly cost. Multiply adjusted monthly income (line 16a) by the mutual help agreement percentage (line 16b).
Line 16d:	If the payment does not include all utilities, indicate the monthly allowance amount for tenant supplied utilities that apply to the family occupied unit.
Line 16e:	The net family cost. Deduct the utility allowance (line 16d) from the gross family cost (line 16c).
Note:	If the utility allowance (line 16d) is larger, enter 0.
Line 16f:	Each Indian Housing Authority (IHA) sets their administration charge. Enter the amount of the IHA's charge.
Line 16g:	If the IHA has an established maximum monthly payment schedule, enter the amount. The maximum is usually the total of the administration charge (line 16f) and any debt service payments shown on the homebuyer's purchase price schedule.
Line 16h:	The total family cost. The higher amount of either the net cost (line 16e) or the administration charge (line 16f).
Note:	If this amount exceeds the maximum monthly payment in the agreement, enter the maximum monthly payment (line 16g).

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

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

17a.	Participate in special programs? (check all that apply) ☐ FSS ☐ Welfare to Work Voucher	
17b.	FSS report category (check no more than one) ☐ Enrollment ☐ Progress ☐ Exit	
17c.	FSS effective date (mm/dd/yyyy) of action	17c.
17d.	PHA code of PHA administering FSS contract	17d.
17e.	WtW report category (check no more than one) ☐ Enrollment ☐ Progress ☐ Exit	
17f.	WtW effective date (mm/dd/yyyy) of action	17f.
17g.	(1) PHA code of PHA that issued the WtW Voucher	17g(1).
	(2) PHA code of PHA counting the family as enrolled in its WtW Voucher program (if different from 17g(1))	17g(2).
17h.	General Information	
	(1) Current employment status of head of household. Check the box to indicate the head of household's employment status at the time addendum completed. ☐ Full-time (32 hours per week or more) ☐ Part-time ☐ Not employed	
	(2) Date (mm/dd/yyyy) current employment began	17h(2).
	(3) Benefits in current employment: (check all that apply) ☐ Health ☐ Retirement account ☐ Other	
	(4) Years of school completed by the head of household. Enter the highest grade of education or years of formal schooling the head of household completed at the time Addendum is submitted. (0-25)	17h(4).
	(5) Assistance received by the family: (check all that apply) ☐ TANF Income Assistance ☐ General Assistance ☐ Food Stamps ☐ Medicaid/Children's Health Insurance Program ☐ Earned Income Tax Credit	
	(6) Number of children receiving childcare services	17h(6).

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

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

17i (3) Service Provider Codes:

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

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

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

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

17j.	**FSS Contract Information**	
	(1) Initial start date (mm/yyyy) of contract of participation (FSS enrollment report only)	17j(1).
	(2) Initial end date (mm/yyyy) of contract of participation (FSS enrollment report only)	17j(2).
	(3) Contract date extended to (mm/yyyy) (if applicable)	17j(3).
	(4) Number of family members with Individual Training and Services Plan	17j(4).
	(5) Did the family receive selection preference because of a FSS related service program participation? (FSS enrollment report only) (Y or N)	17j(5).
17k.	**FSS account information**	
	(1) Current FSS account monthly credit	$ 17k(1).
	(2) Current FSS account balance	$ 17k(2).
	(3) FSS account amount disbursed to the family (cumulative as of end of reporting period)	$ 17k(3).
17m.	**FSS exit information (FSS Exit Report only)**	
	(1) Did family complete contract of participation? (Y or N)	17m(1).
	(2) If (1) is Yes, did family move to homeownership? (Y or N)	17m(2).
	(3) If (1) is No, primary reason for exit: ☐ Left voluntarily ☐ Asked to leave program ☐ Portability move-out ☐ Left because essential service was unavailable ☐ Contract expired but family did not fulfill obligations	

Welfare to Work Voucher Program

17n.	**WtW program information**	
	(1) Date (mm/dd/yyyy) Voucher issued (WtW enrollment report only)	17n(1).
	(2) Date (mm/dd/yyyy) of request for lease approval (RFLA) for a unit leased	17n(2).
	(3) Help in housing search from: ☐ TANF Agency ☐ Other	17n(3).

17p. If assisted in a different unit, reason(s): (check all that apply) (WtW enrollment report only)

- ☐ Closer to day care
- ☐ Transportation
- ☐ Pre-program unit would not meet HQS
- ☐ Pre-program unit rent above payment standard, tenant rent too high
- ☐ Owner of pre-program unit unwilling to participate
- ☐ Closer to other services
- ☐ Employment

17q.	Welfare to Work exit information (WtW exit report only)	
	(1) Is the family moving to homeownership? (Y or N)	17q(1).

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

- ☐ Portability move-out
- ☐ Family no longer needs subsidy
- ☐ Subsidy terminated for Section 8 program violation, other than WtW obligations
- ☐ Subsidy terminated for violation of WtW obligations
- ☐ Family voluntarily withdrew from Section 8 program
- ☐ Other

17:	Family Self-Sufficiency (FSS)/Welfare to Work (WtW) Voucher Addendum (continued)
Line 17j.(1):	FSS enrollment report only. The effective date of the family's FSS contract of participation; the date the family *initially* enrolled in the FSS program.
Line 17j.(2):	FSS enrollment report only. The expiration date of the family's FSS contract of participation; the date the family is *initially* expected to exit the FSS program. The contract term is for a period of 5 years.
Line 17j.(3):	If applicable, the date to which the PHA has extended the family's FSS contract of participation.
Line 17j.(4):	The number of family members in the household who have current Individual Training and Services Plans under the FSS contract of participation.
Line 17j.(5):	For new FSS enrollment, indicate whether or not the family received an FSS selection preference due to participation in a related service program.
Line 17k.(1):	The current dollar amount credited to the family's FSS account due to increases in earned income by the family.
Line 17k.(2):	The current dollar amount of the family's FSS account based on the most recent report of account funds and activity.
Line 17k.(3):	Total dollar cumulative amount, if any, of all FSS escrow disbursements ever made to the family.
Line 17m.(1):	Indicate if the family fulfilled all of its obligations under the contract during the contract term, or when 30% of the family's monthly adjusted income equal or exceed the existing housing fair market rent (FMR) for the unit size for which the family qualifies.
Line 17m.(2):	Indicate if the family completed the contract and is moving to homeownership.
Line 17m.(3):	Indicate why the family is not moving to homeownership.
Line 17n.(1):	The date the PHA issued the Welfare to Work Voucher.
Line 17n.(2):	The date the family submitted a request for lease approval (RFLA) to the PHA.
Line 17n.(3):	Identify entities that helped the family find a unit.
Line 17p:	If assistance occurred in a different unit, check all of the reasons that apply.
Line 17q.(1):	Indicate whether or not the family withdrew from the Section 8 WtW program to buy a home.
Line 17q.(2):	Identify the reasons why the family is leaving the WtW program.

HUD 50058 Instruction Booklet

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

Family Report

Form HUD-50058
Instruction Booklet

June 6, 2001

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Introduction

The Form HUD-50058 Instruction Booklet will help you understand and complete the Form HUD-50058.

What is the purpose of the Form HUD-50058?
The data collected on the Form provides HUD with a picture of the people who participate in subsidized housing programs. Public Housing Agencies (PHAs) collect and electronically submit information contained on the Form HUD-50058 to HUD. The Multifamily Tenant Characteristic System (MTCS) then captures this information and creates reports used to:

- analyze the subsidized housing programs,
- monitor PHAs,
- detect fraud, and
- provide information to Congress and other interested parties.

What is the purpose of the Form HUD-50058 Instruction Booklet?
HUD prepared and distributed the Form HUD-50058 Instruction Booklet to help ensure the accuracy and consistency of the information collected. This booklet explains each line of the Form HUD-50058 and the information collected for each line item.

Where do I find information on field edits and flat file transmission requirements?
To target audiences with appropriate information, HUD created a separate document that contains the field edits and flat file transmission requirements called the *Form HUD-50058 Technical Reference Guide*. Interested users can find the Guide on the HUD Web site <www.hud.gov/pih/systems/mtcs/document.html>.

General Information for Completing Form HUD-50058

What are the major differences between this Form HUD-50058 and the previous version?

- The revised Form HUD-50058 incorporates changes required by the Quality Housing and Work Responsibility Act (QHWRA) of 1998, commonly known as the Public Housing Reform Act (PHRA), and its accompanying regulations.

- This version includes formula for flat rents, the Housing Choice Voucher Program (HCVP), and the Voucher Homeownership program.

- The program codes in 1c no longer include MC= Mod Rehab Converted to Certificate. If a family has Certificate or Voucher assistance funded under the Mod Rehab Annual Contributions Contract (ACC), report the family as CE = Section 8 Certificates or VO = Section 8 Vouchers.

- HUD added new action codes for Issuance of Voucher (2a=10) and Expiration of Voucher (2a=11) so that PHAs and HUD can analyze the leasing success of families who receive Vouchers.

- A new action code has been added for a Section 8 annual HQS inspection (2a=13) as a separate action if it happens at a time other than the time of another reported action for the family. The PHA must ensure that each annual HQS inspection is reported in a timely manner to MTCS.

- A new action code (2a=14) has been added to capture historical adjustments to the MTCS database. This transaction is used to capture information for households who do not have a new admission (2a=1) on file, but require an annual reexamination (2a=2). The historical adjustment will serve as the baseline action for the household.

- This version of the form allows PHAs to correct fields previously transmitted in error. The correction fields (2c, 2d and 2e) allow PHAs to correct income and non-income related information was submitted in error. In order to determine if there is a need for better PHA quality controls, the revised Form HUD-50058 also asks PHAs to track the reason for corrections to family data.

- In addition to the inclusion of new fields and the deletion of others, the revised Form HUD-50058 was designed to fix problems that existed on the last version of the form. Additionally, the Form includes new Welfare to Work (WtW) Voucher fields in the Addendum.

- The revised form also references project numbers, building numbers, and unit numbers to better track public housing tenants by linking MTCS to the Public and Indian Housing Information Center (PIC) System.

What are the special rules for families that participate in the Family Self-Sufficiency (FSS) and/or Welfare to Work (WtW) Voucher Program(s)?

- If the family participates in the FSS program and you complete Form HUD-50058 for any action other than an FSS action only (line 2a, action other than 8), and the family participated in the FSS program in the past year (line 2m), complete all applicable sections on Form HUD-50058. Additionally, complete the FSS/WtW Voucher Addendum.

- If the family participates in the Welfare to Work (WtW) Voucher program (line 2m, WtW) and you complete Form HUD-50058 for any action other than an WtW action only (line 2a, action other than 8), complete all applicable sections on Form HUD-50058. Additionally, complete the FSS/WtW Voucher Addendum.

- If you complete Form HUD-50058 for a family that has an FSS/WtW Voucher action only (2a = 8), complete the applicable section on the Form HUD-50058, then skip to the FSS/WtW Voucher Addendum.

Reporting Requirements

What are the MTCS reporting requirements?
Notice PIH 2000-13**:** Reporting Requirements for the Multifamily Tenant Characteristics System, sets a minimum MTCS reporting rate of 85% for both Public Housing and combined Section 8 Certificate and Voucher programs. Public Housing Agencies (PHAs) must electronically submit Form HUD-50058 data to MTCS. Please note that Notice 2000-13 renews Notice 99-2.

What can I do if my PHA fails to meet the minimum reporting rates?
PHAs that fail to meet the minimum reporting rate may request forbearance from sanctions in writing from their respective Field Office or TARC. For more information about the requirements and sanctions under PIH notice 2000-13, go to <www.hud.gov**:**80/pih/systems/mtcs/notice/pih2000-13.html>.

What are the reporting requirements for PHAs with over 100 units?
PHAs that administer 100 or more units must electronically submit Form HUD-50058 data to MTCS at least monthly.

What are the reporting requirements for PHAs with 99 or fewer units?
PHAs that administer 99 or fewer units must electronically submit Form HUD-50058 data to MTCS at least quarterly.

Privacy Act Notice and Nondiscrimination Requirement

What is the Privacy Act Notice?
Collection of information on Form HUD-50058 is subject to the requirements of the Privacy Act of 1992, Section 508(d). The Notice is a general authorization form and does not replace specific forms that PHAs currently use to verify information about applicants or participants. PHAs must give a Form HUD-9886, Authorization for the Release of Information/Privacy Act Notice to**:**

- all applicants at the time the PHA evaluates their eligibility for housing assistance, and
- all residents and all Section 8 participants at each annual reexamination or interim reexamination.

What family members must sign the Privacy Act notice?
The head of household and spouse or co-head, regardless of age, and each adult member in the household at the time of the initial examination must sign the notice. It is **mandatory** that each additional adult member who lives in the household sign the Notice. PHAs must also obtain signatures from any new adult who joins the household and from household members who have reached 18 years of age. **Failure of the applicant or participant to sign the Notice constitutes grounds for denial of eligibility or termination of assistance or tenancy.** PHAs must keep a signed copy of the Authorization for the Release of Information/Privacy Act Notice in the tenants' files.

Where can I find more information on the Privacy Act Notice?

- For a copy of *Form HUD-9886, Authorization for the Release of Information/Privacy Act Notice*, see HUD's Client Information and Policy System on the Web <www.hudclips.org/subscriber/html/forms.htm>
- For more information on the Privacy Act Notice and Form HUD-9886, see *Notice PIH 94-36 (PHA), Issued June 13, 1994*.

Does Section 504 of the Rehabilitation Act of 1974 (29 USC 794) as amended apply?

Yes Section 504 applies. PHAs may not deny persons with disabilities assistance in the public housing or Section 8 programs. The law specifically states "No otherwise qualified individual with a disability in the United States, as defined in section 705(20) of this title, shall, solely by reason of her or his disability, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance or under any program or activity conducted by any Executive agency or by the United States Postal Service."

Form Conventions

What are the data entry conventions for submitting data to MTCS?

- **Dates:** Include the 4-digit year for all fields that require the entry of a date. Enter the date in any standard format (i.e., "MM/DD/YYYY or MM-DD-YYYY"). You must enter the year in its entirety.
- **"/"** means "or" unless otherwise noted.
- **Monetary figures:** enter only whole dollar amounts. Do not show cents, commas, or dollar signs. Enter $350.26 as $350.
- **Rounding:** round each monetary amount *up* when a number is .50 or above; *down* when a number is .49 or below.
- **Reserved:** HUD may have future directions about how to use these lines. Reserved lines are placeholders for possible future changes.
- **Calculation:** a scratch area where Public Housing Agencies may perform manual calculations. The column entries do not transmit to HUD.
- **Mixed Family:** a family that contains both eligible and ineligible members who may be subject to pro-rated rent under the Noncitizens Rule.
- **Negative numbers:** when calculations result in negative numbers, enter 0 (zero), unless the Form instructs otherwise.
- **PHA use only:** Use for your PHA tracking purposes.

What are the common acronyms used in the Form and Instruction Booklet?

FMR = Fair Market Rent
FSS = Family Self-Sufficiency program
HAP = Housing Assistance Payment
HOPE = Homeownership and Opportunity for People Everywhere
HQS = Housing Quality Standards
HUD = Department of Housing & Urban Development
IHA = Indian Housing Authority
INS = Immigration and Naturalization Service
OMB = Office of Management and Budget
PHA = Public Housing Agency
SRO = Single Room Occupancy
SSA = Social Security Administration
SSI = Supplemental Security Income
SSN = Social Security Number
TANF = Temporary Assistance for Needy Families
TIN = Taxpayer Identification Number
TTP = Total Tenant Payment
WtW = Welfare to Work

Additional Resources

Where can I receive further technical and program assistance?

We hope the Instruction Booklet answers most of your questions about the Form HUD-50058. Please direct additional questions to one of these resources:

- *The MTCS Hotline* provides technical assistance in the completion and transmission of Form HUD-50058. The Hotline is available Monday - Friday, between the hours of 8:00 AM and 8:00 PM, Eastern Standard Time (excludes Federal Holidays). For assistance, call the Hotline at: 1-800-366-6827.

- *The MTCS Forum* is vehicle for on-line questions and answers. HUD headquarters, HUD Field Offices, Public Housing Agencies, and vendors use the site to resolve problems they have, post useful tips and suggestions, as well as lend their experience to situations that

others face. The MTCS Forum is located on the HUD Web site at: <www.hud.gov/pih/systems/mtcs/forums.html>.

- A HUD Field Office Representative

- A HUD Headquarters Program Specialist
  - Section 8
  - Public Housing and Section 8 Occupancy and Admissions questions
  - Family Self-Sufficiency and Welfare to Work
- PIH Information and Resource Center (IRC) for program related questions 1-800-955-2232

Where can I find additional information on MTCS and the Form HUD-50058?

The following resources provide additional information for staff who complete the Form HUD-50058**:**

- **The Code of Federal Regulations** contains the codification of the general and permanent rules published in the Federal Register by the Federal Government, executive departments and agencies. For the code section that applies to HUD programs, see **Title 24, Housing and Urban Development**. Federal Register information is available on the Internet at <www.access.gpo.gov/nara/cfr>.

- **The Quality Housing and Work Responsibility Act of 1998,** commonly known as the **Public Housing Reform Act (PHRA)**, is landmark legislation that aims to;
  - reduce the concentration of poverty in public housing,
  - protect access to housing assistance for the poorest families,
  - merge and reform the Section 8 Certificate and Voucher programs, and
  - support HUD management reform efficiencies through deregulation and program consolidation.

  PHRA is available on the Internet at <www.hud.gov/pih/legis/titlev.html#info>.

- **1937 Housing Act** is the law that applies to Public and Indian Housing programs and Section 8. The Act is available on the Internet at <www4.law.cornell.edu/cfr/24cfr.htm#star>.

- **The Social Security Handbook** summarizes information about Social Security programs and contains brief descriptions of related programs that other agencies administer. The handbook covers the primary programs that affect public housing residents, which include;
  - retirement insurance,
  - survivors insurance,
  - disability insurance,
  - supplemental security income, and
  - public assistance and welfare services.

  The Handbook is available on the Internet at <www.ssa.gov/OP_Home/handbook/hbktoc.htm >.

- ***Homes and Communities*** is HUD's web site on the Internet and is a source for information about HUD programs. Homes and Communities can be found on the Internet at <www.hud.gov>.
- **MTCS web site** is a source for information about MTCS, downloading MTCS files, and obtaining MTCS operating information. This site includes links to;
  - MTCS Forum (on-line question and answer),
  - MTCS News Flash
  - MTCS documentation, and
  - PIH Notices

  MTCS Website can be found at <www.hud.gov/pih/systems/mtcs/pihmtcs.html>

Form HUD-50058 Technical Reference Guide contains the Form HUD-50058 field edits and flat file transmission requirements. The Guide is available on the Internet at <www.hud.gov/pih/systems/mtcs/document.html >.

- **HUD's Client Information and Policy System**, known as HUDCLIPS, is the source to download all HUD forms; including the Form HUD-50058. HUDCLIPS can be found at**:** <www.hudclips.org/subscriber/html/forms.htm>

Page Heading

Head of household name:

At the top of every page, enter the head of household's last name (line 3b), first name (line 3c) and middle initial (line 3d). Use this field to identify the head of household if the pages of the Form separate.

Social Security Number:

At the top of every page, enter the head of household's Social Security Number (line 3n). Use this field to identify the head of household if the pages of the Form separate.

Date modified (mm/dd/yyyy):

At the top of every page, enter the date the PHA representative fills out the Form or modifies any Form page. If information on one page requires a correction, that page date will change when the PHA makes the correction. If information on other Form pages does not change, the date modified will not change on those pages.

Section 1: Agency

1a. Agency Name:

Name of the Public Housing Agency (PHA) that completes the family's Form HUD-50058. Abbreviate the agency name as necessary, but include essential identification information.

When does my PHA report family data under Section 8 portability?

Under Section 8 portability, the receiving PHA should always report family data. If the receiving PHA is different from the initial PHA, use the receiving PHA's name and number on the form. The receiving PHA can bill the initial PHA, if necessary.

How does MTCS populate this field?

MTCS populates this field with data from PIC or HUDCAPS based on the PHA code reported in 1b.

1b. PHA Code:

Five-character code composed of the 2-letter postal state code and 3-digit PHA number. This state code indicates the location of the reporting PHA and the number identifies each PHA within a particular state.

Example: If a PHA is in Florida, and its PHA number is 12, this is how the PHA code should be recorded:

- State Code: FL for Florida;
- PHA Number: 012 (to convert it to a 3-digit number, add appropriate number of zeros before the number);
- PHA code to be recorded**:** FL012

Where can I find standard state and territory codes?

See Appendix 1, Federal Standard State and Territory Codes, for a list of state and territory postal state codes.

Where can I find a PHA's number?

If the PHA number is unknown, call the PHA's state or area field office. Alternatively, you can obtain the number on the PHA Profiles web site <www-domino.hud.gov/pih/halist.nsf/By+State+with+Addresses?OpenView>.

1c. Program:

Using the codes provided, indicate the housing assistance program in which the family participates. Enter a program code in the 2 boxes in line 1c from *left to right*. If there is only 1 letter to enter, complete the *first* box (the one to the left) only; if there are 2 letters to enter, complete both (first and second) boxes.

- **P** = Public Housing
- **CE** = Section 8 Certificate
- **VO** = Section 8 Vouchers
- **MR** = Moderate Rehabilitation (Mod Rehab)
- **B** = Indian Housing

1d. Project Number (Public/Indian Housing Only):

The project number is composed of the 2-letter project state code, 3-digit PHA number, 3-digit development number and 3-digit suffix (if applicable). HUD assigns site numbers or suffixes to the project sites of some Public and Indian Housing Agencies. If the family lives in a project with a site number or suffix code, enter the 3-digit number or suffix. If no site number or suffix is assigned, leave blank.

Example: If a PHA is in Florida, its PHA number is 12, and the suffix or site number is 5, this is how the Project Number should be recorded:

- State Code: FL for Florida
- PHA Number: 012 (to convert it to a 3 digit number, add appropriate number of zeros before the number)
- Development Number: 005 (to convert it to a 3 digit number, add appropriate number of zeros before the number)
- Project Number to be recorded: FL012005

Suffix, if applicable (Public/Indian Housing Only):

HUD has assigned site numbers or suffixes to the project sites of some Public and Indian Housing Agencies. If the family lives in a project with a site number or suffix code, enter the 3-digit number or suffix here. If there is no site number or suffix, leave it blank.

Which project number should be used when my PHA administers another PHA's Section 8 program?

If your PHA administers another PHA's Section 8 program, and the other PHA's Annual Contribution Contract (ACC) funds a family's assistance, use the Section 8 project number for the program that funds

the family's assistance. (This does *not* apply to portability.)

1e. Building number (Public/Indian Housing only):
Six-character code to capture the tenant's building number. All PHAs should use the building numbers that correlate with Public and Indian Housing Information Center (PIC) data. PIC establishes valid building numbers.

1f. Building entrance number (Public/Indian Housing only):
Three-character code to capture the tenant's building entrance number. All PHAs should use the entrance numbers that correlate with PIC data. PIC establishes valid building entrance numbers.

1g. Unit number (Public/Indian Housing only):
Six-character code to capture the PHA designated tenant unit number. All PHAs should use the unit numbers that correlate with PIC data. PIC establishes valid unit numbers.

Section 2: Action

2a. Type of action:

Report the type of action. Use the action codes that follow:

- *1 = New Admission:* Use this transaction when the family has:
  - Signed a lease (or occupancy agreement) with the PHA for the first time to occupy a dwelling unit operated under the PHA's Public or Indian Housing program
  - Signed a lease under the Section 8 Voucher or Moderate Rehabilitation programs for the first time
  - Experienced an interruption of over one month between his or her occupancy of one Public or Indian Housing unit and another Public or Indian Housing unit
  - Experienced an interruption in assistance of over six months between assisted occupancy of one unit and assisted occupancy of another unit under the Section 8 program, and is then readmitted to a Section 8 program.
  - Moved from one PHA program to another (e.g., moved from a Public Housing project to the Section 8 Voucher program).

  Under what circumstances should a family not be reported as a new admission?
  - Do not report a New Admission if a family's assistance is converted from the Section 8 Certificate program to the Housing Choice Voucher program. HUD does not consider a conversion to Voucher assistance as a New Admission. Use a reexamination code to convert Certificates to Vouchers.
  - Do not report a new admission for a transfer from one dwelling unit to another unit within the same PHA program. Use a reexamination code if the transfer is at the time of the regularly scheduled reexamination. Otherwise, report an Other Change of Unit (2a=7) if the family moved within the PHA's jurisdiction, or report a Portability Move-in (2a=4) if the family is moving from another PHA into your PHA's jurisdiction.

  Do I report a new admission if a family *exercises portability with its first admission?*
  If a family exercises portability with its first admission into the Section 8 program, the receiving PHA must classify this as a New Admission and not a Portability Move-in.

  How do I indicate FSS/WtW enrollment during a New Admission?
  If the family is a New Admission and is enrolling in the FSS/WtW program, report a New Admission and submit an FSS/WtW Addendum that indicates the family as a new FSS or WtW enrollment.

  Do I report a new Admission when a family moves from Public Housing to Section 8?
  If a family moves from a Public Housing project to the Section 8 Voucher program, report a New Admission for the Section 8 Voucher Program, and an End Participation for the Public Housing program.

- *2 = Annual Reexamination*: The regularly scheduled annual reexamination of family income and circumstances.

  Under what circumstances is a reexamination not conducted on an annual basis?
  For public housing families that select a flat rent, the PHA must conduct a reexamination of income up to once every three years.

- *3 = Interim Reexamination*: The reexamination of family income and circumstances, other than at the regularly scheduled annual reexamination. Occurs as a result of a change in income status, addition or loss of a family member, or other circumstance that requires tenant rent adjustment.

- *4 = Portability Move-In (VO only)*: Applicable to Section 8 Vouchers only. Portability move into a new PHA jurisdiction.

  What is portability?
  Portability is renting a dwelling unit with Section 8 Voucher assistance outside the jurisdiction of the initial PHA.

  When is a portability move-in classified as a new admission?
  If a family exercises portability with its first admission into the Section 8 program, the receiving PHA must classify this as a New Admission and not a Portability Move-in. Please note that families can no longer move

into the Section 8 Certificate program. Families can only move into the Section 8 Voucher program.

- *5 = Portability Move-out (S8 only)* : Section 8 Certificates or Vouchers only Portability move out of a PHA jurisdiction, regardless of whether the receiving PHA bills or absorbs the cost.

  What is portability?
  Portability is renting a dwelling unit with Section 8 tenant-based assistance outside the jurisdiction of the initial PHA.

  When should a portability move-out be reported?
  Report a portability move-out only after the receiving PHA has executed a HAP contract on behalf of the family.

- *6 = End Participation*: The transaction where the head of household and all family members discontinue participation in the PHA program. Report an End Participation if the family moves from one PHA program to another.

  Example: A family moves from a Public Housing project to the Section 8 Voucher program. Report an End Participation for the Public Housing program, and a New Admission for the Section 8 Voucher program.

  Under what circumstances should I not report an end participation?
  - Do not report an End Participation for temporarily interrupted assistance (e.g., interrupted for one month or less for Public or Indian Housing program, or for six months or less for Section 8 programs) because of a move to a different unit under the same program.
  - Do not report an End Participation if a family's assistance is converted from the Section 8 Certificate program to the Housing Choice Voucher program. HUD does not consider a conversion to Voucher assistance as an End Participation.

- *7 = Other Change of Unit*: A move to a different unit within the same PHA program at a time other than the Annual Reexamination or an Interim Reexamination.

- *8 = FSS/WtW Voucher Only*: Use this code when the family enrolls, announces program progress, or exits the Family Self-Sufficiency (FSS) or Welfare to Work Voucher program(s) at a time other than the time of another reported action for the family. The family continues to receive housing assistance.

- *9 = Annual Reexamination Searching (VO only)*: Section 8 Vouchers only The family is due for an annual reexamination, but has moved from its former unit and is searching for a new unit.

- *10 = Issuance of Voucher (VO only)*: The PHA issues a Voucher to the family and the family begins to search for housing.

- *11 = Expiration of Voucher (VO only)*: The family fails to lease a unit and the Voucher expires. Report each voucher issuance and expiration, whether for a new admission or a participant who is moving.

- *12 = Flat Rent Annual Update (Public Housing only)*: Applicable only to families who select flat rent. The regularly scheduled annual update for a public housing family that chose a flat rent. HUD requires the PHA to update family composition information each year.

  When does my PHA use this action code?
  The flat rent annual update is only conducted in the years that a reexamination is not conducted for families in Public Housing who choose flat rent. Families who select flat rent only require an annual reexamination up to once every three years. This code allows PHAs to update family data for families who selected a flat rent.

  Example: Public Housing family chooses flat rent.
  Year 1: New admission (2a=1) or Annual Reexamination (2a=2)
  Year 2: Flat Rent Annual Update (2a=12)
  Year 3: Flat Rent Annual Update (2a=12)
  Year 4: Annual Reexamination (2a=2)

- *13 = Annual HQS Inspection Only (S8 only)*: To Report the annual HQS inspection as a separate action if it happens at a time other than the time of another reported action for the family. The PHA is responsible to ensure that each annual HQS inspection is reported in a timely manner to MTCS

- *14 = Historical Adjustment (Public Housing only)*: To capture information for households who do not have a New Admission (line 2a=1) recorded in MTCS, but require an action.

Historical Adjustment will serve as the baseline action for the household.

When does my PHA use this action code? Given that there will be cases where the family was never successfully reported and is not in MTCS and the family is not a new admission (*i.e.*, they have been assisted by a PHA for some time), Historical Adjustment is the action to establish the first family record in the system before any other action can be processed. This action code is for the conversion of MTCS data from its current state to the new historical and transaction-based structure.

- *15 = Void* : For PHAs to remove the latest submitted record from the database.

When should I use void to remove records from the database?

- Use void to delete the latest family record when it was submitted in error.
- PHAs should use void to correct data when there are two or more duplicate records in the MTCS database or when the PHA sends an erroneous SSN to MTCS.

Example: If a PHA submits a Form 50058 in March and a FSS Addendum to the same Form 50058 in April then subsequently voids the Form 50058 in May, the FSS Addendum will also be voided.

2b. Effective date (mm/dd/yyyy) of action:

Date the reported action becomes effective. The effective date cannot be earlier than the date of admission to the program (line 2h). Enter the date in the mm/dd/yyyy format.

- *New Admission (line 2a = 1)*. The effective date of the lease. For Section 8 units, it is the effective date of the assisted lease and HAP contract.
- *Annual Reexamination (line 2a = 2)*. Date that any tenant rent changes (including no changes to the rent) take effect.
- *Interim Reexamination (line 2a = 3)*. Date that any tenant rent changes (including no changes to the rent) take effect.
- *Portability Move-in (S8 only) (line 2a = 4)*. The effective date of the lease and HAP contract.
- *Portability Move-out (S8 only) (line 2a = 5)*. Date of HAP contract termination for the family that is porting out of the program.
- *End Participation (line 2a = 6)*. For Public and Indian Housing units, it is the date the lease terminates. For Section 8 units, it is the date the HAP contract terminates.
- *Other Change of Unit (line 2a = 7)*. The effective date of the lease for the new unit.
- *FSS/WtW Addendum only (line 2a = 8).* Date the family enrolls or exits the Family Self-Sufficiency (FSS) or Welfare to Work (WtW) program, or the date when the PHA runs a progress report on the family.
- *Annual Reexamination Searching (S8 only) (line 2a = 9)*. The first of the month following the date that the PHA completes the annual reexamination.
- *Issuance of Voucher (S8 only) (line 2a = 10)*. Date the PHA issues Voucher to the family.
- *Expiration of Voucher (S8 only) (line 2a = 11)*. Date the issued Voucher, including any term extensions, expires.
- *Flat Rent Annual Update (Public Housing only) (line 2a = 12)*. Date of the flat rent annual update. Use this to record the date of the yearly update, not the 3 year reexamination.
- *Annual HQS Inspection Only (S8 only) (line 2a = 13)*. Date of the annual HQS inspection.
- *Historical Adjustment (Public Housing only) (line 2a = 14)*. Enter the date the family originally entered the program.
- *Void (line 2a = 15)*. Date the PHA chooses to void the record.

2c. Correction? (Y or N):

Allows PHAs to correct fields previously transmitted in error on the last submitted Form HUD-50058. Use a correction for a change to the last submitted Form HUD-50058. If the majority of the last submitted Form is erroneous, use line 2a = 15, i.e. Void action type.

2d. If correction (check primary reason):

Indicate the primary reason for the correction record. Requires PHAs to indicate the reason for a correction.

- *Family correction of income*: A family corrected its inaccurate income information.
- *Family correction (non-income)*: A family corrected its inaccurate non-income information.
- *PHA correction of income*: The PHA corrected its errors in determining or reporting a family's income or rent.

- *PHA correction (non-income)*: The PHA corrected its inaccurate reporting of a family's non-income information.

2e. Date correction transmitted (mm/dd/yyyy):

The date that the PHA completes the correction and transmits the corrected record. Enter the date in the mm/dd/yyyy format.

2f. Repayment agreement? (Y or N):

This field is only for tenants who have underreported or misreported income. Indicate if tenant has entered into a repayment agreement because they previously underreported or misreported income. The response must be yes or no.

2g. Monthly amount of repayment:

Per the repayment agreement, the amount the tenant pays each month.

2h. Date (mm/dd/yyyy) of admission to program:

Date the PHA initially admitted the family into the program reported in line 1c. HUD uses this date to determine how long families participate in specific housing programs. Enter the date in the mm/dd/yyyy format. See below for the applicable "effective" dates for different scenarios.

- For new admissions, enter the Effective Date of Action from line 2b.
- If the family moved from the Certificate to the Voucher program but the PHA continuously assisted the family, enter the date the PHA initially admitted the family to the rental Certificate program.
- The Date of Admission for Section 8 is the effective date of the assisted lease and HAP contract. The date the tenant signed the lease may or may not be the effective date.

2i. Projected effective date (mm/dd/yyyy) of next reexamination:

Scheduled date for the next reexamination. Enter the date in the mm/dd/yyyy format. Enter a projected reexamination date if type of action (line 2a) is:

- 1 = New Admission
- 2 = Annual Reexamination
- 3 = Interim Reexamination
- 4 = Portability Move-in
- 7 = Other Change of Unit
- 9 = Annual Reexamination Searching
- 12 = Flat Rent Annual Update

When should the reexamination be scheduled?

For most families, the PHA must conduct a reexamination of the family's income and composition once a year. If the family is in Section 8, Indian Housing or Income-based Public Housing, schedule the family's reexamination 12 months from the effective date of action of the family's last reexamination or new admission. If the family is in Public Housing and chooses flat rent, the PHA has up to three years to conduct a reexamination.

How often should reexaminations be scheduled for families who choose flat rent for Public Housing?

Reexaminations of income and rent for families who choose flat rent do not have to be conducted on a yearly basis. The PHA has the option to conduct reexaminations up to once every three years for families with flat rent. In the 'off' years, the PHA must still collect information on the family's composition through a Flat Rent Annual Update (2a=12).

Example: Public Housing family chooses flat rent.
Year 1: New admission (2a=1) or Annual Reexamination (2a=2)
Year 2: Flat Rent Annual Update (2a=12)
Year 3: Flat Rent Annual Update (2a=12)
Year 4: Annual Reexamination (2a=2)

2j. Projected date (mm/dd/yyyy) of next flat rent annual update (Public Housing flat rent only):

The flat rent annual update is the annual update of family composition data for families who choose flat rent. The flat rent annual update is only conducted in the years that a reexamination is not conducted. Enter the date in the mm/dd/yyyy format.

When should the flat rent annual update be scheduled?

Schedule the flat rent annual update for no more than 12 months from the Effective Date of Action (line 2b). If the flat rent family is due for their reexamination in 12 months, leave this line blank.

2k. FSS participation now or in the last year? (Y or N):

Indicate if the family currently participates or participated in the Family Self-Sufficiency program in the past year. Complete and submit the FSS/WtW Addendum if the family currently participates in the FSS program.

What do I enter if the family ended FSS, but did not complete an FSS exit report?
If the family ended the FSS program and did not complete the FSS Exit form, indicate Y and complete the FSS Exit form at this time.

What PHA completes the FSS/WtW Addendum if the family ported-in to my PHA?
When a Section 8 FSS participant moves under portability, the receiving PHA must complete and submit the FSS Addendum. The receiving PHA must obtain the information, as necessary, from the initial PHA.

2m. Special program (Section 8 only) (check only one):

Indicate if the family has enhanced Voucher assistance or Welfare to Work Voucher.

When do families receive enhanced vouchers?
Enhanced Voucher assistance may be provided to families who stay at multifamily projects where the project meets one of these criteria:

- The owner opted out of, or did not renew, a covered HUD subsidy contract,
- The owner prepaid a mortgage or voluntarily terminated a mortgage insurance contract on a preservation project, or
- In rare cases where HUD terminated or did not permit an owner to renew a Section 8 multifamily project contract. See Notice PIH 2000-9 for detailed guidance.

Who is a Welfare to Work family?
A Welfare to Work (WtW) family is a family that is assisted by a PHA with voucher funding awarded to the PHA under the HUD welfare-to-work voucher program (including any renewal of such WtW funding for the same purpose).

2n. Other special programs:

Indicate if the family participates in one or more of the following programs:

Section 8 programs:

- **ROC** (Regional Opportunity Counseling)
- **MTO** (Moving to Opportunity)
- **FUP** (Family Unification Program)
- **PHRR** (Public Housing Relocation/Replacement)

Public Housing programs:

- EDSS (Economic Development and Supportive Services program)
- ROSS (Resident Opportunities & Self Sufficiency program)
- HOPE (Homeownership and Opportunity for People Everywhere) VI Resident Service Program
- PHDEP (Public Housing Drug Elimination Program)

2p. Use if instructed by HUD:

HUD may instruct a particular PHA to use this line. If there are not instructions to use these lines, leave them blank.

2q, 2r, 2s, 2t, 2u. PHA use only:

PHAs may use these lines for any information they wish to collect. HUD encourages PHAs to use lines 2p-2u for local initiatives. The information on these lines is transmitted to HUD so PHAs may later retrieve the information from MTCS.

Example: PHAs may use 2q through 2u to capture Mailbox sub-ID numbers, PHA subcontractor codes or PHA tenant identification codes.

Section 3: Household

General Rules:

- Apply the instructions for lines 3a through 3q to both pages 3 and 4 of the Form.
- The household includes everyone who lives in the unit. Household members are used to determine unit size.
- The family includes all household members except live-in aides and foster children and adults. Use the number and characteristics of family members to calculate housing subsidies and payments.

3a. Head of household/ Member number 01:

The Member Number identifies the individual listed on that line of the Form. You must list Member Number 01 as the Head of the Household. List Member Number 02 as the spouse or co-head (see relation codes, line 3h, for co-head definition). If there is no spouse or co-head, list other household members beginning with Member Number 02 and continue in sequence until the Form contains information about everyone who comprises the household.

3b. Last name & Sr., Jr., etc.:

Indicate the last name of each household member. Include name suffixes, such as Jr., and separate with a comma. Do not include name prefixes, such as Ms. or Mr.

Example: Smith, Jr. or Doe, III.

3c. First name:

Indicate the first name of each household member. Do not include name prefixes, such as Ms. or Mr.

3d. MI:

Indicate the middle initial of each household member. If the household member does not have a middle initial, leave blank. If he/she has more than one middle initial, only enter one.

3e. Date of birth:

Indicate the date of birth for each household member. Include all four digits of the year. Enter the date in the mm/dd/yyyy format.

Example: Write 11/15/1997 instead of 11/15/97.

3f. Age on effective date of action:

Indicate the age in years of each household member on the effective date of action (line 2b). Use whole years only. Do not round.

Example: The effective date of action listed is 12/01/2000. Household Member Number 03 was born on August 8, 1981. This person's age as of 12/01/2000 is 19 years.

3g. Sex:

Indicate the gender of each household member. Use M = Male and F = Female.

3h. Relation:

Use the code that best categorizes the position or role of each household member.

- H = Head of household
- S = Spouse
- K = Co-head
- F = Foster child/adult
- Y = Other youth under 18
- E = Full-time student 18+
- L = Live-in aide
- A = Other adult

How are each of the codes defined?

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

- *S = Spouse:* The marriage partner of the head of household.

- *K = Co-head:* An individual in the household who is equally responsible for the lease with the head of household. Indicate either a spouse or a co-head, but not both. A co-head never qualifies as a dependent. Many states allow persons who have not reached the age of majority to sign a lease if they were declared an "emancipated minor".

- *F = Foster child/adult:*

  - *Foster child* – A member of the household who is under 18 years of age or a full-time student 18 years or older, and who is under the parental control and responsibility of someone other than his or her mother or father.

- *Foster adult* – A member of the household (usually a person with a disability, unrelated to the tenant family, who is unable to live alone) who is 18 years of age or older and for whom the family provides necessary shelter, care and protection.

- *Y = Other youth under 18*: A member of the household (regardless of disability status), who is under 18 years of age on the effective date of action (line 2b), and is not a foster child.

- *E = Full-time student 18+*: A member of the household, other than the Head, spouse or co-head, or foster child or adult, 18 years of age or older on the effective date of action (line 2b) who carries a subject load considered full-time for students under the standards and practices of the educational institution attended. An educational institution includes a vocational school with a diploma or certificate program, as well as a degree-granting institution.

- *L = Live-in aide*: A person who lives with an elderly or disabled person(s) and who:
  - is determined by the PHA to be essential to the care and well-being of the person(s);
  - is not obligated to support the person(s);
  - would not be living in the unit except to provide necessary supportive services.

  How do I categorize a child of a Live-in aide?
  Categorize the child(ren) of a Live-in aide as a Live-in aide.

- *A = Other adult:* A member of the household (excludes foster adults), other than the head or spouse or co-head, who is 18 years of age or older on the effective date of action (line 2b), regardless of disability status.

3i. Citizenship:

Use code that indicates each family member's United States citizenship status.

- EC = Eligible citizen: The family member is an eligible U.S. citizen or national
- EN = Eligible noncitizen: The family member has an alien registration number verified by the INS
- IN = Ineligible noncitizen: The family member is one of the following:
  - unable to verify registration at INS,·
  - the person has not yet provided documentation of eligible status, or
  - the person elected not to contest eligibility status
- PV = Pending verification: The family member has an alien registration that is pending verification by the INS. If you do not know an individual's citizenship, enter 'PV'.
- Leave blank if the household member is a live-in aide or foster child/adult.

What is the citizenship status used for?
Each family member's code will factor into the rent calculations for housing assistance eligibility.

3j. Disability (Y/N):

Indicate whether or not the household member has a disability as defined below.

What conditions make someone as disabled?
A person with disabilities has one or more of the following:

- A disability as defined in section 223 of the Social Security Act.
- A physical, mental, or emotional impairment which is expected to be of long-continued and indefinite duration, substantially impedes his or her ability to live independently, and is of such a nature that such ability could be improved by more suitable housing conditions.
- A developmental disability as defined in section 102 of the Developmental Disabilities Assistance and Bill of Rights Act.
- Acquired immune deficiency syndrome (AIDS) or any condition that arises from the etiologic agent for AIDS.

3k. Race:

Use the code or codes the family says best indicates each household member's race. These codes are the official codes the Federal Government uses for census-taking and related activities and are mandated by the U.S. Office of Management and Budget (OMB). Select as many codes as appropriate. More than one race code can be entered for each household member.

1 = White
2 = Black/African American
3 = American Indian/ Alaskan Native
4 = Asian
5 = Native Hawaiian/Other Pacific Islander

3m. Ethnicity:

Use code the family says best indicates each household member's ethnicity.

1 = Hispanic or Latino
2 = Not Hispanic or Latino

3n. Social Security Number:

Enter the 9-digit Social Security Number (SSN) issued to each household member by the Social Security Administration (SSA).

Whose SSN needs to be reported?
The family must report all SSN's of family members who are age six and over. If, for some reason, a family member has more than one SSN, record the number the individual currently uses.

What do I enter if a family member does not have a SNN?
If a Head of Household does not have a SSN, PHA cannot transmit the family's Form HUD-50058 until there is system functionality to do so. If a member who is not the Head does not have a SSN, enter 999999999.

What do I enter if an individual receives social security benefits under a SSN other than his or her own?
If an individual receives social security benefits under a SSN other than his or her own, enter the recipient individual's SSN. Do not enter a SSN that has one or two alpha or numeric characters that follow the basic 9-digit number. The presence of the suffix indicates that the number is actually a claim number – issued by the SSA to identify the relationship of the recipient to the person from whom the benefit is derived (i.e., the basis of the recipient's benefit is another person's social security record).

Example: Do not record xxx-xx-xxxxB or xxx-xx-xxxxW1 as an individual's valid SSN. A number in this format is actually a claim number.

3p. Alien Registration Number:

Enter the Alien Registration Number or A-number issued to each noncitizen household member, if applicable. Each alien registration number is unique in that it pertains to one person or one document only; in many instances, the INS provides minors and infants in the United States with individual alien numbers. The A-number contains seven, eight or nine numerical digits preceded by the letter A, e.g., A72 735 827.

How do I format the A-number?

- Do not enter the letter A in any case.
- Enter the digits from left to right.
- If the alien registration number has seven digits, enter two zeros before the alien registration number.
- If the alien registration number has eight digits, enter one zero before the alien registration number.
- If the alien registration number is nine digits, enter the number without a leading zero.

Example:
- If the Alien Registration Number is A1234567, enter as 001234567.
- If the Alien Registration Number is A12345678, enter as 012345678.
- If the Alien Registration Number is A123456789, enter as 123456789.

3q. Meeting community service or self-sufficiency requirement? (Public Housing only):

Indicate whether the family member is in the process of meeting his or her prior year community service or self-sufficiency requirements under the Public Housing Reform Act (PHRA) and 24 CFR 960.60 (subpart F), 24 CFR 960.607(c) (see question below for community service criteria).

Select one of the options:
- 1 = yes; the tenant met his or her 8 hour monthly service requirement
- 2 = no; the tenant did not meet his or her 8 hour monthly service requirement. If tenant did not satisfy this requirement, their lease should be terminated.
- 3 = pending; the PHA needs to verify if the tenant is meeting his or her service or self-sufficiency requirements.
- 4 = exempt; refers to tenants and their primary care givers, including live-in aides, who meet the exemptions listed in 24 CFR 960.60 (subpart F). (see question below for exemption criteria)
- 5 = n/a; Use '5' until the community service requirement comes into effect for your particular PHA.

When do PHAs have to comply with the community service requirement?
PHAs must comply with the community service requirement beginning with PHA fiscal years that begin on or after October 1, 2000. PHAs with fiscal years beginning January 1, April 1, or July 1 would include information regarding community service in

their next Annual Plan, and implement the provision at the start of their next fiscal year that begins in the calendar year 2001. If your PHA has not yet implemented the community service program, enter 5 (n/a).

