



# Income Eligibility Training

# Agenda

**9:00-9:30**

- **General Requirements**

**9:30-10:00**

- **Whose Income Counts**

**10:00-10:10**

- **Break**

**10:10-10:40**

- **Income**

**10:40-11:10**

- **Assets**

**11:10-11:20**

- **Break**

**11:20-12:00**

- **Putting It All Together**



# Contact Information Compliance Division




**Mailing Address:**  
**TDHCA**  
**P.O. Box 13941**  
**Austin, TX 78711-3941**

**Physical Address:**  
**TDHCA**  
**221 East 11<sup>th</sup> St.**  
**Austin, TX 78701**

**Website: [www.tdhca.state.tx.us](http://www.tdhca.state.tx.us)**

**Division Phone Number:**

**(512) 475-2906**  
*or*  
**(800) 643-8204**  
**(toll free in Texas only)**



# **Module 1**

## **General Requirements**

# General Requirements

- ❖ **Method is based on the HUD Handbook 4350.3**
- ❖ **Pertinent sections include:**
  - ❖ **Chapter 3 – Eligibility for Assistance and Occupancy**
  - ❖ **Chapter 5 – Determining Income & Calculating Rent**
  - ❖ **Exhibit 5-1 – Income Inclusions and Exclusions**
  - ❖ **Exhibit 5-2 – Assets**
  - ❖ **Appendix 3 – Acceptable Forms of Verifications**



Available online at [www.hud.gov](http://www.hud.gov)



Household  
Family  
Client  
Homeowner  
Homebuyer

Sub-recipient  
Contract  
Administrator  
Owner  
Manager  
Consultant

The terms are *interchangeable*

The term “*Applicant*” is used during the course of this training





# Where Are Forms Found?

TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
*Building Homes. Strengthening Communities.*

Contact About Calendar Press Employee

Site Search:  GO

Feb 23, 2015 Programs Support & Services Board Manufactured Housing

Administrative Divisions  
Asset Management  
Bond Finance  
Closing Status Database  
**Compliance** ▶ Main  
Fair Housing  
Financial Administration  
Housing Resource Center ▶ Manuals and Rules  
Metrics - 3PM  
Migrant Labor Housing  
Program Services ▶ Training  
Real Estate Analysis  
Single Family Training  
TDHCA Supported Councils ▶

Communities & Nonprofits  
TDHCA SHOWCASE  
Reports  
Utility Allowances  
Income and Rent Limits  
Disaster Relief / Casualty Loss  
Inspections  
FAQs  
Contact List

CSBG: F  
one Texa  
Head Start, Meals on Wheels, adult literacy programs, and rural transportation services are just the tip of the iceberg when it comes to the programs Community Action Agencies provide to the income eligible clients.

## Income Eligibility Forms for all Housing Programs

- [Intake Application \(PDF\)](#) or [\(DOC\)](#)
- [Intake Supplement for Subsidy Calculation \(PDF\)](#) or [\(DOC\)](#)
- [Asset Verification \(PDF\)](#) or [\(DOC\)](#)
- [Asset Certification - Under \\$5,000 \(PDF\)](#) or [\(DOC\)](#) (for HTC Only)
- [Certification of Zero Income \(PDF\)](#) or [\(DOC\)](#)
- [Documentation of Telephone Verification \(PDF\)](#) or [\(DOC\)](#)
- [Employment Verification \(PDF\)](#) or [\(DOC\)](#)
- [Income Verification for Households with Section 8 Certificates \(PDF\)](#) or [\(DOC\)](#)
- [Release and Consent \(PDF\)](#) or [\(DOC\)](#)

## Income Certification Form

- [Income Certification – Form \(PDF\)](#) or [\(DOC\)](#) (effective 2/1/2015)
- [Income Certification - Instructions \(PDF\)](#)
- [Annual Eligibility Certification Form \(PDF\)](#)
- [Annual Eligibility Certification - Instructions \(PDF\)](#)



