



**U.S. Department of Housing and Urban Development
Public and Indian Housing**

Special Attention of:

NOTICE PIH 2005 - 16 (HA)

Public Housing Agencies;
HUD Directors of Public Housing;
PIH Program Center Coordinators;
Public Housing Division Directors;
Regional Directors

Issued: June 15, 2005

Expires: June 30, 2006

Cross References:

Public Housing Occupancy Guidebook
Housing Choice Voucher Guidebook

Subject: Policy Guidance on College Student Admissions

1. **Purpose.** HUD has recently become aware that PHAs may be admitting ineligible college students to HUD's public and assisted housing programs. In order to be eligible for program assistance, an applicant must meet income eligibility requirements, as established by Section 3(a)(1) and 8(o)(4) of the U.S. Housing Act of 1937 and implementing regulations at 24 CFR 960.201 and 982.201.

If a PHA fails to carefully screen/interview prospective tenants such as college students, including post-secondary students by using a detailed interview script that asks all of the "right" questions about sources of income (e.g., How much money or benefits do you receive per month? What are the sources of income? Do you anticipate receiving any money or support from your parents/guardians for food, clothing, or personal items? How do you pay for food, clothes, and entertainment?), a PHA is unlikely to learn whether a college student is anticipating income from an outside source (24 CFR 5.609(a)(2)). This includes regular contributions or gifts (24 CFR 5.609(b)(7)) such as financial support from parents or guardians to college students that must be verified and counted in determining *income* eligibility and level of assistance. The result of a PHA's failure to adequately screen, verify, and count applicant sources of income leads to ineligible college students being admitted to public housing, voucher, or certificate programs. Thus, this Notice:

- ❑ Outlines PIH's policy for determining and verifying the eligibility of full-time college students of non-parental/guardian households;
 - ❑ Implements section 224 of the FY 2005 Appropriations Act regarding athletic scholarship assistance available for housing costs (The Office of Housing's policy on implementation of section 224 will be contained in the Multifamily Handbook 4350.3); and
 - ❑ Identifies tools for better assuring that families in need of assistance are able to participate in HUD's programs.
2. **Applicability.** This Notice applies to Public Housing, Housing Choice Voucher (HCV), Project-based Certificate, Project-based Voucher, and Section 8 Moderate Rehabilitation Programs.

3. **Effective Date.** This Notice is effective upon publication and its application is mandatory for all applicants to and participants in applicable programs.
4. **Determining and Verifying Eligibility of “Full-time” College Students of Non-parental/guardian Households.**
- A. Listed in table A are required eligibility and verification standards that must be met prior to admitting “full-time” college students to PIH rental assistance programs. A full-time student is defined as a person who is attending school or vocational training on a full-time basis (24 CFR 5.603).

TABLE A — REQUIRED STEPS	
DETERMINATION OF ELIGIBILITY	VERIFICATION OF ELIGIBILITY
The student must be of legal age or an emancipated minor under the state law.	PHAs must obtain proof of age such as a valid drivers license, identification card issued by a federal, state, or local agency, identification issued by a medical insurance company, birth certificate, or other form of identification, as determined by the PHA.
The student must be income eligible for admission to the public housing/HCV programs (24 CFR 960.201 and 982.201).	PHAs must verify all sources of reported family income, in accordance with 24 CFR 960.259 and 982.516.

- B. Listed in table B are suggested eligibility and verification standards and policies for admitting “full-time” college students. PHAs are encouraged to update their policies and implement the following regarding “full-time” college students.

TABLE B — SUGGESTED STEPS	
DETERMINATION OF ELIGIBILITY	VERIFICATION OF ELIGIBILITY
Each college student within a household must provide a <i>written/signed certification</i> that the student does or does not anticipate receiving financial support from the student’s parent(s) or guardian(s) and the amount of support	PHAs must verify, <u>via independent third-party verification</u> , all amounts anticipated to be received outside of the family during the 12-month period following admission and the effective date of the annual reexamination
The college student must have established a household separate from his/her parents or legal guardians for at least <i>one year</i> prior to applying to public housing, voucher, or certificate programs	Obtain evidence of separate households by reviewing/verifying the address information that predates the student’s application by a minimum of <i>one year</i>
The college student <i>must not be claimed</i> as a dependent by parent(s) or legal guardian(s) on their Internal Revenue Services (IRS) tax return	This may be achieved by requesting a copy of the college student’s Form 1040EZ, 1040A, or 1040 tax returns for the prior year. Check the box that asks whether the student’s parents (or someone else) can claim him/her on their tax return (See box “5” for Form 1040EZ and box “6a” for Forms 1040A and 1040). The PHA may also, if practicable, review the college student’s parents’ or guardians’ tax return. The college student must supply any information that the PHA or HUD determines is necessary in administration of public housing, voucher, or certificate programs (24 CFR 960.259 and 982.551)

NOTE: In all instances, a household must be income eligible and meet any and all eligibility criteria required by HUD.