When does my PHA assess community service compliance?
Satisfaction of the requirement is assessed during the annual reexamination process. PHAs must review family compliance once a year, 30 days prior to the expiration of the resident's lease.

What can an individual do if they do not meet the community service requirement?
The regulation provides for a make-up period if the eight-hour average is not met.

What are the criteria for satisfying community service requirements under the Public Housing Reform Act (PHRA) and 24 CFR 960.601?
To satisfy service requirements, every adult resident of public housing must do one of the following:

- Contribute an average of eight hours of community service each month,
- Participate in a self-sufficiency program for at least eight hours every month, or
- Perform eight hours of combined activities each month.

What household members are exempt from the community service requirement under 24 CFR 960.601?
Exemption criteria includes the following**:**

- Adults who are 62 years of age or older, and their primary caregivers, including live-in aides.
- Persons with disabilities, and their primary caregivers, including live-in aides.
- Persons meeting the requirement for being exempted from engaging in work under a State program funded under Part A, Title IV of the Social Security Act or under any other welfare program of the State in which the PHA is located, including State-administered Welfare to Work (WtW) program.
- Members of a family receiving assistance, benefits or services under a State program funded under Part A, Title IV of the Social Security Act or under any other welfare program of the State in which the PHA is located, including State-administered Welfare to Work (WtW) program.
- Tenants younger than 18 years old

3r. Reserved:
Reserved for future HUD use.

3s. Continued on an additional sheet? (Y or N):
Indicate whether additional household member information is included on an additional sheet of paper as an attachment to the Form.

3t. Total number in household:
The total number of people in the household. Count all persons, include foster children or adults, live-in aides, and other unrelated individuals (who reside with the family as part of the household). Also include persons who are members of the household but temporarily absent from the home.

The total count of household members should equal the number of individuals listed separately in Section 3 (line 3a).

3u. Family subsidy status under Noncitizens Rule:
The code that indicates the housing assistance eligibility for family members based on the 24 CFR Part 5 (e). The Noncitizens Rule allows PHAs to provide financial assistance to U.S. citizens, nationals, and non-U.S. citizens with eligible immigration status.

Use the following status codes:

- C = Qualified for continuation of full assistance
- E = Eligible for full assistance
- F = Eligible for full assistance pending verification of status
- P = Prorated assistance

What does each code mean?

- *C = Qualified for continuation of full assistance*: Applies to a family composed of both eligible and ineligible members. A mixed family may be qualified for continued assistance if it meets the following conditions**:**
  - The family was receiving assistance under a Section 214 covered program on June 19, 1995, which is when the Noncitizens rule became effective.
  - The head of household or the spouse has eligible immigration status. See Section 5.506.
  - The family does not include any person without eligible immigration status other than the Head of Household, spouse, and parents or children of the Head or spouse.

  A family granted continued assistance before Nov 29, 1996 is entitled to receive non-prorated

assistance. A family granted assistance after Nov 29, 1996 must receive prorated assistance (Section 5.518(a)(2)).

- *E = Eligible for full assistance*: Applies when the entire family provides documentation of U.S. citizenship, U.S. national, or eligible immigrant status and the INS verified this status or documentation.

- *F = Eligible for full assistance pending verification of status*: Applies when the family provides documentation of eligible immigrant status and the PHA is waiting for INS verification or the family currently participates in the hearing process in reference to their ineligible noncitizen status. This applies if the PHA did not know the citizenship of any family member, as indicated by 'PV=Pending Verification' in line 3i. This also applies for instances of temporary deferral of termination of assistance.

- *P = Prorated assistance*: This applies if one or more family members do not provide acceptable documentation of their citizenship or eligible immigrant status. The PHA gives an assistance amount based on the percentage of the family that provided acceptable documentation of citizenship or eligible immigrant status. The PHA must establish at least one family member's acceptable degree of eligibility (through documentation) to make assistance available.

When can a family have ineligible members and still receive full assistance?
Mixed families who are qualified for full continuation of assistance (3u=C) or those who choose temporary deferral of termination (3u=F), can still receive full assistance. The aggregate temporary deferral period for deferrals granted prior to November 29, 1996 should not exceed 3 years, and for deferrals provided after November 29, 1996 should not exceed 18 months. The initial deferral is granted for a period of 6 months, and renewed for 6 month periods thereafter.

What is a Termination of Assistance and how long does it last?
If a family member knowingly permits an ineligible individual to reside in an assisted housing unit, the family member's assistance must be terminated for at least 24 months, according to 24 CFR, Section 5.514 (c)(1)(iii).

3v. Eligibility effective date (mm/dd/yyyy) if qualified for continuation of full assistance (3u = C):
Date the family originally qualified for the continuation of full assistance (3u=C).

3w. If new head of household, former head of household's SSN:
If the designated head of household changed due to discontinued occupancy or another cause such as death, marriage, or remarriage and there are family members who remain in the household, enter the former head of household's SSN.

Only enter a SSN in this field if the family changed its head of household. If the former head of household did not possess a Social Security Number, enter 999999999.

Section 4: Background at Admission

4a. Date (mm/dd/yyyy) entered waiting list:

Date the PHA placed the family on the waiting list for the program under which they are currently receiving housing assistance. If the PHA admitted the family as a special admission (not on waiting list; 24 CFR 982.203) in a Section 8 tenant-based program, leave blank. This date must not be later than the Effective Date of Action (line 2b).

What do I enter if the family's application was temporarily inactive?

If the family's application was inactive at some point, enter the date the PHA used to determine the family's position on the waiting list.

4b. ZIP code before admission:

The 5-digit ZIP code where the family lived before admission to an assistance program.

What ZIP code should I enter if the family was homeless prior to admission?

If the family was categorized as "homeless" prior to admission, enter the post office ZIP code for the area or location where the family usually slept immediately prior to admission. If known, enter the full 9-digit ZIP code (ZIP + 4).

4c. Homeless at admission? (Y or N):

Indicate whether or not the family was homeless at the time the PHA admitted the family to a housing assistance program.

4d. Does family qualify for admission over the very low-income limit? (Section 8 only) (Y or N):

Indicate whether or not the family qualified for program admission even though their income exceeds the very low-income limit (50% of the area's median income).

What are the criteria for a family to qualify for admission over the very low-income limit?

A family qualifies for admission over the very low-income limit if one or more of the following apply:

- A low-income family that is "continuously assisted" under the 1937 Housing Act.
- A low-income family that meets additional eligibility criteria specified in the PHA administrative plan.
- A low-income non-purchasing family who resides in a HOPE 1 or HOPE 2 project.
- A low-income non-purchasing family who resides in a project subject to a resident homeownership program under 24 CFR 248.173.
- A low-income or moderate-income family displaced as a result of the prepayment of a mortgage or voluntary termination of a mortgage insurance contract under 24 CFR 248.101.

4e. Continuously assisted? (Y or N):

Indicate whether or not the family is continuously assisted under or currently enrolled in any 1937 Housing Act program at the time of admission.

Example: Indicate yes if a family moves from public housing to the Section 8 Voucher program or if a family moves from a Section 8 subsidized multifamily project to the Voucher program.

4f. Is there a HUD approved income targeting disregard? (Y or N):

Applicable to Welfare to Work families only. Indicate whether this Welfare to Work family is approved for an income targeting disregard. (see 24 CFR 982.201(b)(2)(iii))

How does a family qualify for an income targeting disregard?

If approved by HUD, the admission of a portion of very low income welfare-to-work (WTW) families that are not extremely low income families may be disregarded in determining compliance with the PHA's income-targeting obligations under paragraph (b)(2)(i) of 24 CFR 982.201(b)(2)(iii). HUD will grant such approval only if and to the extent that the PHA has demonstrated to HUD's satisfaction that compliance with such targeting obligations with respect to such portion of WTW families would interfere with the objectives of the welfare-to-work Voucher program. If HUD grants such approval, admission of that portion of WTW families is not counted in the base number of families admitted to a PHA's tenant-based Voucher program during the fiscal year for purposes of income targeting.

Section 5: Unit to be Occupied on Effective Date of Action

5a. Unit address:

The complete address of the housing unit that the household occupies on the effective date of action (line 2b).

What is included in a complete address?

- Number and street: Street address of the unit.
- Apt: Apartment or unit number, if applicable.
- City: City in which the unit is physically located.
- State: State in which the unit is physically located (use 2 character postal codes).
- ZIP code (+4): 5-digit ZIP code in which the unit is physically located (if known, include the full 9-digit ZIP code: ZIP + 4).

5b. Is mailing address same as unit address? (Y or N) (if yes, skip to 5d):

Indicate whether the mailing address is different from the unit address indicated in line 5a.

5c. Family's mailing address:

The complete address where the family receives mail, if other than the unit address indicated in line 5a. Complete only if the answer to the previous question (5b) is no.

When do I enter a mailing address?

- Use when tenant would like to receive mail at a different address.
- Use when the individual has a "guardian" that handles correspondence.
- Use when the family receives mail at a Post Office box.

When do I leave the field blank?

Leave this field blank if the mailing address is the same as the unit address.

What is included in a complete address?

- Number, street, or PO box - Street address or post office box number where the family receives mail
- Apt. - Apartment or unit number, if applicable, where the family receives mail
- City - City where the family receives mail
- State - State where the family receives mail (use two character postal code)
- ZIP code (+ 4) - 5-digit ZIP code where the family receives mail (if known, include the full 9-digit ZIP code: ZIP + 4)

5d. Number of bedrooms in unit:

Total number of bedrooms in the unit that the household will occupy on the effective date of action (line 2b).

What number do I enter if the unit is an efficiency or Single Room Occupancy (SRO)?

If the unit is an efficiency or Single Room Occupancy (SRO), enter 0 (zero) in this field.

What number do I enter if two or more families share the unit?

If two or more families share the unit (i.e., shared housing unit) under the Section 8 program, enter the number of bedrooms in the entire unit, not just the number of bedrooms in the family's private living space.

5e. Has the PHA identified this unit as an accessible unit? (Public/Indian Housing only) (Y or N):

Indicate whether or not the unit that the family occupies on the effective date of action (line 2b) is a PHA designated handicapped accessible unit.

5f. Has the family requested accessibility features? (Public/Indian Housing only) (Y or N) (If no, skip to next section):

Indicate whether or not the family requested disability amenities or accessibility features.

If you answered no, skip to Section 6.

5g. Has the family received the requested accessibility features? (Public/Indian Housing only):

Indicate the status of the family's request for disability amenities and/or accessibility features (line 5e) on the effective date of action (line 2b).

- a = Yes, fully: the PHA fulfilled the request fully.

  Example: If the household requested a unit with disability amenities and on the effective date of action, the PHA fulfilled the request fully, mark

the status as a = Yes, fully.

- b = Yes, partially**:** the PHA fulfilled the request partially.

  Example: If the household requested a unit with disability amenities and on the effective date of action, the PHA fulfilled the request partially, mark the status as b = Yes, partially.

- c = No, not at all: the PHA did not fulfill the request in any way.

  Example: If the household requested a unit with disability amenities but on the effective date of action, the household did not receive any amenities, mark the status as c = No, not at all.

- d = Action pending: the request is currently pending (can be checked in combination with b or c).

- *Example*: If the household requested a unit with disability amenities and on the effective date of action, the household did not receive any amenities, but the unit is scheduled to receive an upgrade in the next month, mark the status as d = Action pending.

5h. Date (mm/dd/yyyy) unit last passed HQS inspection (Section 8 only, except Homeownership):

The last date the unit passed a full housing quality standards (HQS) inspection. Enter the date in the mm/dd/yyyy format.

Is this date always the same as the last annual HQS inspection recorded in 5i?
No, this date may or may not be the same date as the last annual HQS Inspection, depending on whether or not the unit passed the HQS inspection.

5i. Date (mm/dd/yyyy) of last annual HQS inspection (Section 8 only, except Homeownership):

The last date a PHA inspector performed a full annual HQS inspection of the unit that the household occupies. Enter the date in the mm/dd/yyyy format.

Can this date be different form the date the unit last passed HQS inspection (line 5h)?
This date may be different from the date reported in 5h if the unit failed the last HQS inspection.

Example: The unit failed the initial full HQS inspection on 2/20/2001. When the unit was re-inspected on 3/15/2001it passed. In this situation:
Line 5h = 3/15/2001
Line 5i = 2/20/2001

The date of the last annual HQS inspection (5i) is the date the inspector conducted a full inspection of the unit. When the inspector returns to re-inspect for the correction of a fail item, they are not re-inspecting the entire unit, thus not doing a full HQS inspection.

5j. Year (yyyy) unit was built (Section 8 only):

Indicate the year that the unit was built. This date can be found on the request for tenancy approval form. If the owner does not know the exact year the unit was built, enter the owner's best estimate of the year the unit was built. Enter the year in the yyyy format.

5k. Structure Type (check only one) (Section 8 only):

Indicate the building structure type.

- *Semi-detached* includes units in duplexes, three-plexes and four-plexes.

- *Low-rise* includes multifamily apartment buildings of five or more units and up to four stories. Also include five or six story buildings without an elevator as low-rise structures.

- *High-rise* with an elevator includes buildings of five stories or more with elevators.

Section 6: Assets

General Rules:

- Do not include assets for live-in aides or foster children/adults.
- Use a separate line for each family member and asset source.
- Report each asset source on lines 6a through 6e. Enter line information for each family member from *left to right*.

6a. Family member name / No.:

The name of each family member in the household that has assets and their Member number (line(s) 3a) that corresponds to the asset information reported.

6b. Type of asset:

List any asset that has a dollar value or provides a source of income to the person listed in column 6a.

What items are considered assets?

Assets include, but are not limited to:

- savings account,
- stocks,
- bonds,
- other forms of capital investment, and
- real property (land owned or bequeathed).

What items are not considered assets?

Assets do not include:

- Interests in Indian trust land
- Equity accounts in HUD homeownership programs
- Necessary items of personal property, such as furniture and automobiles
- Trust funds, in cases where the trust is not revocable by, or under the control of, any member of the family or household

6c. Calculation (PHA use only):

Use this column to perform asset calculations. This information is not transmitted to HUD.

6d. Cash value of asset:

The estimated, known or calculated dollar value of each asset listed. Cash value of an asset can be estimated by a formal assessment; or the actual dollar value may be known (for example, the amount of money in a savings account).

How do I determine an asset's value?

In order to calculate the dollar value of the listed asset, subtract the cost to sell the asset from the asset's value (i.e., the asset value minus the cost to sell it).

Do I include assets that have been sold?

Include the value of any business or family asset that an applicant or tenant disposes of, for less than fair market value (include a disposition in trust, but not a foreclosure or bankruptcy sale) during the 2 years that precede the effective date of action (line 2b).

6e. Anticipated income:

Total amount of income the family member expects to receive in the next 12-month period from the asset listed.

6f. Column total:

Total of the values listed in column 6d.

6g. Column total:

Total of the values listed in column 6e.

6h. Passbook rate (written as decimal):

Enter the passbook rate as a decimal.

What is a Passbook rate?

The Passbook rate is the interest rate used to determine the imputed (estimated) income of an asset(s) that would not otherwise be readily determinable. It usually falls between 2% (0.02) and 3% (0.03).

Example: After analyzing several banks in a project locality, HUD determined that the average rate of interest on local Passbook Savings Accounts is 3% (0.03). For a family member who listed her farm as an asset, the Passbook Rate should be applied to calculate the imputed (estimated) income that results over time from the use or sale of the farm.

How does HUD determine the Passbook rate?

The HUD field office determines the Passbook rate of interest for the project locality based on the average interest rate received on Passbook Savings Accounts at several banks in the local area.

6i. Imputed asset income: 6f x 6h (if 6f is $5,000 or less, put 0):
Imputed income from assets based on the total dollar value of the asset listed and the Passbook rate of interest.

How do I calculate imputed asset income?
Multiply the total cash value of the listed asset (line 6f) by the Passbook Rate of interest (line 6h). Use the imputed income on the total of all assets.

Example: A family lists its total assets as $5,500. To calculate the imputed income from this asset multiply $5,500 by 0.03 (assume 3% is the HUD-determined local Passbook Interest rate). This results in an imputed asset income of $165.

6j. Final asset income: larger of 6g or 6i:
The total amount of household income derived from assets. Indicate the larger amount of the total anticipated income from assets (column total 6g) or imputed asset income (line 6i).

Section 7: Income

General Rules:

- If the family members do not have any income from sources other than assets and do not expect any other income in the next 12-month period, leave the income section blank (except for total annual income (line 7i), which is the total of the asset income).
- Use a separate line for each family member and income source.
- Use the columns in section 7 to report each income source that contributes to the family's income. Enter line information for each family member from left to right.
- Do not double count asset income as another income type in this section.
- Do not consider income exclusions in the determination of eligibility for housing assistance. Consider income deductions in the determination of eligibility for housing assistance.
- The Code of Federal Regulations (CFR) lists the income items to exclude as "income" for the various Public, Indian, and Section 8 housing programs. Please see 24 CFR 5.609(c) for further guidance.
- PHAs are required to report all sources of income and exclusion amounts.

7a. Family member name/No.:

The name of each family member in the household that has income and their Member number (line(s) 3a) that corresponds to the income information reported.

7b. Income code:

Use the one or two letter code that represents the type of income for a family member. Please refer to the Income and Exclusions chart when completing Income code (line 7b) and Income exclusions (line 7e).

Income and Exclusions Chart			
Income code	**Description**	**Include**	**Income Exclusions**
WAGES			
(B) Own business	Net income from a professional or business operation (24 CFR 5.609 (b)(2)).	· Withdrawals of cash or assets from the professional or business operation in a family member's income (24 CFR 5.609(b)(2)).	· Expenditures for business expansion (24 CFR 5.609 (b)(2)). · Amortization of capital indebtedness as deductions in determining net income (24 CFR 5.609 (b)(2)). · Withdrawals of cash or assets from the professional or business operation if the withdrawal is a reimbursement for cash or assets invested in the operation by the family (24 CFR 5.609 (b)(2)). · Allowance for asset depreciation, based on straight line depreciation, as provided in Internal Revenue Service (IRS) regulations (24 CFR 5.609 (b)(2)).
(F) Federal wage	Compensation received from federal government employment, which include federal government agencies and instrumentalities.	· Wages from federal government employment	· Income from employment of children or foster children under 18 years old (24 CFR 5.609(c)(1)). · Earnings in excess of $480 for each full-time student 18 years old or older (excluding the head of household and spouse) (24 CFR 5.609(c)(11)).· · Earned income disallowance for public housing families (24 CFR 960.255(b) and persons with disabilities in public housing, Section 8, and other HUD assisted housing (25 CFR 5.617). · Amounts earned by temporary Census employees; terms of employment may not exceed 180 days for the purposes of the exclusion (Notice PIH 2000-1).
(HA) PHA wage	Compensation earned through work performed for the Public Housing Agency (PHA).	· Wages paid to family member from the PHA	· Income from employment of children or foster children under 18 years old (24 CFR 5.609(c)(1)). · Amounts received under a resident service stipend. A resident service stipend is a modest amount (not to exceed $200 per month) received by the resident for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of life in the development. (24 CFR 5.609(c)(8)(iv)). · Stipends to reimburse residents for expenses for serving as members of the PHA governing board or commission (24 CFR 5.609(c)(8)(iv)). · Earnings in excess of $480 for each full-time student 18 years old or older (excluding the head of household and spouse) (24 CFR 5.609(c)(11)).· · Earned income disallowance for public housing families (24 CFR 960.255(b) and persons with disabilities in public housing, Section 8, and other HUD assisted housing (25 CFR 5.617).

Income and Exclusions Chart			
Income code	**Description**	**Include**	**Income Exclusions**
WAGES			
(M) Military Pay	All regular pay, special pay and allowances of a member of the Armed Forces (including the Coast Guard, National Guard, and Reserve units).	· The full amount of the head of household's or spouse's military pay, not just the amount sent home, regardless of whether the head of household or spouse or co-head is on the lease. · Subsistence allowances. · Uniform allowances. · Other allowances. *see 24 CFR 5.609(b)(8)*	· Income from employment of children or foster children under 18 years old (24 CFR 5.609(c)(1)). · The special pay to a family member serving in the Armed Forces who is exposed to hostile fire (24 CFR 5.609(c)(7)). · Earnings in excess of $480 for each full-time student 18 years old or older (excluding the head of household and spouse) (24 CFR 5.609(c)(11)).· · Earned income disallowance for public housing families (24 CFR 960.255(b) and persons with disabilities in public housing, Section 8, and other HUD assisted housing (25 CFR 5.617). · The full amount of military pay of any family member other than the head and spouse. If other family members are away from home in the military, the PHA may remove their name from the lease and exclude their income. · Other pay specifically excluded by law (e.g., Desert storm active duty).

Income and Exclusions Chart			
Income code	**Description**	**Include**	**Income Exclusions**
WAGES			
(W) Other wage	Wages and salary received from private or public sources (other than military pay and federal wages). Also include income in lieu of earnings in this category.	· ·Overtime pay · Commissions · Fees · Tips · Bonuses · Other compensation for personal services · Workers' compensation · Severance pay · Termination pay (24 CFR 5.609(b)(1))	· Income from employment of children or foster children under 18 years old (24 CFR 5.609(c)(1)). · Income of a live-in aide, as defined in 24 CFR 5.403 (24 CFR 5.609(c)(5). · Earnings and benefits from employment training programs funded by HUD (24 CFR 5.609(c)(8)(i)). · Reimbursement for out-of-pocket expenses while attending a public assisted training program (24 CFR 5.609(c)(8)(iii)). · Incremental earnings and benefits from participation in qualifying state and local employment programs (24 CFR 5.609(c)(8)(v)). · Earnings in excess of $480 for each full-time student 18 years old or older (excluding the head of household and spouse) (24 CFR 5.609(c)(11)). · Payments to volunteers under the Domestic Volunteer Services Act (Notice PIH 93-65). · Payments received under programs funded in whole or in part under the Workforce Investment Act (WIA) (formerly known as the Job Training Partnership Act (JTPA)) (Notice PIH 93-65). · Earnings and benefits to any family member from an employment training and supportive services program (Family Support Act of 1988, Section 22 of the 1937 Act (42 U.S.C. 1437t), or any comparable federal, state, or local law) during the exclusion period. The exclusion is applicable only if the family was admitted to the program prior to October 1, 1999 *(Public Housing only)*. · Earned income disallowance for public housing families (24 CFR 960.255(b) and persons with disabilities in public housing, Section 8, and other HUD assisted housing (25 CFR 5.617).

Income and Exclusions Chart			
Income code	**Description**	**Include**	**Income Exclusions**
WELFARE			
(G) General assistance	Payments made under a financial or medical assistance program(s) provided by a state, tribe, or local government jurisdiction.	· Payments provided by a state, tribe or local government for medical or financial assistance	· Amounts paid by a State agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home (24 CFR 5.609(c)(16)) · Food stamps (Notice PIH 93-65). · Incremental earnings and benefits from participation in qualifying state and local employment programs (24 CFR 5.609(c)).
(IW) Annual Imputed Welfare Income	The annual income not received by a family because of a welfare benefit reduction, but is included in the family's annual income for determining rent.	· The dollar amount by which the family's welfare benefits were reduced by a TANF agency because of fraud or noncompliance (24 CFR 5.615).	· If the family was not an assisted resident at the time of sanction (24 CFR 5.609).
(T) TANF assistance	Temporary Assistance to Needy Families (TANF) is benefits designed to meet a family's ongoing basic needs. Not all states refer to this income as TANF. A state may have a different name (other than TANF) for this type of income. See 45 CFR 260.31 for additional information on TANF assistance and exclusions.	· TANF assistance funded from federal or state dollars. The term assistance includes cash, payments, Vouchers, and other forms of benefits designed to meet a family's ongoing basic needs (i.e., for food, clothing, shelter, utilities, household goods, personal care items, and general incidental expenses) (24 CFR 5.609(b)(6)). · Payments to individual recipients by a TANF agency, or other agency on its behalf. · Benefits based on participation in work experience or community service (or any other work activity in 45 CFR 261.30). · Supportive services such as transportation and child care provided to families who are *not* employed.	· Nonrecurrent, short-term benefits that**:** * Are designed to deal with a specific crisis situation or episode of need; * Are not intended to meet recurrent or ongoing needs; and * Will not extend beyond four months. · Work subsidies (i.e., payments to employers or third parties to help cover the costs of employee wages, benefits, supervision, and training). · Supportive services such as child care and transportation provided to families who are employed. · Refundable earned income tax credits. · Individual Development Accounts. · Services such as counseling, case management, peer support, child care information and referral, transitional services, job retention, job advancement, and other employment-related services that do not provide basic income support. · Transportation benefits provided under a Job Access or Reverse Commute project, pursuant to section 404(k) of the Act, to an individual who is not otherwise receiving assistance.

INCOME AND EXCLUSIONS			
Income Code	**Description**	**Include**	**Income Exclusions**
SS/SSI/PENSIONS			
(P) Pension	A periodic distribution paid for retirement benefits.	· Pensions. · Annuities. · Retirement or profit-sharing plans. · Individual Retirement Accounts (IRAS). · Simplified Employee Pensions (SEPS). · Life insurance and endowment policies. 24 CFR 5.609(b)(4)	· Lump-sum benefits payable as a death benefit.
(S) SSI	The Supplemental Security Income (SSI) program provides cash assistance to family members who have limited income and resources, 65 or older, blind, or disabled. Family members under 18 can also receive SSI if they have an impairment that prohibits an adult family member from working.	· State supplements to SSI (24 CFR 5.609(b)(4)).	· Deferred periodic amounts from SSI benefits that the family member received in a lump sum amount or in prospective monthly amounts (24 CFR 5.609(c)(14)). · Amounts received by a person with a disability that are disregarded for a limited time for purposes of SSI eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS) (24 CFR 5.609(c)(8)(ii)).
(SS) Social Security	Benefits from the Social Security Administration.	· Child's benefits. · Disabled workers' benefits. · Disabled widow(er)'s benefits. · Divorced wife's insurance benefits. · A widow(er) entitled to mother's or father's insurance benefits. · Parent's, brother's, or sister's benefits. · Retirement insurance benefits. · Spouse's benefits. · Surviving divorced spouse's benefits. · Widow(er)'s benefits. · Spouse's benefits. · Comparable benefits under the Railroad Retirement Act. (24 CFR 5.609(b)(4))	· Deferred periodic amounts from Social Security benefits that the family member received in a lump sum amount or in prospective monthly amounts (24 CFR 5.609(c)(14)).

INCOME AND EXCLUSIONS			
Income Code	**Description**	**Include**	**Income Exclusions**
OTHER INCOME SOURCES			
(C) Child support	Financial or medical assistance that a parent provides voluntarily or by court order for upkeep and general well-being of his or her child(ren).	· Payments from a parent for child rearing · Regular contributions toward support from a public or private welfare agency (24 CFR 5.609(b)(7))	· Child care arranged or provided under the *Child Care and Development Block Grant Act* (42 U.S.C. 9858q) (Notice PIH 93-65).
(E) Medical reimbursement	Any income received to reimburse medical expenses.		· Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member (24 CFR 5.609(c)(4)).
(I) Indian trust/per capita	Judgment funds awarded by the Indian Claims Commission, the Court of Claims, funds held in trust for an Indian tribe by the Secretary of the Interior.	· The first $2,000 of per capita shares received from judgment funds	· Payments received under the *Alaska Native Claims Settlement Act* (Notice PIH 93-65). · Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes (Notice PIH 93-65). · Income derived from the disposition of funds of the Grand River Band of Ottawa Indians (Notice PIH 93-65). · The first $2,000 of per capita shares from judgement funds awarded by Indian Claims (Notice PIH 93-65). · Payments received under the *Maine Indian Claims Settlement Act of 1980* (Notice PIH 93-65). · Payments received by the Indian Claims Commission to the Confederate Tribes and Bands of the Yakima Indian Nation or the Apache Tribe of the Mescalero Reservation (66 Federal Register 4669, April 20, 2001). · The first $2,000 of income received by individual Indians derived from interests or trust or restricted land (66 Federal Register 4669, April 20, 2001).

INCOME AND EXCLUSIONS			
Income Code	**Description**	**Include**	**Income Exclusions**
OTHER INCOME SOURCES			
(N) Other non-wage sources	Any other income source not otherwise specified.		· Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone) (24 CFR 5.609(c)(2)). · Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses (24 CFR 5.609(c)(3)). · Full amount of student financial assistance paid directly to the student or to the educational institution (24 CFR 5.609(c)(6)). · Temporary, nonrecurring or sporadic income (including gifts) (24 CFR 5.609(c)(9)). · Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era (24 CFR 5.609(c)(10). · Adoption assistance payments in excess of $480 per adopted child (24 CFR 5.609(c)(12)). · Refunds or rebates under state or local law for property taxes paid on dwelling unit (24 CFR 5.609(c)(15)). · Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR 5.609(c) apply (24 CFR 5.609(c)(17).

INCOME AND EXCLUSIONS			
Income Code	**Description**	**Include**	**Income Exclusions**
OTHER INCOME SOURCES			
(N) Other non-wage sources (cont'd)			· Payments or allowances under DHHS' low-income home energy assistance program (LIHEAP) (Notice PIH 93-65). · Federal scholarsips funded under Title IV of *The Higher Education Act of 1965,* including awards under the Federal work study program or under the Bureau of Indian Affairs student assistance program (Notice PIH 93-65). · Payments received from programs funded under Title V of the *Older Americans Act of 1965* (Notice PIH 93-65). · Payments received on or after January 1, 1989 from the Agent Orange Settlement Fund or any fund established pursuant to the settlement in the *In Re Agent Orange* product liability litigation (Notice PIH 93-65). · Earned Income Tax Credit refund tax payments (26 U.S.C. 32(j)) (Notice PIH 93-65). · Any allowance paid under provisions of *38 U.S.C. 1805* to a child suffering from spina bidifa who is a child of a Vietnam Veteran (66 Federal Register 4669, April 20, 2001). · Any amount of crime victim compensation that the applicant (under the *Victims Crime Act*) receives through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the *Victims Crime Act* because of the commission of a crime against the applicant (66 Federal Register 4669, April 20, 2001).
(U) Unemployment benefits	Periodic payments in lieu of earnings.	· Payments in place of earnings, such as… unemployment… compensation (except as provided in paragraph 24 CFR 5.609(c)(3)). *see 24 CFR 5.609(b)(5)*	

7c. Calculation (PHA use):
Use this column to perform income calculations. This information is not transmitted to HUD.

7d. Dollars per year:
The yearly income amount the family member receives from the income source(s) listed.

Please refer to the Income and Exclusions chart, for guidance on:
- what income to include, and
- matching income to the correct income code.

What amounts are included in annual income?
Annual income means all amounts, monetary or not, which:
- Go to, or are on behalf of, the family head or spouse (even if temporarily absent) or any other family member; or
- Are anticipated to be received from a source outside the family during the 12-month period following admission, interim reexamination, or annual reexamination effective date; and
- Are derived from assets (during the 12 month period) to which any family member has access; and
- Are not specifically excluded.

7e. Income exclusions:
Income excluded from annual income calculations. Amounts of money that are prohibited from being included in a family's income for rent determination purposes. Income exclusions are described in 24 CFR Subtitle F, § 5.609.

Please refer to the Income and Exclusions chart, given above, for guidance on:
- what income to exclude, and
- matching exclusions to the correct income code.

7f. Income after exclusions (7d minus 7e):
The family's total annual income minus any exclusions. Deduct income exclusions (line 7e) from dollars per year (line 7d).

7g. Column Total:
The total of the dollar amounts listed in column 7f (Income after exclusions).

7h. Reserved:
Reserved for future HUD use.

7i. Total annual income: 6j + 7g:
The family's total annual income. Add the final asset income (line 6j) and the total income after income exclusions (line 7g).

Section 8: Expected Income Per Year

8a. Total annual income: Copy from 7i:
The total annual family income.

Permissible Deductions (Public Housing only. If Section 8, skip to 8f or 8q):

Complete if the family resides in public housing and the PHA has established a written policy for permissible deductions.

IMPORTANT: Permissible deductions replace current optional income exclusions for Public Housing participants. PHAs can adopt these deductions provided the amounts are not already deducted from annual income or reimbursed to the family from other sources.

8b. Family member name/No.:
Public Housing only. The name of each family member in the household, and their individual Member number as indicated in line(s) 3a that corresponds to the income information reported.

8c. Type of permissible deduction:
Public Housing Only. The type of permissible deduction as determined by the PHA. This line is not transmitted to HUD.

8d. Amount:
Public Housing Only. The amount of the permissible deduction. This line is not transmitted to HUD.

8e. Total permissible deductions:
Public Housing Only. The total of the dollar amounts listed in column 8d (Amount).

What is the maximum amount allowable for total permissible deductions?
The maximum allowable amount for total permissible deductions (column total 8e) is less than $90,000 per year.

If the head of household and spouse or co-head are under age 62, and there are no family members (do not consider foster children or adults (F) or live-in aides (A)) with a disability, skip to line 8q. Otherwise, enter all medical and disability expense information for the entire family (do not consider foster children or adults (F) or live-in aides (A)) in lines 8f through 8p.

8f. Medical/disability threshold: 8a x 0.03:
Amount of unreimbursed medical and disability expenses that the family must pay before the PHA can deduct an allowance for such expenses from their income. Multiply 0.03 by total annual income (line 8a).

Example: The total annual income in line 8a for a family is $7,000, and the standard medical percentage is 3%. The medical threshold for the family will be: $7,000 x 0.03 = $210.

8g. Total annual unreimbursed disability assistance expense (if no disability expenses, skip to 8k):
The family's total annual unreimbursed disability expenses.

What are disability assistance expenses?
Disability assistance expenses are reasonable expenses that are anticipated, during the period for which annual income is computed, for attendant care and auxiliary apparatus for a disabled family member and that are necessary to enable a family member (including the disabled member) to be employed, provided that the expenses are neither paid to a member of the family nor reimbursed by an outside source.

If all family members indicated no disability in line 3j or if the family has no disability expenses, skip to line 8k.

8h. Maximum disability allowance: If 8g minus 8f is positive or zero, put amount:
The amount the PHA may potentially deduct for the family's disability expenses. Subtract the medical/disability threshold (line 8f) from the total annual unreimbursed disability assistance expenses (line 8g).

If negative and head/spouse/co-head is under 62 and not disabled, put 0.
If the calculation results in a positive number or zero, enter the amount. If the calculation results in a negative number and head/spouse/co-head are under 62 and not disabled, enter zero.

If negative and head/spouse/co-head is elderly or disabled, copy from 8g.
If calculation results in a negative number and head/spouse/co-head are elderly or disabled, enter total annual unreimbursed disability assistance expense (line 8g).

8i. Earnings in 7d made possible by disability assistance expense:
Of a family's dollars per year (line 7d), determine the earned amount made possible by the unreimbursed disability expenses the family incurs. This amount may not exceed the total family income after exclusions (column total 7g).

Example: The head of household spends $1,000 to overhaul his van to accommodate his wheelchair. The van allows the head of household to travel to his job, where he earns $10,000. The unreimbursed disability assistance expense makes possible the $10,000 of earnings.

8j. Allowable disability assistance expense: Lower of 8h or 8i (if 8g is less than 8f and head/spouse/co-head elderly or disabled, copy from 8h):
The total disability assistance expense amount the family may deduct. Enter the lower of the maximum disability allowance (line 8h) or the earnings made possible by disability assistance expense (line 8i). If the total annual unreimbursed disability assistance expense (line 8g) is less than the medical/disability threshold (line 8f) and the Head, spouse or co-head is elderly (age 62 or over) or disabled, copy the amount from the maximum disability allowance (line 8h).

8k. Total annual unreimbursed medical expenses: (if head/spouse/co-head under 62 and not disabled, put 0):
The total amount of the family's medical expenses that another source does not reimburse (e.g., co-payments for medical insurance). If the head, spouse or co-head are under age 62 and not disabled, enter 0 (zero).

8m. Total annual disability assistance and medical expense: 8j + 8k (if no disability expenses, copy from 8k):
The amount of the family's total disability assistance (line 8j) and medical expenses (line 8k). If the family has no disability assistance expenses, enter total annual unreimbursed medical expenses (line 8k).

8n. Medical/disability assistance allowance:
The amount of the family's allowance for medical expenses and disability assistance expenses.

If no disability assistance expenses or if 8g is less than 8f, put 8m minus 8f (if 8m minus 8f is negative, put 0):
If the family has no disability expenses or if total annual unreimbursed disability assistance expense (line 8g) is less than the medical/disability threshold (line 8f), calculate medical/disability assistance allowance (line 8n) as total annual disability assistance/medical expense (line 8m) minus the medical/disability threshold (line 8f). If total annual disability assistance/medical expense (line 8m) minus the medical/disability threshold (line 8f) is negative, enter 0 (zero).

If disability expenses and 8g is greater than or equal to 8f, copy from 8m:
If the family has disability expenses and the total annual unreimbursed disability assistance expense (line 8g) is greater than or equal to the medical/disability threshold (line 8f), enter the total annual disability assistance/medical expenses (line 8m).

8p. Elderly/disability allowance (default = $400):
The family's standard allowance amount if the head of household, spouse or co-head is elderly (age 62 or over), or disabled. The current allowance is $400.

Does the elderly/disability allowance double if both head and spouse or co-head are elderly or disabled?
No, if both the head of household and spouse or co-head are elderly or disabled, the allowance is not doubled. It is still $400, not $800.

8q. Number of dependents (people under 18, with disability, or full-time student. Do not count head of household, spouse, co-head, foster child/adult or live-in aide):
The total number of dependents who live in the household and are under 18 years of age, have a disability, or are full-time students of any age. Include dependents who are temporarily absent from the home but listed on the lease (i.e., family members).

What household members qualify as dependents?
Include all members of the household with the following relation code (line 3h)

- other youth under 18 (Y),
- full time student 18+ (E), or
- other adult (A) (if disabled).

What household members do not qualify as dependents?
Do not include the head of household (H), spouse (S) or co-head (K), foster children or adults (F), live-in aides (L), and other adults (A) who are not disabled.

8r. Allowance per dependent (default = $480):
Enter the standard allowance amount for each dependent in the household. The current allowance per dependent is $480.

8s. Dependent allowance: 8q x 8r:
The amount of the family's dependent allowance. Multiply the number of dependents (line 8q) in the household by the standard allowance per dependent (line 8r).

8t. Total annual unreimbursed childcare costs:
The household's total yearly unreimbursed childcare expenses. This is the estimated amount a family expects to pay for childcare during the annual income period. The amount deducted may not exceed the amount of income that the employment generates. The amount deducted must also not exceed reasonable childcare charges.

What childcare expenses should I include under annual unreimbursed childcare costs?

- Only include childcare expense for children under the age of 13.
- Only consider this cost when such care is necessary for a family member to be gainfully employed or to further his or her education.

8u. Total annual travel cost to work/school (Indian Housing only):
The total amount of yearly education or employment related travel expenses, which may not exceed $1,300 per year (i.e., $25 per week).

8v. Reserved:
Reserved for future HUD use.

8w. Reserved:
Reserved for future HUD use.

8x. Total allowances: 8e + 8n + 8p + 8s + 8t + 8u:
The total amount of all of the family's allowances. Enter the sum of total permissible deductions (line 8e), medical/disability assistance allowance (line 8n), elderly/disability allowance (line 8p), dependent allowance (line 8s), total annual unreimbursed childcare costs (line 8t), and total annual travel cost to work/school (line 8u).

8y. Adjusted annual income: 8a minus 8x (if 8x is larger, put 0):
The family's adjusted annual income. Subtract total allowances (line 8x) from total annual income (line 8a). If total allowances (line 8x) are larger than or equal to total annual income (line 8a), enter 0 (zero).

Section 9: Total Tenant Payment (TTP)

What is the total tenant payment?
Total tenant payment (line 9j) is the highest of the following amounts, rounded to the nearest dollar:

- 10 percent of the family's monthly income (line 9c);
- Percent of the family's adjusted monthly income (line 9f);
- A portion of the family's welfare assistance, specifically designated for the family's housing costs, determined by a public welfare agency (line 9g);
- The minimum rent of the unit (line 9h); or
- Enhanced Voucher minimum rent (line 9i).

9a. Total monthly income: 8a ÷ 12:
Divide total annual income (line 8a) by 12 to get total monthly income.

Example: If the annual income in line 8a is $12,000, the calculation reads: $12,000 ÷12 = $1,000.

9b. Reserved:
Reserved for future HUD use.

9c. TTP if based on annual income: 9a x 0.10:
Multiply total monthly income (line 9a) by 0.10.

Example: If the family has a total monthly income of $750 as indicated in line 9a, the calculation reads: $750 x 0.10 = $75.

9d. Adjusted monthly income: 8y ÷ 12:
Divide adjusted annual income (line 8y) by 12.

Example: If the family has an adjusted annual income of $2400 as indicated in line 8y, the calculation reads: $2400 ÷12 = $200.

9e. Percentage of adjusted monthly income: Use 30% for Section 8:
Percentage of adjusted monthly income used to determine TTP. The maximum percentage for this calculation is 30%.

What do I enter for families in Public Housing?
Enter a number up to 0.30 for families in Public Housing.

9f. TTP if based on adjusted annual income: (9d X 9e) ÷ 100:
Multiply the adjusted monthly income (line 9d) by percentage of adjusted monthly income (line 9e) and divide by 100.

Example: If the family has an adjusted monthly income of $673, as indicated in line 9d, and is in Section 8 housing, the calculation reads: $673 x 0.30 = $202.

9g. Welfare rent per month (if none put 0):
If the family receives welfare assistance, include the amount that the welfare assistance agency specifically designates for shelter and utilities. The welfare assistance agency may adjust this amount in accordance with the actual cost of shelter and utilities. If the family does not receive welfare rent, enter 0 (zero).

9h. Minimum rent (if waived, put 0):
The PHA established minimum rent amount per month. The PHA may require the tenant to pay a minimum rent amount up to $50.

In case of financial hardship, how do I enter minimum rent?
Enter zero for a family that has requested a financial hardship exemption and for whom the PHA has suspended the minimum rent. If the PHA then does not grant the family a hardship exemption because it determines the hardship is only temporary, submit an interim reexamination with the reinstated minimum rent.

9i. Enhanced Voucher minimum rent:
Enhanced Vouchers only. Enter the monthly rent that the family was paying on the date of the eligibility event for the project. Families assisted with enhanced Voucher assistance have a special statutory minimum rent requirement. The law requires that a family receiving Enhanced Voucher assistance must pay for rent no less than the rent the family was paying on the date of the "eligibility event" for the project in question.

What is the eligibility event?
The eligibility event is the expiration date of an expiring project-based contract in the case of owner opt-outs. For preservation prepayments, the eligibility event is the effective date of the prepayment of the mortgage, or voluntary termination of the mortgage insurance.

How do I calculate Enhanced Voucher minimum rent if the family income changes?
The method for calculating the Enhanced Voucher minimum rent changes if the family's income subsequently decreases to a significant extent (15 percent or more) from the family's gross income on the effective date of the prepayment. Guidance on recalculating minimum rent in cases where a family's income significantly decreases is discussed in detail in Notice PIH 2000-9.

9j. TTP, highest of lines 9c, 9f, 9g, 9h or 9i:
The total tenant payment (TTP). Indicate the highest amount listed in lines 9c, 9f, 9g, 9h, or 9i. (see 5.628)

9k. Most recent TTP:
The most recent total tenant payment (TTP) amount for the family. This amount is only available if the family previously lived in subsidized housing.

9m. Qualify for minimum rent hardship exemption? (Y or N):
Under PHRA, a family does not have to pay the PHA established minimum rent if they qualify for a financial hardship exemption. (See 24CFR 5.630(b)).

After the family requests a financial hardship exemption, the PHA must promptly determine whether the family is unable to pay the minimum rent because of financial hardship as described in the PHA's written policies.

Section 10: Public Housing, Indian Rental, and Turnkey III

General Rules:

- Complete if the family's program type is Public Housing (line 1c=P) or Indian Housing (line 1c=B) and family participates in Public Housing, Indian Rental or Turnkey III and the type of action is New Admission (2a=1), Annual Reexamination (2a=2), Interim Reexamination (2a=3), or Other Change of Unit (2a=7).
- Do not complete for ineligible police officers or over-income families who reside in Public Housing.
- Report the effect on occupancy figures on the Form HUD-51234.

10a. TTP: Copy from 9j:

The total tenant payment (TTP). This is the amount per month the PHA may require the family to pay the unit owner unless the family pays a flat or ceiling rent.

10b. Unit's flat rent (see Appendix III for Mixed Family Flat Rent calculation):

Indicate the flat rent dollar amount. Flat rent is set by the unit size and building. If a PHA uses the ceiling rent amount for flat rent, input the ceiling rent amount in this line.

How do I calculate flat rent for a mixed family?
See Appendix III for the Mixed Family Flat Rent calculation to compute the mixed family flat rent to enter in line 10b. Use Appendix III when any family members are ineligible noncitizens (3i=IN). Enter the amount from line 7 in the appendix in line 10b as the mixed family's flat rent amount.

Income Based Rent Calculation

Complete line 10c - 10g if family receives full rental subsidy.

10c. Ceiling rent, if any:

The highest rent amount the PHA will require a family to pay for a particular unit size. The PHA determines the ceiling rent, which is similar to the Fair Market Rent (FMR). If no ceiling rent, enter 0 (zero).

10d. Lower of TTP or ceiling rent (if no ceiling rent, put 10a):

Indicate the lesser amount of either the TTP (line 10a) or ceiling rent (line 10c). If ceiling rent is 0 (zero) or there is no ceiling rent, enter the TTP indicated in line 10a.

10e. Utility allowance, if any:

If the rental payment does not include all utilities, indicate the monthly allowance amount for tenant supplied utilities that apply to the unit. If there is no utility allowance, enter 0 (zero).

10f. Tenant rent: 10d minus 10e:

The rent amount the family pays to the owner after deducting the utility allowance (line 10e) from the lower rent (line 10d); or the total credit amount the family receives to pay utilities.

What does it mean when tenant rent is positive?
If the lower of TTP or ceiling rent (line 10d) minus the utility allowance (line 10e) results in a positive number or 0 (zero), this line reflects the tenant's rent to the PHA.

Example: The utility allowance amount in line 10e is $100 per month, and the lower rent in line 10d is $450. The calculation reads**:** $450 - $100 = $350. The tenant pays $350 to the PHA.

What does it mean when tenant rent is negative?
If the result is a negative number, this line reflects a credit to the tenant, commonly referred to as the utility reimbursement.

Example: The utility allowance in line 10e is $100, and the lower rent in line 10d is $75. The calculation reads**:** $75 - $100 = -$25. The tenant receives a $25 credit (i.e., utility reimbursement).

10g. Reserved:

Reserved for future HUD use.

Income Based Prorated Rent Calculation

Complete lines 10h – 10s if the family receives a prorated rental subsidy (i.e., one or more family members indicated ineligible noncitizen (IN) in line 3i).