# Income Eligibility Process

## 5 Basic Steps

**Step 1**

**Screen**



**Step 2**

**Determine Household Size**



**Step 3**

**Document Income and Assets**



**Step 4**

**Annualize Income**



**Step 5**

**Complete Income Certification**

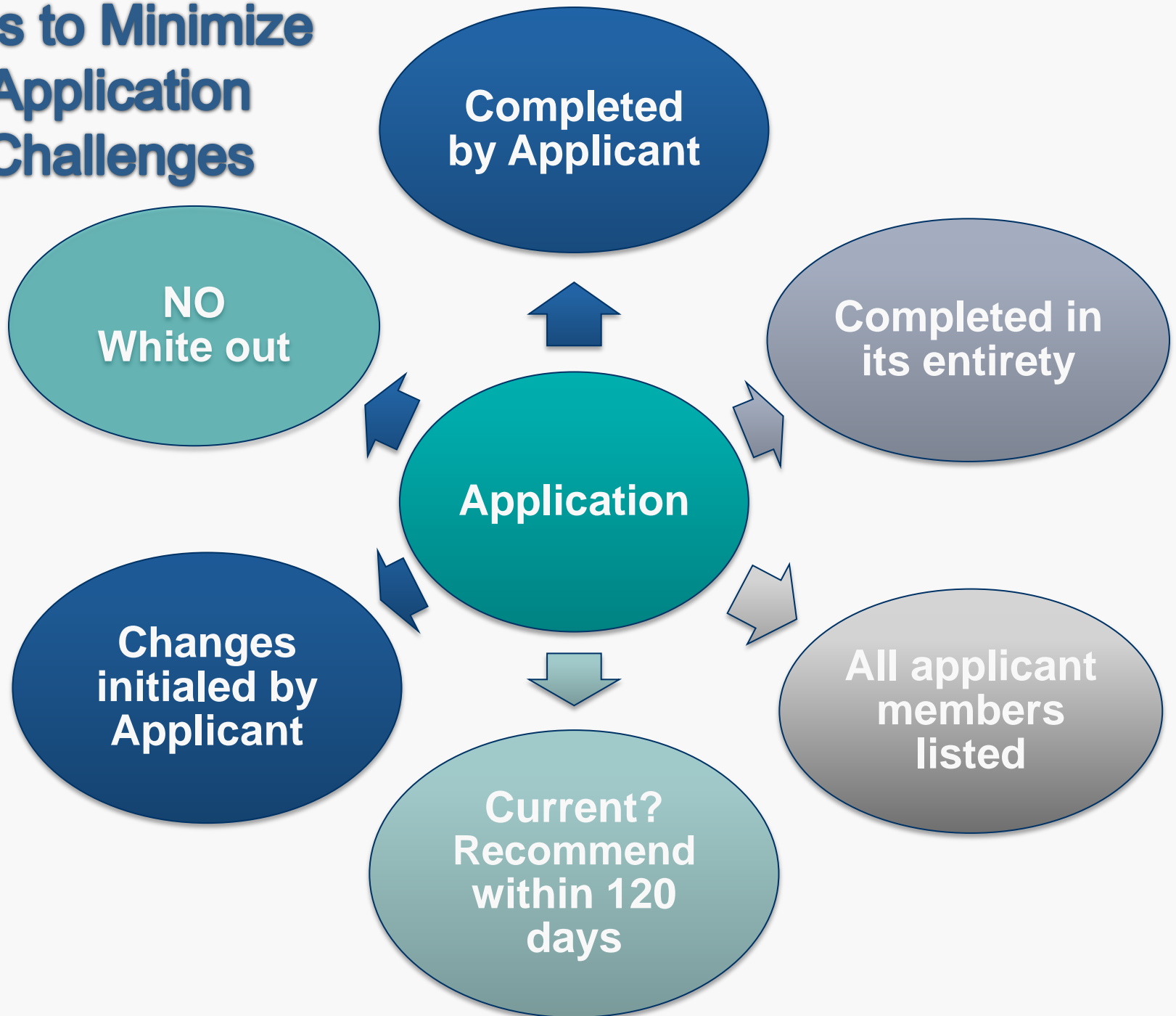


# Step 1: Screen

- ❖ **Application**
  - ❖ **No Required form**
  - ❖ **Conventional Applications may not be sufficient**
  - ❖ **May need a “Supplement” application**
  - ❖ **Refer to Department’s website for a sample Application**

**Review to determine if applicant appears eligible**

# Tips to Minimize Application Challenges





# Step 2: Determine Household Size

## Who counts as a Member

- ❖ **Head**
- ❖ **Spouse**
- ❖ **Co-Head**
- ❖ **Dependents**
  - ❖ **Unborn Children (self-certified)**
  - ❖ **Joint custody - Present 50% or more of the time**
  - ❖ **Away at school but live with family during breaks**
  - ❖ **In the process of being adopted**
  - ❖ **Temporarily absent due to placement in foster care**
- ❖ **Foster Adults & Foster Children (Eff Aug 2013)**



# Step 3: Document Income & Assets

- ❖ **Obtain “Release and Consent” from Applicant**
  - ❖ **Necessary to verify disclosed income and assets**
  - ❖ **Should be obtained for all members**
    - ❖ **Including those 18 years old or older**
- ❖ **Maintain Verification Documentation**
  - ❖ **Three (3) acceptable verification methods**
    - ❖ **Third-Party**
    - ❖ **First-Hand (documents provided by Applicant)**
    - ❖ **Oral**

