



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

---

Special Attention of:  
Regional and Field Office Directors of Public  
Housing; Section 8 Financial Management Center;  
Public Housing Agencies Administering Housing  
Choice Voucher and Public Housing Program;  
Owners/Agents; Resident Management Corporations;  
Resident Councils

**Notice PIH-2008- 40 (HA)**

Issued: November 4, 2008

Expires: November 30, 2009

References:  
24 CFR 5.609(a)(1) and (c)(2)

---

**Subject: Income exclusion of kinship care payments when foster children are placed with relatives.**

1. **Purpose.** This notice clarifies the exclusion of kinship care payments. Payments made on behalf of a related child to the tenant household are excluded from income certifications pursuant to 24 CFR 5.609(c)(2).
2. **Applicability.** This notice applies to Public and Indian Housing (PIH) rental assistance programs including: Public Housing, Section 8 Moderate Rehabilitation, Housing Choice Voucher and Section 8 Project-Based Voucher and Certificate Programs.
3. **Background.** Kinship payments are foster care subsidies for children living with a related legal guardian. Previously, Public Housing Agencies (PHAs) included California's Kinship Guardian Assistant Payments (Kin-GAP) as income when determining annual household income. Congress and housing advocates sought a re-interpretation of the income criteria in order to remove a disincentive towards family unification and to treat Kin-GAP the same as foster care payments.

The Department's analysis concurred that kinship care serves as an alternative to foster care placements and that compensation to participating relatives is comparable to parenting under foster care. Payments for the care of foster children are exempt from income. This notice interprets kinship payments as equivalent to foster care payments.

4. **Exclusion of income.** During annual and/or interim reexamination of family income pursuant to Section 24 CFR 960.257 for public housing and 24 CFR 982.516 for Section 8 programs, PHAs are to exclude kinship payments.
5. **Further information.** Direct inquiries to the Public Housing Management and Occupancy Division, Office of Public Housing and Voucher Programs at (202) 708-0744.

/s/

---

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