10h. Public/Indian Housing maximum rent:

Indicate the maximum rent that the PHA (owner) can charge for the unit. The Public/Indian Housing maximum rent (line 10h) is between $5 and $3,000 per year.

How do I calculate maximum rent?
To calculate the maximum rent, list the TTPs paid by all tenants in this unit's size in the PHA's jurisdiction from largest to smallest, and then take the TTP that falls at the 95th percentile. Do not take the average of all TTPs and then compute 95 percent of that average. For more information on maximum rent, refer to Appendix H of the Housing Agencies (HAs) Guidebook**:** Restrictions on Assistance to Noncitizens, 7465.7.

Example: If you have 100 TTPs and list them from highest to lowest, the 95th highest rent is the maximum rent, regardless of the TTP amount.

10i. Family maximum subsidy: 10h minus 10a:

The maximum amount of rent subsidy available to the family. Subtract total tenant payment (TTP) (line 10a) from the Public/Indian Housing maximum rent (line 10h).

10j. Total number eligible:

Total number of family members eligible for rent subsidy based on the Noncitizens Rule. Family members do not include live-in aides or foster children or adults. Eligible family members have citizenship codes in line 3i of:
EC = Eligible citizen
EN = Eligible noncitizen
PV = Pending verification

10k. Total number in family:

Total number of family members in the household. Include all family members, including ineligible noncitizen family members (3i=IN). Do not include live-in aides or foster children/adults.

10m. Reserved:

Reserved for future HUD use.

10n. Eligible subsidy: (10i ÷ 10k) X 10j:

The total amount of rent subsidy for which the family is eligible. Divide the family maximum subsidy (line 10i) by the total number in family (line 10k) and multiply the result by the total number eligible (line 10j).

Example: The family maximum subsidy (line 10i) is $500 and the family consists of 4 members (line 10k) of which 3 members are eligible for rent subsidy (line 10j). The calculation reads ($500 ÷ 4 = 125) X 3 = $375. The family's eligible subsidy is $375.

10p. Mixed family TTP: 10h minus 10n:

Indicate the mixed family total tenant payment (TTP) for the unit based on the proration calculation. Public/Indian Housing maximum rent (line 10h) minus eligible subsidy (line 10n).

10q. Reserved:

Reserved for future HUD use.

10r. Utility allowance, if any:

If the payment does not include all utilities, indicate the monthly allowance amount for tenant supplied utilities that apply to the family occupied unit.

What do I enter if there is no utility allowance?
If there is no utility allowance, enter 0 (zero).

10s. Mixed family tenant rent: 10p minus 10r:

The rent amount the family pays to the owner after deducting the utility allowance (line 10r) from the mixed family total tenant payment (TTP) (line 10p); or the total credit amount the family receives to pay for utilities.

What does it mean when the mixed family tenant rent is positive?
If mixed family total tenant payment (line 10p) minus the utility allowance (line 10r) results in a positive number or 0 (zero), this line reflects the tenant's rent to the PHA.

Example: The utility allowance amount in line 10r is $100 per month, and the mixed family total tenant

payment in line 10p is $450. The calculation reads: $450 - $100 = $350. The tenant pays $350 to the PHA.

What does it mean when the mixed family tenant rent is negative?
If the result is a negative number, this line reflects the credit to the tenant, commonly referred to as utility reimbursement.

Example: The utility allowance in line 10r is $100, and the lower rent in line 10p is $75. The calculation reads: $75 - $100 = -$25. The tenant receives a $25 credit (i.e., utility reimbursement).

10t. Reserved:
Reserved for future HUD use.

Type of Rent

10u. Type of rent selected:
Indicate whether the tenant selected an income based rent or a flat rent.

- Income based - Check this box if the family selected income based rent.
- Flat - Check this box if the family selected flat rent.

10v. Reserved:
Reserved for future HUD use.

Section 11: Section 8: Pre-merger Certificates (Except Manufactured Home Owner Renting the Space) and PHA Project Based Assistance Only

General Rules:

- Complete if the family's program type is Certificates (1c=CE) for Pre-merger Certificates or Vouchers (1c=VO) for Project-based Vouchers and type of action is New Admission (2a=1), Annual Reexamination (2a=2), Interim Reexamination (2a=3), Portability Move-in (2a=4), or Other Change of Unit (2a=7).
- Complete for a family who remains under a pre-merger certificate HAP contract and for a family in a unit with a project-based certificate or voucher subsidy.
- The project-based voucher program is expected to be implemented in early 2001.

11a. Number of bedrooms on certificate:

Unit size (number of bedrooms) listed on the family's Certificate. Enter 0 (zero) for an efficiency or Single Room Occupancy (SRO) unit and for assistance under the project-based certificate program.

11b. Is family now moving to this unit? (Project-based Certificates and Vouchers only) (Y or N):

Indicate if the family is moving into the unit in connection with reported action. If the family leases in-place or if the family will remain in the same unit at the time of re-examination, enter N. Answer "yes" only if the family participates in the project-based certificate or voucher program and moves to this unit.

11c. Reserved:

Reserved for future HUD use.

11d. Did family move into your PHA jurisdiction under portability? (Y or N) (if no, skip to 11g):

Indicate whether or not the household will move or has moved into the PHA's jurisdiction under portability. If you answer yes to this question, continue to answer yes for this family as long as the family resides in your PHA jurisdiction.

What do I enter if my PHA absorbed the family?
If portability move-in occurred, indicate Y (Yes) regardless of whether the receiving PHA bills the initial PHA or absorbs the family into its own program.

11e. Cost billed per month (put 0 if absorbed):

(For Portability) Monthly amount billed to the initial PHA for the family's housing assistance payment (HAP), on-going administrative fee, and any utility reimbursement to the family.

What do I enter if my PHA absorbed the family?
Enter 0 if the family was absorbed by the receiving PHA.

11f. PHA code billed:

The initial PHA's 2-letter state code and 3-digit identification number. Leave blank if the receiving PHA absorbs the family.

How do I find the initial PHA's identification number?
For help obtaining the initial PHA's identification number, contact the appropriate HUD field office, the HA Profiles Web Site within PIC or the MTCS Hotline at 1-800-FON-MTCS.

11g. Housing type:

Check the housing type that applies to the family's housing unit.

- *Unit has project-based assistance:* A unit subsidized under the project-based certificate or voucher program, where the PHA has an agreement with the project owner to subsidize the owner's project.
- *Group home (prorate gross rent):* A state-approved group home where 2 to 12 elderly or disabled individuals live in a single unit.
- *SRO: 1 room occupied by 1 person:* A single room unit, usually without food preparation or sanitary facilities, occupied by only 1 person.

11h. Owner name:

The Section 8 unit owner's legal name.

11i. Owner TIN/SSN:

Tax identification number (TIN) or Social Security Number (SSN) of the legal unit owner.

11j. Reserved:
Reserved for future HUD use.

11k. Contract rent to owner (if unit has other subsidy, put subsidized rent):
Total monthly rent amount paid to the unit owner under the lease, or other subsidized rent amount. If the unit has another subsidy (e.g., Section 236, Section 221 (d) (3) BMIR (below market interest rate), Section 202, Rural Development Administration Section 515), enter the current subsidized rent approved by the agency that provides the other subsidy.

11m. Utility allowance, if any:
If the rental payment does not include all utilities, indicate the monthly allowance amount for tenant supplied utilities that apply to the family occupied unit.

What do I enter when there is no utility allowance?
If there is no utility allowance, enter 0 (zero).

How do I prorate the utility allowance for shared housing?
If the family shares the unit with another family, enter only the family's prorated portion of the unit's utility allowance. To derive the family's prorated portion, divide the number of bedrooms in the family's private space by the total number of bedrooms in the shared housing unit.

How do I prorate the utility allowance for a group home?
If an elderly person or a person with disabilities resides in a group home, enter only the family's prorated portion of the unit's utility allowance. To derive the family's prorated portion, divide the number of persons in the assisted household (typically one, unless there is a live-in aide) by the total number of occupants (assisted and unassisted) who reside in the group home.

11n. Gross rent of unit: 11k + 11m:
The unit's total monthly rent amount. Add the contract rent to owner (line 11k) to the utility allowance (line 11m).

11p. Reserved:
Reserved for future HUD use.

11q. TTP: Copy from 9j:
The total tenant payment (TTP). Copy from 9j.

Rent Calculation (If prorated assistance (line 3u=p), skip to 11aa)

Complete if family receives full subsidy.

11r. Total HAP: 11n minus 11q. If 11q is larger, put 0:
Total housing assistance payment (HAP) equals the gross rent of unit (line 11n) minus total tenant payment (TTP) (line 11q).

11s. Tenant rent: 11k minus 11r:
The rent amount the family pays to the owner is the contract rent to owner (line 11k) minus the total HAP (line 11r); or the credit amount the family receives to pay for utilities.

***What if the tenant rent is positive or zero*?**
If the contract rent to owner (line 11k) minus the total HAP (line 11r) results in a positive number or 0 (zero), this line reflects the tenant's rent to the owner.

Example: The total HAP amount in line 11r is $100 per month, and the contract rent to owner in line 11k is $450. The calculation reads**:** $450 - $100 = $350. The tenant pays $350 to the owner.

***What if the tenant rent is negative*?**
If the result is a negative number, this line reflects the credit to the tenant, commonly referred to as utility reimbursement.

Example: The total HAP in line 11r is $475, and the contract rent to owner in line 11k is $450. The calculation reads**:** $450- $475 = -$25. The tenant receives a $25 credit (i.e., utility reimbursement).

11t. HAP to owner: lower of 11k or 11r:
The amount of the housing assistance payment to the unit owner. Indicate the lower of the contract rent to owner (line 11k) or the total HAP (line 11r).

Prorated Rent Calculation

Complete if one or more family members indicated ineligible noncitizen (IN) in line 3i.

11aa. Normal total HAP: 11n minus 11q (skip to 11ae):
Amount of the normal total housing assistance payment. Subtract total tenant payment (TTP) (line 11q) from gross rent (line 11n).

11ab. Reserved:
Reserved for future HUD use.

11ac. Reserved:
Reserved for future HUD use.

11ad. Reserved:
Reserved for future HUD use.

11ae. Total number eligible:
Total number of family members eligible for rent subsidy based on the Noncitizens Rule. Family members do not include live-in aides or foster children and adults. Eligible family members have citizenship codes in line 3i of:
EC = Eligible citizen
EN = Eligible noncitizen
PV = Pending verification

11af. Total number in family:
Total number of family members in household. Do not include live-in aides or foster children and adults. Include ineligible noncitizen family members as part of the total family number.

11ag. Proration percentage: 11ae ÷ 11af:
Percentage of family eligible for rent subsidy. Divide total number eligible (line 11ae) by total number in family (line 11af). A family with ineligible family members is only eligible for a percentage of the rent subsidy. Use the proration percentage to determine the family's total prorated rent subsidy.

Example: There are 4 family members eligible for housing assistance (line 11ae), and 5 total family members (line 11af; 1 is ineligible for rent subsidy). The calculation reads**:** 4 ÷ 5 = 0.8 (or 80%).

11ah. Prorated total HAP: 11aa x 11ag:
Total prorated housing assistance payment (HAP). Multiply normal total HAP (line 11aa) by proration percentage (line 11ag).

11ai. Mixed family TTP: 11n minus 11ah:
Total tenant payment (TTP) for the unit based on the proration calculation. Gross rent of unit (line 11n) minus prorated total housing assistance payment (HAP) (line 11ah).

Example: If the gross rent (line 11n) is $450, and the prorated total HAP (line 11ah) is $200, the mixed family TTP is $450 - $200 = $250. This is the amount the PHA may require the mixed family to pay.

11aj. Utility allowance: Copy from 11m:
Monthly allowance amount for tenant supplied utilities if the rent does not include all utilities. Copy from line 11m.

What if there is no utility allowance?
If there is no utility allowance, enter 0 (zero).

What do I enter for shared housing?
If the family shares the unit with another family, enter only the family's prorated portion of the unit's utility allowance. To derive the family's prorated portion, divide the number of bedrooms in the family's private space by the total number of bedrooms in the shared housing unit.

What do I enter for a person in a group home?
If an elderly or disabled person lives in a group home, enter only the individual's prorated portion of the units utility allowance. To determine an individual's prorated portion, divide the number of persons in the assisted household (typically one unless there is a live-in-aide) by the total number of occupants (assisted and unassisted) who live in the group home.

11ak. Mixed family tenant rent: 11ai minus 11aj:
The rent amount the family pays to the owner after deducting the utility allowance (line 11aj) from the mixed family total tenant payment (TTP) (line 11ai); or the total credit amount the family receives to pay utilities.

What does it mean when the mixed family tenant rent is positive?
If the mixed family total tenant payment (line 11ai) minus the utility allowance (line 11aj) results in a positive number or 0 (zero), this line reflects the tenant's rent to the owner.

Example: The utility allowance amount in line 11aj

is $100 per month, and the mixed family TTP in line 11ai is $450. The calculation reads**:** $450 - $100 = $350. The tenant pays $350 to the owner.

What does it mean when the mixed family tenant rent is negative?
If the result is a negative number, this line reflects the credit to the tenant, commonly referred to as utility reimbursement.

Example: The utility allowance in line 11aj is $100, and the mixed family TTP in line 11ai is $75. The calculation reads**:** $75 - $100 = -$25. The tenant receives a $25 credit (i.e., utility reimbursement).

11am. Reserved:
Reserved for future HUD use.

11an. Prorated HAP to owner: 11k minus 11ak (If 11ak is negative, put 11k):
The prorated housing assistance payment (HAP) to the unit owner. Subtract the mixed family tenant rent (line 11ak) from the contract rent to owner (line 11k). If the mixed family tenant rent in line 11ak is negative, enter the contract rent to owner (line 11k).

Section 12: Section 8: Vouchers

General Rules:

- Complete if program type is tenant-based Voucher (1c=VO) and type of action is New Admission (2a=1), Annual Reexamination (2a=2), Interim Reexamination (2a=3), Portability Move-in (2a=4), or Other Change of Unit (2a=7).

12a. Number of bedrooms on voucher:

The unit size (number of bedrooms) listed on the Voucher. Enter 0 (zero) for an efficiency or Single Room Occupancy (SRO) unit.

12b. Is family now moving to this unit? (Y or N):

Indicate if the family is moving into the unit in connection with the reported action. If the family leases in-place or if the family is remaining in the same unit at the time of re-examination, enter N.

12c. Does the family qualify as a Hard to House family? (Y or N):

Indicate whether or not the family qualifies as Hard to House.

- Y = Yes : family has three or more minors or has a disabled member and is moving to a different unit
- N = No: family does not have three or more minors, does not have a disabled member, or is not moving

Who qualifies as a Hard to House family?

A family qualifies as Hard to House if there are three or more minors or if there is a disabled family member and the family is moving to a different unit.

Who does not qualify as a Hard to House family?

A family with three or more minors or with a disabled member that is not moving to a different unit does not qualify as a Hard to House family. A family who owns a manufactured home and leases the space does not qualify as hard to house.

12d. Did family move into your PHA jurisdiction under portability? (Y or N) (If no, skip to 12g):

Indicate whether or not the household has moved or will move into the PHA's jurisdiction under portability. If you answer yes to this question, continue to answer yes for this family as long as the family resides in your PHA jurisdiction.

What do I enter if my PHA absorbed the family?

If portability move-in occurred, indicate Y (Yes) regardless of whether the receiving PHA bills the initial PHA or absorbs the family into its own program.

12e. Cost billed per month (put 0 if absorbed):

(For Portability) Monthly amount billed to the initial PHA for the family's housing assistance payment (HAP) amount, on-going administrative fee, and any utility reimbursement to the family.

What do I enter if my PHA absorbed the family?

Enter 0 if the family was absorbed by the receiving PHA.

12f. PHA code billed:

The initial PHA's 2-letter state code and 3-digit identification number. Leave blank if the receiving PHA absorbs the family.

How do I find the initial PHA's identification number?

For help obtaining the initial PHA's identification number, contact the appropriate HUD field office, the HA Profiles Web Site within PIC or the MTCS Hotline at 1-800-FON-MTCS.

12g. Housing type:

Check the housing type that applies to the family's housing unit.

- *Group home (prorate gross rent):* A state-approved group home where 2 to 12 elderly or disabled individuals reside in a single unit.
- *Own manufactured home, lease space:* A family who occupies a manufactured home as its principle place of residence and leases, but does not own, the home space.
- *SRO: 1 room occupied by 1 person:* A single room unit, usually without food preparation or sanitary facilities, occupied by only 1 person.

12h. Owner name:

The Section 8 unit owner's legal name.

12i. Owner TIN/SSN:
Tax identification number (TIN) or Social Security Number (SSN) of the legal unit owner.

12j. Payment standard for family:
Enter the payment standard for the family. See 982.505(c).

What do I enter for enhanced vouchers?
For a family who stays at the multifamily project and who does not qualify for a smaller family unit size based on the PHA's subsidy standards, the payment standard is the gross rent of the family's unit.

What do I enter when the family is overhoused?
If the family qualifies for a smaller family unit size than the unit it occupies at the multifamily project, and if the family did not locate an eligible unit elsewhere during the voucher term despite a good faith effort, enter the gross rent of the oversized unit at the time of the family's admission to the voucher program. The HAP contract for an oversized unit automatically terminates after one year and then the family must follow normal program rules.

What do I enter for shared housing?
If the family shares the unit with another family, enter the lower of the payment standard for the family unit size or the family's prorated portion of the payment standard for the shared housing unit size. To get the family's prorated portion, divide the number of bedrooms in the family's private space by the total number of bedrooms in the shared housing.

What do I enter for a group home?
If an elderly person or a person with disabilities resides in group home, enter the lower of the payment standard for the family unit size or the family's prorated portion of the payment standard for the group home size. To derive the family's prorated portion, divide the number of persons in the assisted household (usually one, unless there is a live-in aide) by the total number of occupants (assisted and unassisted) who reside in the group home.

12k. Rent to owner:
Total monthly rent payable to the unit owner under the lease for the contract unit. For rental of a manufactured home space, enter the rent to owner for the space including any owner maintenance or management charges for the space. In a section 236, 221(d)(3)BMIR, 202, or 515 project, the rent to owner is the subsidized rent as determined in accordance with the requirements for those programs.

12m. Utility allowance, if any:
If the rent does not include all utilities, indicate the monthly allowance amount for tenant supplied utilities that apply to the family occupied unit.

What do I enter if there is no utility allowance?
If there is no utility allowance, enter 0 (zero).

How do I prorate the utility allowance for shared housing?
If the family shares the unit with another family, enter only the family's prorated portion of the unit's utility allowance. To derive the family's prorated portion, divide the number of bedrooms in the family's private space by the total number of bedrooms in the shared housing unit.

How do I prorate the utility allowance for a group home?
If an elderly person or a person with disabilities resides in a group home, enter only the family's prorated portion of the unit's utility allowance. To derive the family's prorated portion, divide the number of persons in the assisted household (typically one, unless there is a live-in aide) by the total number of occupants (assisted and unassisted) who reside in the group home.

12n. Reserved:
Reserved for future HUD use.

12p. Gross rent of unit: 12k + 12m (or Space Rent):
Gross rent of unit or space rent. Add rent to owner (line 12k) to the utility allowance (line 12m).

12q. Lower of 12j or 12p (if Premerger Voucher, see Instruction Booklet):
Lower of Voucher payment standard for family (line 12j) or gross rent of unit (line 12p).

What amount do I enter for premerger vouchers?
For a family who remains under a pre-merger voucher contract, enter the payment standard for the family (12j) until the family's 2nd annual

reexamination on or after October 1, 1999. At the family's 2nd annual reexamination on or after October 1, 1999, enter the lower of 12j or 12p.

12r. TTP (copy from 9j):
Total tenant payment (TTP). Copy from 9j.

12s. Total HAP: 12q minus 12r:
Total housing assistance payment (HAP). Subtract total tenant payment (TTP) (line 12r) from line 12q. If the TTP (line 12r) is larger enter 0 (zero).

Rent Calculation (If prorated assistance, skip to 12ab)

Complete if family receives full subsidy.

12t. Total family share: 12p minus 12s:
Amount the family contributes toward rent and utilities. Subtract total housing assistance payment (HAP) (line 12s) from gross rent of unit (line 12p). If the total HAP (line 12s) is larger than the gross rent (line 12p), enter 0 (zero).

12u. HAP to owner: lower of 12k or 12s:
The amount of the housing assistance payment (HAP) to the unit owner. Indicate the lower of the rent to owner (line 12k) or total HAP (line 12s).

12v. Tenant rent to owner: 12k minus 12u:
Rent amount the family pays to the owner after deducting the housing assistance payment (HAP) to owner (line 12u) from the rent to owner (line 12k).

12w. Utility reimbursement to the family: 12s minus 12u, but do not exceed 12m:
The utility reimbursement to the family from the PHA. Subtract housing assistance payment (HAP) to owner (line 12u) from total HAP (line 12s), but do not exceed the utility allowance (line 12m).

Prorated Rent Calculation

Complete if one or more family members indicated ineligible noncitizen (IN) in line(s) 3i.

12aa. Reserved:
Reserved for future HUD use.

12ab. Normal total HAP: copy from 12s, but do not exceed 12p:
The amount of the normal total housing assistance payment (HAP). Copy from 12s, but do not exceed the amount in 12p (gross rent).

12ac. Total number eligible:
Total number of family members eligible for rent subsidy based on the Noncitizens Rule. Family members do not include live-in aides or foster children and adults. Eligible family members have citizenship codes in line 3i of:

EC = Eligible citizen
EN = Eligible noncitizen
PV = Pending verification

12ad. Total number in family:
Total number of family members in household. Include all family members, including ineligible noncitizen family members (3i=IN). Do not include live-in aides or foster children/adults.

12ae. Proration percentage: 12ac ÷ 12ad:
The percentage of the family eligible for rent subsidy. A family with ineligible family members is only eligible for a percentage of the rent subsidy. Use the proration percentage to determine the family's total prorated rent subsidy. Divide the total number eligible (line 12ac) by the total number in family (line 12ad).

Example: There are 4 family members eligible for housing assistance (line 12ac), and 5 total family members (line 12ad; 1 is ineligible for rent subsidy), the calculation reads: 4 ÷ 5 = 0.8 (or 80%).

12af. Prorated total HAP: 12ab x 12ae:
The prorated housing assistance payment. Multiply the normal total HAP (line 12ab) by the proration percentage calculated in line 12ae.

12ag. Mixed family total family contribution: 12p minus 12af:
Indicate the mixed family total family contribution based on the proration calculation. Take the gross rent of unit (line 12p) minus prorated total housing assistance payment (HAP) (line 12af).

Example: If the gross rent (line 12p) is $450, and the prorated total HAP is $200 (line 12af), the mixed

family total family contribution is: $450 - $200 = $250. This is the total amount the mixed family must pay toward rent and utilities.

What if the mixed family contribution is negative?
If negative, put 0 (zero)

12ah. Utility allowance: copy from 12m:
If the payment does not include all utilities, indicate the monthly allowance amount for tenant supplied utilities that applies to the family occupied unit.

What do I enter if there is no utility allowance?
If there is no utility allowance, enter 0 (zero).

What do I enter for shared housing?
If the family shares the unit with another family, enter only the family's prorated portion of the unit's utility allowance. To derive the family's prorated portion, divide the number of bedrooms in the family's private space by the total number of bedrooms in the shared housing unit.

12ai. Mixed family tenant rent to owner: 12ag minus 12ah:
The rent amount the family pays to the owner after subtracting the utility allowance (line 12ah) from the mixed family total family contribution (line 12ag); or the total credit amount the family receives to pay for utilities.

What does it mean when the mixed family tenant rent to owner is a positive number?
If the mixed family total family contribution (line 12ag) minus the utility allowance (line 12ah) results in a positive number or 0 (zero), this line reflects the tenant's rent to the owner.

Example: The utility allowance amount in line 12ah is $100 per month, and the mixed family total family contribution in line 12ag is $450. The calculation reads: $450 - $100 = $350. The tenant pays $350 to the owner.

What does it mean when the mixed family tenant rent to owner is a negative number?
If the result is a negative number, this line reflects the credit to the tenant, commonly referred to as utility reimbursement.

Example: The utility allowance in line 12ah is $100, and the mixed family total family contribution in line 12ag is $75. The calculation reads: $75 - $100 = -$25. The tenant receives a $25 credit (i.e., utility reimbursement).

12aj. Prorated HAP to owner: 12k minus 12ai. If 12ai is negative, put 12k:
The total prorated amount of the housing assistance payment (HAP) to the unit owner. Subtract the mixed family tenant rent to owner (line 12ai) from the rent to owner (line 12k). If the mixed family tenant rent to owner (line 12ai) is negative, enter the rent to owner (line 12k).

12ak. Reserved:
Reserved for future HUD use.

Section 13: Section 8: Moderate Rehabilitation (Mod Rehab)

General Rules:

- Complete if program type is Moderate Rehabilitation (1c=MR) and type of action is New Admission (2a=1), Annual Reexamination (2a=2), Interim Reexamination (2a=3), or Other Change of Unit (2a=7).
- Do not complete for ineligible police officers or security personnel.

13a. HAP contract number:

The housing assistance payment (HAP) contract number. Include the sequence number for each HAP contract. The HAP contract sequence number identifies the particular HAP contract as under the project (funding increment).

How do I enter the HAP contract number?
Break down the contract number into the pieces that follow. This is the new contract number format based on the HUDCAPS format:

- *State code* - The first 2 boxes, indicate the state where the project is located
- *PHA code* - The next 3 boxes, indicate the 3-digit PHA number that HUD assigned
- *Program code* - The next 2 boxes, indicate the program (e.g., MR or SR)
- Increment number - The next 4 boxes, allow up to 4 numbers for the project (funding increment)
- *Sequence number* - The final 4 boxes, allow up to 4 numbers for the HAP contract sequence number.

Example: The project number is WI-439-MR-0002-0001. The PHA uses funding under this project number for three separate HAP contracts with three different owners and three different buildings. The HAP contract sequence numbers are**:** WI-439-MR-0002-0001; WI-439-MR-0002-0002; and WI-439-MR-0002-0003.

Do I enter a sequence number even if there is only one HAP contract under the project?
Add the sequence number to the project number even if there is only 1 HAP contract under the project. If the PHA uses all of the project funding for only 1 HAP contract, the HAP contract number is**:** WI-439-MR-0002-0001.

13b. Mod Rehab SRO Program for homeless? (Y or N):

Indicate whether the family's unit is in a Single-Room Occupancy (SRO) project under the SRO Program for Homeless Individuals (24 CFR Part 882, Subpart H).

13c. Mod Rehab SRO unit (not homeless program) (Y or N):

Indicate whether the family's unit is an SRO unit, but not under the SRO Program for Homeless Individuals.

13d. Owner name:

The Section 8 unit owner's legal name.

13e. Owner TIN/SSN:

Tax identification number (TIN) or Social Security Number (SSN) of the legal unit owner.

13f. Current base rent:

The current base rent for the unit that reflects the most recent rent adjustment.

13g. Rehabilitation debt service:

The owner's current monthly rehabilitation debt service payments for the unit.

What do I enter if the owner paid off the loan?
If the owner paid off the rehabilitation loan, enter 0 (zero) here.

13h. Contract rent to owner: 13f + 13g:

The monthly rent amount paid to the Mod Rehab unit owner as specified in the housing assistance payment (HAP) contract. Add the current base rent (line 13f) to any monthly rehabilitation debt service (line 13g).

13i. Utility allowance, if any:

If the payment does not include all utilities, indicate the monthly allowance amount for tenant supplied utilities that apply to the family occupied unit.
What do I enter if there is no utility allowance?
If there is no utility allowance, enter 0 (zero).

13j. TTP: Copy from 9j:

The total tenant payment (TTP). Copy from 9j.

Rent Calculation (If prorated, skip to 13p)

13k. Tenant rent: 13j minus 13i (if 13j is greater than 13h + 13i, put 13h):

The rent amount the family pays to the owner after deducting the utility allowance (line 13i) from the total tenant payment (TTP) (line 13j); or the total credit amount the family receives to pay for utilities. If the TTP (line 13j) is greater than the gross rent (line 13h plus line 13i) enter the contract rent to owner (line 13h).

What does it mean when the tenant rent is a positive number?

If the total tenant payment (line 13j) minus the utility allowance (line 13i) results in a positive number or 0 (zero), this line reflects the tenant's rent to the owner.

Example: The utility allowance amount in line 13i is $100 per month, and the TTP in line 13j is $450. The calculation reads**:** $450 - $100 = $350. The tenant pays $350 to the owner

What does it mean when the tenant rent is a negative number?

If the result is a negative number, this line reflects the credit to the tenant, commonly referred to as utility reimbursement.

Example: If the utility allowance in line 13i is $100, and the TTP in line 13j is $75. The calculation reads**:** $75 - $100 = -$25. The tenant receives a $25 credit (i.e., utility reimbursement).

13m. HAP to owner: 13h minus 13k (If 13k is negative, put 13h):

The amount of the housing assistance payment (HAP) to the unit owner. Subtract the tenant rent (line 13k) from the contract rent to owner (line 13h). If the tenant rent indicated in line 13k is negative, enter the contract rent to owner (line 13h).

Example: The contract rent is $400, and the tenant rent is $200. The calculation reads**:** $400 - $200 = $200. The $200 balance is the housing assistance payment the PHA pays to the unit owner.

13n. Reserved:

Reserved for future HUD use.

Prorated Rent Calculation

Complete if one or more family members indicated ineligible noncitizen in line(s) 3i.

13p. Gross rent: 13h + 13i:

The unit's total monthly rent amount. Add the contract rent to owner (line 13h) to the utility allowance (line 13i).

13q. Normal total HAP: 13p minus 13j:

The amount of the normal total housing assistance payment (HAP). Subtract total tenant payment (TTP) (line 13j) from the gross rent (line 13p).

13r. Total number eligible:

Total number of family members eligible for rent subsidy based on the Noncitizens Rule. Family members do not include live-in aides or foster children and adults. Eligible family members have citizenship codes in line 3i of:

- EC = Eligible citizen
- EN = Eligible noncitizen
- PV = Pending verification

13s. Total number in family:

Total number of family members in household. Include all family members, including ineligible noncitizen family members (3i=IN). Do not include live-in aides or foster children/adults.

13t. Proration percentage: 13r ÷ 13s:

Percentage of family eligible for rent subsidy. Divide the total number eligible (line 13r) by the total number in family (line 13s). A family with ineligible family members is only eligible for a percentage of the rent subsidy. Use the proration percentage to determine the family's total prorated rent subsidy.

Example: There are 4 family members eligible for housing assistance (line 13r), and 5 total family members (line 13s; 1 is ineligible for rent subsidy), the calculation reads 4 ÷ 5 = 0.8 (or 80%)

13u. Prorated total HAP: 13q x 13t:

The prorated housing assistance payment (HAP). Multiply the normal total HAP (line 13q) by the proration percentage (line 13t).

13v. Mixed family TTP: 13p minus 13u:

Indicate the mixed family total tenant payment (TTP). Subtract the prorated total housing assistance payment (HAP) (line 13u) from the gross rent (line 13p).

Example: If the gross rent is $450, and the prorated HAP is $200, the mixed family TTP is**:** $450 - $200 = $250. This is the amount the PHA may require the tenant to pay.

13w. Utility allowance (copy from 13i):

If the payment does not include all utilities, indicate the monthly allowance amount for tenant supplied utilities that apply to the family occupied unit.

What do I enter when there is no utility allowance?

If there is no utility allowance, enter 0 (zero).

13x. Mixed family tenant rent: 13v minus 13w:

The rent amount the family pays to the owner after deducting the utility allowance (line 13w) from the mixed family total tenant payment (TTP) (line 13v); or the total credit amount the family receives to pay for utilities.

What do I enter if the mixed family tenant rent is a positive number?

If mixed family total tenant payment (line 13v) minus the utility allowance (line 13w) results in a positive number or 0 (zero), this line reflects the tenant's rent to the owner.

Example: The utility allowance amount in line 13w is $100 per month, and the mixed family TTP in line 13v is $450. The calculation reads**:** $450 - $100 = $350. The tenant pays $350 to the owner.

What do I enter if the mixed family tenant rent is a negative number?

If the result is a negative number, this line reflects the credit to the tenant, commonly referred to as utility reimbursement.

Example: The utility allowance in line 13w is $100, and the mixed family TTP in line 13v is $75. The calculation reads**:** $75 - $100 = -$25. The tenant receive a $25 credit (i.e., utility reimbursement).

13y. Reserved:

Reserved for future HUD use.

13z. Prorated HAP to owner: 13h minus 13x (If 13x is negative, put 13h):

The total prorated amount of the housing assistance payment (HAP) to the unit owner. Subtract the mixed family tenant rent (line 13x) from the contract rent to owner (line 13h). If the mixed family tenant rent indicated in line 13x is negative, enter the contract rent to owner (line 13h).

Section 14: Manufactured Home Owner Renting the Space

General Rules:

- Pre-merger Certificates only
- Complete if program type is Certificates (line 1c=CE) for Manufactured Home Owner Renting the Space and type of action is Annual Reexamination (2a=2) or Interim Reexamination (2a=3).
- This section will be obsolete September 30, 2001, when all certificate assistance must be converted to voucher assistance.

14a. Number of bedrooms on Certificate:

The unit size (number of bedrooms) listed on the Certificate.

14b. Reserved:

Reserved for future HUD use.

14c. Did family move into your PHA jurisdiction portability? (Y or N) (if no, skip to 14g):

Indicate whether or not the household will move or has moved into the PHA's jurisdiction under portability.

What do I enter if my PHA absorbed the family?
If portability move-in occurred, indicate Y (Yes) regardless of whether the receiving PHA bills the initial PHA or absorbs the family into its own program.

14d. Cost billed per month (put 0 if absorbed):

Monthly amount billed to the initial PHA for the family's housing assistance payment (HAP) amount, on-going administrative fee, and any utility reimbursement to the family.

What do I enter if my PHA absorbed the family?
Enter 0 if the family was absorbed by the receiving PHA.

14e. PHA code billed:

The initial PHA's 2-letter state code and 3-digit identification number. Leave blank if the receiving PHA absorbs the family.

How do I find the initial PHA's identification number?
For help obtaining the initial PHA's identification number, contact the appropriate HUD field office, the HA Profiles Web Site within PIC or the MTCS Hotline at 1-800-FON-MTCS.

14f. Reserved:

Reserved for future HUD use.

14g. Space owner name:

The space owner's legal name.

14h. Space owner TIN/SSN:

Tax identification number (TIN) or Social Security Number (SSN) of the legal space owner.

14i. Reserved:

Reserved for future HUD use.

14j. Furniture included in purchase price? (Y or N):

Indicate whether or not the manufactured home's purchase price included the cost of furniture.

14k. Monthly amortization payment:

The monthly amount paid for principal and interest to amortize the manufactured home's purchase price. Include any set-up charges for assembling, skirting, and anchoring the manufactured home.

What do I enter if there is no monthly amortization payment?
If there is no monthly amortization payment, enter 0 (zero).

14m. Deduction: if 14j = Y, 14k x 0.15; If 14j = N, put 0:

The deduction amount for furniture cost from the monthly amortization payment. If the manufactured home's purchase price included furniture, multiply the monthly amortization payment (line 14k) by 0.15.

What do I enter if furniture was not included in the purchase price?
If the manufactured home's purchase price did not include furniture, as indicated in line 14j, enter 0 (zero).

14n. Adjusted amortization: 14k minus 14m:

The adjusted monthly amortization payment.

Subtract the deduction (line 14m) from the monthly amortization payment (line 14k).

14p. Utility allowance, if any:
If the owner does not provide all utilities, indicate the monthly allowance amount for tenant supplied utilities that applies to the family occupied unit.

What do I enter if there is no utility allowance?
If there is no utility allowance, enter 0 (zero).

14q. Rent to owner (space rent):
The monthly rent payable to the space owner under the lease. Includes the required fees and charges for all maintenance and management services, but excludes on-going utility charges.

14r. Gross rent: 14n + 14p + 14q:
The space's total monthly rent amount. Add the adjusted amortization payment (line 14n), utility allowance (line 14p), and rent to owner (line 14q).

14s. TTP: Copy from 9j.
The total tenant payment (TTP). Copy from 9j.

14t. Gross rent minus TTP: 14r minus 14s:
Indicate the total tenant payment (TTP) (line 14s) subtracted from the gross rent (line 14r). If the result is a negative number, enter 0 (zero).

14u Reserved:
Reserved for future HUD use.

14v. HAP to Owner: lower of 14q or 14t:
The amount of the housing assistance payment made to the space owner. Indicate the lower amount contained in rent to owner (line 14q) or gross rent minus TTP (line 14t).

Rent Calculation (If prorated rent, skip to 14aa)

Complete if family receives full subsidy.

14w. Tenant rent: 14q minus 14v:
The rent amount the family pays to the owner. Deduct the housing assistance payment (HAP) to owner (line 14v) from the rent to owner (line 14q).

Example: The rent to owner amount in line 14q is $100 per month, and the HAP to owner in line 14v is $450. The calculation reads**:** $450 - $100 = $350. The tenant pays $350 to the owner.

14x. Reserved:
Reserved for future HUD use.

Prorated Rent Calculation

Complete if one or more family members indicated ineligible noncitizen (IN) in line(s) 3i.

14aa. Total number eligible:
Total number of family members eligible for rent subsidy based on the Noncitizens Rule. Family members do not include live-in aides or foster children and adults. Eligible family members have citizenship codes in line 3i of:

- EC = Eligible citizen
- EN = Eligible noncitizen
- PV = Pending verification

14ab. Total number in family:
Total number of family members in household. Include all family members, including ineligible noncitizen family members (3i=IN). Do not include live-in aides or foster children/adults.

14ac. Proration percentage: 14aa ÷ 14ab:
Percentage of family eligible for rent subsidy. Divide the total number eligible (line 14aa) by the total number in family (line 14ab). A family with ineligible family members is only eligible for a percentage of the rent subsidy. Use the proration percentage to determine the family's total prorated rent subsidy.

Example: There are 4 family members eligible for housing assistance (line 14aa), and 5 total family members in the household (line 14ab; 1 is ineligible for rent subsidy), the calculation reads**:** 4 ÷ 5 = 0.8 (or 80%).

14ad. Prorated HAP to owner: 14v x 14ac:
The total prorated amount of the housing assistance payment (HAP) to the space owner. Multiply the housing assistance payment (HAP) to owner (line 14v) by the proration percentage (line 14ac).

14ae. Mixed family TTP: 14r minus 14ad:
Indicate the mixed family total tenant payment

(TTP) based on the proration calculation. Subtract the prorated housing assistance payment (HAP) to owner (line 14ad) from the gross rent (line 14r).

Example: If the gross rent is $450, and the prorated HAP is $200, the mixed family TTP is:$450 - $200 = $250. This is the amount the PHA may require the tenant to pay.

14af. Reserved:

Reserved for future HUD use.

14ag. Mixed family tenant rent: 14q minus 14ad:

The rent amount the family pays to the owner. Subtract the prorated housing assistance payment (HAP) to owner (line 14ad) from the rent to owner (line 14q).

Section 15: Section 8: Homeownership

General Rules:

- Complete if program type is Homeownership (line 1c=VO) and type of action is New Admission (2a=1), Annual Reexamination (2a=2), Interim Reexamination (2a=3), Portability Move-in (2a=4), or Other Change of Unit (2a=7).

15a. Is family now moving to this home?:

Indicate if the family is now moving into the home (e.g., if the family will remain in the same home at the time of reexamination, enter N).

15b. Date (mm/dd/yyyy) of initial HQS inspection:

Date of the initial housing quality standards (HQS) inspection.

15c. Did family move into your PHA jurisdiction under portability? (Y or N) (if no, skip to 15f):

Indicate whether or not the household will move or has moved into the PHA's jurisdiction under portability, regardless of whether the PHA bills the initial PHA or absorbs the family into its own voucher homeownership program. If you answer yes to this question, continue to answer yes for this family as long as the family resides in your PHA jurisdiction.

15d. Cost billed per month (put 0 if absorbed):

Monthly amount billed to the initial PHA for the family's housing assistance payment (HAP) amount, on-going administrative fee, and any utility reimbursement to the family. Enter 0 if the family was absorbed by the receiving PHA.

15e. PHA code billed:

The initial PHA's 2-letter state code and 3-digit identification number. Leave blank if the receiving PHA absorbs the family.

How do I find the initial PHA's identification number?

For help obtaining the initial PHA's identification number, contact the appropriate HUD field office, the HA Profiles Web Site within PIC or the MTCS Hotline at 1-800-FON-MTCS.

15f. Monthly homeownership payment (PITI & MIP if applicable):

The monthly homeownership cost. Includes principal and interest on initial mortgage debt, taxes and insurance (PITI) and any mortgage insurance premium (MIP), if applicable.

What do I enter for homeownership in a cooperative (co-op)?

For homeownership in a cooperative, enter the monthly cooperative charge under the occupancy agreement, including real estate taxes and public assessments, and any principal and interest on initial debt to finance purchase of cooperative shares.

15g. Utility allowance:

The PHA's utility allowance for the unit.

15h. Monthly maintenance allowance:

The amount of PHA's allowance for the monthly routine maintenance costs.

15i. Monthly major repair/replacement allowance:

The amount of the PHA's allowance for major home repairs and replacements.

15j. Monthly co-op/condominium assessments:

If applicable, enter the amount of co-op or condominium association operation and maintenance assessments.

15k. Monthly principal and interest on debt for improvements, if any:

The amount of principal and interest for debt associated with major repairs, replacements, or improvements to the unit.

15m. Gross homeownership expense: 15f + 15g + 15h + 15i + 15j + 15k:

Calculation of tenant's total cost of homeownership.

Sum of 15f through 15k.

15n. Payment standard for the family:
Enter the lower of the payment standard for the family unit size or the payment standard for the unit size that the family actually owns. See 982.503 and 982.635(b).

15p. Lower of 15m and 15n:
The lower of gross homeownership expense (15m) and the payment standard for the family (15n).

15q. TTP: copy from 9j:
Total tenant payment (TTP). Copy from 9j.

15r. HAP: 15p minus 15q (if 15q is larger, put 0):
The amount of monthly homeownership assistance payment (HAP). Subtract total tenant payment (TTP) (line 15q) from the lower of 15m and 15n (line 15p). If the TTP (line 15q) is larger, enter 0.

Family Share Calculation (If prorated, skip to 15aa)

Complete if family receives full subsidy.

15s. Total family share: 15m minus 15r:
Total amount the family contributes toward homeownership is gross homeownership expense (line 15m) minus HAP (line 15r).

Prorated Subsidy Calculation

Complete if one or more family members indicated ineligible noncitizen in line(s) 3i.

15aa. Normal total HAP: copy from 15r:
The amount of the normal total homeownership assistance payment (HAP).

15ab. Total number eligible:
Total number of family members eligible for homeownership subsidy based on the Noncitizens Rule. Family members do not include live-in aides or foster children and adults. Eligible family members have citizenship codes in line 3i of**:**
EC = Eligible citizen
EN = Eligible noncitizen
PV = Pending verification

15ac. Total number in family:
Total number of family members in the household. Include all family members, including ineligible noncitizen family members (3i=IN). Do not include live-in aides or foster children/adults.

15ad. Proration percentage: 15ab ÷ 15ac:
Percentage of family eligible for homeownership subsidy. Divide the total number eligible (line 15ab) by the total number in family (line 15ac). A family with ineligible family members is only eligible for a percentage of the homeownership subsidy. Use the proration percentage to determine the family's total prorated homeownership subsidy.

15ae. Prorated HAP: 15aa X 15ad:
The total prorated amount of the homeownership assistance payment (HAP) to the homeowner. Multiply normal total HAP (line 15aa) by the proration percentage (line 15ad)

15af. Mixed family total family share: 15m minus 15ae:
Indicate the mixed family total family contribution based on the proration calculation. Subtract the prorated homeownership assistance payment (HAP) (line 15ae) from the gross homeownership expense (line 15m).

15ag. Reserved:
Reserved for future HUD use.

15ah. Reserved:
Reserved for future HUD use.

Section 16: Indian Mutual Help

General Rules:

- Complete if program type is Indian Housing (1c=B), participating program is Indian Mutual Help and type of action is New Admission (2a=1), Annual Reexamination (2a=2), Interim Reexamination (2a=3), or Other Change of Unit (2a=7).

16a. Adjusted monthly income: copy from 9d:

The total amount of adjusted monthly income received on a monthly basis. Enter the amount from 9d.

16b. Number between 0.15 and 0.30 that corresponds to the % in the mutual help agreement:

The Mutual Help and Occupancy Agreement (MHOA) percentage, as indicated in the Mutual Help agreement. Use a decimal between 0.15 and 0.30.

What is the Mutual Help Occupancy Agreement (MHOA)?

The MHOA is a lease with option to purchase contract between an IHA and a homebuyer.

16c. Gross family cost: 16a x 16b:

The total amount of the family's monthly cost. Multiply adjusted monthly income (line 16a) by the mutual help agreement percentage (line 16b).

16d. Utility allowance, if any:

If the Indian Mutual Help payment does not include all utilities, indicate the monthly allowance amount for tenant supplied utilities that apply to the family occupied unit.

What do I enter if there is no utility allowance?

If there is no utility allowance, enter 0 (zero).

16e. Net cost: 16c minus 16d: (If 16d is larger, put 0):

The net family cost. Deduct the utility allowance (line 16d) from the gross family cost (line 16c). If the utility allowance (line 16d) is greater than the gross family cost (line 16c), enter 0 (zero).

16f. Administration charge:

Each Indian Housing Authority (IHA) sets their administration charge. Enter the amount of the IHA's charge.

16g. Maximum monthly payment in agreement, if any (usually 16f + monthly debt service):

If the IHA has an established maximum monthly payment schedule, enter the amount. The maximum is usually the total of the administration charge (line 16f) and any debt service payments shown on the homebuyer's purchase price schedule.

16h. Family cost: higher of 16e and 16f, but not greater than 16g:

The total family cost. The higher amount of either the net cost (line 16e) or the administration charge (line 16f). If this amount exceeds the maximum monthly payment in the agreement, enter the maximum monthly payment (line 16g).

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

General Rules:

- Complete this section to track the enrollment, progress, or exit of a FSS or WtW Voucher family.
- Failure to submit FSS exits may impact minimum FSS program size obligations.

17a. Participate in special programs? (check all that apply):

Identify if the family participates in a Family Self-Sufficiency (FSS) program, a Welfare to Work (WtW) voucher program, or both. If the family participates in both programs, please check both.

- *FSS (Family Self Sufficiency Program)*
- *Welfare to Work Voucher*

17b. FSS report category (check no more than one):

If the family participates in FSS, check one category to indicate the purpose of the Addendum.

- *Enrollment Report* - New enrollment in the FSS program.
- *Progress Report* - Update to family's FSS status.
- *Exit Report* - Exit from FSS program.