# Third-Party Verifications

## ❖ Acceptable if:

- ❖ Sent directly by a third-party source;
- ❖ Not hand-carried by the Applicant (To or From);
- ❖ Completed in its entirety;

## May be obtained by



### Mail

- Maintain envelope in which verification was received



### Fax

- Includes Company Name
- Includes Source's Fax No



### Email

- Reliable if includes name of appropriate person or firm



### Internet

- Web-based information from reputable source (includes print-outs)



# First-Hand Verifications

- ❖ **Acceptable if identifies:**
  - ❖ Applicant
  - ❖ Employer
  - ❖ Pay Period or Pay Date
  - ❖ Gross Pay
- ❖ **Pay Stub guidelines:**
  - ❖ Gather enough to determine frequency of pay
  - ❖ Recommend consecutive
  - ❖ Review itemization of all amounts included in gross

**Can include**



**Pay Stubs**



**Social Security  
Award Letters**



**Bank  
Statements**



**Divorce Decree**

# Oral Verification

## ❖ Acceptable if:

- ❖ Documented
- ❖ From Reliable 3<sup>rd</sup>-Party Source

## ❖ Great for Clarifying:

- ❖ Incomplete verifications
- ❖ Discrepancies

## Should include

Date & Time



Person Contacted



Contact Title

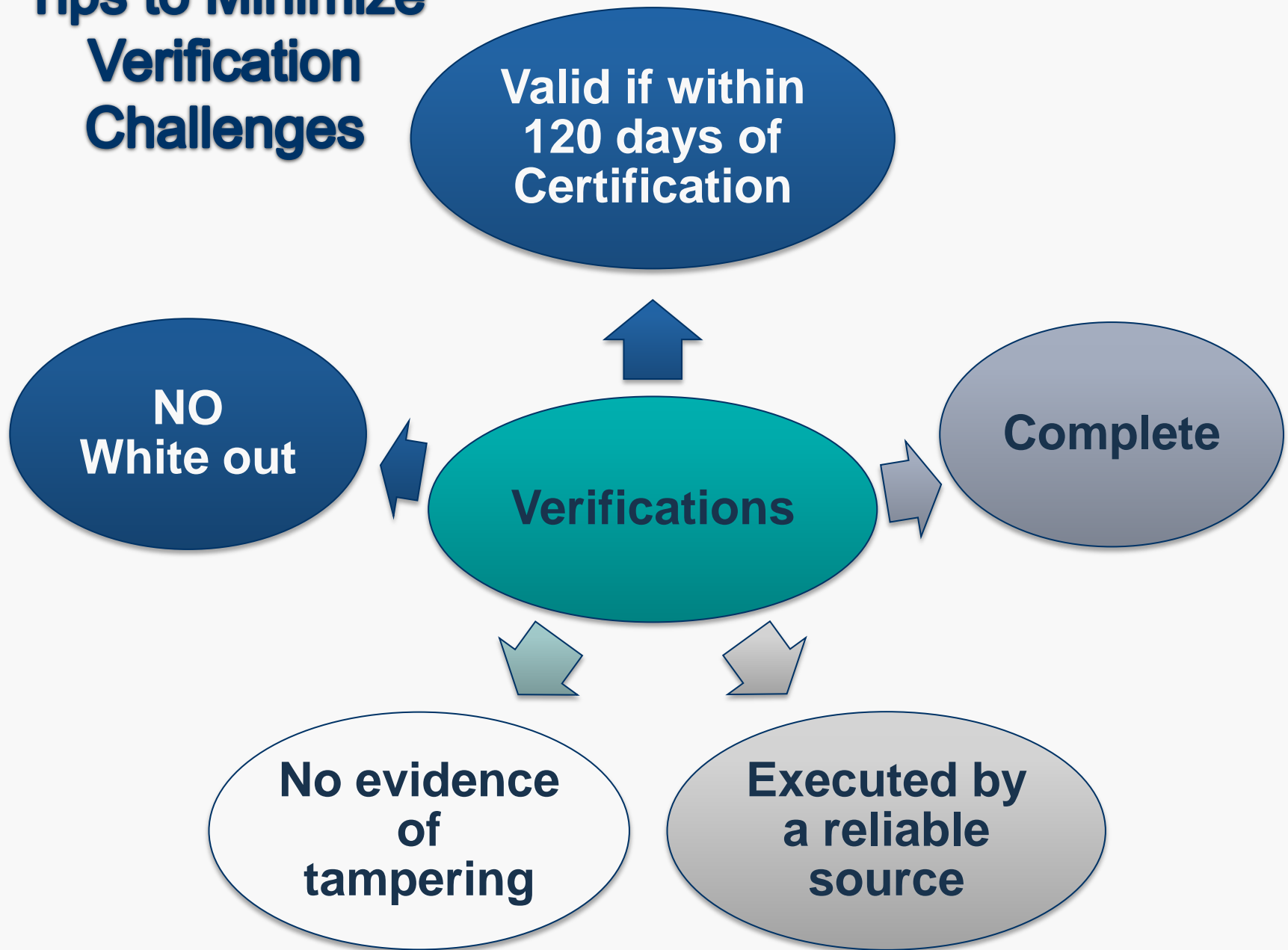


Information Reported



Your Name & Signature

# Tips to Minimize Verification Challenges





# Step 4: Annualizing Income

- ❖ **Method looks at:**
  - ❖ **Gross income**
  - ❖ **Anticipated income**
- ❖ **Convert verified income to an annual figure**
  - ❖ **Be Consistent – Develop policies and procedures**
  - ❖ **Annualize income based on payment schedule**
  - ❖ **Annualize part-time income by multiplying wages by the reported number of hours or weeks**

# Frequently Used Periodic Wage Calculations

**Full-Time Hourly**

• **Wage x 2080 hours**

**40 hours**  
**x 52 weeks**  

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**2080 hours**

# Frequently Used Periodic Wage Calculations

Weekly

- Wage x 52 pay periods



# Frequently Used Periodic Wage Calculations

**Bi-Weekly**  
paid every other week

- **Wage x 26 pay periods**





# Frequently Used Periodic Wage Calculations

**Semi-Monthly  
paid twice a month**

- **Wage x 24 pay periods**



# Frequently Used Periodic Wage Calculations

Monthly

- **Wage x 12 pay periods**



