



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
PUBLIC AND INDIAN HOUSING

Special Attention of:

NOTICE: PIH-2013-04 (HA)

Public Housing Agencies;
Public Housing Hub Office Directors;
Public Housing Program Center Directors;
Public Housing Division Directors;
Regional Directors;
Field Office Directors

Issued: 01/28/13
Expires: Effective until amended,
superseded, or rescinded

Cross References: 24 CFR 5.609(c)
24 CFR 960.259(a)
24 CFR 960.259(c)
24 CFR 982.516(a)
24 CFR 982.551(b)

Subject: Guidance on Verification of Excluded Income.

1. Purpose:

This notice provides clarification and guidance on the verification requirements of income excluded from the determination of annual income in accordance with 24 CFR 5.609(c).

2. Applicability:

This notice applies to the Public Housing, Housing Choice Voucher (including the project-based certificate and voucher), and Section 8 Moderate Rehabilitation programs.

3. Background:

In an effort to reduce administrative burdens on Public Housing Agencies (PHAs), HUD is providing guidance and clarification on the requirements to verify income that is excluded from the determination of annual income. There are two categories of excluded income: fully excluded and partially excluded. Each category has different verification requirements and Sections 4 and 5 of this notice provide details on how each is to be verified.

4. Fully Excluded Income:

Income that is fully excluded means the entire amount qualifies to be excluded from the annual income determination. For fully excluded income, the PHA is **not required** to:

- Verify the income in accordance with the HUD-prescribed verification hierarchy;
- Document in the tenant file why third party verification was not available as required by 24 CFR 960.259(c)(i) and 24 CFR 982.516(a)(2); and
- Report the income in Section 7 of the form HUD-50058.

PHAs may accept an applicant or participant’s self-certification as verification of fully excluded income. The PHA’s application and reexamination documentation, which is signed by all adult family members, may serve as the self-certification of the fully excluded income. PHAs have the option of elevating the verification requirements if necessary, to determine if a source of income qualifies for a full exclusion.

Examples of common fully excluded income categories that are verifiable through applicant or participant self-certification are:

- Supplemental Nutrition Assistance Program (SNAP) benefits, formerly known as food stamps.
- Income from a live-in aide.

For a complete list of income exclusions, see 24 CFR 5.609(c).

5. Partially Excluded Income:

Income that is partially excluded means that only a certain portion of the income reported by the family qualifies to be excluded, while the remainder must be included when determining the family’s annual income. For partially excluded income, PHAs are required to:

- Comply with HUD-prescribed verification requirements and all applicable regulations pertaining to the determination of annual income; and
- Report the income in Section 7 of the form HUD-50058. The example below shows how the partially excluded income for a full-time student should be reported on the form HUD-50058.

7a. Family member name	No.	7b. Income Code	7c. Calculation (PHA use)	7d. Dollars per year	7e. Income exclusion	7f. Income after exclusions (7d minus 7e)
Jane Smith	3	W	\$3,000-\$480=\$2,520	\$3,000	\$2,520	\$480

Examples of partially excluded income that are subject to regular verification requirements include:

- The Department of Veterans Affairs “Aid and Attendance” benefits – in accordance with 24 CFR 5.609(c)(4), these benefits may be excluded from income if they are used “specifically for, or in reimbursement of, the cost of medical expenses for any family member.” Live-in or periodic medical assistance and services of doctors and health care professionals are among the services that may be counted as medical expenses. The PHA must verify the amount provided for aid and attendance medical expenses and the amount actually being used by the veteran for such expenses. Any portion of the benefit not used for such expenses would continue to be counted as income by the PHA when determining the family’s annual income.
- Earnings in excess of \$480 for full-time students 18 years old or older (24 CFR 5.609(c)(11) – in order to determine the amount of earnings to include in the calculation of the family’s annual income, the PHA must verify the amount of employment income for these family members.

For a complete list of income exclusions, see 24 CFR 5.609(c).

6. Further Information. Any questions related to this notice should be directed to the nearest HUD Office of Public Housing within your region. Locations of these offices are available on HUD's website at <http://www.hud.gov>.

/s/

Sandra B. Henriquez, Assistant Secretary
for Public and Indian Housing