17c. FSS effective date (mm/dd/yyyy) of action:

The effective date of the FSS action being reported in line 17b.

Can this date be different from the effective date of action (line 2b)?
Since the Addendum can be submitted separately from Form HUD-50058 via a FSS/WtW Addendum Only action type (2a=8), this may be different from the effective date of action indicated in line 2b.

17d. PHA code of PHA administering FSS contract:

The PHA code associated with the PHA that executed the FSS contract with the family and is counting the family in its FSS program.

What should I enter if the family resides in one PHA's jurisdiction, but has a contract of participation with a different PHA?
A family may reside in one PHA, but have an executed FSS contract of participation with another PHA. Enter the PHA code for the PHA that has an executed FSS contract with the family.

How do I find the administering PHA's identification number?
For help obtaining the administering PHA's identification number, contact the appropriate HUD field office, the HA Profiles Web Site within PIC or the MTCS Hotline at 1-800-FON-MTCS.

Example: A family executed an FSS contract with PHA001, then moves into another PHA002's jurisdiction. PHA001 is still administering the FSS program while the family resides in PHA002's jurisdiction. Enter the PHA code for PHA001 (line 17d.) in this situation since PHA001 is still responsible for administering the FSS contract of the family.

17e. WtW report category (check no more than one):

If the family participates in WtW, check one category to indicate the purpose of the Addendum.

- *Enrollment Report* -New enrollment in the WtW program.
- *Progress Report* -Update to family's WtW status.
- *Exit Report* -Exit from WtW program.

17f. WtW effective date (mm/dd/yyyy) of action:

The date of the WtW voucher program action.

Can this date be different from the effective date of action (line 2b)?
Since the Addendum can be submitted separately from Form HUD-50058 via a FSS/WtW Addendum Only action type (2a=8), this may be different from the effective date of action indicated in line 2b.

17g.

(1) **PHA code of PHA that issued the WtW Voucher:** The PHA code associated with the PHA that issued the WtW Voucher. A family may receive a WtW Voucher from one PHA, but subsequently move to a unit within a new PHA's jurisdiction.

(2) **PHA code of PHA counting the family as enrolled in its WtW Voucher program (if different from 17g(1)):** The PHA code of the PHA counting the family as enrolled. Only complete if this PHA code differs from 17g(1).

17h. General information: General information about the family:

(1) **Current employment status of head of household. Check the box to indicate the head of household's employment status at the time addendum is completed:** Indicate the head of household 's current employment status.
- *Full-time (32 hours per week or more)* - Head of household works 32 hours or more per week.
- *Part-time* - Head of household works less than 32 hours per week.
- *Not employed* - Head of household is not employed.

(2) **Date (mm/dd/yyyy) current employment began:** The date the head of household began his/her current job.

(3) **Benefits in current employment (check all that apply):** Indicate the head of household's current employment benefits. Check all that apply**:**
- *Health* - Does the head of household's current employer provide health insurance?
- *Retirement Account* - Does the head of household's current employer provide a retirement account?
- *Other* - Does the head of household's current employer provide other benefits aside from health insurance and retirement accounts?

(4) **Years of school completed by the head of household. Enter the highest grade of education or years of formal schooling the head of household completed at the time Addendum is submitted. (0-25).** Enter the highest grade or the full years of formal schooling that the head of household completed (0-25). Years of schooling begins with 1st grade (do not count kindergarten or pre-school).

Example: If the head of household completed school through 7th grade, enter 7 in the box. This indicates 7 full years of formal schooling. If the head of household completed high school and 2 years of college, vocational, technical, or other 2 - 4 year accredited school, enter 14 in the box.

Example: If the head of household attended but did not finish 8th grade, enter 7 in the box.

Example: If the head of household received a GED, enter 12 in the box (indicating the completion of high school).

(5) **Assistance received by the family (check all that apply):** Indicate whether or not the family receives additional assistance, such as food stamps, Medicaid, TANF assistance, or the earned income tax credit.

(6) **Number of children receiving child care services:** Indicate the number of children in the household who receive child care services. Child care services must be of a type that provides sufficient hours of operation and serves an appropriate range of ages.

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

The family services table includes a list of different services and blank columns to complete. The columns indicate whether the participants need the services, whether the PHA provides the services to the participants, or whether the services are provided to the participants through other means. For FSS participants, enter the information provided in the Individual Training and Services Plan(s) of the family's contract of participation.

(1) **Need (Y/N):** Indicate whether or not the PHA identified individual training and service needs of the family members.
- *Education/training* -
  - *GED* - The GED is a Graduate Equivalency Diploma; attend classes to complete high school-equivalency credits.
  - *High school* - Attend or return to high

school to obtain a high school diploma.
  - ◊ *Post secondary* - Attend or return to post secondary schooling (such as a college or university) to obtain a secondary degree.
  - ◊ *Vocational/job training* - Attend a vocational or technical school (e.g., may obtain a license or certificate but not an official degree), or participate in job training classes (e.g., computer skills courses, etc.).
- *Job search/job placement* - Search for employment or use current employment networks for placement in a permanent position.
- *Job retention* - Program to help participants retain their jobs.
- *Transportation* - Need transportation to attend school, training, search for a job, or take children to child care.
- *Health services* - Need specific health services, or well-child and well-family regular services and check-ups.
- *Alcohol and other drug abuse prevention services* - A program designed to help rehabilitate or help participants with drug-related problems.
- *Mentoring* - A program that places participants with role models or mentors in the community.
- *Homeownership counseling* - A program designed to help participants migrate from housing assistance to homeownership.
- *Individual Development Account (IDA)* - Individual Development Accounts (IDAs) are matched savings accounts that can be used by low-income households to purchase homes, seek postsecondary education, or capitalize small businesses.
- *Child care* - Need child care assistance.
- *None* - No special services are needed.

Example: If the Spouse stated that he or she wants to complete his or her high school education and the special program identified the need through an Individual Training & Services Plan, enter Y (Yes) in the appropriate box.

(2) **Needs Met Through Program (Y or N):** If the PHA identified certain needs for family members, indicate whether or not the program meets the needs listed in 17i(1).

(3) **Service Provider:** Indicate the name of the service provider who meets the participant's need.

- *P = PHA* - Indicate if the PHA meets or met the service need.
- *T = TANF Agency* - Indicate if a TANF agency meets the service need.
- *D = DOL Grantee* - Indicate if a Department of Labor grantee meets the service need.
- *V = Voluntary Organization* - Indicate if a voluntary organization meets the service need.
- *PR = For Profit Organization* - Indicate if a "for profit" organization meets the service need.
- *N = Nonprofit Agency* - Indicate if a nonprofit organization meets the service need.
- *E = Employer* - Indicate if the employer meets the service need.
- *C = Community college* - Indicate if a community college meets the service need.

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

17j. FSS Contract Information:

Contract information related to the participating family.

(1) **Initial start date (mm/yyyy) of contract of participation (FSS enrollment report only):** The effective date of the family's FSS contract of participation; the date the family initially enrolled in the FSS program. Include all four digits of the year (i.e., 06/2000).

(2) **Initial end date (mm/yyyy) of contract of participation (FSS enrollment report only):** The expiration date of the family's FSS contract of participation; the date the family is initially expected to exit the FSS program. The contract term is for a period of 5 years. Include all four digits of the year (i.e., 06/2005).

(3) **Contract date extended to (mm/yyyy)(if applicable):** If applicable, the date to which the PHA has extended the family's FSS contract of participation. If the PHA did not extend the family's end date, leave this field blank. Include all four digits of the year (i.e., 06/2006).

How long can a contract be extended?
The FSS contract cannot be extended more than two years beyond the original expiration date.

(4) **Number of family members with Individual Training & Services Plan:** The number of family members in the household who have current Individual Training and Services Plans under the FSS contract of participation.

(5) **Did the family receive selection preference because of related service program participation? (FSS enrollment report only) (Y or N):** For new FSS enrollment, indicate whether or not the family received an FSS selection preference due to participation in a related service program.

17k. FSS Account Information:

Information about the family's FSS account.

(1) **Current FSS account monthly credit:** The current dollar amount credited to the family's FSS account due to increases in earned income by the family. If there are no contributions to the family's FSS account, enter 0 (zero).
(2) **Current FSS account balance:** The current dollar amount of the family's FSS account based on the most recent report of account funds and activity. Include the amounts paid into the account for the family, as well as the prorated investment income credited to the account. If there is no established FSS account, enter 0 (zero).
(3) **FSS account amount disbursed to the family (cumulative as of end of reporting period):** Total dollar cumulative amount, if any, of all FSS escrow disbursements ever made to the family. If there are no disbursed funds, enter 0 (zero).

17m. FSS exit information (FSS exit report only):

Information about the family leaving the FSS program. Complete this section only if the family is exiting the FSS program (i.e., FSS Exit Report). The family may still be a public housing resident or a Section 8 program participant.

(1) **Did family complete contract of participation? (Y or N):** Indicate if the family fulfilled all of its obligations under the contract during the contract term, or when 30% of the family's monthly adjusted income equals or exceeds the existing housing fair market rent (FMR) for the unit size for which the family qualifies. At completion, all family members met program requirements for being off welfare assistance.

(2) **If (1) is Yes, did family move to homeownership? (Y or N):** Indicate if the family completed the contract and is moving to homeownership.

(3) **If (1) is No, reason for exit:** Indicate why the family did not complete its FSS contract. Select one of the following reasons:
- *Left voluntarily* -- terminated contract through mutual consent of the family and the PHA, or the family decided to withdraw.
- *Asked to leave program* -- the PHA terminated the Contract of Participation because a family member failed to meet obligations required under the Contract, or because other family actions were inconsistent with the purpose of the FSS program.
- *Portability move-out* -- the family exercised a portability move-out to another PHA's jurisdiction.
- *Left because essential service was unavailable* -- the PHA declared the Contract of Participation null and void because a particular service deemed essential to a family's ability to become self-sufficient was unavailable.
- *Contract expired but family did not fulfill obligations* -- the term of the Contract of Participation, including any extensions, expired but the family did not meet all contract obligations.

Welfare to Work (WtW) Voucher Program

17n. WtW Voucher program information (WtW voucher program enrollment report only):

Information about the family's participation in the WtW Voucher program.

(1) **Date (mm/dd/yyyy) Voucher issued:** The date the PHA issued the Welfare to Work Voucher.

(2) **Date (mm/dd/yyyy) of request for lease**

approval (RFLA) for a unit leased: The date the family submitted a Request for Lease Approval (RFLA) to the PHA. The RFLA date must be equal to or later than the WtW Voucher issued date (line 17n.(1)) and equal to or earlier than the WtW voucher program effective date of action (line 17f). If "Enrollment" is selected for the Welfare to Work Voucher report category (line 17e), a valid date must be entered (mm/dd/yyyy).

(3) **Help in housing search from:** Identify entities that helped the family find a unit. Please select all that apply**:**
- *TANF Agency* - A TANF agency helped the family find a unit.
- *Other* - A group, other than the PHA or TANF agency, helped the family find a unit.

17p. If assisted in a different unit, reason(s) (check all that apply) (WtW enrollment only):

If assistance occurred in a different unit, check all of the reasons that apply.
- *Closer to day care* - the family needed to move closer to day care facilities.
- *Pre-program unit would not meet HQS* - The family needed to move because their previous unit did not meet HQS standards.
- *Owner of pre-program unit unwilling to participate* - The family needed to move because the owner of their previous unit was unwilling to participate in the Section 8 program.
- *Employment* - the family needed to move closer to the employer.
- *Transportation* - the family needed to move for better transportation services.
- *Pre-program unit rent above payment standard, tenant rent too high* - The family needed to move because the rent at their previous unit was too high.
- *Closer to other services* - the family needed to move so other needs could be met.

17q. Welfare to Work Voucher Program exit information (WtW exit report only):

Information about why the family is leaving the WtW Voucher program.

(1) **Is the family moving to Homeownership? (Y or N):** Indicate whether or not the family withdrew from the Section 8 WtW program to buy a home.

(2) **Primary reason for leaving the WtW Voucher program:** Identify the reason why the family is leaving the WtW program.. Select only one.
- *Portability move-out* - the family exercised a portability move-out to another PHA's jurisdiction.
- *Family no longer needs subsidy* - the family no longer needs housing assistance.
- *Subsidy terminated for Section 8 program violation, other than WtW voucher program obligations* - the family violated a Section 8 program rule.
- *Subsidy terminated for violation of WtW voucher program obligations* - the family violated a WtW Voucher Program rule.
- *Family voluntarily withdrew from Section 8 program* - the family withdrew from the Section 8 program.
- *Other* - the family exited the WtW Voucher Program for a reason other than the ones stipulated above.

Appendix I

Federal Standard State and Territory Codes

States

AL = Alabama
AK = Alaska
AZ = Arizona
AR = Arkansas
CA = California
CO = Colorado
CT = Connecticut
DE = Delaware
DC = District of Columbia
FL = Florida
GA = Georgia
HI = Hawaii
ID = Idaho
IL = Illinois
IN = Indiana
IA = Iowa
KS = Kansas
KY = Kentucky
LA = Louisiana
ME = Maine
MD = Maryland
MA = Massachusetts
MI = Michigan
MN = Minnesota
MS = Mississippi
MO = Missouri
MT = Montana
NE = Nebraska
NV = Nevada
NH = New Hampshire
NJ = New Jersey
NM = New Mexico
NY = New York
NC = North Carolina
ND = North Dakota
OH = Ohio
OK = Oklahoma
OR = Oregon
PA = Pennsylvania
RI = Rhode Island
SC = South Carolina
SD = South Dakota
TN = Tennessee
TX = Texas
UT = Utah
VA = Virginia
VT = Vermont
WA = Washington
WV = West Virginia
WI = Wisconsin
WY = Wyoming

Territories

AS = America Samoa
FM = Federated States of Micronesia
GQ = Guam
MH = Marshall Islands
MP = Northern Mariana Islands
PW = Palau
RQ/PR = Puerto Rico
VQ/VI = Virgin Islands

Appendix II

Section 17, line 17k: FSS Escrow Account Credit Worksheet

Instructions for Completing the FSS Escrow Account Credit Worksheet:

1. Determine the escrow credit at each reexamination and interim determination occurring after the effective date of effective date of the FSS contract of participation and while the family is participating in the FSS program.
2. Calculate the amount of the escrow credit with Form HUD-52652, or another document which incorporates the procedures in Form HUD-52652.
3. The amount of the escrow credit will vary depending on the income level of each FSS family and is based on increases of **earned** income since the effective date of the contract of participation. If the family's adjusted income exceeds the lower-income limit in the jurisdiction in which the FSS family is living (the amount on line 3 is greater than the amount on line 2), the family does not qualify for an escrow credit.

Head of the FSS Family:	**Date:**
1. Current Total Annual Income (Enter amount on line 7i of Form HUD-50058).	1.
2. Applicable Lower-Income Limit (Enter the current lower-income limit for the jurisdiction in which the FSS family is living.)	2.
3. Current Adjusted Annual Income (Enter amount on line 8y of form HUD-50058.) If line 3 is greater than line 2, this family does not qualify for an FSS credit.	3.
4. Earned income included in line 1 (Add up the income items coded B, M, F, PHA, and W in column 7d of form HUD-50058.)	4.
5. Earned income included in total annual income on effective date of the FSS Contract of Participation. (Enter amount from contract of participation).	5.
6. Increase in earned income since the effective date of the FSS Contract of Participation. (line 4 minus line 5. If negative, enter 0.)	6.
7. Current Total Annual Income less increase in earned income since the effective date of the FSS Contract of Participation. (line 1 minus line 6).	7.
8. Thirty percent of current monthly Adjusted Annual Income (Line 3 divided by 40). The calculated amount should equal the amount on line 9f of form HUD-50058.)	8.

9. Current Adjusted Annual Income less increase in earned income since the effective date of the FSS Contract of Participation. (line 3 minus line 6).	9.
10. 30% of current monthly Adjusted Annual Income less increase in earned income since the effective date of the FSS Contract of Participation. (Line 9 divided by 40).	10.
11. 10% of current monthly Annual Income less increase in earned income since the effective date of the FSS Contract of Participation. (Line 7 divided by 120).	11.
12. If applicable, welfare rent (enter amount on line 9g of form HUD-50058) or public housing ceiling rent (enter amount on line 10c of form HUD-50058.	12.
13. TTP based on current Total Annual Income less increase in earned income since the effective date of the FSS Contract of Participation. (If vouchers, enter the amount on line 10, otherwise, enter the greater of lines 10, 11, or 12.)	13.
14. Difference between 30% of current monthly Adjusted Annual Income and TTP adjusted for increases in earned income. (line 8 minus line 13. Enter 0 if negative).	14.
15. Current TTP (Enter the amount on line 10d of form HUD-50058 or, in the case of vouchers, enter the amount on line 8 of this form.	15.
16. TTP on effective date of the FSS Contract of Participation or, in the case of vouchers, 30% of monthly Adjusted Annual Income on effective date of the FSS Contract of Participation. (Enter amount from contract of participation.)	16.
17. Difference between current TTP and TTP on effective date of the FSS Contract of Participation. (line 15 minus line 16. Enter 0 if negative).	17.
18. Enter the lesser of line 14 or line 17.	18.
19. Applicable Very Low-Income Limit (Enter the current very low-income limit for the jurisdiction in which the FSS family is now living)	19.
20. Amount by which the Adjusted Annual Income exceeds the Very Low-Income Limit (line 3 minus line 19).	20.

21. 30% of the amount by which Adjusted Annual Income exceeds the Very Low-Income Limit (Line 20 divided by 40)	21.
22. Escrow credit (line 18 minus line 21).	22.

Appendix III

Section 10, line 10b: Mixed Family Flat Rent Worksheet

Complete this worksheet for mixed families that reside in Public Housing (1c=P). A mixed family is a family that includes both citizens/eligible immigrants and noncitizens/ineligible immigrants.

Public Housing Mixed Family Flat Rent Calculation

1. Flat rent		$ 1.	
2. Public/Indian Housing maximum rent		$ 2.	
3. Family maximum subsidy: line 2 minus line 1 (If negative or 0, there is no proration. Skip to line 7 and enter flat rent (line 1))		$ 3.	
4. Total number eligible		4.	
5. Total number in family		5.	
6. Eligible subsidy: (line 3 ÷ line 5) X line 4		$ 6.	
7. Mixed family flat rent: line 2 - line 6	If positive, put mixed family prorated flat rent		$ 7.
	If negative or 0, copy flat rent from line 1		$ 7.

Instructions for Completing the Mixed Family Flat Rent Worksheet:

1. Flat rent:
The dollar amount of the full subsidy flat rent. Flat rent is set by the unit size and building. If a PHA uses the ceiling rent amount for flat rent, input the ceiling rent amount in this line.

2. Public/Indian Housing maximum rent:
The maximum rent that the PHA (owner) can charge for the unit. The Public/Indian Housing maximum rent is between $5 and $3,000 per year.

How do I calculate maximum rent?
To calculate the maximum rent, list the TTPs paid by all tenants in this unit's size in the PHA's jurisdiction from largest to smallest, and then take the TTP that falls at the 95th percentile. Do not take the average of all TTPs and then compute 95 percent of that average. For more information on maximum rent, refer to Appendix H of the Housing Agencies Guidebook: Restrictions on Assistance to Noncitizens, 7465.7.

Example: If you have 100 TTPs and list them from largest to smallest, the 95th highest rent is the maximum rent, regardless of the TTP amount.

3. Family maximum subsidy: line 2 minus line 1:
The maximum amount of rent subsidy available to the family is Public/Indian Housing maximum rent (line 2) minus Flat rent (line 1).

4. Total number eligible:
The total number of family members eligible for rent subsidy based on their citizen status. Family members do not include live-in aides or foster children/adults. Eligible family members have citizenship codes in line 3i of:
EC = Eligible citizen
EN = Eligible noncitizen
PV = Pending verification

5. Total number in family:

The total number of family members in the household. Include all family members, including ineligible noncitizen family members (3i=IN). Do not include live-in aides or foster children/adults.

6. Eligible subsidy: (line 3 ÷ line 5) X line 4:

The total amount of rent subsidy for which the family is eligible. Divide the family maximum subsidy (line 3) by the total number in family (line 5). Multiply the result by the total number eligible (line 4).

Example: The family maximum subsidy (line 3) is $600 and the family consists of 4 members (line 5) of which 3 members are eligible for rent subsidy (line 4). The calculation reads ($600 ÷ 4) X 3 = $450. The family's eligible subsidy is $450.

7. Prorated flat rent: line 2 - line 6:

The mixed family flat rent for the unit is Public/Indian Housing maximum rent (line 2) minus the eligible subsidy (line 6).

What does it mean when the mixed family flat rent is a positive number?
If the Public/Indian Housing maximum rent (line 2) minus the eligible subsidy (line 6) results in a positive number, this line reflects the mixed family's prorated flat rent amount.

Example: The eligible subsidy (line 6) is $450, and the Public/Indian Housing maximum rent (line 2) is $550. The calculation reads**:** $550 - $450 = $100. The mixed family pays a prorated flat rent of $100.

What does it mean when the mixed family tenant rent is a negative number or zero?
If the Public/Indian Housing maximum rent (line 2) minus the eligible subsidy (line 6) results in a negative number or zero, the mixed family's flat rent is not prorated. This family pays the full flat rent amount.

Example: The eligible subsidy (line 6) is $450, and the Public/Indian Housing maximum rent (line 2) is $300. The calculation reads**:** $300 - $450 = - $150. Since the difference is negative, the mixed family pays the full flat rent amount listed in line 1.

Where do I enter the information from line 7 of the Mixed Family Flat Rent Worksheet?
Enter the mixed family flat rent amount from line 7 in line 10b: Unit's flat rent on the Form HUD-50058.

Appendix IV

MTCS Glossary

Use this glossary as a reference document only. Refer to the Code of Federal Regulations (as referenced after each definition) and HUD Notices for official program descriptions and definitions.

1937 Act: the United States Housing Act of 1937.

Absorption: in Section 8 portability, the point at which a receiving PHA stops billing the initial PHA for assistance on behalf of a portability family. The receiving PHA uses funds available under The receiving PHA Consolidated Annual Contributions Contract (ACC). (24 CFR 982.4)

Accessible units: units that meet the requirement of accessibility with respect to dwellings. (24 CFR 945.105)

Accessible: when used with respect to the design, construction, or alteration of a facility, or a portion of a facility other than an individual dwelling unit, so that the facility or portion of the facility can be approached, entered, and used by individuals with physical handicaps. The phrase "accessible to and usable by" is synonymous with accessible. (24 CFR 8.3)

Act: the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) (24 CFR 5.100) Also see 1937 Act.

ADA: the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.) (24 CFR 5.100)

Adjusted income: annual income (as determined by the responsible entity) of the members of the family residing or intending to reside in the dwelling unit, after making the applicable deductions. (24 CFR 5.611)

Administrative fee: Fee paid by HUD to the PHA for administration of the program. (24 CFR 982.4)

Administrative plan: the plan that describes PHA policies for administration of the tenant-based programs. (24 CFR 982.4)

Admission: the point when the family becomes a participant in a program. In a tenant-based program, the date used for this purpose is the effective date of the first HAP contract for a family (first day of initial lease term). (24 CFR 982.4)

Annual Contributions Contract (ACC) (Indian Housing): a contract under the 1937 Act between HUD and an IHA containing the terms and conditions under which HUD assists the IHA in providing decent, safe, and sanitary housing for low-income families. (24 CFR 1000.10) Also see 1937 Act.

Annual contributions contract (ACC): the written contract between HUD and a PHA, under which HUD agrees to provide funding for a program under the 1937 Act, and the PHA agrees to comply with HUD requirements for the program. (24 CFR 5.403) Also see 1937 Act.

Annual income: all amounts, monetary or not, which: (1) Go to, or are on behalf of, the family head or spouse (even if temporarily absent) or any other family member; or (2) Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and (3) Are derived (during the 12-month period) from assets to which any member of the family has access; (4) Are not specifically excluded. (24 CFR 5.609)

Applicant: a person or a family that has applied for housing assistance. (24 CFR 5.403)

Assistance applicant: a family or individual that seeks assistance or admission under the program. (24 CFR 5.214)

Assisted lease (or lease): a written agreement between an Owner and a Family for the leasing of a unit by the Owner to the Family, with housing assistance payments under a Housing Assistance Payments Contract between the Owner and the PHA. (24 CFR 882.102)

Child care expenses: amounts anticipated to be paid by the family for the care of children under 13 years of age, during the period for which annual income is computed, but only where such care is necessary to enable a family member to actively seek employment, be gainfully employed, or to further his or her education and only to the extent that such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for child care. In the case of child care necessary to permit employment, the amount deducted shall not exceed the amount of employment income that is included in annual income. (24 CFR 5.603)

Child: a member of the family other than the family head or spouse who is under 18 years of age.

Citizen: a citizen or national of the United States. (24 CFR 5.504)

Community service: the performance of voluntary work or duties that are a public benefit, and that serve to improve the quality of life, enhance resident self-sufficiency, or increase resident self-

responsibility in the community. Community service is not employment and may not include political activities. (24 CFR 960.601)

Consent form: any consent form approved by HUD, to be signed by assistance applicants and participants for the purpose of obtaining income information from employers and State Wage Information Collection Agencys (SWICAs), return information from the Social Security Administration (including wages, net earnings from self-employment, and payments of retirement income), and return information for unearned income from the Internal Revenue Service. Consent forms expire after a certain time and may authorize the collection of other information from assistance applicants or participants to determine eligibility or level of benefits. (24 CFR 5.100)

Continuously assisted: an applicant is continuously assisted under the 1937 Act if the family is already receiving assistance under any 1937 Act program when the family is admitted to a certificate or voucher program. (24 CFR 982.4) Also see 1937 Act.

Contract of participation: a contract in a form approved by HUD, entered into between a participating family and a PHA operating an FSS program, that sets forth the terms and conditions governing participation in the FSS program. The contract of participation includes all individual training and services plans entered into between the PHA and all members of the family who will participate in the FSS program, and which plans are attached to the contract of participation as exhibits. (24 CFR 984.103)

Cooperative (includes mutual housing): housing owned by a nonprofit corporation or association, and where a member of the corporation or association has the right to reside in a particular apartment, and to participate in management of the housing. (24 CFR 982.4)

Covered families (for welfare benefit reduction): families who receive welfare assistance or other public assistance benefits (welfare benefits) from a State or other public agency (welfare agency) under a program for which Federal, State, or local law requires that a member of the family must participate in an economic self-sufficiency program as a condition for such assistance. (24 CFR 5.615)

Department: the Department of Housing and Urban Development (HUD). (24 CFR 5.100)

Dependent: a member of the family (except foster children and foster adults) other than the family head or spouse, who is under 18 years of age, or is a person with a disability, or is a full-time student. (24 CFR 5.603)

Disability assistance expenses: reasonable expenses that are anticipated, during the period for which annual income is computed, for attendant care and auxiliary apparatus for a disabled family member and that are necessary to enable a family member (including the disabled member) to be employed, provided that the expenses are neither paid to a member of the family nor reimbursed by an outside source. (24 CFR 5.603)

Disabled family: a family whose head, spouse, or sole member is a person with disabilities; or two or more persons with disabilities living together; or one or more persons with disabilities living with one or more live-in aides. (24 CFR 5.403)

Disallowance: exclusion from annual income. (24 CFR 960.255)

Earned income: income or earnings included in annual income from wages, tips, salaries, other employee compensation, and self-employment. Earned income does not include any pension or annuity, transfer payments, any cash or in-kind benefits, or funds deposited in or accrued interest on the FSS escrow account established by a PHA on behalf of a participating family (24 CFR 984.103)

Economic enterprise: any Indian-owned commercial, industrial, or business activity established or organized for the purpose of profit, except that Indian ownership must constitute not less than 51 percent of the enterprise. Section 3 of the Indian Financing Act of 1974 (24 CFR 1000.48)

Economic self-sufficiency program: any program designed to encourage, assist, train, or facilitate the economic independence of HUD-assisted families or to provide work for such families. These programs include programs for job training, employment counseling, work placement, basic skills training, education, English proficiency, workfare, financial or household management, apprenticeship, and any program necessary to ready a participant for work (including a substance abuse or mental health treatment program), or other work activities. (24 CFR 5.603)

Effective date of FSS contract of participation: the first day of the month following the month in which the FSS family and the PHA entered into the contract of participation. (24 CFR 984.103)

EHPA: the Earned Home Payments Account. (24 CFR 982.401)

Elderly family: a family whose head, spouse, co-head or sole member is a person who is at least 62 years of age. (24 CFR 5.403)

Elderly Person: an individual who is at least 62 years of age. (24 CFR 5.100)

Elevated blood lead level (EBL): excessive absorption of lead. Excessive absorption is a confirmed concentration of lead in whole blood of 20 ug/dl (micrograms of lead per deciliter) for a single test or of 15-19 ug/dl in two consecutive tests 3-4 months apart. (24 CFR 982.401)

Evidence of citizenship or eligible status: the documents, which must be submitted to evidence citizenship or eligible immigration status. (24 CFR 5.504)

Extremely low income family: A family whose annual income does not exceed 30 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than 30 percent of the median income for the area if HUD finds that such variations are necessary because of unusually high or low family incomes. (24 CFR 5.603)

Family rent to owner: in the voucher program, the portion of rent to owner paid by the family. (24 CFR 982.4)

Family Self-Sufficiency (FSS) program: program to promote the development of local strategies to coordinate the use of public housing assistance and housing assistance under Section 8 programs with public and private resources, to enable families eligible to receive assistance under these programs to achieve economic independence and self-sufficiency. (24 CFR 984.101)

Family share: the portion of rent and utilities paid by the family. (24 CFR 982.4)

Family unit size: The appropriate number of bedrooms for a family, as determined by the PHA under the PHA subsidy standards. (24 CFR 982.4)

Family: includes all household members except live-in aides and foster children and adults. Use the number of family members to calculate subsidies and payments. Family includes but is not limited to: (1) A family with or without children (the temporary absence of a child from the home due to placement in foster care shall not be considered in determining family composition and family size); (2) An elderly family; (3) A near-elderly family; (4) A disabled family; (5) A displaced family; (6) The remaining member of a tenant family; and (7) A single person who is not an elderly or displaced person, or a person with disabilities, or the remaining member of a tenant family. (24 CFR 5. 403)

FSS account: the FSS escrow account (24 CFR 984.103)

FSS credit: the amount credited by the PHA to the participating family's FSS account. (24 CFR 984.103)

FSS family: a family that resides in public housing or receives assistance under the rental certificate or rental voucher programs, and that elects to participate in the FSS program, and whose designated head of the family has signed the contract of participation. (24 CFR 984.103)

FSS related service program: any program, publicly or privately sponsored, that offers supportive services. (24 CFR 984.103)

FSS slots: refers to the total number of public housing units or the total number of rental certificates or rental vouchers that comprise the minimum size of a PHA's respective Public Housing FSS program or Section 8 FSS program. (24 CFR 984.103)

Full-time student: a person who is attending school or vocational training on a full-time basis. (24 CFR 5.603)

FUP: Family Unification Program. Section 8–FUP is designed to provide housing assistance to households whose lack of adequate housing is a primary cause of the separation or imminent separation of a child or children from their families. Section 8–FUP accomplishes this by providing funding to public housing agencies that allocate the money to special Section 8 certificates for the families in danger of separation. Recipients of the certificates must otherwise be eligible for the Section 8 program. The local public welfare agency must also certify that the lack of adequate housing is a primary reason that the family's child(ren) may be placed in out-of-home care or may be prevented from returning to the family.

Gross rent: the sum of contract rent to owner plus any utility allowance. (24 CFR 982.4, 24 CFR 882.102)

Group home: a dwelling unit that is licensed by a State as a group home for the exclusive residential use of two to twelve persons who are elderly or persons with disabilities (including any live-in aide). (24 CFR 982.4)

HAP contract: housing assistance payments contract. (24 CFR 982.4) Also see Housing assistance payment (HAP).

Head of household: the adult member of the family who is the head of the household for purposes of determining income eligibility and rent. (24 CFR 5.504)

Homeless family: a family considered to be living in substandard housing. A homeless family includes: (A) Any person or family that lacks a fixed, regular, and adequate nighttime residence; and (B) Any person or family that has a primary nighttime residence that is: (1) A supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, and transitional housing); (2) An institution that provides a temporary residence for individuals intended to be institutionalized; or (3) A public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings. A "homeless family" does not include any person imprisoned or otherwise detained pursuant to an Act of Congress or a State law. (24 CFR 5.425)

Homeowner: a family of which one or more members owns the title to the home. (24 CFR 982.401)

HOPE VI: the HOPE VI program was developed as a result of recommendations by National Commission on Severely Distressed Public Housing, which was charged with proposing a National Action Plan to eradicate severely distressed public housing. The Commission recommended revitalization in three general areas: physical improvements, management improvements, and social and community services to address resident needs.

Household: includes everyone who lives in the unit, including foster children/adults and live-in aides. Household members are used to determine unit size.

Housing agency (HA): a state, county, municipality or other governmental entity or public body (or agency or instrumentality thereof) authorized to engage in or assist in the development or operation of low-income housing. (Also referred to as a Public Housing Agency or PHA.) (24 CFR 5.100)

Housing assistance payment (HAP): the monthly assistance payment by a PHA, which includes a payment to the owner for rent owed to the owner under the family's lease; and an additional payment to the family if the total assistance payment exceeds the rent to owner. (24 CFR 982.4)

Housing quality standards (HQS): the HUD minimum quality standards for assisted housing under the tenant-based

programs. (24 CFR 982.4)

Imputed welfare income: the amount of annual income not actually received by a family, as a result of a specified welfare benefit reduction, that is nonetheless included in the family's annual income for purposes of determining rent.

Indian Housing Authority (IHA): an entity that is authorized to engage or assist in the development or operation of low-income housing for Indians under the 1937 Act; and is established: (1) by exercise of the power of self government of an Indian tribe independent of state law; or (2) by operation of state law providing specifically for housing authorities for Indians, including regional housing authorities in the State of Alaska. (24 CFR 1000.10)

Individual training and services plan: a written plan that is prepared for the head of the FSS family, and each adult member of the FSS family who elects to participate in the FSS program, by the PHA in consultation with the family member, and which sets forth the supportive services to be provided to the family member, the activities to be completed by that family member; and the agreed upon completion dates for the services and activities. Each individual training and services plan must be signed by the PHA and the participating family member, and is attached to, and incorporated as part of the contract of participation. An individual training and services plan must be prepared for the head of the FSS family. (24 CFR 984.103)

Initial PHA: in Section 8 portability, the term refers to both a PHA that originally selected a family that later decides to move out of the jurisdiction of the selecting PHA, and a PHA that absorbed a family that later decides to move out of the jurisdiction of the absorbing PHA. (24 CFR 982.4)

INS: the U.S. Immigration and Naturalization Service. (24 CFR 5.504)

IRS: the Internal Revenue Service. (24 CFR 5.100)

Jurisdiction: the area in which the PHA has authority under State and local law to administer the program. (24 CFR 982.4)

Lease: a written agreement between an owner and a tenant for the leasing of a dwelling unit to the tenant. The lease establishes the conditions for occupancy of the dwelling unit by a family with housing assistance payments under a HAP contract between the owner and the PHA. In cooperative housing, a written agreement between a cooperative and a member of the cooperative. The agreement establishes the conditions for occupancy of the member's cooperative dwelling unit by the member's family with housing assistance payments to the cooperative under a HAP contract between the cooperative and the PHA. (24 CFR 982.4)

Live-in aide: a person who resides with one or more elderly persons, or near-elderly persons, or persons with disabilities, and who: (1) Is determined to be essential to the care and well-being of the persons; (2) Is not obligated for the support of the persons; and (3) Would not be living in the unit except to provide the necessary supportive services. (24 CFR 5. 403)

Low income family: a family whose annual income does not exceed 80 percent of the median income for the area, as determined by HUD with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than 80 percent of the median income for the area on the basis of HUD's findings that such variations are necessary because of unusually high or low family incomes. (24 CFR 5.603)

Manufactured home: a manufactured structure that is built on a permanent chassis, is designed for use as a principal place of residence, and meets the Housing Quality Standards (HQS). (24 CFR 982.4)

Manufactured home space: in manufactured home space rental, a space leased by an owner to a family. A manufactured home owned and occupied by the family is located on the space. (24 CFR 982.4)

Medical expenses: Medical expenses, including medical insurance premiums, anticipated during the period for which annual income is computed, and not covered by insurance. (24 CFR 5.603)

Merger date: the date on which Section 8 vouchers and certificates merged into the Housing Choice Voucher program. The merger occurred on October 1, 1999. (24 CFR `982.4)

Minority: means any individual who is included within any one of the following racial and ethnic categories: (1) American Indian or Alaskan Native--a person having origins in any of the original peoples of North America, and who maintains cultural identification through tribal affiliation or community recognition; (2) Asian or Pacific Islander--a person having origins in any of the original peoples of the Far East, Southeast Asia, the Indian subcontinent, or the Pacific Islands; (3) African-American--a person having origins in any of the black racial groups of Africa; and (4) Hispanic--a person of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish culture or origin, regardless of race. (24 CFR 81.2)

Mixed family: a family whose members include those with citizenship or eligible immigration status, as well as those without citizenship or eligible immigration status. (24 CFR 5.504)

Moderate Rehabilitation Single Room Occupancy Program for Homeless Individuals: rehabilitation involving a minimum expenditure of $3,000 for a unit, including its prorated share of work to be accomplished on common areas or systems, to upgrade to decent, safe, and sanitary conditions to comply with the Housing Quality Standards (HQS) or other standards approved by HUD, from a condition below those standards (improvements being of a modest nature and other than routine maintenance). (24 CFR 882.802)

Moderate rehabilitation: rehabilitation involving a minimum expenditure of $1000 for a unit, including its prorated share of work to be accomplished on common areas or systems, to upgrade to decent, safe and sanitary conditions to comply with the Housing Quality Standards or other standards approved by HUD, from a condition below these standards (improvements being of a modest nature and other than routine maintenance) or to repair or replace major building systems/components in danger of failure. (24 CFR 882.102)

Monthly adjusted income: one twelfth of adjusted annual income. (24 CFR 5.603)

Monthly income: one twelfth of annual income. (24 CFR 5.603)

Mutual Help Occupancy Agreement (MHOA): a lease with option to purchase contract between an IHA and a homebuyer under the 1937 Act. (24 CFR 1000.302)

MSA: a metropolitan statistical area. (24 CFR 5.100)

MTCS: means Multifamily Tenant Characteristics System. MTCS is the Department's national database on participants and rental units in the Section 8 rental certificate, rental voucher, and moderate rehabilitation programs and in the Public and Indian Housing programs. (24 CFR 985.2)

National: a person who owes permanent allegiance to the United States, for example, as a result of birth in a United States territory or possession. (24 CFR 5.504)

Net family assets: (1) Net cash value after deducting reasonable costs that would be incurred in disposing of real property, savings, stocks, bonds, and other forms of capital investment, excluding interests in Indian trust land and excluding equity accounts in HUD homeownership programs. The value of necessary items of personal property such as furniture and automobiles shall be excluded. (24 CFR 5.603)

Noncitizen: a person who is neither a citizen nor national of the United States. (24 CFR 5.504)

Non-elderly disabled person: a person with a disability who is less than 62 years of age. (24 CFR 945.105)

Office of Native American Programs (ONAP): the office of HUD, which has been delegated authority to administer programs for Native Americans. An Area ONAP is an ONAP field office. (24 CFR 1000.10)

Officer: a professional police officer or other professional security provider. Police officers and other security personnel are considered professional if they are employed full time, i.e., not less than 35 hours per week, by a governmental unit or a private employer and compensated expressly for providing police or security services. (24 CFR 960.503)

OMB: the Office of Management and Budget. (24 CFR 5.100)

Over-income family: a family that is not a low income family. (24 CFR 960.102) Also see low income family.

Owner: the person or entity (or employee of an owner) that leases an assisted dwelling unit to an eligible family and includes, when applicable, a mortgagee. (24 CFR 5.100)

Participant (participant family): a family that has been admitted to the PHA program and is currently assisted in the program. The family becomes a participant on the effective date of the first HAP contract executed by the PHA for the family (first day of initial lease term). (24 CFR 982.4)

Participant: for Section 8 of the 1937 Act, a family receiving rental assistance under the program. For the public housing program a family or individual that is assisted under the program. (24 CFR 5.100)

Payment standard: the maximum monthly assistance payment for a family assisted in the voucher program (before deducting the total tenant payment by the family). (24 CFR 982.4)

Person with disabilities: a person who has a disability, as defined in (A) 42 U.S.C. 423 and is determined to have a physical, mental, or emotional impairment that is expected to (1) be of long-continued and indefinite duration, (2) substantially impede his or her ability to live independently, and (3) be of such a nature that the ability to live independently could be improved by more suitable housing conditions, or (B) has a developmental disability as defined in 42 U.S.C. 6001. This definition includes persons who have the disease of acquired immunodeficiency syndrome (AIDS) or any conditions arising from the etiologic agent for acquired immunodeficiency syndrome. For purposes of qualifying for low-income housing, it does not include a person whose disability is based solely on any drug or alcohol dependence; and means “individual with handicaps”, for purposes of reasonable accommodation and program accessibility for persons with disabilities. (24 CFR 5.403)

PHA: a Housing Authority--either a Public Housing Agency (PHA) or an Indian Housing Authority (IHA). (24 CFR 984.103)

PHRA: stands for Public Housing Reform Act.

PIC: stands for Public and Indian housing information center.

Police officer: a person employed on a full-time basis as a duly licensed professional police officer by a Federal, State or local government or by any agency of these governments. (24 CFR 5.661)

Portability: renting a dwelling unit with Section 8 tenant-based assistance outside the jurisdiction of the initial PHA. (24 CFR 982.4)

Previously unemployed: a person who has earned, in the twelve months previous to employment, no more than would be received for 10 hours of work per week for 50 weeks at the established minimum wage. (24 CFR 960.255)

Private space: in shared housing: The portion of a contract unit that is for the exclusive use of an assisted family. (24 CFR 982.4)

Project-based assistance: The Section 8 subsidy is attached to the unit.

Project owner: The person or entity that owns the housing project containing the assisted dwelling unit. (24 CFR 5.504)

Public Housing Agency (PHA): any state, county, municipality, or other governmental entity or public body, or agency or

instrumentality of these entities, that is authorized to engage or assist in the development or operation of low-income housing under the 1937 Act.

Public Housing programs: the public housing programs administered by the Assistant Secretary for Public and Indian Housing under title I of the United States Housing Act of 1937. (24 CFR 5.306)

Public housing: housing assisted under the 1937 Act, other than under Section 8. Public housing includes dwelling units in a mixed finance project that are assisted by a PHA with capital or operating assistance. (24 CFR 5.100)

Reasonable rent: a rent to owner that is not more than rent charged for comparable units in the private unassisted market and for comparable unassisted units in the premises.

Receiving PHA: in Section 8 portability, a PHA that receives a family selected for participation in the tenant-based program of another PHA. The receiving PHA issues a voucher and provides program assistance to the family. (24 CFR 982.4)

Rent to owner: the total monthly rent payable to the owner under the lease for the unit. Rent to owner covers payment for any housing services, maintenance and utilities that the owner is required to provide and pay for. (24 CFR 982.4)

ROSS: Resident Opportunities and Self Sufficiency Program links services to Public and Indian housing residents by providing grants for supportive services, resident empowerment activities and activities to assist residents in becoming economically self-sufficient.

Section 8: section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f). (24 CFR 5.100)

Security personnel means: A police officer, or a qualified security professional, with adequate training and experience to provide security services for project residents. (24 CFR 5.661)

Self-sufficiency: that an FSS family is no longer receiving Section 8, public or Indian housing assistance, or any Federal, State, or local rent or homeownership subsidies or welfare assistance. Achievement of self-sufficiency, although an FSS program objective, is not a condition for receipt of the FSS account funds. (24 CFR 984.103)

Service provider: a person or organization qualified and experienced in the provision of supportive services, and that is in compliance with any licensing requirements imposed by state or local law for the type of service or services to be provided. The service provider may provide the service on either a for-profit or not-for-profit basis. (24 CFR 945.105)

Service requirement: the obligation of each adult resident, other than an exempt individual, to perform community service or participate in an economic-self sufficiency program required in accordance with Sec. 960.603. (24 CFR 960.601)

Shared housing: a unit occupied by two or more families. The unit consists of both common space for shared use by the occupants of the unit and separate private space for each assisted family. (24 CFR 982.4)

Single person: a person who lives alone or intends to live alone, who is not an elderly person, a person with disabilities, a displaced person, or the remaining member of a tenant family. (24 CFR 945.105)

Single room occupancy housing (SRO): a unit that contains no sanitary facilities or food preparation facilities, or contains either, but not both, types of facilities. (24 CFR 982.4)

Social Security Number (SSN): the nine-digit number that is assigned to a person by the Social Security Administration and that identifies the record of the person's earnings reported to the Social Security Administration. The term does not include a number with a letter as a suffix that is used to identify an auxiliary beneficiary. (24 CFR 5.100)

Special admission: admission of an applicant that is not on the PHA waiting list or without considering the applicant's waiting list position. (24 CFR 982.203)

Specified welfare benefit reduction: a reduction of welfare benefits by the welfare agency, in whole or in part, for a family member, as determined by the welfare agency, because of fraud by a family member in connection with the welfare program; or because of welfare agency sanction against a family member for noncompliance with a welfare agency requirement to participate in an economic self-sufficiency program. (24 CFR 5.615)

SSA: the Social Security Administration. (24 CFR 5.100)

SSI: means Supplemental Security Income.

Subsidy standards: standards established by a PHA to determine the appropriate number of bedrooms and amount of subsidy for families of different sizes and compositions. (24 CFR 982.4)

Supportive services (FSS Family): those appropriate services that a PHA will make available, or cause to be made available to an FSS family under a contract of participation. (24 CFR 984.103)

Suspension: stopping the clock on the term of a family's voucher, for such period as determined by the PHA, from the time when the family submits a request for PHA approval of the tenancy, until the time when the PHA approves or denies the request. (24 CFR 982.4)

Tenant rent: the amount payable monthly by the family as rent to the unit owner (Section 8 owner or PHA in public housing). (This term is not used in the Section 8 voucher program.) (24 CFR 5.603)

Tenant: an individual or a family renting an assisted dwelling unit. (24 CFR 5.504)

Tenant: the person or persons (other than a live-in aide) who executes the lease as lessee of the dwelling unit. (24 CFR

982.4)

TIN: Tax Identification Number.