5. **Section 224 of the FY 2005 Appropriations Act.** The Appropriations Act of 2005 establishes new income determination and admission requirements for students, including college and post-secondary students in HUD's public and assisted housing programs. First, the Act requires HUD to consider in the determination of family adjusted income the portion of any athletic scholarship assistance available for housing costs; and second, the Act provides that HUD establish by Notice criteria under which persons who receive athletic scholarship assistance may be denied housing assistance under the United States Housing Act of 1937.

In accordance with the Appropriations Act, this Notice requires that the portion of any *athletic scholarship* assistance available for housing costs be verified by the PHA with the third party income source and included in the determination of family adjusted income. Currently, the full amount of financial assistance from federal and state grants and/or loans, academic scholarships, and work study program wages paid directly to the student or the educational institution is not included in the determination of annual or adjusted income (24 CFR 5.609(c)(6)).

Regarding the second provision of the Act, if written in the PHA's policies, PHAs may deny housing assistance to persons receiving athletic scholarship assistance. However, they may only do so for those persons receiving an athletic scholarship with a specified amount available for housing costs or one that allows for a portion of the scholarship to be used towards housing costs. The specified amount or portion of the athletic scholarship available for housing costs must exceed \$5,000 annually for the PHA to deny the student admission, unless local circumstances warrant a higher or lower threshold, which must be documented in the PHA's policies. Deviations from the standard threshold (\$5,000) must also be documented in the tenant's file and consistently applied among applicants and participants.

Example #1. A student athlete receives a partial athletic scholarship of \$15,000 per year for only books and tuition. No amount of the \$15,000 can be used towards housing costs. In this case, the PHA would not consider any of the \$15,000 in the determination of adjusted income, in accordance with 24 CFR 5.609(c)(6).

Example #2. A student athlete receives an athletic scholarship of \$25,000 per year with \$5,000 per year specifically available for housing costs. In accordance with this Notice, the PHA would consider the \$5,000 in the determination of adjusted income.

Example #3. A student athlete receives an athletic scholarship of \$30,000 with \$10,000 available per year for room (i.e., housing) and board (i.e., food). Thus, the student can use the entire \$10,000 for room or use the \$10,000 amount for board. So, in accordance with this Notice the PHA would count the entire \$10,000 per year in adjusted income, since the entire \$10,000 is available for housing costs; or, the PHA may deny the student housing assistance, if written in the PHA's policies.

Example #4. A student athlete receives an athletic scholarship of \$15,000 per year with \$4,000 specifically available for housing costs per year. In accordance with this Notice, the PHA would consider the \$4,000 in the determination of adjusted income (24 CFR 5.609); or, the PHA may deny the student housing assistance, if deviation from the \$5,000 threshold is written in the PHA's policies, documented in the tenant's file, and consistently applied among applicants and participants.

** Scholarship amounts in the above examples were verified by the PHA administrator.*

6. **Tools for Better Assuring that Families in Need of Assistance Are Able to Participate in HUD's Programs.**

- A. PHAs can prevent the admission of college students by the way they define what constitutes a family. The federal regulations at 24 CFR 5.403 define certain types of families, but the PHA has the discretion to expand the definition of what is considered to be a family. For example, a PHA may also define “family” as an *independent* student, as defined by the Department of Education (see Attachment A).
- B. PHAs can also establish local preferences for selecting families for admission to the PHA’s public housing, voucher, or certificate programs (24 CFR 960.206 and 982.207). PHAs are encouraged to make greater use of preferences, which will: (1) better assure that families needing assistance the most, according to local needs, will be able to participate in the program and (2) prioritize families, according to need, on the PHA’s waiting list.

- 7. **Information Contact.** Inquiries about this Notice should be directed to LaDonna Reed-Morton of the Management and Occupancy Division at (202) 708-0614, extension 4024 or to the appropriate HUD Field Office.
- 8. **Paperwork Reduction** The information collection requirements contained in this notice have been approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3520) and assigned OMB control numbers 2577-0220 and 2577-0230. In accordance with the Paperwork Reduction Act, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number.

/s/
Paula O. Blunt, General Deputy Assistant Secretary
for Public and Indian Housing

Attachment A

Following is the definition of independent student, as provided by the Department of Education.

Source website: <http://www.fafsa.ed.gov/>

The only way a student can become independent for financial aid purposes (which means the custodial parents' income and asset information are not required on the FAFSA) is if the student meets at least one of the following guidelines (<http://www.fafsa.com/independent.htm>):

1. For the 2004-05 school year, the student must be **born before 1-1-1981**; for the 2005-06 school year, the student must be **born before 1-1-1982**; or
2. The student must be **married**; or
3. The student must **have a child or other dependents** who receive more than half their support from the student and who also live with the student; or
4. The student must be enrolled as a **graduate or professional student** (medicine, dentistry, or law); or
5. The student must be a qualified **veteran** of the U.S. military; or
6. The student must be an **orphan (parents deceased) or ward of the court** or was a ward of the court until age 18; or
7. The student must have **special and unusual circumstances** which can be documented to his or her college financial aid administrators (i.e., abuse in the family, alcoholism, etc.). This is extremely rare and only an experienced financial aid administrator at your college can make this "dependency override."