Unit size or size of unit: the number of bedrooms in a dwelling unit. (24 CFR 984.103)

Utility allowance: if the cost of utilities (except telephone) and other housing services for an assisted unit is not included in the tenant rent but is the responsibility of the family occupying the unit, utility allowance is an amount equal to the estimate made or approved by a PHA or HUD of the monthly cost of a reasonable consumption of such utilities and other services for the unit by an energy-conservative household of modest circumstances consistent with the requirements of a safe, sanitary, and healthful living environment. (24 CFR 5.603)

Utility reimbursement (certificates, income based public housing): the amount, if any, by which the utility allowance for a unit, if applicable, exceeds the total tenant payment for the family occupying the unit. (24 CFR 5.603)

Utility reimbursement (vouchers): in the voucher program, the portion of the housing assistance payment which exceeds the amount of the rent to owner. (24 CFR 982.4)

Very low income family: a family whose annual income does not exceed 50 percent of the median family income for the area, as determined by HUD with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than 50 percent of the median income for the area if HUD finds that such variations are necessary because of unusually high or low family incomes. (24 CFR 5.603)

Voucher (rental voucher): a document issued by a PHA to a family selected for admission to the voucher program. This document describes the program and the procedures for PHA approval of a unit selected by the family. The voucher also states obligations of the family under the program. (24 CFR 982.4)

Voucher holder: a family holding a voucher with an unexpired term (search time). (24 CFR 982.4)

Waiting list admission: an admission from the PHA waiting list. (24 CFR 982.4)

Welfare assistance: income assistance from Federal or State welfare programs, and includes assistance provided under the Aid to Families with Dependent Children (AFDC) Program, Supplemental Security Income (SSI) that is subject to an income eligibility test; Medicaid, food stamps, general assistance, or other assistance provided under a Federal or State program directed to meeting general living expenses, such as food, health care, child care, but does not include assistance solely directed to meeting housing expenses, and does not include transitional welfare assistance provided to JOBS participants. (24 CFR 984.103)

Welfare assistance: welfare or other payments to families or individuals, based on need, that are made under programs funded, separately or jointly, by Federal, State or local governments. (24 CFR 5.603)

Welfare-to-work (WtW) families: families assisted by a PHA with voucher funding awarded to the PHA under the HUD welfare-to-work voucher program (including any renewal of such WtW funding for the same purpose). (24 CFR 982.4)

What sections of the Form do I fill out for each action type?
Use the following chart to help you determine which sections of the Form to fill out for each action type.

Required 50058 Sections by Action Type

Section / Action Type	1: Agency	2: Action	3: Household	4: Background at Admission	5: Unit to be Occupied	6: Assets	7: Income	8: Deductions	9: TTP	10, 11, 12, 13, 14, 15, *or* 16: Rent Calculation	17: FSS/WtW
1: New Admission	√	√	√	√	√	√	√	√	√	√	Optional
2: Annual Reexam	√	√	√	No	√	√	√	√	√	√	Optional
3: Interim Reexam	√	√	√	No	√	√	√	√	√	√	Optional
4: Portability Move-in	√	√	√	No	√	√	√	√	√	√	Optional
5: Portability Move-out	√	√ (Partial)	√ (HOH only)	No	No	No	No	No	No	No	No
6: End Participation	√	√ (Partial)	√ (HOH only)	No	No	No	No	No	No	No	Optional
7: Other Change of Unit	√	√	√	No	√	√	√	√	√	√	Optional
8: FSS/WtW Addendum Only	√	√ (Partial)	√ (HOH only)	No	No	No	No	No	No	No	√
9: Annual Reexam Searching	√	√	√	No	No	√	√	√	√	No	Optional
10: Issuance of Vouchers	√	√ (Partial)	√	√ (4b, 4c only)	No	No	No	No	No	No	No
11: Expiration of Voucher	√	√ (Partial)	√ (HOH only)	No	No	No	No	No	No	No	No
12: Flat Rent Annual Update	√	√	√	No	√	No	No	No	No	No	Optional
13: Annual HQS Inspection Only	√	√ (Partial)	√ (HOH only)	No	√ (5h, 5i only)	No	No	No	No	No	No
14: Historical Adjustment	√	√	√	Optional	Optional	Optional	Optional	Optional	Optional	Optional	Optional
15: Void	√	√ (Partial)	√ (HOH only)	No	No	No	No	No	No	No	No

What section of the Form do I complete to determine the family's rent?

The following table indicates which of the 7 sections of the form (10-16) should be completed when calculating rent, based on the program type and the housing type or participation in other special programs.

Rent Calculation Sections

Program	Housing Type or Special Program Participation	Rent Section
Public Housing (line 1c=P)	Income-based Rent	10
	Flat Rent	10
Sec 8 Certificates (line 1c=CE)	Certificates except Manufactured Home Owner Renting Space	11
	Manufactured Home Owner Renting Space (before September 30, 2001)	14
	Manufactured Home Owner Renting Space (after September 30, 2001)	11
Sec 8 Vouchers (line 1c=VO)	Project-based Voucher Assistance (when implemented; anticipate PBV implementation in early 2001)	11
	Vouchers (tenant-based)	12
	Homeownership	15
Sec 8 Mod Rehab (line 1c=MR)	All	13
Indian Housing (line 1c=B)	Indian Rental	10
	Indian Mutual Help	16

References

RHIIP Program Factsheet

This page is located on the U.S. Department of Housing and Urban Development's Homes and Communities Web site at
http://www.hud.gov:80/offices/pih/programs/ph/rhiip/index.cfm.

Rental Housing Integrity Improvement Project

Overview

The Rental Housing Integrity Improvement Project develops and implements plans which address HUD's high risk rental housing subsidy programs and correct related material management control deficiencies to reduce program error and better assure subsidies serve as many households as possible, in the correct amount.

Program Requirements

The RHIIP will compile, document and analyze existing statutory, regulatory and other rental housing subsidy program requirements for rent and subsidy calculations for the purposes of:

1. Improving documentation of requirements for POAs and tenants
2. Providing current and complete requirements for development of rent calculation software
3. Developing viable proposals for program simplification and appropriate incentives and sanctions for better assuring POA compliance with requirements.

This includes:

Documentation of Existing Requirements
Compile and document existing requirements and improve documentation of requirements available to POAs and tenants.

Program Simplification
Develop viable proposals and implementation plans for statutory, regulatory and administrative streamlining and simplification.

Occupancy Handbooks
Issue an updated Occupancy Handbook reflecting all current requirements and processes for POA program administration.

Incentives and Sanctions
Develop viable proposals and implementation plans for more effective program incentives and sanctions for POAs and tenants.

Training and Technical Assistance
Provide materials and training on improved program documentation and process changes for affected internal and external parties.

System Development and Implementation

The RHIIP will develop and implement automated tools and processes in support of rent calculations and subsidy billings, to strengthen internal controls over both POA program administration and HUD program oversight.

Rent Calculation Tool
Following HUD's Systems Development Methodology (SDM), develop and implement web-accessible, user-friendly software that enables POAs to correctly calculate rents and subsidies.

Automated Payment Validation
Following HUD's SDM, develop and implement an automated payment validation processes that compare POA billings with tenant and other program systems information for pre-payment and post-payment verification purposes.

Quality Control and Error Measurement

The RHIIP will develop more effective processes for measuring, monitoring and reducing errors in subsidy payments that are due to POA rent calculation and billing error, as well as tenant underreporting of income.

Comprehensive Error Measurement Process
Develop and implement a comprehensive rental subsidy program error measurement methodology – covering errors in rent calculation, billing and tenant underreporting of income -- with baseline and periodic measures of progress in reducing error rates.

On-going Quality Control Program
Develop and implement and ongoing QC review process that addresses all major categories of POA and tenant error, and systematically targets high risk POAs and tenants, with appropriate action on deficiencies disclosed.

Federal & State Data Sharing Efforts
Develop and implement cost-efficient and effective data sharing efforts with independent sources of tenant income data, to improve inputs to POA rent and subsidy determinations, and after-the-fact verifications of the integrity of tenant reporting and POA billings.

References

Notice PIH 98-2 (HA): Treatment of Income Received from Training Programs

U. S. Department of Housing and Urban Development

Public and Indian Housing

Special Attention of:	Notice PIH 98-2 (HA)
Secretary's Representatives; State/Area Coordinators; Public Housing Directors; Public Housing Agencies; Section 8 Housing Agencies; Resident Management Corporations; Resident Councils	Issued: January 12, 1998 Expires: January 31, 1999

Subject: Treatment of Income Received from Training Programs

I. Purpose

This notice addresses questions regarding HUD's existing policy on the treatment of amounts received from training programs when determining annual income in assisted housing programs. While all of the regulatory exclusions and federally-mandated exclusions specific to training income are in Appendix 1, this notice focuses on the two exclusions most directly related to welfare reform -- 24 CFR 5.609(c)(8)(v) and 5.609(c)(13). We anticipate that the passage of the Personal Responsibility and Work Opportunity Reconciliation Act (Welfare Reform Act) will increase the number of participants in these training programs.

II. Background

HUD believes that training income exclusions are an important factor in helping public and assisted housing participants move from welfare and dependence to greater self-sufficiency.

HUD encourages housing agencies (HAs) and resident management corporations (RMCs) to share this information with applicants and participants, State welfare agencies, social service agencies, advocates, and other interested parties. Welfare agencies, for example, may be willing to design or modify their programs so that welfare recipients living in public and assisted housing will receive the maximum benefits from these exclusions.

Actively marketing this information will better ensure that the greatest number of families that could benefit from these exclusions will in fact do so.

III. Applicability

This notice covers the Public Housing program and the Section 8 Certificate, Voucher, and Moderate Rehabilitation programs.

With the exception of 5.609(c)(13), the regulations in Appendix 1 are applicable to all of these programs. 5.609(c)(13) is applicable to public housing only.

IV. Regulatory Focus

> ***24 CFR 5.609(c) "Annual income does not include the following:***
>
> ***8(v) - incremental earnings and benefits resulting to any family member from participation in qualifying State or local employment training programs . . .."*** [Emphasis added]
>
> (For the complete text, see Appendix 1.)

This applies to both public housing and Section 8. For public housing, it is intended to cover a number of training programs that do not qualify under 5.609(c)(13).

It excludes incremental amounts from qualifying State or local employment training programs. There is no additional 18-month exclusion after the training program is completed.

This exclusion was implemented in the April 5, 1995 Combined Income and Rent Interim Rule, which became effective on June 5, 1995. It was continued in the October 18, 1996 Combined Income and Rent Final Rule, with the clarification that only incremental increases in income resulting from a qualifying State or local employment training program are excluded.

> ***"(13) - for public housing only: (i) the earnings and benefits to any family member resulting from participation in a program providing employment training and supportive services in accordance with the Family Support Act (42 U.S.C. 1437t) or any comparable Federal, State, or local law during the exclusion period . . .."***

Earnings and benefits means the <u>incremental</u> earnings. . .." [Emphasis Added]

(For the complete text, see Appendix 1.)

This applies to public housing only, not to Section 8. It is based on Section 515(b) of the National Affordable Housing Act of 1990 (NAHA). It was first implemented through the August 24, 1994 TOPS final rule and became effective on September 23, 1994.

This exclusion was listed in both the April 5, 1995 Combined Income and Rent Interim Rule and the October 18, 1996 Combined Income and Rent Final Rule.

There are five components that must all be present for a program to qualify under (c)(13). They are discussed in the answer to question 2 in Section VII of this notice.

In order to be eligible for the 5.609(c)(8)(v) or (c)(13) exclusion, the resident must actually receive training under the provisions of the program. Merely being enrolled in a program that provides training to some participants (but not all) is not sufficient for purposes of this exclusion.

V. Definitions

The following definitions are provided to clarify terms that are used in this notice.

Training Program - A learning process with goals and objectives, generally having a variety of components, and taking place in a series of sessions over a period of time. It is designed to lead to a higher level of proficiency, and it enhances the individual's ability to obtain employment. It may have performance standards to measure proficiency.

Training may include, but is not limited to:

- classroom training in a specific occupational skill;

- on-the-job training with wages subsidized by the program; or

- basic education.

Incremental - The increase between the total amount of welfare and earnings of a family member prior to enrollment

in the training program and welfare and earnings of the family member after enrollment in the training program. All other amounts, increases or decreases, are treated in the usual manner in determining annual income.

Supportive Services - Employment training programs offering supportive services must include at least one of the following, or similar types of, social services:

a. child care;
b. transportation;
c. personal welfare counseling (family/parental development counseling, parenting skills training for adult and teenage parents, substance/alcohol abuse treatment and counseling, self-development counseling);
d. health care services (including outreach and referrals);
e. youth leadership skills; youth mentoring.

VI. Cases Illustrating Exclusions

5.609(c)(8)(v) - Applicable to Section 8 and Public Housing

A. **Scenario**: A Section 8 family member is receiving $300 per month in Temporary Assistance to Needy Families (TANF) benefits (formerly AFDC). She enrolls in a qualifying State employment training program and receives $450 per month in training income. The TANF benefits stop.

Action: To determine the incremental amount of earnings and benefits, subtract $300 (benefits prior to enrollment in the training program) from $450 (earnings while enrolled in the training program). The incremental amount is $150. In determining income, $300 is counted and $150 is excluded. After completion of the training program, the exclusion ends. (There is no 18-month exclusion.)

B. **Scenario**: A public housing family member is in a state training program that does not meet one or more of the conditions of the 5.609(c)(13) exclusion (see Answer 2 in Q & A section VII). The person was at zero income before entering the training program and received $350 per month once he entered the program. He just got his first job after completing the training and earns $700 per month.

Action: The incremental earnings of this person would be the difference between what he had before and what he made

benefits and earnings after enrollment in the program). The incremental amount is $150. In determining income, $400 is counted as income and $150 is excluded. For purposes of determining the incremental amount only, do not consider the child support received prior to enrollment because it is not welfare or earnings (see definition of "incremental" in Section V of this Notice). After enrollment, the child support is no longer being received, and so is not a factor.

D. **Scenario**: This family consists of a mother and two daughters, ages 19 and 14, and the 19-year old daughter's child, age 2. The mother is receiving $550 in TANF. Her 19-year old daughter is receiving $425 in TANF. The 19-year old daughter enrolls in a training program receiving $500 per month in compensation. The daughter's TANF benefits stop.

Action: To determine the incremental amount of earnings and benefits, subtract $425 (the daughter's earnings and benefits prior to enrollment in the program) from $500 per month (the daughter's earnings and benefits after enrollment in the training program). The incremental amount during the training program is $75.00. Count as income $975 ($550 for the mother and $425 for the daughter). Exclude the incremental amount of $75.

E. **Scenario**: The head of a tenant family is receiving $400 in TANF. She enrolls and participates in a HUD-funded training program operated by the HA. TANF benefits stop. She receives $500 per month while in the training program. Upon completion of the HUD-funded training program, she obtains a job at the HA earning $700 per month. She has the job indefinitely.

Action: In this case the full amount received during the training program is excluded. This comes under the provisions of 5.609(c)(8)(i) which excludes the full amounts received under HUD-funded training programs.

Upon employment with the HA, the full amount of employment income received by the person is counted, because 24 CFR 5.609(c)(13), the only provision which provides an 18-month exclusion of income upon employment, specifically precludes the exclusion of wages funded under the 1937 Housing Act Programs (which includes public housing and section 8).

The outcome in the above scenario would be the same if the training were operated by a Resident Organization (either acting on its own, or in collaboration with the HA), as long as the training program is funded by HUD.

benefits and earnings after enrollment in the program). The incremental amount is $150. In determining income, $400 is counted as income and $150 is excluded. For purposes of determining the incremental amount only, do not consider the child support received prior to enrollment because it is not welfare or earnings (see definition of "incremental" in Section V of this Notice). After enrollment, the child support is no longer being received, and so is not a factor.

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Action: To determine the incremental amount of earnings and benefits, subtract $425 (the daughter's earnings and benefits prior to enrollment in the program) from $500 per month (the daughter's earnings and benefits after enrollment in the training program). The incremental amount during the training program is $75.00. Count as income $975 ($550 for the mother and $425 for the daughter). Exclude the incremental amount of $75.

E. **Scenario**: The head of a tenant family is receiving $400 in TANF. She enrolls and participates in a HUD-funded training program operated by the HA. TANF benefits stop. She receives $500 per month while in the training program. Upon completion of the HUD-funded training program, she obtains a job at the HA earning $700 per month. She has the job indefinitely.

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The outcome in the above scenario would be the same if the training were operated by a Resident Organization (either acting on its own, or in collaboration with the HA), as long as the training program is funded by HUD.

VII. Frequently Asked Questions Related to Training Income Exclusions

Q1: Do all State welfare programs, established in accordance with the Welfare Reform Act, qualify for purposes of the 5.609(c)(13) exclusion?

A1: No. Merely being established pursuant to the Welfare Reform Act does not guarantee that the program is a JOBS comparable program.

Q2: How does a HA verify whether or not a person is in a qualifying training program under 5.609(c)(13)?

A2: The HA must ascertain that the training program has **all five components** listed in 5.609(c)(13). It must:

- be a program providing employment training and supportive services;
- be authorized by a Federal, State or local law;
- be funded by the Federal, State or local government;
- be operated or administered by a public agency; and
- have as its objective to assist participants in acquiring employment skills.

Q3: What does it mean that a program must be funded by the Federal, State or local government?

A3: It means that a material portion of the costs of the training program must be paid by a Federal, State, or local government entity.

Q4: What is needed in order to determine that a public agency is actually operating or administering the program, particularly where the actual training is conducted by private companies?

A4: The public agency would have to establish a training program with goals, standards, and timeframes. It would normally include tracking and monitoring systems, which would be applied universally for all training providers. Training providers would generally have to satisfy all of the standards and criteria established

by the public agency. It could then be said that the program was established by the government and implemented by private companies for and on behalf of the government.

Q5: Can the income exclusion apply to more than one member of the family?

A5: Yes.

Q6: Does the exclusion apply to all members in the family?

A6: The income exclusion applies only to the individual or individuals enrolled in the qualifying employment training program.

Q7: Can the exclusion be effective for different family members for different time periods?

A7: Yes. For example, one family member might just be entering a qualifying training program under (c)(13), while another might be in the 10th month of a job under the 18-month exclusion.

Q8: If an applicant participated in a qualified training program under the 5.609(c)(13) exclusion prior to being admitted to public housing, and secured his first job, on completion of the program, after being admitted to public housing, is he eligible for the 18-month exclusion?

A8: Yes, provided he was in the training program on or after the effective date of the Tenant Participation and Tenant Opportunities Program (TOPS) rule (9/23/94), which is when the 18-month exclusion was implemented.

Q9: If an applicant completed a training program and started her first job prior to being admitted to public housing, but only had the job for 12 months at the time she entered public housing, is she entitled to the 18-month exclusion?

A9: She would be entitled to the remainder of the 18-month exclusion, 6 months.

Q10: Does the 18-month exclusion period run continuously or does it stop and start again if the individual has some period of time during the exclusion period that he is unemployed?

A-10: The 18-month exclusion period runs continuously from the date the first job begins. It would continue to run if the person switched to a second job during the 18-month period.

Q11: What would be counted as income if, during the 18 month exclusion period, the person had a break in employment?

A11: Any other income the person has during the break would be counted.

Q12: How much time can go by between finishing the training program and starting the first job?

A12. The HA should have a fair and consistent policy on this. The HA should certainly allow reasonable periods like 6 months to go by. However, the HA might decide that, if more than two years went by before the person got the first job, the earnings from that job would be counted in full.

Q13: Is all income excluded for individuals in a training program under the (c)(8)(v) and (c)(13) provisions?

A13: Only the incremental amount is excluded (see definition of incremental in Section V).

Q14: If a family with no income enrolls in welfare in a state that requires families to go directly into a training program in order to receive a payment, what would the family's base amount be for purposes of determining the incremental increase?

A14: To determine the base amount, use whatever earnings and benefits that would have been counted prior to entering the training program. In this case, the base amount would generally be $0 since the family had no income prior to being enrolled in the training program.

Q15: What is included in the base amount?

A15: The base amount is the total amount of welfare and earnings the family member was receiving prior to entering the training program.

Q16: What if the family has had income in the recent past, but did not have income the day they entered the training program? For instance, a family that was receiving welfare in one state terminates its welfare assistance there and moves to another state, immediately entering a training program in that second state.

A16: The HA should examine situations such as this and establish a consistent policy to follow. It is certainly acceptable to use $0 as the base amount. The HA might also consider the person's income over a past reasonable period of time, perhaps a few months.

Q17: If a family was receiving welfare, but was either sanctioned or dropped from welfare due to refusal to participate in a training program, but later returns and agrees to participate in a training program, what would the base amount be for determining the incremental increase?

A17: As in the previous question, the HA should determine the best way to handle this and similar situations, and include it in their policies for consistent application.

Q18: If a family member leaves the training program, just prior to completion, in order to accept a job offer, would he still be eligible for the 18-month exclusion since he did not "complete" the training program?

A18: If he has substantially completed the program, the HA could conclude that he qualifies for the 18-month exclusion.

Q19: What if a family member starts a job, but continues to participate in the training program simultaneously? Since the training is not yet completed, does she qualify for the 18-month exclusion?

A19: If a family member has completed that portion of the training necessary for her to get a job, the HA policy could allow for the 18-month exclusion, which would start at the point she got the job, not after she completed the training.

Q20: To get the benefit of the exclusion, does the job acquired have to be directly related to the training?

A20: No.

Q21: Does the 5.609(c)(13) exclusion apply to individuals in the Family Self-Sufficiency Program (FSS) who have an escrow account?

A21: This exclusion applies to all public housing residents, without regard to whether a resident participates in the FSS program. The Combined Income and Rent Interim

rule, issued April 5, 1995, removed the parenthetical in the former §913.106(c)(11), which indicated it did not apply to residents participating in the FSS program who are utilizing the escrow account. This means that for some families enrolled in FSS, the amount that goes into the escrow account would be decreased or eliminated for a period of time.

Q22: Are amounts received from resident-owned businesses or professions considered "earnings"?

A22: Yes, but a HA must be careful to consider only the net income from the operation of a business or profession. As a general rule, this means taking all gross self-employment income and then excluding the cost of producing the self-employment income.

Q23: If a public housing tenant, who is on the waiting list for Section 8, is having incremental earnings excluded in determining her public housing rent, would these incremental earnings also be excluded for purposes of determining her eligibility for Section 8?

A23: Yes, but under the provisions of 5.609(c)(8)(v), not (c)(13), since (c)(13) does not apply to Section 8. Therefore, the exclusion would apply, for Section 8 eligibility purposes, only during the training period, not for the 18 months after she begins her first job.

Q24: If a tenant is enrolled in a training program funded by HUD, is the training income treated differently than the income from training programs covered by 5.609(c)(8)(v) and (c)(13)?

A24: Yes. The provision at 5.609(c)(8)(i) excludes <u>the full amount</u> received under training programs funded <u>by HUD</u>. If it is a HUD-funded training program, we exclude the FULL amount, not just the incremental amount. This exclusion stops at the end of the training period.

Q25: What is a training program funded by HUD?

A25: It must be a bona fide training program, generally meeting the definition in Paragraph V of this notice. While an on-the-job training (OJT) program would typically qualify, the orientation a new staff member receives when hired into an organization or into a new position at an organization would not constitute a training program. The training program must be funded directly or indirectly with HUD dollars - whether those dollars are from operating subsidy, Section 8

administrative fees, or modernization, CDBG, or other grant funds.

Q26: How is the training income counted for a public housing tenant who is enrolled in an OJT program in the HA's maintenance department?

A26: Income received through a HUD-funded training program is excluded in full. Once the training is completed and the individual joins the maintenance staff, the entire amount of wages is counted as income.

Q27: If a resident organization, either alone or in collaboration with an HA, uses its HUD grant money to create an employment training program, would the income of tenants participating in that training program be excluded?

A27: Yes, as long as the training program is funded by HUD. The key point is not which organization administers the training program, but rather whether HUD dollars are funding a material portion of the program.

Q28: Once the HUD-funded training is completed, if either the HA or resident organization hires the training program graduate, is any of the employment income excluded?

A28: No. The regulation is specific that employment income funded by public housing assistance under the 1937 Housing Act will not be excluded. This means that salaries paid by HAs or resident organizations using funding received under any public housing or Section 8 programs are included as income in determining tenant rent. (But see the provision on resident service stipend at 5.609(c)(8)(iv).)

VIII. References

- 24 CFR 5.609(c)

- Combined Income and Rent Final Rule, issued 10/18/96. This rule became effective on 11/18/96. The rule was transmitted by PIH Notice 96-93, issued 12/18/96.

- Combined Income and Rent Interim Rule, issued 4/5/95. This rule became effective on 6/5/95.

- "TOPS" Final Rule, issued 8/24/94. This rule became effective on 9/23/94.

- Federally Mandated Exclusions from Income, from the Federal Register dated 8/3/93 (58 FR 41287-41288).
  This Federal Register Notice was transmitted by PIH Notice PIH 93-65, issued December 13, 1993.

- Section 515(b) of the National Affordable Housing Act (NAHA) of 1990.

/s/

Kevin Emanuel Marchman
Assistant Secretary
for Public and Indian Housing

Attachments

APPENDIX 1

HUD Regulations Pertaining to Training Income Exclusions

24 CFR 5.609

1. (c)(6) - The full amount of student financial assistance paid directly to the student or the educational institution.

2. (c)(8)(i) - amounts received under training programs funded by HUD.

3. (c)(8)(ii) - amounts set aside for use under a Plan to Attain Self-Sufficiency (PASS).

4. (c)(8)(iii) - amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program.

5. (c)(8)(v) - incremental earnings and benefits resulting to any family member from participation in qualifying State or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for the period during which the family member participates in the employment training program.

6. (c)(11) - earnings in excess of $480 for each full-time student 18 years old or older (excluding the head of household and spouse).

7. (c)(13) - ***for public housing only***: (i) the earnings and benefits to any family member resulting from participation in a program providing employment training and supportive services in accordance with the Family Support Act (42 U.S.C. 1437t); or any comparable Federal, State, or local law during the exclusion period (ii) for purposes of this paragraph, the following definitions apply:

(A) Comparable Federal, State or local law means a program providing employment training and supportive services that:

(1) Is authorized by a Federal, State or local law;

(2) Is funded by the Federal, State or local government;

(3) Is operated or administered by a public agency; and

(4) Has as its objective to assist participants in acquiring employment skills.

(B) Exclusion period means the period during which the family member participates in a program described in this section, plus 18 months from the date the family member begins the first job acquired by the family member after completion of such program that is not funded by public housing assistance under the 1937 Act. If the family member is terminated from employment with good cause, the exclusion period shall end.

(C) Earnings and benefits means the incremental earnings and benefits resulting from a qualifying employment training program or subsequent job.

8. (c)(17) - Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR 5.609(c) apply.

The last list of Federally-Mandated Exclusions was published in the Federal Register on 8/3/93, 58 FR 41287-41288. This list excludes payments received under programs funded in whole or in part under the Job Training Partnership Act; payments to volunteers under the Domestic Volunteer Services Act of 1973; amounts of scholarships funded under Title IV of the Higher Education Act of 1965; and payments received from programs funded under Title V of the Older Americans Act of 1965. Payments received from AmeriCorps are also excluded (11/15/94 memorandum from General Counsel).

APPENDIX 2

Income Exclusions Related to Training

Comparing Section 8 with Public Housing

SOURCE	AMOUNT EXCLUDED FOR SECTION 8	AMOUNT EXCLUDED FOR PUBLIC HOUSING
5.609(c)(6) - Student Financial Assistance	All	All
5.609(c)(8)(i) - Training Programs Funded By HUD (e.g., PFS, Sec. 8 Admin. Fee, Development and Modernization, CDBG)	All	All
5.609(c)(8)(ii) - Amounts set aside in SSI's "Plan to Attain Self-Sufficiency" (PASS)	All	All
5.069(c)(8)(iii) - Publicly Assisted Program Reimbursement of out-of-pocket expenses incurred	All	All
5.609(c)(8)(v) - State or local employment training program -must have clearly defined goals and objectives	Incremental (and only for the period of time during participation in the employment training program)	Incremental (and only for the period of time during participation in the employment training program)

SOURCE	EXCLUDE FOR SECTION 8	EXCLUDE FOR PUBLIC HOUSING
5.609(c)(11) - Earnings of Full Time Students 18 years of age or order (excluding head of household and spouse)	Amounts in excess of $480	Amounts in excess of $480
5.609(c)(13) - A training program providing employment training and supportive services in accordance with the Family Support Act or any comparable Federal, State, or local law - Authorized/funded by Fed/State/Local law - Operated or administered by public agency - Objective is to assist participants in acquiring employment skills	N/A	Incremental increase during training program plus 18 months from date of 1st job after completion of the training program that is not funded by public assistance under 1937 Act
5.609(c)(17) - Amounts excluded by any other Federal statute, e.g., payments received under: - JTPA (in whole or in part) - Domestic Volunteer Services Act of 1973 - Title V of the Older Americans Act of 1965 - AmeriCorps	All	All

APPENDIX 3

Income Exclusions Related to Training

Comparing Two Regulatory Exclusions

The regulatory citation	24 CFR 5.609(c)(8)(v)	24 CFR 5.609(c)(13)
The housing programs for which this exclusion is applicable	Applies to PH & Section 8	Applies only to PH
Type of program	Employment training program	Employment training and supportive services program
Who provides the program	State or local (not necessarily government)	Provided under Federal, State or local law, funded by government, administered by a public agency
Characteristics of the program	Must have clearly defined goals and objectives	Has as its objective to assist participants in acquiring employment skills
What income is excluded	Incremental earnings & benefits	Incremental earnings and benefits
Period of time for which exclusion applies	Applies during training period	Applies during training period and for 18 mos. from the date the family member begins the first job acquired after completion of the program
Exceptions	NA	The exclusion does not apply to jobs funded by public housing assistance under the 1937 Act

APPENDIX 4

Optional Earned Income Exclusions and Deductions

(for Public Housing only)

A. Optional Earned Income Exclusions

The Optional Earned Income Exclusions Interim Rule, effective 9/30/96, allows HAs to amend HUD's definition of annual income (61 FR 46344) to encourage them to take action to further the efforts of applicants and tenants to seek employment and increase their earned income. The rule permits HAs to adopt exclusions for earned income pursuant to an established written policy. Any exclusions permitted may not be deducted in determining adjusted income. A final rule, issued 5/5/97 and effective 6/4/97, made no substantive changes to the interim rule. See paragraph C below for a discussion of the impact on operating subsidy.

B. Optional Earned Income Deductions

Section 402(c) of the Balanced Budget Downpayment Act I (Continuing Resolution), which became law on 1/26/96, (described in HUD Notice PIH 96-6, issued 2/13/96), permitted HAs to adopt optional earned income deductions in determining adjusted income. This provision has been extended by the FY 1998 Appropriations Act. HAs may establish other deductions to earned income, in addition to those defined in Section 3(b)(5) of the U.S. Housing Act of 1937, in accordance with the Section 402(c) provisions. See paragraph C below for a discussion of the impact on operating subsidy.

C. Impact of Optional Earned Income Exclusions/Deductions on Operating Subsidies

Reference: Public and Indian Housing Performance Funding System: Incentives; Interim Rule, published 9/30/96, (61 FR 51178). The PFS Operating Subsidy will not increase to cover the amount of rental income reductions resulting from these exclusions/deductions, but will allow an HA that achieves net increases in rents from earned income to have an incentive increase in subsidy up to an amount equal to the PFS operating subsidy shortfall.

References

Notice PIH 2001-15 (HA): Improving Income Integrity in Public and Assisted Housing

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

Special Attention of:	**Notice PIH 2001-15 (HA)**
Field Office Directors of Public Housing;	**Issued: May 2, 2001**
Secretary's Representatives;	**Expires: May 31, 2002**
Public Housing Agencies;	
Resident Management Corporations;	
Resident Councils;	

Subject: **Improving Income Integrity in Public and Assisted Housing**

Applicability: **Public Housing, Housing Choice Voucher, and Moderate Rehabilitation Programs**

Purpose: The purpose of this Notice is to emphasize timely, accurate, and fair income and rent determinations by Public Housing Agencies (PHAs). This includes the following:

- Assuring that PHAs and residents are in compliance with required statutes and regulations;
- Identifying frequent errors made by PHAs and residents in reporting and calculating income and determining rent;
- Providing ideas and tips to PHAs to improve income integrity; and
- Identifying PHAs with state-of-the-art, up-front techniques to verify income.

Background

Reexaminations of family income and composition must be conducted at least annually for families who pay an income based rent in public housing and for families in the Housing Choice Voucher Program [24 CFR §960.257(a)(1), §982.516(a)]. For public housing families who choose flat rents, PHAs must conduct reexaminations of family composition at least annually and must conduct a reexamination of family income at least once every three years [24 CFR §960.257(a)(2)]. PHAs must adopt admissions and occupancy policies concerning annual and interim reexaminations and these policies must be in accordance with the PHA plan. [24 CFR§ 960.257(c)]. Families are obligated to supply any information that the PHAs or HUD determines is necessary in administration of the public housing program and for use in a regularly scheduled reexamination or an interim reexamination [24 CFR §§960.259(a)(1) and (2)]. Families must submit consent forms for obtaining wage and claim information from State Wage Information Collection Agencies (SWICAs) and to authorize any depository or private source of income, or any Federal, State, or local agency, to furnish or release to the PHA or HUD such information determined to be necessary [24 CFR §960.259(a)(3)(ii), §960.259(b), §982.516(g)]. PHAs must obtain and document in the family files the third party verification received or document why it is not available [24 CFR §960.259 and §982.516(a)(2)].

The two main causes of incorrect income and rent determinations are:

1) Inconsistencies in the provision, collection and use of complete and accurate income information for resident families; and

2) Error by PHAs in calculating income correctly, either by not granting exclusions and deductions to which resident families are entitled, or by other mistakes such as miscalculation and computer error.

Improving income integrity is vital for the Department of Housing and Urban Development (HUD). HUD has recently been criticized for weakness in its income determination techniques, including rent calculations in public and assisted housing, by HUD's Office of the Inspector General and the U.S. General Accounting Office. Additionally, in March 2001, HUD's Office of Policy Development and Research released the interim report on "Quality Control for Rental Assistance Subsidies Determinations." This analysis of 2,403 households representing 600 assisted housing projects (public housing, PHA administered Section 8, Owner-administered Section 8) found that:

- 36 percent of all households paid at least $5 less per month than they should (with an average error of $150 per month),
- 40 percent of all households paid the correct amount of rent within $5 per month (29 percent paid exactly the right amount), and
- 24 percent of all households paid at least $5 more per month than they should (with an average error of $56 per month).

Common Mistakes Made by PHAs in Determining Included and Excluded Income and Deductions

It is important to remember that a family's anticipated total income or gross income determines not only eligibility for housing assistance, but also all the rent a family will pay and the subsidy required. A family's anticipated income and deductions for the year following certification or reexamination determine the family's rent (see Appendix A, *Improving Income Integrity Guidebook*). This rent calculation requires the PHA to determine Annual Income and Adjusted Income for a family:

1. The ***annual income*** is determined by calculating a family's anticipated total or gross income minus allowable exclusions.

   [TOTAL/GROSS INCOME – EXCLUSIONS = ANNUAL INCOME]

2. The ***adjusted income*** is calculated by subtracting allowable deductions from the annual income. [ANNUAL INCOME-DEDUCTIONS = ADJUSTED INCOME]

Understanding these two terms is often problematic. A few additional examples of common areas in which PHAs often make errors in reporting, tracking, and verifying information include:

- Unreported employment and regular occurring overtime wages;
- Sporadic income;
- Changes in household size; and
- Changes in TANF or other Federal, State, or local benefits or assistance.

These are items that require vigilance and training on the part of the PHA to make sure staff understand the admission and occupancy rules and that residents understand their rights and responsibilities in relation to their individual rent determinations. Additionally, PHAs should

work toward using all available resources that provide additional verification information and make sure the information is retained in tenant files.

PHAs must also take into account all anticipated eligible exclusions or deductions from income. PHAs must obtain an applicant/resident's ***medical expenses*** and provide either an exclusion [24 CFR §5.609 (c)(4)] or deduction [24 CFR §5.611 (a)(3)], where applicable. The exclusion covers amounts received by the family that are specifically for, or reimbursements of, the cost of medical expenses of <u>any</u> family member. The deduction covers the sum of unreimbursed medical expenses for any elderly or disabled family in excess of 3 percent of annual income [24 CFR §5.611 (a)(3)(i)] and the unreimbursed reasonable attendant care and auxiliary apparatus expenses to the extent necessary to enable any member of the family to be employed, but not exceed earned income received because of the attendant care or apparatus [24 CFR §5.611 (a)(3)(ii)]. This impacts a significant number of elderly and persons with disabilities. PHAs need to review all regulations regarding medical exclusions/deductions and determine if their intake and reexamination process is accurately requesting, tracking and verifying costs to fully provide these residents the required deduction or exclusion. *[**Tip:** Educate residents regarding maintaining accurate and complete medical bills and receipts or use of pharmacy computerized systems to assist in documentation.]*

PHAs must also consider an exclusion [24 CFR §5.609 (c)(8)(iii)] or a deduction [24 CFR §5.611 (a)(4)] for ***childcare expenses*** [as defined under 24 CFR §5.603(d)]. A PHA would provide an exclusion for out of pocket expenses if a family was receiving childcare payments from another publicly assisted program, such as a Department of Labor childcare grant. A family is eligible for a deduction for reasonable childcare expenses (for children under13 years of age) necessary to enable a member of the family to actively seek employment, be employed or further his or her education (including before and after school childcare and summer camp) to the extent these expenses are not reimbursed. *[**Tip:** For unconventional childcare payments (e.g., cash) inform residents of acceptable documentation – notarized statements of payment by childcare provider or PHA generated third-party forms.]*

Often mistakes are made with self-employed individuals. **Net business income** is counted as income [24 CFR §5.609(b)(2)]. The error occurs in determining net business income, which in simple terms is the total business income minus the expenses needed to operate the business. A good example is a landscaper's income minus the cost of gas and machine maintenance. *[**Tip**: Urge self-employed residents to keep accurate records and receipts for business expenses.]*

Other frequent errors included failure to consider individuals who are in certain types of ***employment training programs***. Under [24 CFR §5.609(c)(8)(i)] earnings and benefits from employment training programs funded by HUD are excluded from income and [24 CFR §5.609(c)(8)(v)] excludes from income incremental earnings and benefits from qualifying State or local employment training programs. Additionally, [24 CFR §5.609(c)(8)(iii)] excludes from income any reimbursements of out-of-pocket expenses incurred (special equipment, clothing, transportation, and childcare) which are made solely to allow participation in a specific program. *[**Tip**: Educate residents on the eligible types of training programs and encourage them to notify the PHA when participating in such programs.]*

For persons who have recently become employed – these residents could be eligible for various exclusions including the new ***earned income disallowance*** found in [24 CFR §960.255 (b)] for public housing families and in [24 CFR §5.617] for persons with disabilities in public housing,

Section 8 and other HUD assisted housing. This replaces the previous 18-month earned income exclusion. The PHA is required to provide this disallowance for any qualified family. PHAs need to notify families that they may be eligible for this disallowance and request appropriate documentation in order to provide this disallowance. *[**Tip**: Provide residents with information on the earned income disallowance and encourage them to notify the PHA when newly employed.]*

New Provisions in the Public Housing Reform Act[1]

PHRA adds new provisions that impact the rent calculation and treatment of income. Appendix A, the *Improving Income Integrity Guidebook* discusses some of these major changes, but more information can be found in the ***"Changes to Admission and Occupancy Requirements in the Public Housing and Section 8 Housing Assistance Programs: Final Rule,"*** published March 29, 2000 in the Federal Register.

Verification of Income

The most basic form of verification is a resident's ***proof of identification***. The most important tool for identification is a resident's ***Social Security number***. PHAs are required to obtain Social Security Numbers for each member of a family six years and up [24 CFR §5.216]. Social Security numbers are needed for most methods of income verification. If the family member does not have or cannot get a Social Security number, the PHA may require another document in its place or some certification with the family member's name and the reason the individual does not have a Social Security number. (Note: Obtaining correct Social Security numbers and the accuracy of submission into the Multifamily Tenant Characteristics System (MTCS) is also important in this process.)

A PHA must obtain and document in the family file ***third party verification*** of reported family income, value of assets, expenses related to deductions from annual income and other factors that affect the determination of adjusted income or income based rent. If this information is not available, the PHA must document in the file the reason(s). [24 CFR §960.259(c) and §982.516(a)(2)].

A PHA may use several methods to verify the income of a resident family. A PHA may require and check documents and information supplied by the family; however, to be considered third party verification the documentation must come directly to the PHA from the provider. The types of documents required could vary depending on the type(s) of income being reported. The following provides examples of acceptable verification documents:

A. Income Documentation Materials
   - IRS tax forms including Form 1099, Form 1040, Form 4506 and Form 8821;
   - Written verification of TANF income from the appropriate welfare agency;
   - Social security or disability award statements;
   - Child Support Payment canceled checks and/or award letters; and
   - Pay stubs or earnings statements supplied by the employer directly to the PHA.

[1] Quality Housing and Work Responsibility Act of 1998, Public Law 105-276, §2518 which amended the United States Housing Act of 1937, 42 United States Code (U.S.C.) §1437 et seq.

B. Deduction Documentation Materials

- Signed receipts or paid invoices for childcare expenses supplied by the provider directly to the PHA; and
- Receipts for medical expenses or insurance premiums supplied by the provider directly to the PHA.

Other effective and possibly more efficient third party verification methods are the use of "***Up-Front" Income Verification Techniques,*** especially those that are automated. These systems can enhance the accuracy of the up-front verification process and reduce the need for additional re-verification work by the PHA at the end of the process.

Ideas and Tips for Improving Income Integrity

The following list provides some suggested ideas and tips for PHAs to consider to work towards improving income integrity within their organizations.

1. Review PHA occupancy procedures (initial examination, reexamination, interim reexamination, income determination, and rent calculation) to reflect changes in the Public Housing Reform Act of 1998 (PHRA) and to assure that these policies reflect the actual practices implemented by the PHA.

2. Update any PHA generated worksheets for determining income to reflect current PHRA provisions and requirements. The HUD field office and other PHAs may have model forms that can be modified to fit the needs of your PHA.

3. Review the consent or waiver forms signed by the applicants. The forms should include all of the various methods which are presently used or anticipate using to verify income. (Note: PHAs should explain and provide to residents/applicants completed copies of all documents they are required to sign.)

4. Train occupancy and intake specialists on the changes in the law, the revised HUD 50058, MTCS 2000. Refer to the HUD Web site, which includes information and training materials from HUD training offered earlier this year.

5. Ensure that all information used to determine income and rent is verified and accurately reported in the MTCS system.

6. Review and enhance the competency of occupancy specialists in income and rent determination to assure that current program terms, regulations and requirements are being used and applied by PHA staff.

7. Explore as many third-party verification resources in your community and state, including technological solutions as possible. HUD Field Offices may be able to provide information regarding resources, which are currently being used by other PHAs. Additionally, state professional organizations may be able to provide contact information for these agencies to avoid duplication of efforts by the PHA.

8. Develop PHA internal quality control systems (i.e. supervisory review systems). Quality control systems need not be very elaborate to be effective. The most frequently implemented quality control is to have a supervisor or the most knowledgeable occupancy

person rework a sample of cases performed by other staff. In situations where there are only one or two occupancy persons or where there are no experienced staff, the PHA is encouraged to review a few cases with another PHA with experienced staff or Field Office staff.

9. Review the **Improving Income Integrity Guidance Booklet (See Appendix A)**. The guidebook serves as a reference for accurately calculating income and lists supplementary materials.

Up-Front Income Verification Techniques

HUD has implemented the use of "up-front" techniques for tenant income verification. HUD believes "up-front" techniques will greatly reduce the error rate in applicant/tenant income reporting; verification of information by PHAs; and rent calculations. Additionally, PHAs that use "up-front" verification techniques make it a practice to notify applicants and tenants that this method will be used to clarify or recheck reported applicant/tenant income. This step is critical to reduction in applicant/tenant fraud. There are various resources available for PHAs to consider when attempting to do "up-front" verification. These include:

- Tenant Assessment Sub-System (TASS);
- State Wage Information Collection Agencies;
- Credit Bureau Association (CBA) Credit Reports;
- The Work Number; and
- Internal Revenue Service (IRS) Letter 1722.

TASS: TASS matches Social Security (SS) and Supplemental Security Income (SSI) to comparable tenant data from MTCS and TRACS databases. HUD provides Internet-based access to SS and SSI benefit information. Each month, HUD extracts tenant data from MTCS and TRACS for families with initial examinations or reexaminations completed 8 to 9 months prior to the current month (i.e., for families who will be reexamined in 3 to 4 months). The SS and SSI reports are placed on the Internet on or about the 15th to the 20th of each month. This matching effort provides quick and easy verification of SS and SSI benefits, and provides information on individuals who have unreported or underreported SS or SSI benefits. Further information can be found at http://www.hud.gov/reac/products/tass/tass_guide_ssi.html.

State Wage Information Collection Agencies (SWICAs): Another avenue for income verification is through obtaining data from SWICAs (often a part of the State's Department of Labor). SWICAs are a source of employers and reported wages. SWICAs must share data with PHAs upon request and on a reimbursable basis only to officers and employees of HUD and to representatives of a PHA based on Section 505(i) of the Social Security Act. SWICAs can disclose wage information, and whether an individual is receiving, has received, or has made application for, unemployment compensation, and, in some states, disability, and the amount of any such compensation being received (or to be received) by such individual. A Memorandum of Understanding (MOU) is usually required between the PHA and the SWICA before information can be shared. The SWICA can charge the PHA a fee for providing the information. Some states share data electronically and others share data through paper requests. For more information see www.loc.gov/global/state/stategov.html to obtain links to State government web sites.

Credit Bureau Association (CBA) Credit Reports: The CBA Credit Profile is derived from the Experian consumer credit database. The credit profile contains public record information, credit relationships, inquiries, and demographic information. CBA also provides subscribers with a list of names and addresses associated with a social security number. The service automatically verifies if the input social security number is valid and has been issued. PHAs can use reports from the CBA as a way of screening applicants to determine their credit history and ability to pay their rent. See www.CBAinfo.com for more information on credit reports.

The Work Number: The Work Number is an automated service that provides controlled access to a national database of almost 40 million employment and income records. When an applicant applies for aid and lists a current or previous employer, the State or Federal agency can have automated access to that information, provided the employer's records are part of The Work Number. The Work Number can help eliminate the need for PHA employees to process multi-page verification forms, while providing quick and accurate employment and wage information. Once signed on with the service, PHAs can perform wage and employment verifications with The Work Number by calling a toll-free phone line (**call 1-800-996-7566** for specific instructions) or by using the Internet at www.theworknumber.com. The Work Number will provide the information to public agencies free of charge, but the turn around time is not as quick as using the fee-for-service method.

Internal Revenue Service (IRS) Letter 1722: An IRS Letter 1722, also known as a tax account listing, shows the applicant/tenants filing status, exemptions claimed, adjusted gross income, taxable income, taxes paid, etc. Individuals can obtain their own listing by calling the **IRS at 1-800-829-1040.** PHAs can inform residents that this would be an acceptable form of third party verification**.**

The use of "up-front" techniques can assist PHAs in identifying potential discrepancies between resident reported and PHA verified income and residents income reported through one of the sources above. The resources listed are examples of services PHAs are currently using; however, some may not be available in all states. Additionally, PHAs should discuss with each agency providing these resources the following issues:

- Availability of information through the most efficient means – possibly electronically, such as a mainframe hook up, Internet, etc;
- Privacy Act and confidentiality issues regarding use of data and access;
- Cost of service – if used for public governmental use, possible wavier of cost; and
- Partnerships with other PHAs for joint use of service.

In most cases a Memorandum of Understanding (MOU) or a contract for services is developed to assist in clarifying these issues and to formalize the process. See ***Appendix B – Best Practices - Tips and Tools*** for examples of coordination between PHAs, State and local governments, and private agency partners to obtain information for verification purposes that will improve income integrity.

Nondiscrimination

PHAs may not devise or implement income or rent determination, verification, or other related policies or procedures in a way that discriminates against persons on the basis of race, color, national origin, sex, religion, familial status, and perceived or actual disability. PHAs that administer public housing, Housing Choice Vouchers, and Moderate Rehabilitation must comply with fair housing, equal opportunity, and other civil rights requirements (24 CFR §§ 960.103, 982.53, and 983.11), respectively. Under the Fair Housing Act (42 USC §3617), it is unlawful to use income or rent determination, verification, or other related policies or procedures as retaliation.

For More Information on Improving Income Integrity Contact: Your HUD Field Office or the Public and Indian Housing Resource Center at 1-800-955-2232.

/s/

Gloria J. Cousar, Acting General Deputy Assistant Secretary
for Public and Indian Housing

APPENDIX B - BEST PRACTICES – TIPS AND TOOLS

Currently there are examples of coordination efforts between PHAs, State and local governments and private agencies. Following is a few examples of some of the innovate efforts that demonstrate coordination and cooperation to improve income integrity.

The New Jersey model **-** Since 1991, the New Jersey Department of Community Affairs (NJDCA) and Department of Labor (DOL) have operated under MOU for DOL to provide wage record, unemployment, and disability benefits data online to NJDCA.

Activities include:

- Occupancy specialists for NJDCA use the data for income and rent determinations during the admissions briefing and annual reexamination process.
- NJDCA and DOL have a direct computer link via the state mainframe that required a dedicated printer the NJDCA purchased.
- NJDCA, through MOUs, assists 7 other PHAs in New Jersey that were unable to gain access to the State DOL reports, with this service.
- NJDCA accesses the DOL wage data for new admissions and reexaminations that are submitted to NJDCA by the other PHAs for their Section 8 programs and send the reports back to the PHA.

Other verification activities conducted by NJDCA include using TEVS to access SSA data and using a series of forms for pharmacists and physicians to verify claimed medical expense deductions. Additionally, NJDCA also uses a private employment database (www.theworknumber.com) to match tenant reported income.

> **Contact:** For more information on the ***New Jersey Department of Community Affairs*** program contact - Jackie Grabine, Assistant Director, Division of Housing, at 609-633-8105 or **www.state.nj.us/dca.gov**

OTHER MODELS

The ***Delaware State Housing Authority*** (DSHA) has an agreement since 1991 with the Delaware Department of Labor through which it has direct access via computer to wage record and unemployment record data for verification purposes. DSHA also has computer access to the state's Health and Human Services records and child support information from the Division of Family Services. These records are checked for all new applicants and current tenants at the time of reexamination. Other PHAs in Delaware also have the ability to use the Department of Labor information.

> **Contact:** For more information on the ***Delaware State Housing Authority*** program contact - Ed Strauss, Assistant Housing Management and Program Administrator at 302-739-7419 or **www.state.de.us/dsha.gov**

Virginia Employment Commission (VEC) has online access agreements to share wage record and unemployment benefits data with 5 PHAs in the state: Richmond Redevelopment and Housing Authority, Fairfax Housing Authority, Arlington Section 8 Program, Charlottesville Redevelopment and Housing Authority, and Albemarle Housing Authority. Eleven other PHAs request this information manually.

> **Contact:** For more information on the ***Virginia Employment Commission*** program contact –Norma Quirk, Supervisor of Customer Service, Virginia Employment Commission, at 804-7861485

Texas Workforce Commission (TWC) accepts manual and electronic submissions. The larger PHAs in the state (such as Dallas HA, San Antonio HA) can submit information to TWC on a diskette and receive the wage record and unemployment benefits data on paper or a diskette. A MOU is required in order to set up this type of procedure. PHAs may also submit requests on paper with individual resident consent forms.

> **Contact:** For more information on the ***Texas Workforce Commission*** program contact – Jim Nolan, Disclosure Officer, Information Release Office, at 512-463-2748

Oklahoma Department of Human Services (ODHS) has coordinated efforts with 11 PHAs in the state. Through the contracts, the PHAs are assigned a user ID and password and access ODHS's database via a secure Internet link. Using social security numbers, the PHAs can receive information on the type of assistance applied for, amount received, number of people residing in residence, amount of earned and unearned income, imputed income, and recoupment (i.e., overpayment to cases recaptured). Those included in the database are any person who has applied for TANF, Medicaid, food stamps, state supplemental payments, etc.

> **Contact:** For more information on the ***Oklahoma Department of Human Services*** program contact – Tom Wright, Program Manager for Data Exchange, at 405-521-4094

References

Excerpts from
Title 24 Code of Federal Regulations

PART 5 GENERAL HUD PROGRAM REQUIREMENTS; WAIVERS

SUBPART A–GENERALLY APPLICABLE DEFINITIONS AND FEDERAL REQUIREMENTS; WAIVERS

5.100 Definitions.

The following definitions apply to this part and also in other regulations, as noted:

1937 Act means the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.)

ADA means the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.).

ALJ means an administrative law judge appointed to HUD pursuant to 5 U.S.C. 3105 or detailed to HUD pursuant to 5 U.S.C. 3344.

Covered person, for purposes of 24 CFR 5, subpart I, and parts 966 and 982, means a tenant, any member of the tenant's household, a guest or another person under the tenant's control.

Department means the Department of Housing and Urban Development.

Drug means a controlled substance as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802).

Drug-related criminal activity means the illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell, distribute or use the drug.

Elderly Person means an individual who is at least 62 years of age.

Fair Housing Act means title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988 (42 U.S.C. 3601 et seq.).

Fair Market Rent (FMR) means the rent that would be required to be paid in the particular housing market area in order to obtain privately owned, decent, safe and sanitary rental housing of modest (non-luxury) nature with suitable amenities. This Fair Market Rent includes utilities (except telephone). Separate Fair Market Rents will be established by HUD for dwelling units of varying sizes (number of bedrooms) and will be published in the Federal Register in accordance with part 888 of this title.

Federally assisted housing (for purposes of subparts I and J of this part) means housing assisted under any of the following programs:

(1) Public housing;

(2) Housing receiving project-based or tenant-based assistance under Section 8 of the U.S. Housing Act of 1937 (42 U.S.C. 1437f);

(3) Housing that is assisted under section 202 of the Housing Act of 1959, as amended by section 801 of the National Affordable Housing Act (12 U.S.C. 1701q);

(4) Housing that is assisted under section 202 of the Housing Act of 1959, as such section existed before the enactment of the National Affordable Housing Act;

(5) Housing that is assisted under section 811 of the National Affordable Housing Act (42 U.S.C. 8013);

(6) Housing financed by a loan or mortgage insured under section 221(d)(3) of the National Housing Act (12 U.S.C. 1715l(d)(3)) that bears interest at a rate determined under the proviso of section 221(d)(5) of such Act (12 U.S.C. 1715l(d)(5));

(7) Housing insured, assisted, or held by HUD or by a State or local agency under section 236 of the National Housing Act (12 U.S.C. 1715z-1); or

(8) Housing assisted by the Rural Development Administration under section 514 or section 515 of the Housing Act of 1949 (42 U.S.C. 1483, 1484).

General Counsel means the General Counsel of HUD.

Grantee means the person or legal entity to which a grant is awarded and that is accountable for the use of the funds provided.

Guest, only for purposes of 24 CFR part 5, subparts A and I, and parts 882, 960, 966, and 982, means a person temporarily staying in the unit with the consent of a tenant or other member of the household who has express or implied authority to so consent on behalf of the tenant. The requirements of parts 966 and 982 apply to a guest as so defined.

Household, for purposes of 24 CFR part 5, subpart I, and parts, 960, 966, 882, and 982, means the family and PHA-approved live-in aide.

HUD means the same as Department.

MSA means a metropolitan statistical area.

NAHA means the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12701 et seq.).

NEPA means the National Environmental Policy Act of 1969 (42 U.S.C. 4321).

NOFA means Notice of Funding Availability.

OMB means the Office of Management and Budget.

Organizational Unit means the jurisdictional area of each Assistant Secretary, and each office head or field administrator reporting directly to the Secretary.

Other person under the tenant's control, for the purposes of the definition of covered person and for parts 5, 882, 966, and 982 means that the person, although not staying as a guest (as defined in this section) in the unit, is, or was at the time of the activity in question, on the premises (as premises is defined in this section) because of an invitation from the tenant or other member of the household who has express or implied authority to so consent on behalf of the tenant. Absent evidence to the contrary, a person temporarily and infrequently on the premises solely for legitimate commercial purposes is not under the tenant's control.

Premises, for purposes of 24 CFR part 5, subpart I, and parts 960 and 966, means the building or complex or development in which the public or assisted housing dwelling unit is located, including common areas and grounds.

Public housing means housing assisted under the 1937 Act, other than under Section 8. 'Public housing' includes dwelling units in a mixed finance project that are assisted by a PHA with capital or operating assistance.

Public Housing Agency (PHA) means any State, county, municipality, or other governmental entity or public body, or agency or instrumentality of these entities, that is authorized to engage or assist in the development or operation of low-income housing under the 1937 Act.

Responsible entity means:

(1) For the public housing program, the Section 8 tenant-based assistance program (part 982 of this title), and the Section 8 project-based certificate or voucher programs (part 983 of this title), and the Section 8 moderate rehabilitation program (part 882 of this title), responsible entity means the PHA administering the program under an ACC with HUD;

(2) For all other Section 8 programs, responsible entity means the Section 8 project owner.

Section 8 means section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f).

Secretary means the Secretary of Housing and Urban Development.

URA means the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4201-4655).

Violent criminal activity means any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage.

5.105 Other Federal requirements.

The following Federal requirements apply as noted in the respective program regulations:

(a) Nondiscrimination and equal opportunity. The Fair Housing Act (42 U.S.C. 3601-19) and implementing regulations at 24 CFR part 100 et seq.; Executive Order 11063, as amended by Executive Order 12259 (3 CFR, 1959-1963 Comp., p. 652 and 3 CFR, 1980 Comp., p. 307) (Equal Opportunity in Housing Programs) and implementing regulations at 24 CFR part 107; title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000d-4) (Nondiscrimination in Federally Assisted Programs) and implementing regulations at 24 CFR part 1; the Age Discrimination Act of 1975 (42 U.S.C. 6101-6107) and implementing regulations at 24 CFR part 146; section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at part 8 of this title; title II of the Americans with Disabilities Act, 42 U.S.C. 12101 et seq.; 24 CFR part 8; section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and implementing regulations at 24 CFR part 135; Executive Order 11246, as amended by Executive Orders 11375, 11478, 12086, and 12107 (3 CFR, 1964-1965 Comp., p. 339; 3 CFR, 1966-1970 Comp., p. 684; 3 CFR, 1966-1970 Comp., p. 803; 3 CFR, 1978 Comp., p. 230; and 3 CFR, 1978 Comp., p. 264, respectively) (Equal Employment Opportunity Programs) and implementing regulations at 41 CFR chapter 60; Executive Order 11625, as amended by Executive Order 12007 (3 CFR, 1971-1975 Comp., p. 616 and 3 CFR, 1977 Comp., p. 139) (Minority Business Enterprises); Executive Order 12432 (3 CFR, 1983 Comp., p. 198) (Minority Business Enterprise Development); and Executive Order 12138, as amended by Executive Order 12608 (3 CFR, 1977 Comp., p. 393 and 3 CFR, 1987 Comp., p. 245) (Women's Business Enterprise).

(b) Disclosure requirements. The disclosure requirements and prohibitions of 31 U.S.C. 1352 and implementing regulations at 24 CFR part 87; and the requirements for funding competitions established by the Department of Housing and Urban Development Reform Act of 1989 (42 U.S.C. 3531 et seq.).

(c) Debarred, suspended or ineligible contractors. The prohibitions at 24 CFR part 24 on the use of debarred, suspended or ineligible contractors.

(d) Drug-Free Workplace. The Drug-Free Workplace Act of 1988 (41 U.S.C. 701 et seq.) and HUD's implementing regulations at 24 CFR part 24.

5.107 Audit requirements for non-profit organizations

Non-profit organizations subject to regulations in the part 200 and part 800 series of title 24 of the CFR shall comply with the audit requirements of revised OMB Circular A-133, 'Audits of States, Local Governments, and Non-Profit Organizations' (see 24 CFR 84.26). For HUD programs, a non-profit organization is the mortgagor or owner (as these terms are defined in the regulations in the part 200 and part 800 series) and not a related or affiliated organization or entity.

5.110 Waivers.

Upon determination of good cause, the Secretary may, subject to statutory limitations, waive any provision of this title and delegate this authority in accordance with section 106 of the Department of Housing and Urban Development Reform Act of 1989 (42 U.S.C. 3535(q)).

SUBPART B–DISCLOSURE AND VERIFICATION OF SOCIAL SECURITY NUMBERS AND EMPLOYER IDENTIFICATION NUMBERS; PROCEDURES FOR OBTAINING INCOME INFORMATION

(a) Purpose. This subpart B requires applicants for and participants in covered HUD programs to disclose, and submit documentation to verify, their Social Security Numbers (SSNs). This subpart B also enables HUD and PHAs to obtain income information about applicants and participants in the covered programs through computer matches with State Wage Information Collection Agencies (SWICAs) and Federal agencies, in order to verify an applicant's or participant's eligibility for or level of assistance. The purpose of this subpart B is to enable HUD to decrease the incidence of fraud, waste, and abuse in the covered programs.

(b) Applicability.

(1) This subpart B applies to mortgage and loan insurance and coinsurance and housing assistance programs contained in chapter II, subchapter B, and chapters VIII and IX of this title.

(2) The information covered by consent forms described in this subpart involves income information from SWICAs, and wages, net earnings from self-employment, payments of retirement income, and unearned income as referenced at 26 U.S.C. 6103. In addition, consent forms may authorize the collection of other information from applicants and participants to determine eligibility or level of benefits.

(c) Federal preemption. This subpart B preempts any State law, including restrictions and penalties, that governs the collection and use of income information to the extent State law is inconsistent with this subpart.

5.212 Compliance with the Privacy Act and other requirements.

(a) Compliance with the Privacy Act. The collection, maintenance, use, and dissemination of SSNs, EINs, any information derived from SSNs and Employer Identification Numbers (EINs), and income information under this subpart shall be conducted, to the extent applicable, in compliance with the Privacy Act (5 U.S.C. 552a) and all other provisions of Federal, State, and local law.

(b) Privacy Act notice. All assistance applicants shall be provided with a Privacy Act notice at the time of application. All participants shall be provided with a Privacy Act notice at each annual income recertification.

5.214 Definitions.

In addition to the definitions in § 5.100, the following definitions apply to this subpart B:

Assistance applicant. Except as excluded pursuant to 42 U.S.C. 3543(b) and 3544(a)(2), this term means the following:

(1) For any program under 24 CFR parts 215, 221, 236, 290, or 891, or any program under Section 8 of the 1937 Act: A family or individual that seeks rental assistance under the program.

(2) For the public housing program: A family or individual that seeks admission to the program.

(3) For any program under 24 CFR part 235: A homeowner or cooperative member seeking homeownership assistance (including where the individual seeks to assume an existing mortgage).

Computer match means the automated comparison of data bases containing records about individuals.

Computer matching agreement means the agreement that describes the responsibilities and obligations of the parties participating in a computer match.

Consent form means any consent form approved by HUD to be signed by assistance applicants and participants for the purpose of obtaining income information from employers and SWICAs; return information from the Social Security Administration (including wages, net earnings from self-employment, and payments of retirement income), as referenced at 26 U.S.C. 6103(l)(7)(A); and return information for unearned income from the Internal Revenue Service, as referenced at 26 U.S.C. 6103(l)(7)(B). The consent forms expire after a certain time and may authorize the collection of other information from assistance applicants or participants to determine eligibility or level of benefits as provided in §§ 813.109, 913.109, and 950.315 of this title.

Employer Identification Number (EIN) means the nine-digit taxpayer identifying number that is assigned to an individual, trust, estate, partnership, association, company, or corporation pursuant to sections 6011(b), or corresponding provisions of prior law, or 6109 of the Internal Revenue Code.

Entity applicant. (1) Except as excluded pursuant to 42 U.S.C. 3543(b), 3544(a)(2), and paragraph (2) of this definition, this term means a partnership, corporation, or any other association or entity, other than an individual owner applicant, that seeks to participate as a private owner in any of the following:

(i) The project-based assistance programs under Section 8 of the 1937 Act;

(ii) The programs in 24 CFR parts 215, 221, or 236; or

(iii) The other mortgage and loan insurance programs in 24 CFR parts 201 through 267, except that the term 'entity applicant' does not include a mortgagee or lender.

(2) The term does not include a public entity, such as a PHA, IHA, or State Housing Finance Agency.

Federal agency means a department of the executive branch of the Federal Government.

Income information means information relating to an individual's income, including:

(1) All employment income information known to current or previous employers or other income sources that HUD or the processing entity determines is necessary for purposes of determining an assistance applicant's or participant's eligibility for, or level of assistance in, a covered program;

(2) All information about wages, as defined in the State's unemployment compensation law, including any Social Security Number; name of the employee; quarterly wages of the employee; and the name, full address, telephone number, and, when known, Employer Identification Number of an employer reporting wages under a State unemployment compensation law;

(3) With respect to unemployment compensation:

(i) Whether an individual is receiving, has received, or has applied for unemployment compensation;

(ii) The amount of unemployment compensation the individual is receiving or is entitled to receive; and

(iii) The period with respect to which the individual actually received such compensation;

(4) Unearned IRS income and self-employment, wages and retirement income as described in the Internal Revenue Code, 26 U.S.C. 6103(l)(7); and

(5) Wage, social security (Title II), and supplemental security income (Title XVI) data obtained from the Social Security Administration.

Individual owner applicant. Except as excluded pursuant to 42 U.S.C. 3543(b), 3544(a)(2), or paragraph (2) of this definition, this term means:

(1) An individual who seeks to participate as a private owner in any of:

(i) The project-based assistance programs under Section 8 of the 1937 Act; or

(ii) The programs in 24 CFR parts 215, 221, 235 (without homeownership assistance), or 236, including where the individual seeks to assume an existing mortgage; or

(2) An individual who:

(i) Either: (A) Applies for a mortgage or loan insured or coinsured under any of the programs referred to in paragraph (1)(iii) of the definition of 'entity applicant' in this section; or

(B) Seeks to assume an existing mortgage or loan; and

(ii) Intends to hold the mortgaged property in his or her individual right.

IRS means the Internal Revenue Service.

Owner means the person or entity (or employee of an owner) that leases an assisted dwelling unit to an eligible family and includes, when applicable, a mortgagee.

Participant. Except as excluded pursuant to 42 U.S.C. 3543(b) and 3544(a)(2), this term has the following meaning:

(1) For any program under 24 CFR Part 891, or Section 8 of the 1937 Act: A family receiving rental assistance under the program;

(2) For the public housing program: A family or individual that is assisted under the program;

(3) For 24 CFR parts 215, 221, 236, and 290: A tenant or qualified tenant under any of the programs; and

(4) For 24 CFR part 235: A homeowner or a cooperative member receiving homeownership assistance.

Processing entity means the person or entity that, under any of the programs covered under this subpart B, is responsible for making eligibility and related determinations and an income reexamination. (In the Section 8 and public housing programs, the 'processing entity' is the 'responsible entity' as defined in § 5.100.)

Social Security Number (SSN) means the nine-digit number that is assigned to a person by the Social Security Administration and that identifies the record of the person's earnings reported to the Social Security Administration. The term does not include a number with a letter as a suffix that is used to identify an auxiliary beneficiary.

SSA means the Social Security Administration.

State Wage Information Collection Agency (SWICA) means the State agency, including any Indian tribal agency, receiving quarterly wage reports from employers in the State, or an alternative system that has been determined by the Secretary of Labor to be as effective and timely in providing employment-related income and eligibility information.

DISCLOSURE AND VERIFICATION OF SOCIAL SECURITY NUMBERS AND EMPLOYER IDENTIFICATION NUMBERS FOR APPLICANTS AND PARTICIPANTS IN CERTAIN HUD PROGRAMS

5.216 Disclosure and verification of Social Security and Employer Identification Numbers.

(a) Disclosure: assistance applicants. Each assistance applicant must submit the following information to the processing entity when the assistant applicant's eligibility under the program involved is being determined:

(1)(i) The complete and accurate SSN assigned to the assistant applicant and to each member of the assistant applicant's household who is at least six years of age; and

(ii) The documentation referred to in paragraph (f)(1) of this section to verify each such SSN; or

(2) If the assistance applicant or any member of the assistance applicant's household who is at least six years of age has not been assigned an SSN, a certification executed by the individual involved that meets the requirements of paragraph (j) of this section.

(b) Disclosure: individual owner applicants. Each individual owner applicant must submit the following information to the processing entity when the individual owner applicant's eligibility under the program involved is being determined:

(1)(i) The complete and accurate SSNs assigned to the individual owner applicant and to each member of the individual owner applicant's household who will be obligated to pay the debt evidenced by the mortgage or loan documents; and

(ii) The documentation referred to in paragraph (f)(1) of this section to verify the SSNs; or

(2) If any person referred to in paragraph (b)(1)(i) of this section has not been assigned an SSN, a certification executed by the individual involved that meets the requirements of paragraph (j) of this section.

(c) Disclosure: certain officials of entity applicants. As explained more fully in HUD administrative instructions, each officer, director, principal stockholder, or other official of an entity applicant must submit the following information to the processing entity when the entity applicant's eligibility under the program involved is being determined:

(1) The complete and accurate SSN assigned to each such individual; and

(2) The documentation referred to in paragraph (f)(1) of this section to verify each SSN.

(d) Disclosure: participants.

(1) Initial disclosure. Each participant whose initial determination of eligibility under the program involved was begun before November 6, 1989, must submit the following information to the processing entity at the next regularly scheduled income reexamination for the program involved:

(i)(A) The complete and accurate SSN assigned to the participant and to each member of the participant's family who is at least six years of age; and

(B) The documentation referred to in paragraph (f)(1) of this section to verify each such SSN; or

(ii) If the participant or any member of the participant's household who is at least six years of age has not been assigned an SSN, a certification executed by the individual(s) involved that meets the requirements of paragraph (j) of this section.

(2) Subsequent disclosure. Once a participant has disclosed and verified every SSN, or submitted any certification that an SSN has not been assigned, as provided by paragraph (a) of this section (for an assistance applicant) or paragraph (d)(1) (for a preexisting participant) of this section, the following rules apply:

(i) If the participant's household adds a new member who is at least six years of age, the participant must submit to the processing entity, at the next interim or regularly scheduled income reexamination that includes the new members:

(A) The complete and accurate SSNs assigned to each new member and the documentation referred to in paragraph (f)(1) of this section to verify the SSNs for each new member; or

(B) If the new member has not been assigned an SSN, a certification executed by the individual involved that meets the requirements of paragraph (j) of this section.

(ii) If the participant or any member of the participant's household who is at least six years of age obtains a previously undisclosed SSN, or has been assigned a new SSN, the participant must submit the following to the processing entity at the next regularly scheduled income reexamination:

(A) The complete and accurate SSN assigned to the participant or household member involved; and

(B) The documentation referred to in paragraph (f)(1) of this section to verify the SSN of each such individual.

(iii) Additional SSN disclosure and verification requirements, including the nature of the disclosure and the verification required and the time and manner for making the disclosure and verification, may be specified in administrative instructions by:

(A) HUD; and

(B) In the case of the public housing program or the programs under parts 882 and 887 of this title, the PHA.

(e) Disclosure: entity applicants. Each entity applicant must submit the following information to the processing entity when the entity applicant's eligibility under the program involved is being determined:

(1) Any complete and accurate EIN assigned to the entity applicant; and

(2) The documentation referred to in paragraph (f)(2) of this section to verify the EIN.

(f) Required documentation.

(1) Social Security Numbers. The documentation necessary to verify the SSN of an individual who is required to disclose his or her SSN under paragraphs (a) through (d) of this section is a valid SSN card issued by the SSA, or such other evidence of the SSN as HUD and, where applicable, the PHA may prescribe in administrative instructions.

(2) Employer Identification Numbers. The documentation necessary to verify any EIN of an entity applicant that is required to disclose its EIN under paragraph (e) of this section is the official, written communication from the IRS assigning the EIN to the entity applicant, or such other evidence of the EIN as HUD may prescribe in administrative instructions.

(g) Special documentation rules for assistance applicants and participants.

(1) Certification of inability to meet documentation requirements. If an individual who is required to disclose his or her SSN under paragraph (a) (assistance applicants) of this section or paragraph (d) (participants) of this section is able to disclose the SSN, but cannot meet the documentation requirements of paragraph (f)(1) of this section, the assistance applicant or participant must submit to the processing entity the individual's SSN and a certification executed by the individual that the SSN submitted has been assigned to the individual, but that acceptable documentation to verify the SSN cannot be provided.

(2) Acceptance or certification by processing entity. Except as provided by paragraph (h) of this section, the processing entity must accept the certification referred to in paragraph (g)(1) of this section and continue to process the assistant applicant's or participant's eligibility to participate in the program involved.

(3) Effect on assistance applicants. If the processing entity determines that the assistance applicant is otherwise eligible to participate in the program, the assistance applicant may not become a participant in the program, unless it submits to the processing entity the documentation required under paragraph (f)(1) of this section within the time period specified in paragraph (g)(5) of this section. During such period, the assistance applicant will retain the position that it occupied in the program at the time the determination of eligibility was made, including its place on any waiting list maintained for the program, if applicable.

(4) Effect on participants. If the processing entity determines that the participant otherwise continues to be eligible to participate in the program, participation will continue, provided that the participant submits to the processing entity the documentation required under paragraph (f)(1) of this section within the time period specified in paragraph (g)(5) of this section.

(5) Time for submitting documentation. The time period referred to in paragraphs (g)(4) and (5) of this section is 60 calendar days from the date on which the certification referred to in paragraph (g)(1) of this section is executed, except that the processing entity may, in its discretion, extend this period for up to an additional 60 days if the individual is at least 62 years of age and is unable to submit the required documentation within the initial 60-day period.

(h) Rejection of documentation or certification. The processing entity may reject documentation referred to in paragraph (f) of this section, or a certification provided under paragraphs (a)(2), (b)(2), (d), or (g)(1) of this section, only for such reasons as HUD and the PHA may prescribe in applicable administrative instructions.

(i) Information on SSNs and EINs.

(1) Information regarding SSNs and SSN cards may be obtained by contacting the local SSA Office or consulting the SSA regulations at 20 CFR chapter III (see, particularly, part 422).

(2) Information regarding EINs may be obtained by contacting the local office of the IRS or consulting the appropriate regulations for the IRS.

(j) Form and manner of certifications. The certifications referred to in paragraphs (a)(2), (b)(2), (d), and (g)(1) of this section must

be in the form and manner that HUD and the PHA prescribe in applicable administrative instructions. If an individual who is required to execute a certification is less than 18 years of age, the certification must be executed by his or her parent or guardian or, in accordance with administrative instructions, by the individual or another person.

5.218 Penalties for failing to disclose and verify Social Security and Employer Identification Numbers.

(a) Denial of eligibility: assistance applicants and individual owner applicants. The processing entity must deny the eligibility of an assistance applicant or individual owner applicant in accordance with the provisions governing the program involved, if the assistance or individual owner applicant does not meet the applicable SSN disclosure, documentation and verification, and certification requirements specified in § 5.216.

(b) Denial of eligibility: entity applicants. The processing entity must deny the eligibility of an entity applicant in accordance with the provisions governing the program involved; if:

(1) The entity applicant does not meet the applicable EIN disclosure and verification requirements specified in § 5.216; or

(2) Any of the officials of the entity applicant referred to in § 5.216(c) does not meet the applicable SSN disclosure, and documentation and verification requirements specified in § 5.216.

(c) Termination of assistance or tenancy: participants. The processing entity must terminate the assistance or tenancy, or both, of a participant, in accordance with the provisions governing the program involved, if the participant does not meet the applicable SSN disclosure, documentation and verification, and certification requirements specified in § 5.216.

(d) Cross reference. Individuals should consult the regulations and administrative instructions for the programs covered under this subpart B for further information on the use of SSNs and EINs in determinations regarding eligibility.

PROCEDURES FOR OBTAINING INCOME INFORMATION ABOUT APPLICANTS AND PARTICIPANTS

5.230 Consent by assistance applicants and participants.

(a) Required consent by assistance applicants and participants. Each member of the family of an assistance applicant or participant who is at least 18 years of age, and each family head and spouse regardless of age, shall sign one or more consent forms.

(b) Consent authorization.

(1) To whom and when. The assistance applicant shall submit the signed consent forms to the processing entity when eligibility under a covered program is being determined. A participant shall sign and submit consent forms at the next regularly scheduled income reexamination. Assistance applicants and participants shall be responsible for the signing and submitting of consent forms by each applicable family member.

(2) Subsequent consent forms--special cases. Participants are required to sign and submit consent forms at the next interim or regularly scheduled income reexamination under the following circumstances:

(i) When any person 18 years or older becomes a member of the family;

(ii) When a member of the family turns 18 years of age; and

(iii) As required by HUD or the PHA in administrative instructions.

(c) Consent form--contents. The consent form required by this section shall contain, at a minimum, the following:

(1) A provision authorizing HUD and PHAs to obtain from SWICAs any information or materials necessary to complete or verify the application for participation and to maintain continued assistance under a covered program; and

(2) A provision authorizing HUD, PHAs, or the owner responsible for determining eligibility for or the level of assistance to verify with previous or current employers income information pertinent to the assistance applicant's or participant's eligibility for or level of assistance under a covered program;

(3) A provision authorizing HUD to request income return information from the IRS and the SSA for the sole purpose of verifying income information pertinent to the assistance applicant's or participant's eligibility or level of benefits; and

(4) A statement that the authorization to release the information requested by the consent form expires 15 months after the date the consent form is signed.

5.232 Penalties for failing to sign consent forms.

(a) Denial or termination of benefits. In accordance with the provisions governing the program involved, if the assistance applicant or participant, or any member of the assistance applicant's or participant's family, does not sign and submit the consent form as required in § 5.230, then:

(1) The processing entity shall deny assistance to and admission of an assistance applicant;

(2) Assistance to, and the tenancy of, a participant may be terminated.

(b) Cross references. Individuals should consult the regulations and administrative instructions for the programs covered under this subpart B for further information on the use of income information in determinations regarding eligibility.

5.234 Requests for information from SWICAs and Federal agencies; restrictions on use.

(a) Information available from SWICAs and Federal agencies--to whom and what. Income information will generally be obtained through computer matching agreements between HUD and a SWICA or Federal agency, or between a PHA and a SWICA, as described in paragraph (c) of this section. Certification that the applicable assistance applicants and participants have signed appropriate consent forms and have received the necessary Privacy Act notice is required, as follows:

(1) When HUD requests the computer match, the processing entity shall certify to HUD; and

(2) When the PHA requests the computer match, the PHA shall certify to the SWICA.

(b) Restrictions on use of information. The restrictions of 42 U.S.C. 3544(c)(2)(A) apply to the use by HUD or a PHA of income information obtained from a SWICA. The restrictions of 42 U.S.C. 3544(c)(2)(A) and of 26 U.S.C. 6103(l)(7) apply to the use by HUD or a PHA of income information obtained from the IRS or SSA.

(c) Computer matching agreements. Computer matching agreements shall specify the purpose and the legal authority for the match, and shall include a description of the records to be matched, a statement regarding disposition of information generated through the match, a description of the administrative and technical safeguards to be used in protecting the information obtained through the match, a description of the use of records, the restrictions on duplication and redisclosure, a certification, and the amount that will be charged for processing a request.

(a) Termination, denial, suspension, or reduction of assistance. The provisions of 42 U.S.C. 3544(c)(2)(B) and (C) shall govern the termination, denial, suspension, or reduction of benefits for an assistance applicant or participant based on income information obtained from a SWICA or a Federal agency. Procedures necessary to comply with these provisions are provided in paragraph (b) of this section.

(b) Procedures for independent verification.

(1) Any determination or redetermination of family income verified in accordance with this paragraph must be carried out in accordance with the requirements and procedures applicable to the individual covered program. Independent verification of information obtained from a SWICA or a Federal agency may be:

(i) By HUD;

(ii) In the case of the public housing program, by a PHA; or

(iii) In the case of any Section 8 program, by a PHA acting as contract administrator under an ACC.

(2) Upon receiving income information from a SWICA or a Federal agency, HUD or, when applicable, the PHA shall compare the information with the information about a family's income that was:

(i) Provided by the assistance applicant or participant to the PHA; or

(ii) Obtained by the owner (or mortgagee, as applicable) from the assistance applicant or participant or from his or her employer.

(3) When the income information reveals an employer or other income source that was not disclosed by the assistance applicant or participant, or when the income information differs substantially from the information received from the assistance applicant or participant or from his or her employer:

(i) HUD or, as applicable or directed by HUD, the PHA shall request the undisclosed employer or other income source to furnish any information necessary to establish an assistance applicant's or participant's eligibility for or level of assistance in a covered program. This information shall be furnished in writing, as directed to:

(A) HUD, with respect to programs under parts 215, 221, 235, 236, or 290 of this title;

(B) The responsible entity (as defined in § 5.100) in the case of the public housing program or any Section 8 program.

(C) The owner or mortgagee, as applicable, with respect to the rent supplement, Section 221(d)(3) BMIR, Section 235 homeownership assistance, or Section 236 programs.

(ii) HUD or the PHA may verify the income information directly with an assistance applicant or participant. Such verification procedures shall not include any disclosure of income information prohibited under paragraph (b)(6) of this section.

(4) HUD and the PHA shall not be required to pursue these verification procedures when the sums of money at issue are too small to raise an inference of fraud or justify the expense of independent verification and the procedures related to termination, denial, suspension, or reduction of assistance.

(5) Based on the income information received from a SWICA or Federal agency, HUD or the PHA, as appropriate, may inform an owner (or mortgagee) that an assistance applicant's or participant's eligibility for or level of assistance is uncertain and needs to be verified. The owner (or mortgagee) shall then confirm the assistance applicant's or participant's income information by checking the accuracy of the information with the employer or other income source, or directly with the family.

(6) Nondisclosure of Income information. Neither HUD nor the PHA may disclose income information obtained from a SWICA directly to an owner (unless a PHA is the owner). Disclosure of income information obtained from the SSA or IRS is restricted under 26 U.S.C. § 6103(l)(7) and 42 U.S.C. 3544.

(c) Opportunity to contest. HUD, the PHA, or the owner (or mortgagee, as applicable) shall promptly notify any assistance applicant or participant in writing of any adverse findings made on the basis of the information verified in accordance with paragraph (b) of this section. The assistance applicant or participant may contest the findings in the same manner as applies to other information and findings relating to eligibility factors under the applicable program. Termination, denial, suspension, or reduction of assistance shall be carried out in accordance with requirements and procedures applicable to the individual covered program, and shall not occur until the expiration of any notice period provided by the statute or regulations governing the program.

5.238 Criminal and civil penalties.

Persons who violate the provisions of 42 U.S.C. 3544 or 26 U.S.C. 6103(l)(7) with respect to the use and disclosure of income information may be subject to civil or criminal penalties under 42 U.S.C. 3544(c)(3), 26 U.S.C. 7213(a), or 18 U.S.C. 1905.

5.240 Family disclosure of income information to the responsible entity and verification.

(a) This section applies to families that reside in dwelling units with assistance under the public housing program, the Section 8 tenant-based assistance programs, or for which project-based assistance is provided under the Section 8, Section 202, or Section 811 program.

(b) The family must promptly furnish to the responsible entity any letter or other notice by HUD to a member of the family that provides information concerning the amount or verification of family income.

(c) The responsible entity must verify the accuracy of the income information received from the family, and change the amount of the total tenant payment, tenant rent or Section 8 housing assistance payment, or terminate assistance, as appropriate, based on such information.

SUBPART D– DEFINITIONS FOR SECTION 8 AND PUBLIC HOUSING ASSISTANCE UNDER THE UNITED STATES HOUSING ACT OF 1937

5.400 Applicability.

This part applies to public housing and Section 8 programs.

5.403 Definitions.

Annual contributions contract (ACC) means the written contract between HUD and a PHA under which HUD agrees to provide funding for a program under the 1937 Act, and the PHA agrees to comply with HUD requirements for the program.

Applicant means a person or a family that has applied for housing assistance.

Disabled family means a family whose head, spouse, or sole member is a person with disabilities. It may include two or more persons with disabilities living together, or one or more persons with disabilities living with one or more live-in aides.

Displaced family means a family in which each member, or whose sole member, is a person displaced by governmental action, or a person whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized pursuant to Federal disaster relief laws.

Elderly family means a family whose head, spouse, or sole member is a person who is at least 62 years of age. It may include two or more persons who are at least 62 years of age living together, or one or more persons who are at least 62 years of age living with one or more live-in aides.

Family includes but is not limited to:

(1) A family with or without children (the temporary absence of a child from the home due to placement in foster care shall not be considered in determining family composition and family size);

(2) An elderly family;

(3) A near-elderly family;

(4) A disabled family;

(5) A displaced family;

(6) The remaining member of a tenant family; and

(7) A single person who is not an elderly or displaced person, or a person with disabilities, or the remaining member of a tenant family.

Live-in aide means a person who resides with one or more elderly persons, or near-elderly persons, or persons with disabilities, and who:

(1) Is determined to be essential to the care and well-being of the persons;

(2) Is not obligated for the support of the persons; and

(3) Would not be living in the unit except to provide the necessary supportive services.

Near-elderly family means a family whose head, spouse, or sole member is a person who is at least 50 years of age but below the age of 62; or two or more persons, who are at least 50 years of age but below the age of 62, living together; or one or more persons who are at least 50 years of age but below the age of 62 living with one or more live-in aides.

Person with disabilities:

(1) Means a person who:

(i) Has a disability, as defined in 42 U.S.C. 423;

(ii) Is determined, pursuant to HUD regulations, to have a physical, mental, or emotional impairment that:

(A) Is expected to be of long-continued and indefinite duration;

(B) Substantially impedes his or her ability to live independently, and

(C) Is of such a nature that the ability to live independently could be improved by more suitable housing conditions; or

(iii) Has a developmental disability as defined in 42 U.S.C. 6001.

(2) Does not exclude persons who have the disease of acquired immunodeficiency syndrome or any conditions arising from the etiologic agent for acquired immunodeficiency syndrome;

(3) For purposes of qualifying for low-income housing, does not include a person whose disability is based solely on any drug or alcohol dependence; and

(4) Means 'individual with handicaps', as defined in § 8.3 of this title, for purposes of reasonable accommodation and program accessibility for persons with disabilities.

SUBPART E– RESTRICTIONS ON ASSISTANCE TO NONCITIZENS

5.500 Applicability.

(a) Covered programs/assistance. This subpart E implements Section 214 of the Housing and Community Development Act of 1980, as amended (42 U.S.C. 1436a). Section 214 prohibits HUD from making financial assistance available to persons who are not in eligible status with respect to citizenship or noncitizen immigration status. This subpart E is applicable to financial assistance provided under:

(1) Section 235 of the National Housing Act (12 U.S.C. 1715z) (the Section 235 Program);

(2) Section 236 of the National Housing Act (12 U.S.C. 1715z-1) (tenants paying below market rent only) (the Section 236 Program);

(3) Section 101 of the Housing and Urban Development Act of 1965 (12 U.S.C. 1701s) (the Rent Supplement Program); and

(4) The United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) which covers:

(i) HUD's Public Housing Programs;

(ii) The Section 8 Housing Assistance Programs; and

(iii) The Housing Development Grant Programs (with respect to low income units only).

(b) Covered individuals and entities.

(1) Covered individuals/persons and families. The provisions of this subpart E apply to both applicants for assistance and persons already receiving assistance covered under this subpart E.

(2) Covered entities. The provisions of this subpart E apply to Public Housing Agencies (PHAs), project (or housing) owners, and mortgagees under the Section 235 Program. The term 'responsible entity' is used in this subpart E to refer collectively to these entities, and is further defined in § 5.504.

5.501 [Reserved]

5.502 Requirements concerning documents.

For any notice or document (decision, declaration, consent form, etc.) that this subpart E requires the responsible entity to provide to an individual, or requires the responsible entity to obtain the signature of an individual, the responsible entity, where feasible, must arrange for the notice or document to be provided to the individual in a language that is understood by the individual if the individual is not proficient in English. (See 24 CFR 8.6 of HUD's regulations for requirements concerning communications with persons with disabilities.)

5.504 Definitions.

(a) The definitions '1937 Act', 'HUD', 'Public Housing Agency (PHA)', and 'Section 8' are defined in subpart A of this part.

(b) As used in this subpart E:

Child means a member of the family other than the family head or spouse who is under 18 years of age.

Citizen means a citizen or national of the United States.

Evidence of citizenship or eligible status means the documents which must be submitted to evidence citizenship or eligible immigration status. (See § 5.508(b).)

Family has the same meaning as provided in the program regulations of the relevant Section 214 covered program.

Head of household means the adult member of the family who is the head of the household for purposes of determining income eligibility and rent.

Housing covered programs means the following programs administered by the Assistant Secretary for Housing:

(1) Section 235 of the National Housing Act (12 U.S.C. 1715z) (the Section 235 Program);

(2) Section 236 of the National Housing Act (12 U.S.C. 1715z-1) (tenants paying below market rent only) (the Section 236 Program); and

(3) Section 101 of the Housing and Urban Development Act of 1965 (12 U.S.C. 1701s) (the Rent Supplement Program).

INS means the U.S. Immigration and Naturalization Service.

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

National means a person who owes permanent allegiance to the United States, for example, as a result of birth in a United States territory or possession.

Noncitizen means a person who is neither a citizen nor national of the United States.

Project owner means the person or entity that owns the housing project containing the assisted dwelling unit.

Public Housing covered programs means the public housing programs administered by the Assistant Secretary for Public and Indian Housing under title I of the 1937 Act. This definition does not encompass HUD's Indian Housing programs administered under title II of the 1937 Act. Further, this term does not include those programs providing assistance under section 8 of the 1937 Act. (See definition of 'Section 8 Covered Programs' in this section.)

Responsible entity means the person or entity responsible for administering the restrictions on providing assistance to noncitizens with ineligible immigrations status. The entity responsible for administering the restrictions on providing assistance to noncitizens with ineligible immigration status under the various covered programs is as follows:

(1) For the Section 235 Program, the mortgagee.

(2) For Public Housing, the Section 8 Rental Certificate, the Section 8 Rental Voucher, and the Section 8 Moderate Rehabilitation programs, the PHA administering the program under an ACC with HUD.

(3) For all other Section 8 programs, the Section 236 Program, and the Rent Supplement Program, the owner.

Section 8 covered programs means all HUD programs which assist housing under Section 8 of the 1937 Act, including Section 8-assisted housing for which loans are made under section 202 of the Housing Act of 1959.

Section 214 means section 214 of the Housing and Community Development Act of 1980, as amended (42 U.S.C. 1436a).

Section 214 covered programs is the collective term for the HUD programs to which the restrictions imposed by Section 214 apply. These programs are set forth in 5.500.

Tenant means an individual or a family renting or occupying an assisted dwelling unit. For purposes of this subpart E, the term tenant will also be used to include a homebuyer, where appropriate.

5.506 General provisions.

(a) Restrictions on assistance. Financial assistance under a Section 214 covered program is restricted to:

(1) Citizens; or

(2) Noncitizens who have eligible immigration status under one of the categories set forth in Section 214 (see 42 U.S.C. 1436a(a)).

(b) Family eligibility for assistance.

(1) A family shall not be eligible for assistance unless every member of the family residing in the unit is determined to have eligible status, as described in paragraph (a) of this section, or unless the family meets the conditions set forth in paragraph (b)(2) of this section.

(2) Despite the ineligibility of one or more family members, a mixed family may be eligible for one of the three types of assistance provided in 5.516 and 5.518. A family without any eligible members and receiving assistance on June 19, 1995 may be eligible for temporary deferral of termination of assistance as provided in 5.516 and 5.518.

(c) Preferences. Citizens of the Republic of Marshall Islands, the Federated States of Micronesia, and the Republic of Palau who are eligible for assistance under paragraph (a)(2) of this section are entitled to receive local preferences for housing assistance, except that, within Guam, such citizens who have such local preference will not be entitled to housing assistance in preference to any United States citizen or national resident therein who is otherwise eligible for such assistance.

5.508 Submission of evidence of citizenship or eligible immigration status.

(a) General. Eligibility for assistance or continued assistance under a Section 214 covered program is contingent upon a family's submission to the responsible entity of the documents described in paragraph (b) of this section for each family member. If one or more family members do not have citizenship or eligible immigration status, the family members may exercise the election not to contend to have eligible immigration status as provided in paragraph (e) of this section, and the provisions of 5.516 and 5.518 shall apply.

(b) Evidence of citizenship or eligible immigration status. Each family member, regardless of age, must submit the following evidence to the responsible entity.

(1) For U.S. citizens or U.S. nationals, the evidence consists of a signed declaration of U.S. citizenship or U.S. nationality. The responsible entity may request verification of the declaration by requiring presentation of a United States passport or other appropriate documentation, as specified in HUD guidance.

(2) For noncitizens who are 62 years of age or older or who will be 62 years of age or older and receiving assistance under a Section 214 covered program on September 30, 1996 or applying for assistance on or after that date, the evidence consists of:

(i) A signed declaration of eligible immigration status; and

(ii) Proof of age document.

(3) For all other noncitizens, the evidence consists of:

(i) A signed declaration of eligible immigration status;

(ii) One of the INS documents referred to in § 5.510; and

(iii) A signed verification consent form.

(c) Declaration.

(1) For each family member who contends that he or she is a U.S. citizen or a noncitizen with eligible immigration status, the family must submit to the responsible entity a written declaration, signed under penalty of perjury, by which the family member declares whether he or she is a U.S. citizen or a noncitizen with eligible immigration status.

(i) For each adult, the declaration must be signed by the adult.

(ii) For each child, the declaration must be signed by an adult residing in the assisted dwelling unit who is responsible for the child.

(2) For Housing covered programs: The written declaration may be incorporated as part of the application for housing assistance or may constitute a separate document.

(d) Verification consent form.

(1) Who signs. Each noncitizen who declares eligible immigration status (except certain noncitizens who are 62 years of age or older as described in paragraph (b)(2) of this section) must sign a verification consent form as follows.

(i) For each adult, the form must be signed by the adult.

(ii) For each child, the form must be signed by an adult residing in the assisted dwelling unit who is responsible for the child.

(2) Notice of release of evidence by responsible entity. The verification consent form shall provide that evidence of eligible immigration status may be released by the responsible entity without responsibility for the further use or transmission of the evidence by the entity receiving it, to:

(i) HUD, as required by HUD; and

(ii) The INS for purposes of verification of the immigration status of the individual.

(3) Notice of release of evidence by HUD. The verification consent form also shall notify the individual of the possible release of evidence of eligible immigration status by HUD. Evidence of eligible immigration status shall only be released to the INS for purposes of establishing eligibility for financial assistance and not for any other purpose. HUD is not responsible for the further use or transmission of the evidence or other information by the INS.

(e) Individuals who do not contend that they have eligible status. If one or more members of a family elect not to contend that they have eligible immigration status, and other members of the family establish their citizenship or eligible immigration status, the family may be eligible for assistance under 5.516 and 5.518, or 5.520, despite the fact that no declaration or documentation of eligible status is submitted for one or more members of the family. The family, however, must identify in writing to the responsible entity, the family member (or members) who will elect not to contend that he or she has eligible immigration status.

(f) Notification of requirements of Section 214.

(1) When notice is to be issued. Notification of the requirement to submit evidence of citizenship or eligible immigration status, as required by this section, or to elect not to contend that one has eligible status as provided by paragraph (e) of this section, shall be given by the responsible entity as follows:

(i) Applicant's notice. The notification described in paragraph (f)(1) of this section shall be given to each applicant at the time of application for assistance. Applicants whose applications are pending on June 19, 1995, shall be notified of the requirement to submit evidence of eligible status as soon as possible after June 19, 1995.

(ii) Notice to tenants. The notification described in paragraph (f)(1) of this section shall be given to each tenant at the time of, and together with, the responsible entity's notice of regular reexamination of income, but not later than one year following June 19, 1995.

(iii) Timing of mortgagor's notice. A mortgagor receiving Section 235 assistance must be provided the notification described

in paragraph (f)(1) of this section and any additional requirements imposed under the Section 235 Program.

(2) Form and content of notice. The notice shall:

(i) State that financial assistance is contingent upon the submission and verification, as appropriate, of evidence of citizenship or eligible immigration status as required by paragraph (a) of this section;

(ii) Describe the type of evidence that must be submitted, and state the time period in which that evidence must be submitted (see paragraph (g) of this section concerning when evidence must be submitted); and

(iii) State that assistance will be prorated, denied or terminated, as appropriate, upon a final determination of ineligibility after all appeals have been exhausted (see 5.514 concerning INS appeal, and informal hearing process) or, if appeals are not pursued, at a time to be specified in accordance with HUD requirements. Tenants also shall be informed of how to obtain assistance under the preservation of families provisions of §5.516 and 5.518.

(g) When evidence of eligible status is required to be submitted. The responsible entity shall require evidence of eligible status to be submitted at the times specified in paragraph (g) of this section, subject to any extension granted in accordance with paragraph (h) of this section.

(1) Applicants. For applicants, responsible entities must ensure that evidence of eligible status is submitted not later than the date the responsible entity anticipates or has knowledge that verification of other aspects of eligibility for assistance will occur (see 5.512(a)).

(2) Tenants. For tenants, evidence of eligible status is required to be submitted as follows:

(i) For financial assistance under a Section 214 covered program, with the exception of Section 235 assistance payments, the required evidence shall be submitted at the first regular reexamination after June 19, 1995, in accordance with program requirements.

(ii) For financial assistance in the form of Section 235 assistance payments, the mortgagor shall submit the required evidence in accordance with requirements imposed under the Section 235 Program.

(3) New occupants of assisted units. For any new occupant of an assisted unit (e.g., a new family member comes to reside in the assisted unit), the required evidence shall be submitted at the first interim or regular reexamination following the person's occupancy.

(4) Changing participation in a HUD program. Whenever a family applies for admission to a Section 214 covered program, evidence of eligible status is required to be submitted in accordance with the requirements of this subpart unless the family already has submitted the evidence to the responsible entity for a Section 214 covered program.

(5) One-time evidence requirement for continuous occupancy. For each family member, the family is required to submit evidence of eligible status only one time during continuously assisted occupancy under any Section 214 covered program.

(h) Extensions of time to submit evidence of eligible status.

(1) When extension must be granted. The responsible entity shall extend the time, provided in paragraph (g) of this section, to submit evidence of eligible immigration status if the family member:

(i) Submits the declaration required under § 5.508(a) certifying that any person for whom required evidence has not been submitted is a noncitizen with eligible immigration status; and

(ii) Certifies that the evidence needed to support a claim of eligible immigration status is temporarily unavailable, additional time is needed to obtain and submit the evidence, and prompt and diligent efforts will be undertaken to obtain the evidence.

(2) Thirty-day extension period. Any extension of time, if granted, shall not exceed thirty (30) days. The additional time provided should be sufficient to allow the individual the time to obtain the evidence needed. The responsible entity's determination of the length of the extension needed shall be based on the circumstances of the individual case.

(3) Grant or denial of extension to be in writing. The responsible entity's decision to grant or deny an extension as provided in paragraph (h)(1) of this section shall be issued to the family by written notice. If the extension is granted, the notice shall specify the extension period granted (which shall not exceed thirty (30) days). If the extension is denied, the notice shall explain the reasons for denial of the extension.

5.510 Documents of eligible immigration status.

(a) General. A responsible entity shall request and review original documents of eligible immigration status. The responsible entity shall retain photocopies of the documents for its own records and return the original documents to the family.

(b) Acceptable evidence of eligible immigration status. Acceptable evidence of eligible immigration status shall be the original of a document designated by INS as acceptable evidence of immigration status in one of the six categories mentioned in 5.506(a) for the specific immigration status claimed by the individual.

5.512 Verification of eligible immigration status.

(a) General. Except as described in paragraph (b) of this section and § 5.514, no individual or family applying for assistance may receive such assistance prior to the verification of the eligibility of at least the individual or one family member. Verification of eligibility consistent with 5.514 occurs when the individual or family members have submitted documentation to the responsible entity in accordance with 5.508.

(b) PHA election to provide assistance before verification. A PHA that is a responsible entity under this subpart may elect to provide assistance to a family before the verification of the eligibility of the individual or one family member.

(c) Primary verification.

(1) Automated verification system. Primary verification of the immigration status of the person is conducted by the responsible entity through the INS automated system (INS Systematic Alien Verification for Entitlements (SAVE)). The INS SAVE system provides access to names, file numbers and admission numbers of noncitizens.

(2) Failure of primary verification to confirm eligible immigration status. If the INS SAVE system does not verify eligible immigration status, secondary verification must be performed.

(d) Secondary verification.

(1) Manual search of INS records. Secondary verification is a manual search by the INS of its records to determine an individual's immigration status. The responsible entity must request secondary verification, within 10 days of receiving the results of the primary verification, if the primary verification system does not confirm eligible immigration status, or if the primary verification system verifies immigration status that is ineligible for assistance under a Section 214 covered program.

(2) Secondary verification initiated by responsible entity. Secondary verification is initiated by the responsible entity forwarding photocopies of the original INS documents required for the immigration status declared (front and back), attached to the INS document verification request form G-845S (Document Verification Request), or such other form specified by the INS to a designated INS office for review. (Form G-845S is available from the local INS Office.)

(3) Failure of secondary verification to confirm eligible immigration status. If the secondary verification does not confirm

eligible immigration status, the responsible entity shall issue to the family the notice described in 5.514(d), which includes notification of the right to appeal to the INS of the INS finding on immigration status (see 5.514(d)(4)).

(e) Exemption from liability for INS verification. The responsible entity shall not be liable for any action, delay, or failure of the INS in conducting the automated or manual verification.

5.514 Delay, denial, reduction or termination of assistance.

(a) General. Assistance to a family may not be delayed, denied, reduced or terminated because of the immigration status of a family member except as provided in this section.

(b) Restrictions on delay, denial, reduction or termination of assistance.

(1) Restrictions on reduction, denial or termination of assistance for applicants and tenants. Assistance to an applicant or tenant shall not be delayed, denied, reduced, or terminated, on the basis of ineligible immigration status of a family member if:

(i) The primary and secondary verification of any immigration documents that were timely submitted has not been completed;

(ii) The family member for whom required evidence has not been submitted has moved from the assisted dwelling unit;

(iii) The family member who is determined not to be in an eligible immigration status following INS verification has moved from the assisted dwelling unit;

(iv) The INS appeals process under 5.514(e) has not been concluded;

(v) Assistance is prorated in accordance with 5.520; or

(vi) Assistance for a mixed family is continued in accordance with 5.516 and 5.518; or

(vii) Deferral of termination of assistance is granted in accordance with §5.516 and 5.518.

(2) Restrictions on delay, denial, reduction or termination of assistance pending fair hearing for tenants. In addition to the factors listed in paragraph (b)(1) of this section, assistance to a tenant cannot be delayed, denied, reduced or terminated until the completion of the informal hearing described in paragraph (f) of this section.

(c) Events causing denial or termination of assistance.

(1) General. Assistance to an applicant shall be denied, and a tenant's assistance shall be terminated, in accordance with the procedures of this section, upon the occurrence of any of the following events:

(i) Evidence of citizenship (i.e., the declaration) and eligible immigration status is not submitted by the date specified in 5.508(g) or by the expiration of any extension granted in accordance with 5.508(h);

(ii) Evidence of citizenship and eligible immigration status is timely submitted, but INS primary and secondary verification does not verify eligible immigration status of a family member; and

(A) The family does not pursue INS appeal or informal hearing rights as provided in this section; or

(B) INS appeal and informal hearing rights are pursued, but the final appeal or hearing decisions are decided against the family member; or

(iii) The responsible entity determines that a family member has knowingly permitted another individual who is not eligible for assistance to reside (on a permanent basis) in the public or assisted housing unit of the family member. Such termination shall be for a period of not less than 24 months. This provision does not apply to a family if the ineligibility of the ineligible individual was considered in calculating any proration of assistance provided for the family.

(2) Termination of assisted occupancy. For termination of assisted occupancy, see paragraph (i) of this section.

(d) Notice of denial or termination of assistance. The notice of denial or termination of assistance shall advise the family:

(1) That financial assistance will be denied or terminated, and provide a brief explanation of the reasons for the proposed denial or termination of assistance;

(2) That the family may be eligible for proration of assistance as provided under 5.520;

(3) In the case of a tenant, the criteria and procedures for obtaining relief under the provisions for preservation of families in 5.514 and 5.518;

(4) That the family has a right to request an appeal to the INS of the results of secondary verification of immigration status and to submit additional documentation or a written explanation in support of the appeal in accordance with the procedures of paragraph (e) of this section;

(5) That the family has a right to request an informal hearing with the responsible entity either upon completion of the INS appeal or in lieu of the INS appeal as provided in paragraph (f) of this section;

(6) For applicants, the notice shall advise that assistance may not be delayed until the conclusion of the INS appeal process, but assistance may be delayed during the pendency of the informal hearing process.

(e) Appeal to the INS.

(1) Submission of request for appeal. Upon receipt of notification by the responsible entity that INS secondary verification failed to confirm eligible immigration status, the responsible entity shall notify the family of the results of the INS verification, and the family shall have 30 days from the date of the responsible entity's notification, to request an appeal of the INS results. The request for appeal shall be made by the family communicating that request in writing directly to the INS. The family must provide the responsible entity with a copy of the written request for appeal and proof of mailing.

(2) Documentation to be submitted as part of appeal to INS. The family shall forward to the designated INS office any additional documentation or written explanation in support of the appeal. This material must include a copy of the INS document verification request form G-845S (used to process the secondary verification request) or such other form specified by the INS, and a cover letter indicating that the family is requesting an appeal of the INS immigration status verification results.

(3) Decision by INS.

(i) When decision will be issued. The INS will issue to the family, with a copy to the responsible entity, a decision within 30 days of its receipt of documentation concerning the family's appeal of the verification of immigration status. If, for any reason, the INS is unable to issue a decision within the 30 day time period, the INS will inform the family and responsible entity of the reasons for the delay.

(ii) Notification of INS decision and of informal hearing procedures. When the responsible entity receives a copy of the INS decision, the responsible entity shall notify the family of its right to request an informal hearing on the responsible entity's ineligibility determination in accordance with the procedures of paragraph (f) of this section.

(4) No delay, denial, reduction, or termination of assistance until completion of INS appeal process; direct appeal to INS. Pending the completion of the INS appeal under this section, assistance may not be delayed, denied, reduced or terminated on the basis of immigration status.

(f) Informal hearing.

(1) When request for hearing is to be made. After notification of the INS decision on appeal, or in lieu of request of appeal to the INS, the family may request that the responsible entity provide a hearing. This request must be made either within 30 days of receipt

of the notice described in paragraph (d) of this section, or within 30 days of receipt of the INS appeal decision issued in accordance with paragraph (e) of this section.

(2) Informal hearing procedures.

(i) Tenants assisted under a Section 8 covered program: For tenants assisted under a Section 8 covered program, the procedures for the hearing before the responsible entity are set forth in:

(A) For Section 8 Moderate Rehabilitation assistance: 24 CFR part 882;

(B) For Section 8 tenant-based assistance: 24 CFR part 982; or

(C) For Section 8 project-based certificate program: 24 CFR part 983.

(ii) Tenants assisted under any other Section 8 covered program or a Public Housing covered program: For tenants assisted under a Section 8 covered program not listed in paragraph (f)(3)(i) of this section or a Public Housing covered program, the procedures for the hearing before the responsible entity are set forth in 24 CFR part 966.

(iii) Families under Housing covered programs and applicants for assistance under all covered programs. For all families under Housing covered programs (applicants as well as tenants already receiving assistance) and for applicants for assistance under all covered programs, the procedures for the informal hearing before the responsible entity are as follows:

(A) Hearing before an impartial individual. The family shall be provided a hearing before any person(s) designated by the responsible entity (including an officer or employee of the responsible entity), other than a person who made or approved the decision under review, and other than a person who is a subordinate of the person who made or approved the decision;

(B) Examination of evidence. The family shall be provided the opportunity to examine and copy at the individual's expense, at a reasonable time in advance of the hearing, any documents in the possession of the responsible entity pertaining to the family's eligibility status, or in the possession of the INS (as permitted by INS requirements), including any records and regulations that may be relevant to the hearing;

(C) Presentation of evidence and arguments in support of eligible status. The family shall be provided the opportunity to present evidence and arguments in support of eligible status. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings;

(D) Controverting evidence of the responsible entity. The family shall be provided the opportunity to controvert evidence relied upon by the responsible entity and to confront and cross-examine all witnesses on whose testimony or information the responsible entity relies;

(E) Representation. The family shall be entitled to be represented by an attorney, or other designee, at the family's expense, and to have such person make statements on the family's behalf;

(F) Interpretive services. The family shall be entitled to arrange for an interpreter to attend the hearing, at the expense of the family, or responsible entity, as may be agreed upon by the two parties to the proceeding; and

(G) Hearing to be recorded. The family shall be entitled to have the hearing recorded by audiotape (a transcript of the hearing may, but is not required to, be provided by the responsible entity).

(3) Hearing decision. The responsible entity shall provide the family with a written final decision, based solely on the facts presented at the hearing, within 14 days of the date of the informal hearing. The decision shall state the basis for the decision.

(g) Judicial relief. A decision against a family member, issued in accordance with paragraphs (e) or (f) of this section, does not preclude the family from exercising the right, that may otherwise be available, to seek redress directly through judicial procedures.

(h) Retention of documents. The responsible entity shall retain for a minimum of 5 years the following documents that may have been submitted to the responsible entity by the family, or provided to the responsible entity as part of the INS appeal or the informal hearing process:

(1) The application for financial assistance;

(2) The form completed by the family for income reexamination;

(3) Photocopies of any original documents (front and back), including original INS documents;

(4) The signed verification consent form;

(5) The INS verification results;

(6) The request for an INS appeal;

(7) The final INS determination;

(8) The request for an informal hearing; and

(9) The final informal hearing decision.

(i) Termination of assisted occupancy.

(1) Under Housing covered programs, and in the Section 8 covered programs other than the Section 8 Rental Certificate, Rental Voucher, and Moderate Rehabilitation programs, assisted occupancy is terminated by:

(i) If permitted under the lease, the responsible entity notifying the tenant that because of the termination of assisted occupancy the tenant is required to pay the HUD-approved market rent for the dwelling unit.

(ii) The responsible entity and tenant entering into a new lease without financial assistance.

(iii) The responsible entity evicting the tenant. While the tenant continues in occupancy of the unit, the responsible entity may continue to receive assistance payments if action to terminate the tenancy under an assisted lease is promptly initiated and diligently pursued, in accordance with the terms of the lease, and if eviction of the tenant is undertaken by judicial action pursuant to State and local law. Action by the responsible entity to terminate the tenancy and to evict the tenant must be in accordance with applicable HUD regulations and other HUD requirements. For any jurisdiction, HUD may prescribe a maximum period during which assistance payments may be continued during eviction proceedings and may prescribe other standards of reasonable diligence for the prosecution of eviction proceedings.

(2) In the Section 8 Rental Certificate, Rental Voucher, and Moderate Rehabilitation programs, assisted occupancy is terminated by terminating assistance payments. (See provisions of this section concerning termination of assistance.) The PHA shall not make any additional assistance payments to the owner after the required procedures specified in this section have been completed. In addition, the PPHA shall not approve a lease, enter into an assistance contract, or process a portability move for the family after those procedures have been completed.

5.516 Availability of preservation assistance to mixed families and other families.

(a) Assistance available for tenant mixed families.

(1) General. Preservation assistance is available to tenant mixed families, following completion of the appeals and informal hearing procedures provided in 5.514. There are three types of preservation assistance:

(i) Continued assistance (see paragraph (a) of 5.518);

(ii) Temporary deferral of termination of assistance (see paragraph (b) of 5.518); or

(iii) Prorated assistance (see 5.520, a mixed family must be provided prorated assistance if the family so requests).

(2) Availability of assistance.

(i) For Housing covered programs: One of the three types of assistance described is available to tenant mixed families assisted under a National Housing Act or 1965 HUD Act covered program, depending upon the family's eligibility for such assistance.

Continued assistance must be provided to a mixed family that meets the conditions for eligibility for continued assistance.

(ii) For Section 8 or Public Housing covered programs. One of the three types of assistance described may be available to tenant mixed families assisted under a Section 8 or Public Housing covered program.

(b) Assistance available for applicant mixed families. Prorated assistance is also available for mixed families applying for assistance as provided in 5.520.

(c) Assistance available to other families in occupancy. Temporary deferral of termination of assistance may be available to families receiving assistance under a Section 214 covered program on June 19, 1995, and who have no members with eligible immigration status, as set forth in paragraphs (c)(1) and (2) of this section.

(1) For Housing covered programs: Temporary deferral of termination of assistance is available to families assisted under a Housing covered program.

(2) For Section 8 or Public Housing covered programs: The responsible entity may make temporary deferral of termination of assistance to families assisted under a Section 8 or Public Housing covered program.

(d) Section 8 covered programs: Discretion afforded to provide certain family preservation assistance.

(1) Project owners. With respect to assistance under a Section 8 Act covered program administered by a project owner, HUD has the discretion to determine under what circumstances families are to be provided one of the two statutory forms of assistance for preservation of the family (continued assistance or temporary deferral of assistance). HUD is exercising its discretion by specifying the standards in this section under which a project owner must provide one of these two types of assistance to a family. However, project owners and PHAs must offer prorated assistance to eligible mixed families.

(2) PHAs. The PHA, rather than HUD, has the discretion to determine the circumstances under which a family will be offered one of the two statutory forms of assistance (continued assistance or temporary deferral of termination of assistance). The PHA must establish its own policy and criteria to follow in making its decision. In establishing the criteria for granting continued assistance or temporary deferral of termination of assistance, the PHA must incorporate the statutory criteria, which are set forth in paragraphs (a) and (b) of 5.518. However, the PHA must offer prorated assistance to eligible families.

5.518 Types of preservation assistance available to mixed families and other families.

(a) Continued assistance.

(1) General. A mixed family may receive continued housing assistance if all of the following conditions are met (a mixed family assisted under a Housing covered program must be provided continued assistance if the family meets the following conditions):

(i) The family was receiving assistance under a Section 214 covered program on June 19, 1995;

(ii) The family's head of household or spouse has eligible immigration status as described in § 5.506; and

(iii) The family does not include any person (who does not have eligible immigration status) other than the head of household, any spouse of the head of household, any parents of the head of household, any parents of the spouse, or any children of the head of household or spouse.

(2) Proration of continued assistance. A family entitled to continued assistance before November 29, 1996 is entitled to continued assistance as described in paragraph (a) of this section. A family entitled to continued assistance after November 29, 1996 shall receive prorated assistance as described in 5.520.

(b) Temporary deferral of termination of assistance.

(2) Housing covered programs: Conditions for granting temporary deferral of termination of assistance. The responsible entity shall grant a temporary deferral of termination of assistance to a mixed family if the family is assisted under a Housing covered program and one of the following conditions is met: (1) Eligibility for this type of assistance. If a mixed family qualifies for prorated assistance (and does not qualify for continued assistance), but decides not to accept prorated assistance, or if a family has no members with eligible immigration status, the family may be eligible for temporary deferral of termination of assistance if necessary to permit the family additional time for the orderly transition of those family members with ineligible status, and any other family members involved, to other affordable housing. Other affordable housing is used in the context of transition of an ineligible family from a rent level that reflects HUD assistance to a rent level that is unassisted; the term refers to housing that is not substandard, that is of appropriate size for the family and that can be rented for an amount not exceeding the amount that the family pays for rent, including utilities, plus 25 percent.

(i) The family demonstrates that reasonable efforts to find other affordable housing of appropriate size have been unsuccessful (for purposes of this section, reasonable efforts include seeking information from, and pursuing leads obtained from the State housing agency, the city government, local newspapers, rental agencies and the owner);

(ii) The vacancy rate for affordable housing of appropriate size is below five percent in the housing market for the area in which the project is located; or

(iii) The consolidated plan, as described in 24 CFR part 91 and if applicable to the covered program, indicates that the local jurisdiction's housing market lacks sufficient affordable housing opportunities for households having a size and income similar to the family seeking the deferral.

(3) Time limit on deferral period. If temporary deferral of termination of assistance is granted, the deferral period shall be for an initial period not to exceed six months. The initial period may be renewed for additional periods of six months, but the aggregate deferral period for deferrals provided after November 29, 1996 shall not exceed a period of eighteen months. The aggregate deferral period for deferrals granted prior to November 29, 1996 shall not exceed 3 years. These time periods do not apply to a family which includes a refugee under section 207 of the Immigration and Nationality Act or an individual seeking asylum under section 208 of that Act.

(4) Notification requirements for beginning of each deferral period. At the beginning of each deferral period, the responsible entity must inform the family of its ineligibility for financial assistance and offer the family information concerning, and referrals to assist in finding, other affordable housing.

(5) Determination of availability of affordable housing at end of each deferral period.

(i) Before the end of each deferral period, the responsible entity must satisfy the applicable requirements of either paragraph (b)(5)(i)(A) or (B) of this section. Specifically, the responsible entity must:

(A) For Housing covered programs: Make a determination that one of the two conditions specified in paragraph (b)(2) of this section continues to be met (note: affordable housing will be determined to be available if the vacancy rate is five percent or greater), the owner's knowledge and the tenant's evidence indicate that other affordable housing is available; or

(B) For Section 8 or Public Housing covered programs: Make a determination of the availability of affordable housing of appropriate size based on evidence of conditions which when taken together will demonstrate an inadequate supply of affordable housing for the area in which the project is located, the

consolidated plan (if applicable, as described in 24 CFR part 91), the responsible entity's own knowledge of the availability of affordable housing, and on evidence of the tenant family's efforts to locate such housing.

(ii) The responsible entity must also:

(A) Notify the tenant family in writing, at least 60 days in advance of the expiration of the deferral period, that termination will be deferred again (provided that the granting of another deferral will not result in aggregate deferral periods that exceeds the maximum deferral period). This time period does not apply to a family which includes a refugee under section 207 of the Immigration and Nationality Act or an individual seeking asylum under section 208 of that Act, and a determination was made that other affordable housing is not available; or

(B) Notify the tenant family in writing, at least 60 days in advance of the expiration of the deferral period, that termination of financial assistance will not be deferred because either granting another deferral will result in aggregate deferral periods that exceed the maximum deferral period (unless the family includes a refugee under section 207 of the Immigration and Nationality Act or an individual seeking asylum under section 208 of that Act), or a determination has been made that other affordable housing is available.

(c) Option to select proration of assistance at end of deferral period. A family who is eligible for, and receives temporary deferral of termination of assistance, may request, and the responsible entity shall provide proration of assistance at the end of the deferral period if the family has made a good faith effort during the deferral period to locate other affordable housing.

(d) Notification of decision on family preservation assistance. A responsible entity shall notify the family of its decision concerning the family's qualification for family preservation assistance. If the family is ineligible for family preservation assistance, the notification shall state the reasons, which must be based on relevant factors. For tenant families, the notice also shall inform the family of any applicable appeal rights.

5.520 Proration of assistance.

(a) Applicability. This section applies to a mixed family other than a family receiving continued assistance, or other than a family who is eligible for and requests and receives temporary deferral of termination of assistance. An eligible mixed family who requests prorated assistance must be provided prorated assistance.

(b) Method of prorating assistance for Housing covered programs.

(1) Proration under Rent Supplement Program. If the household participates in the Rent Supplement Program, the rent supplement paid on the household's behalf shall be the rent supplement the household would otherwise be entitled to, multiplied by a fraction, the denominator of which is the number of people in the household and the numerator of which is the number of eligible persons in the household;

(2) Proration under Section 235 Program. If the household participates in the Section 235 Program, the interest reduction payments paid on the household's behalf shall be the payments the household would otherwise be entitled to, multiplied by a fraction the denominator of which is the number of people in the household and the numerator of which is the number of eligible persons in the household;

(3) Proration under Section 236 Program without the benefit of additional assistance. If the household participates in the Section 236 Program without the benefit of any additional assistance, the household's rent shall be increased above the rent the household would otherwise pay by an amount equal to the difference between the market rate rent for the unit and the rent the household would otherwise pay multiplied by a fraction the denominator of which is the number of people in the household and the numerator of which is the number of ineligible persons in the household;

(4) Proration under Section 236 Program with the benefit of additional assistance. If the household participates in the Section 236 Program with the benefit of additional assistance under the rent supplement, rental assistance payment or Section 8 programs, the household's rent shall be increased above the rent the household would otherwise pay by:

(i) An amount equal to the difference between the market rate rent for the unit and the basic rent for the unit multiplied by a fraction, the denominator of which is the number of people in the household, and the numerator of which is the number of ineligible persons in the household, plus;

(ii) An amount equal to the rent supplement, housing assistance payment or rental assistance payment the household would otherwise be entitled to multiplied by a fraction, the denominator of which is the number of people in the household and the numerator of which is the number of ineligible persons in the household.

(c) Method of prorating assistance for Section 8 covered programs.

(1) Section 8 assistance other than assistance provided for a tenancy under the Section 8 Rental Voucher Program or for an over-FMR tenancy in the Section 8 Rental Certificate Program. For Section 8 assistance other than assistance for a tenancy under the voucher program or an over-FMR tenancy under the certificate program, the PHA must prorate the family's assistance as follows:

(i) Step 1. Determine gross rent for the unit. (Gross rent is contract rent plus any allowance for tenant paid utilities).

(ii) Step 2. Determine total tenant payment in accordance with section 5.613(a). (Annual income includes income of all family members, including any family member who has not established eligible immigration status.)

(iii) Step 3. Subtract amount determined in paragraph (c)(1)(ii), (Step 2), from amount determined in paragraph (c)(1)(i), (Step 1).

(iv) Step 4. Multiply the amount determined in paragraph (c)(1)(iii), (Step 3) by a fraction for which:

(A) The numerator is the number of family members who have established eligible immigration status; and

(B) The denominator is the total number of family members.

(v) Prorated housing assistance. The amount determined in paragraph (c)(1)(iv), (Step 4) is the prorated housing assistance payment for a mixed family.

(vi) No effect on contract rent. Proration of the housing assistance payment does not affect contract rent to the owner. The family must pay as rent the portion of contract rent not covered by the prorated housing assistance payment.

(2) Assistance for a Section 8 voucher tenancy or over-FMR tenancy. For a tenancy under the voucher program or for an over-FMR tenancy under the certificate program, the PHA must prorate the family's assistance as follows:

(i) Step 1. Determine the amount of the pre-proration housing assistance payment. (Annual income includes income of all family members, including any family member who has not established eligible immigration status.)

(ii) Step 2. Multiply the amount determined in paragraph (c)(2)(i), (Step 1) by a fraction for which:

(A) The numerator is the number of family members who have established eligible immigration status; and

(B) The denominator is the total number of family members.

(iii) Prorated housing assistance. The amount determined in paragraph (c)(2)(ii), (Step 2) is the prorated housing assistance payment for a mixed family.

(iv) No effect on rent to owner. Proration of the housing assistance payment does not affect rent to owner. The family must

pay the portion of rent to owner not covered by the prorated housing assistance payment.

(d) Method of prorating assistance for Public Housing covered programs. The PHA shall prorate the family's assistance by:

(1) Step 1. Determining total tenant payment in accordance with 24 CFR 913.107(a). (Annual income includes income of all family members, including any family member who has not established eligible immigration status.)

(2) Step 2. Subtracting the total tenant payment from a HUD-supplied 'public housing maximum rent' applicable to the unit or the PHA. (This 'maximum rent' shall be determined by HUD using the 95th percentile rent for the PHA.) The result is the maximum subsidy for which the family could qualify if all members were eligible ('family maximum subsidy').

(3) Step 3. Dividing the family maximum subsidy by the number of persons in the family (all persons) to determine the maximum subsidy per each family member who has citizenship or eligible immigration status ('eligible family member'). The subsidy per eligible family member is the 'member maximum subsidy'.

(4) Step 4. Multiplying the member maximum subsidy by the number of family members who have citizenship or eligible immigration status ('eligible family members').

(5) Step 5. The product of steps 1 through 4, as set forth in paragraph (d)(2) of this section is the amount of subsidy for which the family is eligible ('eligible subsidy'). The family's rent is the 'public housing maximum rent' minus the amount of the eligible subsidy.

5.522 Prohibition of assistance to noncitizen students.

(a) General. The provisions of 5.516 and 5.518 permitting continued assistance or temporary deferral of termination of assistance for certain families do not apply to any person who is determined to be a noncitizen student as in paragraph (c)(2)(A) of Section 214 (42 U.S.C. 1436a(c)(2)(A)). The family of a noncitizen student may be eligible for prorated assistance, as provided in paragraph (b)(2) of this section.

(b) Family of noncitizen students.

(1) The prohibition on providing assistance to a noncitizen student as described in paragraph (a) of this section extends to the noncitizen spouse of the noncitizen student and minor children accompanying the student or following to join the student.

(2) The prohibition on providing assistance to a noncitizen student does not extend to the citizen spouse of the noncitizen student and the children of the citizen spouse and noncitizen student.

5.524 Compliance with nondiscrimination requirements.

The responsible entity shall administer the restrictions on use of assisted housing by noncitizens with ineligible immigration status imposed by this part in conformity with all applicable nondiscrimination and equal opportunity requirements, including, but not limited to, title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000d-5) and the implementing regulations in 24 CFR part 1, section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and the implementing regulations in 24 CFR part 8, the Fair Housing Act (42 U.S.C. 3601-3619) and the implementing regulations in 24 CFR part 100.

5.526 Protection From liability for responsible entities and State and local government agencies and officials.

(a) Protection from liability for responsible entities. Responsible entities are protected from liability as set forth in Section 214(e) (42 U.S.C 1436a(e)).

(b) Protection from liability for State and local government agencies and officials. State and local government agencies and officials shall not be liable for the design or implementation of the verification system described in 5.512, as long as the implementation by the State and local government agency or official is in accordance with prescribed HUD rules and requirements.

5.528 Liability of ineligible tenants for reimbursement of benefits.

Where a tenant has received the benefit of HUD financial assistance to which the tenant was not entitled because the tenant intentionally misrepresented eligible status, the ineligible tenant is responsible for reimbursing HUD for the assistance improperly paid. If the amount of the assistance is substantial, the responsible entity is encouraged to refer the case to the HUD Inspector General's office for further investigation. Possible criminal prosecution may follow based on the False Statements Act (18 U.S.C. 1001 and 1010).

SUBPART F-- SECTION 8 AND PUBLIC HOUSING, AND OTHER HUD ASSISTED HOUSING SERVING PERSONS WITH DISABILITIES: FAMILY INCOME AND FAMILY PAYMENT; OCCUPANCY REQUIREMENTS FOR SECTION 8 PROJECT-BASED ASSISTANCE

5.601 Purpose and applicability.

This subpart states HUD requirements on the following subjects:

(a) Determining annual and adjusted income of families who apply for or receive assistance in the Section 8 (tenant-based and project-based) and public housing programs;

(b) Determining payments by and utility reimbursements to families assisted in these programs;

(c) Additional occupancy requirements that apply to the Section 8 project-based assistance programs. These additional requirements concern:

(1) Income-eligibility and income-targeting when a Section 8 owner admits families to a Section 8 project or unit;

(2) Owner selection preferences; and

(3) Owner reexamination of family income and composition;

(d) Determining adjusted income, as provided in § 5.611(a) and (b), for families who apply for or receive assistance under the following programs: HOME Investment Partnerships Program (24 CFR part 92); Rent Supplement Payments Program (24 CFR part 200, subpart W); Rental Assistance Payments Program (24 CFR part 236, subpart D); Housing Opportunities for Persons with AIDS (24 CFR part 574); Shelter Plus Care Program (24 CFR part 582); Supportive Housing Program (McKinney Act Homeless Assistance) (24 CFR part 583); Section 202 Supportive Housing Program for the Elderly (24 CFR 891, subpart B); Section 202 Direct Loans for Housing for the Elderly and Persons with Disabilities (24 CFR part 891, subpart E) and the Section 811 Supportive Housing for Persons with Disabilities (24 CFR part 891, subpart C). Unless specified in the regulations for each of the programs listed in paragraph (d) of this section or in another regulatory section of this part 5, subpart F, the regulations in part 5, subpart F, generally are not applicable to these programs; and

(e) Determining earned income disregard for persons with disabilities, as provided in § 5.617, for the following programs: HOME Investment Partnerships Program (24 CFR part 92); Housing Opportunities for Persons with AIDS (24 CFR part 574); Supportive Housing Program (McKinney Act Homeless Assistance) (24 CFR part 583); and the Housing Choice Voucher Program (24 CFR part 982).

5.603 Definitions.

As used in this subpart:

(a) Terms found elsewhere in part 5.

(1) Subpart A. The terms 1937 Act, elderly person, public housing, public housing agency (PHA), responsible entity and Section 8 are defined in 5.100.

(2) Subpart D. The terms 'disabled family', 'elderly family', 'family', 'live-in aide', and 'person with disabilities' are defined in 5.403.

(b) The following terms shall have the meanings set forth below:

Adjusted income. See 5.611.

Annual income. See 5.609.

Child care expenses. Amounts anticipated to be paid by the family for the care of children under 13 years of age during the period for which annual income is computed, but only where such care is necessary to enable a family member to actively seek employment, be gainfully employed, or to further his or her education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for child care. In the case of child care necessary to permit employment, the amount deducted shall not exceed the amount of employment income that is included in annual income.

Dependent. A member of the family (except foster children and foster adults) other than the family head or spouse, who is under 18 years of age, or is a person with a disability, or is a full-time student.

Disability assistance expenses. Reasonable expenses that are anticipated, during the period for which annual income is computed, for attendant care and auxiliary apparatus for a disabled family member and that are necessary to enable a family member (including the disabled member) to be employed, provided that the expenses are neither paid to a member of the family nor reimbursed by an outside source.

Economic self-sufficiency program. Any program designed to encourage, assist, train, or facilitate the economic independence of HUD-assisted families or to provide work for such families. These programs include programs for job training, employment counseling, work placement, basic skills training, education, English proficiency, workfare, financial or household management, apprenticeship, and any program necessary to ready a participant for work (including a substance abuse or mental health treatment program), or other work activities.

Extremely low income family. A family whose annual income does not exceed 30 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than 30 percent of the median income for the area if HUD finds that such variations are necessary because of unusually high or low family incomes.

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

Imputed welfare income. See 5.615.

Low income family. A family whose annual income does not exceed 80 percent of the median income for the area, as determined by HUD with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than 80 percent of the median income for the area on the basis of HUD's findings that such variations are necessary because of unusually high or low family incomes.

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

Monthly adjusted income. One twelfth of adjusted income.

Monthly income. One twelfth of annual income.

Net family assets.

(1)Net cash value after deducting reasonable costs that would be incurred in disposing of real property, savings, stocks, bonds, and other forms of capital investment, excluding interests in Indian trust land and excluding equity accounts in HUD homeownership programs. The value of necessary items of personal property such as furniture and automobiles shall be excluded.

(2) In cases where a trust fund has been established and the trust is not revocable by, or under the control of, any member of the family or household, the value of the trust fund will not be considered an asset so long as the fund continues to be held in trust. Any income distributed from the trust fund shall be counted when determining annual income under 5.609.

(3) In determining net family assets, PHAs or owners, as applicable, shall include the value of any business or family assets disposed of by an applicant or tenant for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application for the program or reexamination, as applicable, in excess of the consideration received therefor. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or tenant receives important consideration not measurable in dollar terms.

(4) For purposes of determining annual income under § 5.609, the term 'net family assets' does not include the value of a home currently being purchased with assistance under part 982, subpart M of this title. This exclusion is limited to the first 10 years after the purchase date of the home.

Owner has the meaning provided in the relevant program regulations. As used in this subpart, where appropriate, the term 'owner' shall also include a 'borrower' as defined in part 891 of this title.

Responsible entity. For 5.611, in addition to the definition of 'responsible entity' in 5.100, and for § 5.617, in addition to only that part of the definition of 'responsible entity' in § 5.100 which addresses the Section 8 program covered by § 5.617 (public housing is not covered by § 5.617), 'responsible entity' means:

(1) For the HOME Investment Partnerships Program, the participating jurisdiction, as defined in 24 CFR 92.2;

(2) For the Rent Supplement Payments Program, the owner of the multifamily project;

(3) For the Rental Assistance Payments Program, the owner of the Section 236 project;

(4) For the Housing Opportunities for Persons with AIDS (HOPWA) program, the applicable 'State' or 'unit of general local government' or 'nonprofit organization' as these terms are defined in 24 CFR 574.3, that administers the HOPWA Program;

(5) For the Shelter Plus Care Program, the 'Recipient' as defined in 24 CFR 582.5;

(6) For the Supportive Housing Program, the 'recipient' as defined in 24 CFR 583.5;

(7) For the Section 202 Supportive Housing Program for the Elderly, the 'Owner' as defined in 24 CFR 891.205;

(8) For the Section 202 Direct Loans for Housing for the Elderly and Persons with Disabilities), the 'Borrower' as defined in 24 CFR 891.505; and

(9) For the Section 811 Supportive Housing Program for Persons with Disabilities, the 'owner' as defined in 24 CFR 891.305.

Tenant rent. The amount payable monthly by the family as rent to the unit owner (Section 8 owner or PHA in public housing). (This term is not used in the Section 8 voucher program.)

Total tenant payment. See 5.613.

Utility allowance. If the cost of utilities (except telephone) and other housing services for an assisted unit is not included in the tenant rent but is the responsibility of the family occupying the unit, an amount equal to the estimate made or approved by a PHA or HUD of the monthly cost of a reasonable consumption of such utilities and other services for the unit by an energy-conservative household of modest circumstances consistent with the requirements of a safe, sanitary, and healthful living environment.

Utility reimbursement. The amount, if any, by which the utility allowance for a unit, if applicable, exceeds the total tenant payment for the family occupying the unit. (This definition is not used in the Section 8 voucher program, or for a public housing family that is paying a flat rent.)

Very low income family. A family whose annual income does not exceed 50 percent of the median family income for the area, as determined by HUD with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than 50 percent of the median income for the area if HUD finds that such variations are necessary because of unusually high or low family incomes.

Welfare assistance. Welfare or other payments to families or individuals, based on need, that are made under programs funded, separately or jointly, by Federal, State or local governments (including assistance provided under the Temporary Assistance for Needy Families (TANF) program, as that term is defined under the implementing regulations issued by the Department of Health and Human Services at 45 CFR 260.31).

Work activities. See definition at section 407(d) of the Social Security Act (42 U.S.C. 607(d)).

FAMILY INCOME

5.609 Annual income.

(a) Annual income means all amounts, monetary or not, which:

(1) Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member; or

(2) Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and

(3) Which are not specifically excluded in paragraph (c) of this section.

(4) Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.

(b) Annual income includes, but is not limited to:

(1) The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;

(2) The net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family;

(3) Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only as authorized in paragraph (b)(2) of this section. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of $5,000, annual income shall include the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD;

(4) The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount (except as provided in paragraph (c)(14) of this section);

(5) Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (except as provided in paragraph (c)(3) of this section);

(6) Welfare assistance payments.

(i) Welfare assistance payments made under the Temporary Assistance for Needy Families (TANF) program are included in annual income only to the extent such payments:

(A) Qualify as assistance under the TANF program definition at 45 CFR 260.31; and

(B) Are not otherwise excluded under paragraph (c) of this section.

(ii) If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of:

(A) The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus

(B) The maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph shall be the amount resulting from one application of the percentage.

(7) Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling;

(8) All regular pay, special pay and allowances of a member of the Armed Forces (except as provided in paragraph (c)(7) of this section).

(c) Annual income does not include the following:

(1) Income from employment of children (including foster children) under the age of 18 years;

(2) Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone);

(3) Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses (except as provided in paragraph (b)(5) of this section);

(4) Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;

(5) Income of a live-in aide, as defined in § 5.403;

(6) The full amount of student financial assistance paid directly to the student or to the educational institution;

(7) The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;

(8)(i) Amounts received under training programs funded by HUD;

(ii) Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);

(iii) Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program;

(iv) Amounts received under a resident service stipend. A resident service stipend is a modest amount (not to exceed $200 per month) received by a resident for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, resident

initiatives coordination, and serving as a member of the PHA's governing board. No resident may receive more than one such stipend during the same period of time;

(v) Incremental earnings and benefits resulting to any family member from participation in qualifying State or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for the period during which the family member participates in the employment training program;

(9) Temporary, nonrecurring or sporadic income (including gifts);

(10) Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era;

(11) Earnings in excess of $480 for each full-time student 18 years old or older (excluding the head of household and spouse);

(12) Adoption assistance payments in excess of $480 per adopted child;

(13) [Reserved]

(14) Deferred periodic amounts from supplemental security income and social security benefits that are received in a lump sum amount or in prospective monthly amounts.

(15) Amounts received by the family in the form of refunds or rebates under State or local law for property taxes paid on the dwelling unit;

(16) Amounts paid by a State agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home; or

(17) Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR 5.609(c) apply. A notice will be published in the Federal Register and distributed to PHAs and housing owners identifying the benefits that qualify for this exclusion. Updates will be published and distributed when necessary.

(d) Annualization of income. If it is not feasible to anticipate a level of income over a 12-month period (e.g., seasonal or cyclic income), or the PHA believes that past income is the best available indicator of expected future income, the PHA may annualize the income anticipated for a shorter period, subject to a redetermination at the end of the shorter period.

5.611 Adjusted income.

Adjusted income means annual income (as determined by the responsible entity, defined in 5.100 and 5.603) of the members of the family residing or intending to reside in the dwelling unit, after making the following deductions:

(a) Mandatory deductions. In determining adjusted income, the responsible entity must deduct the following amounts from annual income:

(1) $480 for each dependent;

(2) $400 for any elderly family or disabled family;

(3) The sum of the following, to the extent the sum exceeds three percent of annual income:

(i) Unreimbursed medical expenses of any elderly family or disabled family; and

(ii) Unreimbursed reasonable attendant care and auxiliary apparatus expenses for each member of the family who is a person with disabilities, to the extent necessary to enable any member of the family (including the member who is a person with disabilities) to be employed. This deduction may not exceed the earned income received by family members who are 18 years of age or older and who are able to work because of such attendant care or auxiliary apparatus; and

(4) Any reasonable child care expenses necessary to enable a member of the family to be employed or to further his or her education.

(b) Additional deductions.

(1) For public housing, a PHA may adopt additional deductions from annual income. The PHA must establish a written policy for such deductions.

(2) For the HUD programs listed in 5.601(d), the responsible entity shall calculate such other deductions as required and permitted by the applicable program regulations.

5.613 Public housing program and Section 8 tenant-based assistance program: PHA cooperation with welfare agency.

(a) This section applies to the public housing program and the Section 8 tenant-based assistance program.

(b) The PHA must make best efforts to enter into cooperation agreements with welfare agencies under which such agencies agree:

(1) To target public assistance, benefits and services to families receiving assistance in the public housing program and the Section 8 tenant-based assistance program to achieve self-sufficiency;

(2) To provide written verification to the PHA concerning welfare benefits for families applying for or receiving assistance in these housing assistance programs.

5.615 Public housing program and Section 8 tenant-based assistance program: How welfare benefit reduction affects family income.

(a) Applicability. This section applies to covered families who reside in public housing (part 960 of this title) or receive Section 8 tenant-based assistance (part 982 of this title).

(b) Definitions. The following definitions apply for purposes of this section:

Covered families. Families who receive welfare assistance or other public assistance benefits ('welfare benefits') from a State or other public agency ('welfare agency') under a program for which Federal, State, or local law requires that a member of the family must participate in an economic self-sufficiency program as a condition for such assistance.

Economic self-sufficiency program. See definition at § 5.603.

Imputed welfare income. The amount of annual income not actually received by a family, as a result of a specified welfare benefit reduction, that is nonetheless included in the family's annual income for purposes of determining rent.

Specified welfare benefit reduction.

(1) A reduction of welfare benefits by the welfare agency, in whole or in part, for a family member, as determined by the welfare agency, because of fraud by a family member in connection with the welfare program; or because of welfare agency sanction against a family member for noncompliance with a welfare agency requirement to participate in an economic self-sufficiency program.

(2) 'Specified welfare benefit reduction' does not include a reduction or termination of welfare benefits by the welfare agency:

(i) at expiration of a lifetime or other time limit on the payment of welfare benefits;

(ii) because a family member is not able to obtain employment, even though the family member has complied with welfare agency economic self-sufficiency or work activities requirements; or

(iii) because a family member has not complied with other welfare agency requirements.

(c) Imputed welfare income.

(1) A family's annual income includes the amount of imputed welfare income (because of a specified welfare benefits reduction,

as specified in notice to the PHA by the welfare agency), plus the total amount of other annual income as determined in accordance with 5.609.

(2) At the request of the PHA, the welfare agency will inform the PHA in writing of the amount and term of any specified welfare benefit reduction for a family member, and the reason for such reduction, and will also inform the PHA of any subsequent changes in the term or amount of such specified welfare benefit reduction. The PHA will use this information to determine the amount of imputed welfare income for a family.

(3) A family's annual income includes imputed welfare income in family annual income, as determined at the PHA's interim or regular reexamination of family income and composition, during the term of the welfare benefits reduction (as specified in information provided to the PHA by the welfare agency).

(4) The amount of the imputed welfare income is offset by the amount of additional income a family receives that commences after the time the sanction was imposed. When such additional income from other sources is at least equal to the imputed welfare income, the imputed welfare income is reduced to zero.

(5) The PHA may not include imputed welfare income in annual income if the family was not an assisted resident at the time of sanction.

(d) Review of PHA decision.

(1) Public housing. If a public housing tenant claims that the PHA has not correctly calculated the amount of imputed welfare income in accordance with HUD requirements, and if the PHA denies the family's request to modify such amount, the PHA shall give the tenant written notice of such denial, with a brief explanation of the basis for the PHA determination of the amount of imputed welfare income. The PHA notice shall also state that if the tenant does not agree with the PHA determination, the tenant may request a grievance hearing in accordance with part 966, subpart B of this title to review the PHA determination. The tenant is not required to pay an escrow deposit pursuant to 966.55(e) for the portion of tenant rent attributable to the imputed welfare income in order to obtain a grievance hearing on the PHA determination.

(2) Section 8 participant. A participant in the Section 8 tenant-based assistance program may request an informal hearing, in accordance with 982.555 of this title, to review the PHA determination of the amount of imputed welfare income that must be included in the family's annual income in accordance with this section. If the family claims that such amount is not correctly calculated in accordance with HUD requirements, and if the PHA denies the family's request to modify such amount, the PHA shall give the family written notice of such denial, with a brief explanation of the basis for the PHA determination of the amount of imputed welfare income. Such notice shall also state that if the family does not agree with the PHA determination, the family may request an informal hearing on the determination under the PHA hearing procedure.

(e) PHA relation with welfare agency.

(1) The PHA must ask welfare agencies to inform the PHA of any specified welfare benefits reduction for a family member, the reason for such reduction, the term of any such reduction, and any subsequent welfare agency determination affecting the amount or term of a specified welfare benefits reduction. If the welfare agency determines a specified welfare benefits reduction for a family member, and gives the PHA written notice of such reduction, the family's annual incomes shall include the imputed welfare income because of the specified welfare benefits reduction.

(2) The PHA is responsible for determining the amount of imputed welfare income that is included in the family's annual income as a result of a specified welfare benefits reduction as determined by the welfare agency, and specified in the notice by the welfare agency to the PHA. However, the PHA is not responsible for determining whether a reduction of welfare benefits by the welfare agency was correctly determined by the welfare agency in accordance with welfare program requirements and procedures, nor for providing the opportunity for review or hearing on such welfare agency determinations.

(3) Such welfare agency determinations are the responsibility of the welfare agency, and the family may seek appeal of such determinations through the welfare agency's normal due process procedures. The PHA shall be entitled to rely on the welfare agency notice to the PHA of the welfare agency's determination of a specified welfare benefits reduction.

5.617 Self-sufficiency incentives for persons with disabilities--Disallowance of increase in annual income.

(a) Applicable programs. The disallowance of increase in annual income provided by this section is applicable only to the following programs: HOME Investment Partnerships Program (24 CFR part 92); Housing Opportunities for Persons with AIDS (24 CFR part 574); Supportive Housing Program (24 CFR part 583); and the Housing Choice Voucher Program (24 CFR part 982).

(b) Definitions. The following definitions apply for purposes of this section.

Disallowance. Exclusion from annual income.

Previously unemployed includes a person with disabilities who has earned, in the twelve months previous to employment, no more than would be received for 10 hours of work per week for 50 weeks at the established minimum wage.

Qualified family. A family residing in housing assisted under one of the programs listed in paragraph (a) of this section or receiving tenant-based rental assistance under one of the programs listed in paragraph (a) of this section.

(c) Disallowance of increase in annual income.--

(1) Initial twelve month exclusion. During the cumulative twelve month period beginning on the date a member who is a person with disabilities of a qualified family is first employed or the family first experiences an increase in annual income attributable to employment, the responsible entity must exclude from annual income (as defined in the regulations governing the applicable program listed in paragraph (a) of this section) of a qualified family any increase in income of the family member who is a person with disabilities as a result of employment over prior income of that family member.

(2) Second twelve month exclusion and phase-in. During the second cumulative twelve month period after the date a member who is a person with disabilities of a qualified family is first employed or the family first experiences an increase in annual income attributable to employment, the responsible entity must exclude from annual income of a qualified family fifty percent of any increase in income of such family member as a result of employment over income of that family member prior to the beginning of such employment.

(3) Maximum four year disallowance. The disallowance of increased income of an individual family member who is a person with disabilities as provided in paragraph (c)(1) or (c)(2) is limited to a lifetime 48 month period. The disallowance only applies for a maximum of twelve months for disallowance under paragraph (c)(1) and a maximum of twelve months for disallowance under paragraph (c)(2), during the 48 month period starting from the initial exclusion under paragraph (c)(1) of this section.

(d) Inapplicability to admission. The disallowance of increases in income as a result of employment of persons with disabilities under this section does not apply for purposes of admission to the program (including the determination of income eligibility or any income targeting that may be applicable).

FAMILY PAYMENT

5.628 Total tenant payment.

(a) Determining total tenant payment (TTP). Total tenant payment is the highest of the following amounts, rounded to the nearest dollar:

(1) 30 percent of the family's monthly adjusted income;

(2) 10 percent of the family's monthly income;

(3) If the family is receiving payments for welfare assistance from a public agency and a part of those payments, adjusted in accordance with the family's actual housing costs, is specifically designated by such agency to meet the family's housing costs, the portion of those payments which is so designated; or

(4) The minimum rent, as determined in accordance with § 5.630.

(b) Determining TTP if family's welfare assistance is ratably reduced. If the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under paragraph (a)(3) of this section is the amount resulting from one application of the percentage.

5.630 Minimum rent.

(a) Minimum rent.

(1) The PHA must charge a family no less than a minimum monthly rent established by the responsible entity, except as described in paragraph (b) of this section.

(2) For the public housing program and the section 8 moderate rehabilitation, and certificate or voucher programs, the PHA may establish a minimum rent of up to $50.

(3) For other section 8 programs, the minimum rent is $25.

(b) Financial hardship exemption from minimum rent.

(1) When is family exempt from minimum rent? The responsible entity must grant an exemption from payment of minimum rent if the family is unable to pay the minimum rent because of financial hardship, as described in the responsible entity's written policies. Financial hardship includes these situations:

(i) When the family has lost eligibility for or is awaiting an eligibility determination for a Federal, State, or local assistance program, including a family that includes a member who is a noncitizen lawfully admitted for permanent residence under the Immigration and Nationality Act who would be entitled to public benefits but for title IV of the Personal Responsibility and Work Opportunity Act of 1996;

(ii) When the family would be evicted because it is unable to pay the minimum rent;

(iii) When the income of the family has decreased because of changed circumstances, including loss of employment;

(iv) When a death has occurred in the family; and

(v) Other circumstances determined by the responsible entity or HUD.

(2) What happens if family requests a hardship exemption?

(i) Public housing.

(A) If a family requests a financial hardship exemption, the PHA must suspend the minimum rent requirement beginning the month following the family's request for a hardship exemption, and continuing until the PHA determines whether there is a qualifying financial hardship and whether it is temporary or long term.

(B) The PHA must promptly determine whether a qualifying hardship exists and whether it is temporary or long term.

(C) The PHA may not evict the family for nonpayment of minimum rent during the 90-day period beginning the month following the family's request for a hardship exemption.

(D) If the PHA determines that a qualifying financial hardship is temporary, the PHA must reinstate the minimum rent from the beginning of the suspension of the minimum rent. The PHA must offer the family a reasonable repayment agreement, on terms and conditions established by the PHA, for the amount of back minimum rent owed by the family.

(ii) All section 8 programs.

(A) If a family requests a financial hardship exemption, the responsible entity must suspend the minimum rent requirement beginning the month following the family's request for a hardship exemption until the responsible entity determines whether there is a qualifying financial hardship, and whether such hardship is temporary or long term.

(B) The responsible entity must promptly determine whether a qualifying hardship exists and whether it is temporary or long term.

(C) If the responsible entity determines that a qualifying financial hardship is temporary, the PHA must not impose the minimum rent during the 90-day period beginning the month following the date of the family's request for a hardship exemption. At the end of the 90-day suspension period, the responsible entity must reinstate the minimum rent from the beginning of the suspension. The family must be offered a reasonable repayment agreement, on terms and conditions established by the responsible entity, for the amount of back rent owed by the family.

(iii) All programs.

(A) If the responsible entity determines there is no qualifying financial hardship exemption, the responsible entity must reinstate the minimum rent, including back rent owed from the beginning of the suspension. The family must pay the back rent on terms and conditions established by the responsible entity.

(B) If the responsible entity determines a qualifying financial hardship is long term, the responsible entity must exempt the family from the minimum rent requirements so long as such hardship continues. Such exemption shall apply from the beginning of the month following the family's request for a hardship exemption until the end of the qualifying financial hardship.

(C) The financial hardship exemption only applies to payment of the minimum rent (as determined pursuant to 5.628(a)(4) and 5.630), and not to the other elements used to calculate the total tenant payment (as determined pursuant to 5.628(a)(1), (a)(2) and (a)(3)).

(3) Public housing: Grievance hearing concerning PHA denial of request for hardship exemption. If a public housing family requests a hearing under the PHA grievance procedure, to review the PHA's determination denying or limiting the family's claim to a financial hardship exemption, the family is not required to pay any escrow deposit in order to obtain a grievance hearing on such issues.

5.632 Utility reimbursements.

(a) Applicability. This section is applicable to:

(1) The Section 8 programs other than the Section 8 voucher program (for distribution of a voucher housing assistance payment that exceeds rent to owner, see 982.514(b) of this title);

(2) A public housing family paying an income-based rent (see 960.253 of this title). (Utility reimbursement is not paid for a public housing family that is paying a flat rent.)

(b) Payment of utility reimbursement.

(1) The responsible entity pays a utility reimbursement if the utility allowance (for tenant-paid utilities) exceeds the amount of the total tenant payment.

(2) In the public housing program (where the family is paying an income-based rent), the Section 8 moderate rehabilitation program and the Section 8 certificate or voucher program, the PHA may pay the utility reimbursement either to the family or directly to the utility supplier to pay the utility bill on behalf of the family. If the PHA elects to pay the utility supplier, the PHA must notify the family of the amount paid to the utility supplier.

(3) In the other Section 8 programs, the owner must pay the utility reimbursement either:

(i) To the family, or

(ii) With consent of the family, to the utility supplier to pay the utility bill on behalf of the family.

5.634 Tenant rent.

(a) Section 8 programs. For Section 8 programs other than the Section 8 voucher program, tenant rent is total tenant payment minus any utility allowance.

(b) Public housing. See 960.253 of this title for the determination of tenant rent.

SUBPART K-- RENT AND HOUSING ASSISTANCE PAYMENT

982.501 Overview.

(a) This subpart describes program requirements concerning the housing assistance payment and rent to owner. These requirements apply to the Section 8 tenant-based program.

(b) There are two types of tenancies in the Section 8 tenant-based program:

(1) A tenancy under the voucher program.

(2) A tenancy under the certificate program (commenced before merger of the certificate and voucher programs on the merger date).

(c) Unless specifically stated, requirements of this part are the same for all tenancies. Sections 982.503, 982.504, and 982.505 only apply to a voucher tenancy. Sections 982.518, 982.519, and 982.520 only apply to a tenancy under the certificate program.

982.502 Conversion to voucher program.

(a) New HAP contracts. On and after the merger date, the PHA may only enter into a HAP contract for a tenancy under the voucher program, and may not enter into a new HAP contract for a tenancy under the certificate program.

(b) Over-FMR tenancy. If the PHA had entered into any HAP contract for an over-FMR tenancy under the certificate program prior to the merger date, on and after the merger date such tenancy shall be considered and treated as a tenancy under the voucher program, and shall be subject to the voucher program requirements under this part, including calculation of the voucher housing assistance payment in accordance with 982.505. However, 982.505(b)(2) shall not be applicable for calculation of the housing assistance payment prior to the effective date of the second regular reexamination of family income and compostion on or after the merger date.

(c) Voucher tenancy. If the PHA had entered into any HAP contract for a voucher tenancy prior to the merger date, on and after the merger date such tenancy shall continue to be considered and treated as a tenancy under the voucher program, and shall be subject to the voucher program requirements under this part, including calculation of the voucher housing assistance payment in accordance with 982.505. However, before the effective date of the second regular reexamination of family income and composition on or after the merger date, the payment standard for the family shall be the higher of:

(1) The initial payment standard for the family at the beginning of the HAP contract term; or

(2) The payment standard for the family as calculated in accordance with 982.505, except that 982.505(b)(2) shall not be applicable until the effective date of the second regular reexamination of family income and composition on or after the merger date.

(d) Regular certificate tenancy. The PHA must terminate program assistance under any outstanding HAP contract for a regular tenancy under the certificate program (entered prior to the merger date) at the effective date of the second regular reexamination of family income and composition on or after the merger date. Upon such termination of assistance, the HAP contract for such tenancy terminates automatically. The PHA must give at least 120 days written notice of such termination to the family and the owner, and the PHA must offer the family the opportunity for continued tenant-based assistance under the voucher program. The PHA may deny the family the opportunity for continued assistance in accordance with 982.552 and 982.553.

982.503 Voucher tenancy: Payment standard amount and schedule.

(a) Payment standard schedule.

(1) HUD publishes the fair market rents for each market area in the United States (see part 888 of this title). The PHA must adopt a payment standard schedule that establishes voucher payment standard amounts for each FMR area in the PHA jurisdiction. For each FMR area, the PHA must establish payment standard amounts for each 'unit size.' Unit size is measured by number of bedrooms (zero-bedroom, one-bedroom, and so on).

(2) The payment standard amounts on the PHA schedule are used to calculate the monthly housing assistance payment for a family (§ 982.505).

(3) The PHA voucher payment standard schedule shall establish a single payment standard amount for each unit size. For each unit size, the PHA may establish a single payment standard amount for the whole FMR area, or may establish a separate payment standard amount for each designated part of the FMR area.

(b) Establishing payment standard amounts.

(1)(i) The PHA may establish the payment standard amount for a unit size at any level between 90 percent and 110 percent of the published FMR for that unit size. HUD approval is not required to establish a payment standard amount in that range ('basic range').

(ii) The PHA may establish a separate payment standard amount within the basic range for a designated part of an FMR area.

(2) The PHA must request HUD approval to establish a payment standard amount that is higher or lower than the basic range. HUD has sole discretion to grant or deny approval of a higher or lower payment standard amount. Paragraphs (c) and (e) of this section describe the requirements for approval of a higher payment standard amount ('exception payment standard amount').

(c) HUD approval of exception payment standard amount.

(1) HUD discretion. At HUD's sole discretion, HUD may approve a payment standard amount that is higher than the basic range for a designated part of the fair market rent area (called an 'exception area'). HUD may approve an exception payment standard amount in accordance with this paragraph (c) of this section for all units, or for all units of a given unit size, leased by program families in the exception area. Any PHA with jurisdiction in the exception area may use the HUD-approved exception payment standard amount.

(2) Above 110 percent of FMR to 120 percent of published FMR.

(i) The HUD Field Office may approve an exception payment standard amount from above 110 percent of the published FMR to 120 percent of the published FMR (upper range) if the HUD Field Office determines that approval is justified by either the median rent method or the 40th or 50th percentile rent method as described in paragraph (c)(2)(i)(B) of this section (and that such approval is also supported by an appropriate program justification in accordance with paragraph (c)(4) of this section).

(A) Median rent method. In the median rent method, HUD determines the exception payment standard amount by multiplying the FMR times a fraction of which the numerator is the median gross rent of the exception area and the denominator is the median gross rent of the entire FMR area. In this method, HUD uses median gross rent data from the most recent decennial United States census, and the exception area may be any geographic entity within the FMR area (or any combination of such entities) for

which median gross rent data is provided in decennial census products.

(B) 40th or 50th percentile rent method. In this method, HUD determines that the area exception payment standard amount equals either the 40th or 50th percentile of rents for standard quality rental housing in the exception area. HUD determines whether the 40th or 50th percentile rent applies in accordance with the methodology described in 888.113 of this title for determining FMRs. A PHA must present statistically representative rental housing survey data to justify HUD approval.

(ii) The HUD Field Office may approve an exception payment standard amount within the upper range if required as a reasonable accommodation for a family that includes a person with disabilities.

(3) Above 120 percent of published FMR.

(i) At the request of a PHA, the Assistant Secretary for Public and Indian Housing may approve an exception payment standard amount for the total area of a county, PHA jurisdiction, or place if the Assistant Secretary determines that:

(A) Such approval is necessary to prevent financial hardship for families;

(B) Such approval is supported by statistically representative rental housing survey data to justify HUD approval in accordance with the methodology described in § 888.113 of this title; and

(C) Such approval is also supported by an appropriate program justification in accordance with paragraph (c)(4) of this section.

(ii) For purposes of paragraph (c)(3) of this section, the term 'place' is an incorporated place or a U.S. Census designated place. An incorporated place is established by State law and includes cities, boroughs, towns, and villages. A U.S. Census designated place is the statistical counterpart of an incorporated place.

(4) Program justification.

(i) HUD will only approve an exception payment standard amount (pursuant to paragraph (c)(2) or paragraph (c)(3) of this section) if HUD determines that approval of such higher amount is needed either:

(A) To help families find housing outside areas of high poverty, or

(B) Because voucher holders have trouble finding housing for lease under the program within the term of the voucher.

(ii) HUD will only approve an exception payment standard amount (pursuant to paragraph (c)(3) of this section) after six months from the date of HUD approval of an exception payment standard pursuant to paragraph (c)(2) of this section for the area.

(5) Population. The total population of HUD-approved exception areas in an FMR area may not include more than 50 percent of the population of the FMR area.

(6) Withdrawal or modification. At any time, HUD may withdraw or modify approval to use an exception payment standard amount.

(7) Transition: Area exception rents approved prior to merger date. Subject to paragraph (c)(6) of this section, the PHA may establish an exception payment standard amount up to the amount of a HUD-approved area exception rent in effect at the merger date.

(d) HUD approval of payment standard amount below the basic range. HUD may consider a PHA request for approval to establish a payment standard amount that is lower than the basic range. At HUD's sole discretion, HUD may approve PHA establishment of a payment standard lower than the basic range. In determining whether to approve the PHA request, HUD will consider appropriate factors, including rent burden of families assisted under the program. HUD will not approve a lower payment standard if the family share for more than 40 percent of participants in the PHA's voucher program exceeds 30 percent of adjusted monthly income. Such determination may be based on the most recent examinations of family income.

(e) HUD approval of success rate payment standard amounts. In order to increase the number of voucher holders who become participants, HUD may approve requests from PHAs whose FMRs are computed at the 40th percentile rent to establish higher, success rate payment standard amounts. A success rate payment standard amount is defined as any amount between 90 percent and 110 percent of the 50th percentile rent, calculated in accordance with the methodology described in 888.113 of this title.

(1) A PHA may obtain HUD Field Office approval of success rate payment standard amounts provided the PHA demonstrates to HUD that it meets the following criteria:

(i) Fewer than 75 percent of the families to whom the PHA issued rental vouchers during the most recent 6 month period for which there is success rate data available have become participants in the voucher program;

(ii) The PHA has established payment standard amounts for all unit sizes in the entire PHA jurisdiction within the FMR area at 110 percent of the published FMR for at least the 6 month period referenced in paragraph (e)(1)(i) of this section and up to the time the request is made to HUD; and

(iii) The PHA has a policy of granting automatic extensions of voucher terms to at least 90 days to provide a family who has made sustained efforts to locate suitable housing with additional search time.

(2) In determining whether to approve the PHA request to establish success rate payment standard amounts, HUD will consider whether the PHA has a SEMAP overall performance rating of 'troubled'. If a PHA does not yet have a SEMAP rating, HUD will consider the PHA's SEMAP certification.

(3) HUD approval of success rate payment standard amounts shall be for all unit sizes in the FMR area. A PHA may opt to establish a success rate payment standard amount for one or more unit sizes in all or a designated part of the PHA jurisdiction within the FMR area.

(f) Payment standard protection for PHAs that meet deconcentration objectives. Paragraph (f) of this section applies only to a PHA with jurisdiction in an FMR area where the FMR had previously been set at the 50th percentile rent to provide a broad range of housing opportunities throughout a metropolitan area, pursuant to 888.113(c), but is now set at the 40th percentile rent.

(1) Such a PHA may obtain HUD Field Office approval of a payment standard amount based on the 50th percentile rent if the PHA scored the maximum number of points on the deconcentration bonus indicator in 985.3(h) in the prior year, or in two of the last three years.

(2) HUD approval of payment standard amounts based on the 50th percentile rent shall be for all unit sizes in the FMR area that had previously been set at the 50th percentile rent pursuant to § 888.113(c). A PHA may opt to establish a payment standard amount based on the 50th percentile rent for one or more unit sizes in all or a designated part of the PHA jurisdiction within the FMR area.

(g) HUD review of PHA payment standard schedules.

(1) HUD will monitor rent burdens of families assisted in a PHA's voucher program. HUD will review the PHA's payment standard for a particular unit size if HUD finds that 40 percent or more of such families occupying units of that unit size currently pay more than 30 percent of adjusted monthly income as the family share. Such determination may be based on the most recent examinations of family income.

(2) After such review, HUD may, at its discretion, require the PHA to modify payment standard amounts for any unit size on the PHA payment standard schedule. HUD may require the PHA to

establish an increased payment standard amount within the basic range.

982.504 Voucher tenancy: Payment standard for family in restructured subsidized multifamily project.

(a) This section applies to tenant-based assistance under the voucher program if all the following conditions are applicable:

(1) Such tenant-based voucher assistance is provided to a family pursuant to § 401.421 of this title when HUD has approved a restructuring plan, and the participating administrative entity has approved the use of tenant-based assistance to provide continued assistance for such families. Such tenant-based voucher assistance is provided for a family previously receiving project-based assistance in an eligible project (as defined in 401.2 of this title) at the time when the project-based assistance terminates.

(2) The family chooses to remain in the restructured project with tenant-based assistance under the program and leases a unit that does not exceed the family unit size;

(3) The lease for such assisted tenancy commences during the first year after the project-based assistance terminates.

(b) The initial payment standard for the family under such initial lease is the sum of the reasonable rent to owner for the unit plus the utility allowance for tenant-paid utilities. (Determination of such initial payment standard for the family is not subject to paragraphs (c)(1) and (c)(2) of 982.505. Except for determination of the initial payment standard as specifically provided in paragraph (b) of this section, the payment standard and housing assistance payment for the family during the HAP contract term shall be determined in accordance with 982.505.)

982.505 Voucher tenancy: How to calculate housing assistance payment.

(a) Use of payment standard. A payment standard is used to calculate the monthly housing assistance payment for a family. The 'payment standard' is the maximum monthly subsidy payment.

(b) Amount of monthly housing assistance payment. The PHA shall pay a monthly housing assistance payment on behalf of the family that is equal to the lower of:

(1) The payment standard for the family minus the total tenant payment; or

(2) The gross rent minus the total tenant payment.

(c) Payment standard for family.

(1) The payment standard for the family is the lower of:

(i) The payment standard amount for the family unit size; or

(ii) The payment standard amount for the size of the dwelling unit rented by the family.

(2) If the PHA has established a separate payment standard amount for a designated part of an FMR area in accordance with § 982.503 (including an exception payment standard amount as determined in accordance with § 982.503(b)(2) and § 982.503(c)), and the dwelling unit is located in such designated part, the PHA must use the appropriate payment standard amount for such designated part to calculate the payment standard for the family. The payment standard for the family shall be calculated in accordance with this paragraph and paragraph (c)(1) of this section.

(3) Decrease in the payment standard amount during the HAP contract term. If the amount on the payment standard schedule is decreased during the term of the HAP contract, the lower payment standard amount generally must be used to calculate the monthly housing assistance payment for the family beginning at the effective date of the family's second regular reexamination following the effective date of the decrease in the payment standard amount. The PHA must determine the payment standard for the family as follows:

(i) Step 1: At the first regular reexamination following the decrease in the payment standard amount, the PHA shall determine the payment standard for the family in accordance with paragraphs (c)(1) and (c)(2) of this section (using the decreased payment standard amount).

(ii) Step 2 (first reexamination payment standard amount): The PHA shall compare the payment standard amount from step 1 to the payment standard amount last used to calculate the monthly housing assistance payment for the family. The payment standard amount used by the PHA to calculate the monthly housing assistance payment at the first regular reexamination following the decrease in the payment standard amount is the higher of these two payment standard amounts. The PHA shall advise the family that the application of the lower payment standard amount will be deferred until the second regular reexamination following the effective date of the decrease in the payment standard amount.

(iii) Step 3 (second reexamination payment standard amount): At the second regular reexamination following the decrease in the payment standard amount, the lower payment standard amount shall be used to calculate the monthly housing assistance payment for the family unless the PHA has subsequently increased the payment standard amount, in which case the payment standard amount is determined in accordance with paragraph (c)(4) of this section.

(4) Increase in the payment standard amount during the HAP contract term. If the payment standard amount is increased during the term of the HAP contract, the increased payment standard amount shall be used to calculate the monthly housing assistance payment for the family beginning at the effective date of the family's first regular reexamination on or after the effective date of the increase in the payment standard amount.

(5) Change in family unit size during the HAP contract term. Irrespective of any increase or decrease in the payment standard amount, if the family unit size increases or decreases during the HAP contract term, the new family unit size must be used to determine the payment standard amount for the family beginning at the family's first regular reexamination following the change in family unit size.

(d) PHA approval of higher payment standard for the family as a reasonable accommodation. If the family includes a person with disabilities and requires a higher payment standard for the family, as a reasonable accommodation for such person, in accordance with part 8 of this title, the PHA may establish a higher payment standard for the family within the basic range.

982.506 Negotiating rent to owner.

The owner and the family negotiate the rent to owner. At the family's request, the PHA must help the family negotiate the rent to owner.

982.507 Rent to owner: Reasonable rent.

(a) PHA determination.

(1) The PHA may not approve a lease until the PHA determines that the initial rent to owner is a reasonable rent.

(2) The PHA must redetermine the reasonable rent:

(i) Before any increase in the rent to owner;

(ii) If there is a five percent decrease in the published FMR in effect 60 days before the contract anniversary (for the unit size rented by the family) as compared with the FMR in effect one year before the contract anniversary; or

(iii) If directed by HUD.

(3) The PHA may also redetermine the reasonable rent at any other time.

(4) At all times during the assisted tenancy, the rent to owner may not exceed the reasonable rent as most recently determined or redetermined by the PHA.

(b) Comparability. The PHA must determine whether the rent to owner is a reasonable rent in comparison to rent for other comparable unassisted units. To make this determination, the PHA must consider:

(1) The location, quality, size, unit type, and age of the contract unit; and

(2) Any amenities, housing services, maintenance and utilities to be provided by the owner in accordance with the lease.

(c) Owner certification of rents charged for other units. By accepting each monthly housing assistance payment from the PHA, the owner certifies that the rent to owner is not more than rent charged by the owner for comparable unassisted units in the premises. The owner must give the PHA information requested by the PHA on rents charged by the owner for other units in the premises or elsewhere.

982.508 Maximum family share at initial occupancy.

At the time the PHA approves a tenancy for initial occupancy of a dwelling unit by a family with tenant-based assistance under the program, and where the gross rent of the unit exceeds the applicable payment standard for the family, the family share must not exceed 40 percent of the family's adjusted monthly income. The determination of adjusted monthly income must be based on verification information received by the PHA no earlier than 60 days before the PHA issues a voucher to the family.

982.509 Rent to owner: Effect of rent control.

In addition to the rent reasonableness limit under this subpart, the amount of rent to owner also may be subject to rent control limits under State or local law.

982.510 Other fees and charges.

(a) The cost of meals or supportive services may not be included in the rent to owner, and the value of meals or supportive services may not be included in the calculation of reasonable rent.

(b) The lease may not require the tenant or family members to pay charges for meals or supportive services. Non-payment of such charges is not grounds for termination of tenancy.

(c) The owner may not charge the tenant extra amounts for items customarily included in rent in the locality, or provided at no additional cost to unsubsidized tenants in the premises.

982.514 Distribution of housing assistance payment.

The monthly housing assistance payment is distributed as follows:

(a) The PHA pays the owner the lesser of the housing assistance payment or the rent to owner.

(b) If the housing assistance payment exceeds the rent to owner, the PHA may pay the balance of the housing assistance payment ('utility reimbursement') either to the family or directly to the utility supplier to pay the utility bill on behalf of the family. If the PHA elects to pay the utility supplier directly, the PHA must notify the family of the amount paid to the utility supplier.

982.515 Family share: Family responsibility.

(a) The family share is calculated by subtracting the amount of the housing assistance payment from the gross rent.

(b) The family rent to owner is calculated by subtracting the amount of the housing assistance payment to the owner from the rent to owner.

(c) The PHA may not use housing assistance payments or other program funds (including any administrative fee reserve) to pay any part of the family share, including the family rent to owner. Payment of the whole family share is the responsibility of the family.

982.516 Family income and composition: Regular and interim examinations.

(a) PHA responsibility for reexamination and verification.

(1) PHA responsibility for reexamination and verification. The PHA must conduct a reexamination of family income and composition at least annually.

(2) The PHA must obtain and document in the tenant file third party verification of the following factors, or must document in the tenant file why third party verification was not available:

(i) Reported family annual income;

(ii) The value of assets;

(iii) Expenses related to deductions from annual income; and

(iv) Other factors that affect the determination of adjusted income.

(b) When PHA conducts interim reexamination.

(1) At any time, the PHA may conduct an interim reexamination of family income and composition.

(2) At any time, the family may request an interim determination of family income or composition because of any changes since the last determination. The PHA must make the interim determination within a reasonable time after the family request.

(3) Interim examinations must be conducted in accordance with policies in the PHA administrative plan.

(c) Family reporting of change. The PHA must adopt policies prescribing when and under what conditions the family must report a change in family income or composition.

(d) Effective date of reexamination.

(1) The PHA must adopt policies prescribing how to determine the effective date of a change in the housing assistance payment resulting from an interim redetermination.

(2) At the effective date of a regular or interim reexamination, the PHA must make appropriate adjustments in the housing assistance payment. (For a voucher tenancy, the housing assistance payment shall be calculated in accordance with 982.505. For a certificate tenancy, the housing assistance payment shall be calculated in accordance with 982.518.)

(e) Family member income. Family income must include income of all family members, including family members not related by blood or marriage. If any new family member is added, family income must include any income of the additional family member. The PHA must conduct a reexamination to determine such additional income, and must make appropriate adjustments in the housing assistance payment.

(f) Accuracy of family income data. The PHA must establish procedures that are appropriate and necessary to assure that income data provided by applicant or participant families is complete and accurate.

(g) Execution of release and consent.

(1) As a condition of admission to or continued assistance under the program, the PHA shall require the family head, and such other family members as the PHA designates, to execute a HUD-approved release and consent form (including any release and consent as required under § 5.230 of this title) authorizing any depository or private source of income, or any Federal, State or local agency, to furnish or release to the PHA or HUD such information as the PHA or HUD determines to be necessary.

(2) The PHA and HUD must limit the use or disclosure of information obtained from a family or from another source pursuant to this release and consent to purposes directly in connection with administration of the program.

982.517 Utility allowance schedule.

(a) Maintaining schedule.

(1) The PHA must maintain a utility allowance schedule for all tenant-paid utilities (except telephone), for cost of tenant-supplied refrigerators and ranges, and for other tenant-paid housing services (e.g., trash collection (disposal of waste and refuse)).

(2) The PHA must give HUD a copy of the utility allowance schedule. At HUD's request, the PHA also must provide any information or procedures used in preparation of the schedule.

(b) How allowances are determined.

(1) The utility allowance schedule must be determined based on the typical cost of utilities and services paid by energy-conservative households that occupy housing of similar size and type in the same locality. In developing the schedule, the PHA

must use normal patterns of consumption for the community as a whole and current utility rates.

(2)(i) A PHA's utility allowance schedule, and the utility allowance for an individual family, must include the utilities and services that are necessary in the locality to provide housing that complies with the housing quality standards. However, the PHA may not provide any allowance for non-essential utility costs, such as costs of cable or satellite television.

(ii) In the utility allowance schedule, the PHA must classify utilities and other housing services according to the following general categories: space heating; air conditioning; cooking; water heating; water; sewer; trash collection (disposal of waste and refuse); other electric; refrigerator (cost of tenant-supplied refrigerator); range (cost of tenant-supplied range); and other specified housing services. The PHA must provide a utility allowance for tenant-paid air-conditioning costs if the majority of housing units in the market provide centrally air-conditioned units or there is appropriate wiring for tenant-installed air conditioners.

(3) The cost of each utility and housing service category must be stated separately. For each of these categories, the utility allowance schedule must take into consideration unit size (by number of bedrooms), and unit types (e.g., apartment, row-house, town house, single-family detached, and manufactured housing) that are typical in the community.

(4) The utility allowance schedule must be prepared and submitted in accordance with HUD requirements on the form prescribed by HUD.

(c) Revisions of utility allowance schedule.

(1) A PHA must review its schedule of utility allowances each year, and must revise its allowance for a utility category if there has been a change of 10 percent or more in the utility rate since the last time the utility allowance schedule was revised. The PHA must maintain information supporting its annual review of utility allowances and any revisions made in its utility allowance schedule.

(2) At HUD's direction, the PHA must revise the utility allowance schedule to correct any errors, or as necessary to update the schedule.

(d) Use of utility allowance schedule.

(1) The PHA must use the appropriate utility allowance for the size of dwelling unit actually leased by the family (rather than the family unit size as determined under the PHA subsidy standards).

(2) At reexamination, the PHA must use the PHA current utility allowance schedule.

(e) Higher utility allowance as reasonable accommodation for a person with disabilities. On request from a family that includes a person with disabilities, the PHA must approve a utility allowance which is higher than the applicable amount on the utility allowance schedule if a higher utility allowance is needed as a reasonable accommodation in accordance with 24 CFR part 8 to make the program accessible to and usable by the family member with a disability.

SUBPART C--RENT AND REEXAMINATION

960.253 Choice of rent.

(a) Rent options.

(1) Annual choice by family. Once a year, the PHA must give each family the opportunity to choose between the two methods for determining the amount of tenant rent payable monthly by the family. The family may choose to pay as tenant rent either a flat rent as determined in accordance with paragraph (b) of this section, or an income-based rent as determined in accordance with paragraph (c) of this section. Except for financial hardship cases as provided in paragraph (d) of this section, the family may not be offered this choice more than once a year.

(2) Relation to minimum rent. Regardless of whether the family chooses to pay a flat rent or income-based rent, the family must pay at least the minimum rent as determined in accordance with § 5.630 of this title.

(b) Flat rent.

(1) The flat rent is based on the market rent charged for comparable units in the private unassisted rental market. It is equal to the estimated rent for which the PHA could promptly lease the public housing unit after preparation for occupancy.

(2) The PHA must use a reasonable method to determine the flat rent for a unit. To determine the flat rent, the PHA must consider:

(i) The location, quality, size, unit type and age of the unit; and

(ii) Any amenities, housing services, maintenance and utilities provided by the PHA.

(3) The flat rent is designed to encourage self-sufficiency and to avoid creating disincentives for continued residency by families who are attempting to become economically self-sufficient.

(4) If the family chooses to pay a flat rent, the PHA does not pay any utility reimbursement.

(5) The PHA must maintain records that document the method used to determine flat rents, and also show how flat rents are determined by the PHA in accordance with this method, and document flat rents offered to families under this method.

(c) Income-based rent.

(1) An income-based rent is a tenant rent that is based on the family's income and the PHA's rent policies for determination of such rents.

(3) The income-based tenant rent must not exceed the total tenant payment (5.628 of this title) for the family minus any applicable utility allowance for tenant-paid utilities. If the utility allowance exceeds the total tenant payment, the PHA shall pay such excess amount (the utility reimbursement) either to the family or directly to the utility supplier to pay the utility bill on behalf of the family. If the PHA elects to pay the utility supplier, the PHA must notify the family of the amount of utility reimbursement paid to the utility supplier. (2) The PHA rent policies may specify that the PHA will use percentage of family income or some other reasonable system to determine income-based rents. The PHA rent policies may provide for depositing a portion of tenant rent in an escrow or savings account, for imposing a ceiling on tenant rents, for adoption of permissive income deductions (see § 5.611(b) of this title), or for another reasonable system to determining the amount of income-based tenant rent.

(d) Ceiling rent. Instead of using flat rents, a PHA may retain ceiling rents that were authorized and established before October 1, 1999, for a period of three years from October 1, 1999. After this three year period, the PHA must adjust such ceiling rents to the level required for flat rents under this section; however, ceiling rents are subject to paragraph (a) of this section, the annual reexamination requirements, and the limitation that the tenant rent plus any utility allowance may not exceed the total tenant payment.

(e) Information for families. For the family to make an informed choice about its rent options, the PHA must provide sufficient information for an informed choice. Such information must include at least the following written information:

(1) The PHA's policies on switching type of rent in circumstances of financial hardship, and

(2) The dollar amounts of tenant rent for the family under each option. If the family chose a flat rent for the previous year, the PHA is required to provide the amount of income-based rent for the subsequent year only the year the PHA conducts an income reexamination or if the family specifically requests it and submits updated income information. For a family that chooses the flat rent option, the PHA must conduct a reexamination of family income at least once every three years.

(f) Switch from flat rent to income-based rent because of hardship.

(1) A family that is paying a flat rent may at any time request a switch to payment of income-based rent (before the next annual option to select the type of rent) if the family is unable to pay flat rent because of financial hardship. The PHA must adopt written policies for determining when payment of flat rent is a financial hardship for the family.

(2) If the PHA determines that the family is unable to pay the flat rent because of financial hardship, the PHA must immediately allow the requested switch to income-based rent. The PHA shall make the determination within a reasonable time after the family request.

(3) The PHA policies for determining when payment of flat rent is a financial hardship must provide that financial hardship include the following situations:

(i) The family has experienced a decrease in income because of changed circumstances, including loss or reduction of employment, death in the family, or reduction in or loss of earnings or other assistance;

(ii) The family has experienced an increase in expenses, because of changed circumstances, for medical costs, child care, transportation, education, or similar items; and

(iii) Such other situations determined by the PHA to be appropriate.

960.255 Self-sufficiency incentives--Disallowance of increase in annual income.

(a) Definitions. The following definitions apply for purposes of this section.

Disallowance. Exclusion from annual income.

Previously unemployed includes a person who has earned, in the twelve months previous to employment, no more than would be received for 10 hours of work per week for 50 weeks at the established minimum wage.

Qualified family. A family residing in public housing:

(i) Whose annual income increases as a result of employment of a family member who was unemployed for one or more years previous to employment;

(ii) Whose annual income increases as a result of increased earnings by a family member during participation in any economic self-sufficiency or other job training program; or

(iii) Whose annual income increases, as a result of new employment or increased earnings of a family member, during or within six months after receiving assistance, benefits or services under any state program for temporary assistance for needy families funded under Part A of Title IV of the Social Security Act, as determined by the PHA in consultation with the local agencies administering temporary assistance for needy families (TANF) and Welfare-to-Work (WTW) programs. The TANF program is not limited to monthly income maintenance, but also includes such benefits and services as one-time payments, wage subsidies and transportation assistance--provided that the total amount over a six-month period is at least $500.

(b) Disallowance of increase in annual income.

(1) Initial twelve month exclusion. During the cumulative twelve month period beginning on the date a member of a qualified family is first employed or the family first experiences an increase in annual income attributable to employment, the PHA must exclude from annual income (as defined in § 5.609 of this title) of a qualified family any increase in income of the family member as a result of employment over prior income of that family member.

(2) Second twelve month exclusion and phase-in. During the second cumulative twelve month period after the date a member of a qualified family is first employed or the family first experiences an increase in annual income attributable to employment, the PHA must exclude from annual income of a qualified family fifty percent of any increase in income of such family member as a result of employment over income of that family member prior to the beginning of such employment.

(3) Maximum four year disallowance. The disallowance of increased income of an individual family member as provided in paragraph (b)(1) or (b)(2) of this section is limited to a lifetime 48 month period. It only applies for a maximum of twelve months for disallowance under paragraph (b)(1) and a maximum of twelve months for disallowance under paragraph (b)(2), during the 48 month period starting from the initial exclusion under paragraph (b)(1) of this section.

(c) Inapplicability to admission. The disallowance of increases in income as a result of employment under this section does not apply for purposes of admission to the program (including the determination of income eligibility and income targeting).

(d) Individual Savings Accounts. As an alternative to the disallowance of increases in income as a result of employment described in paragraph (b) of this section, a PHA may choose to provide for individual savings accounts for public housing residents who pay an income-based rent, in accordance with a written policy, which must include the following provisions:

(1) The PHA must advise the family that the savings account option is available;

(2) At the option of the family, the PHA must deposit in the savings account the total amount that would have been included in tenant rent payable to the PHA as a result of increased income that is disallowed in accordance with paragraph (b) of this section;

(3) Amounts deposited in a savings account may be withdrawn only for the purpose of:

(i) Purchasing a home;

(ii) Paying education costs of family members;

(iii) Moving out of public or assisted housing; or

(iv) Paying any other expense authorized by the PHA for the purpose of promoting the economic self-sufficiency of residents of public housing;

(4) The PHA must maintain the account in an interest bearing investment and must credit the family with the net interest income, and the PHA may not charge a fee for maintaining the account;

(5) At least annually the PHA must provide the family with a report on the status of the account; and

(6) If the family moves out of public housing, the PHA shall pay the tenant any balance in the account, minus any amounts owed to the PHA.

960.257 Family income and composition: Regular and interim reexaminations.

(a) When PHA is required to conduct reexamination.

(1) For families who pay an income-based rent, the PHA must conduct a reexamination of family income and composition at least annually and must make appropriate adjustments in the rent after consultation with the family and upon verification of the information.

(2) For families who choose flat rents, the PHA must conduct a reexamination of family composition at least annually, and must conduct a reexamination of family income at least once every three years.

(3) For all families who include nonexempt individuals, as defined in § 960.601, the PHA must determine compliance once each twelve months with community service and self-sufficiency requirements in subpart F of this part.

(4) The PHA may use the results of these reexaminations to require the family to move to an appropriate size unit.

(b) Interim reexaminations. A family may request an interim reexamination of family income or composition because of any changes since the last determination. The PHA must make the interim reexamination within a reasonable time after the family request. The PHA must adopt policies prescribing when and under

what conditions the family must report a change in family income or composition.

(c) PHA reexamination policies. The PHA must adopt admission and occupancy policies concerning conduct of annual and interim reexaminations in accordance with this section, and shall conduct reexaminations in accordance with such policies. The PHA reexamination policies must be in accordance with the PHA plan.

960.259 Family information and verification.

(a) Family obligation to supply information.

(1) The family must supply any information that the PHA or HUD determines is necessary in administration of the public housing program, including submission of required evidence of citizenship or eligible immigration status (as provided by part 5, subpart E of this title). 'Information' includes any requested certification, release or other documentation.

(2) The family must supply any information requested by the PHA or HUD for use in a regularly scheduled reexamination or an interim reexamination of family income and composition in accordance with HUD requirements.

(3) For requirements concerning the following, see part 5, subpart B of this title:

(i) Family verification and disclosure of social security numbers;

(ii) Family execution and submission of consent forms for obtaining wage and claim information from State Wage Information Collection Agencies (SWICAs).

(4) Any information supplied by the family must be true and complete.

(b) Family release and consent.

(1) As a condition of admission to or continued assistance under the program, the PHA shall require the family head, and such other family members as the PHA designates, to execute a consent form (including any release and consent as required under § 5.230 of this title) authorizing any depository or private source of income, or any Federal, State or local agency, to furnish or release to the PHA or HUD such information as the PHA or HUD determines to be necessary.

(2) The use or disclosure of information obtained from a family or from another source pursuant to this release and consent shall be limited to purposes directly connected with administration of the program.

(c) PHA responsibility for reexamination and verification.

(1) The PHA must obtain and document in the family file third party verification of the following factors, or must document in the file why third party verification was not available:

(i) Reported family annual income;

(ii) The value of assets;

(iii) Expenses related to deductions from annual income; and

(iv) Other factors that affect the determination of adjusted income or income-based rent.

960.261 Restriction on eviction of families based on income.

No PHA shall commence eviction proceedings based on the income of the tenant family unless:

(a) It has determined that there is decent, safe, and sanitary housing of suitable size for the family available at a rent not exceeding the tenant rent; or

(b) It is required to do so by local law.

(a) Annual review. The PHA shall review at least annually the basis on which utility allowances have been established and, if reasonably required in order to continue adherence to the standards stated in 965.505, shall establish revised allowances. The review shall include all changes in circumstances (including completion of modernization and/or other energy conservation measures implemented by the PHA) indicating probability of a significant change in reasonable consumption requirements and changes in utility rates.

(b) Revision as a result of rate changes. The PHA may revise its allowances for resident-purchased utilities between annual reviews if there is a rate change (including fuel adjustments) and shall be required to do so if such change, by itself or together with prior rate changes not adjusted for, results in a change of 10 percent or more from the rates on which such allowances were based. Adjustments to resident payments as a result of such changes shall be retroactive to the first day of the month following the month in which the last rate change taken into account in such revision became effective. Such rate changes shall not be subject to the 60 day notice requirement of 965.502(c).

965.508 Individual relief.

Requests for relief from surcharges for excess consumption of PHA-purchased utilities, or from payment of utility supplier billings in excess of the allowances for resident-purchased utilities, may be granted by the PHA on reasonable grounds, such as special needs of elderly, ill or disabled residents, or special factors affecting utility usage not within the control of the resident, as the PHA shall deem appropriate. The PHA's criteria for granting such relief, and procedures for requesting such relief, shall be adopted at the time the PHA adopts the methods and procedures for determining utility allowances. Notice of the availability of such procedures (including identification of the PHA representative with whom initial contact may be made by residents), and the PHA's criteria for granting such relief, shall be included in each notice to residents given in accordance with 965.502(c) and in the information given to new residents upon admission.