# Periodic Wage Calculations

## TRUE OR FALSE

- ❖ Rex is a teacher who gets paid \$850 on the 1<sup>st</sup> and 15<sup>th</sup> of each month. To properly calculate income take the \$850 by 24 pay periods.

**TRUE**

**Income Calculation is?**

$$850 \times 24 = \$20,400$$

# Periodic Wage Calculations

## TRUE OR FALSE

- ❖ Carlos has 3 paycheck stubs. The 1<sup>st</sup> is dated 1/16 with gross income of \$527; the 2<sup>nd</sup> is dated 1/30 with gross income of \$602; and the 3<sup>rd</sup> is dated 2/13 with gross income of \$539. To properly calculate income take the average by 24 pay periods.

**FALSE**

Income calculation is?

$$527 + 602 + 539 = 1,668$$

$$1668 / 3 = 556$$

$$556 \times 26 = \$14,456$$



# Step 5: Complete Income Certification

- ❖ **Use Department Approved Form**
  - ❖ **Specific to Housing Program, may be called:**
    - ❖ **Household Income Certification**
  - ❖ **Available on TDHCA website**
  - ❖ **Completed after all verifications gathered**
  - ❖ **Executed by all adult applicant members**
  - ❖ **Executed by staff**



# Tips to Minimize Documentation Challenges





# **Module 2**

## **Whose Income Counts**

# Whose Income Counts?

<b>Members</b>	<b>Earned Income</b>	<b>Other Income</b> (including income from assets)
Head	Yes	Yes
Spouse	Yes	Yes
Co-Head	Yes	Yes
Other Adult	Yes	Yes
Dependents (Child Under 18)	No	Yes
Full-time Student over 18	Yes	Yes
Foster Adult	Yes	Yes
Foster Children (Under 18)	No	Yes
<b>Non-Members</b>	<b>Earned Income</b>	<b>Other Income</b> (including income from assets)
Live-in Aide	No	No



# Whose Income Counts?

## TRUE OR FALSE

- Based on the application, 1 member has income that should be included when determining eligibility.

### C. HOUSEHOLD COMPOSITION – List the Head of Household and all other persons who comprise the household

Full Name (exactly as on driver's license or other govt. document)	Relationship to Head of HH	Date of Birth	Gender	Student Status F/T=Full Time P/T=Part Time	Social Security No./ Alien Registration No.	Receiving income
1 Ian Peterson	Head of Household	2/1/69	<input checked="" type="checkbox"/> Male <input type="checkbox"/> Female	<input type="checkbox"/> F/T <input type="checkbox"/> P/T <input checked="" type="checkbox"/> N/A	xxx-xx-0001	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
2 Kelly Peterson	<input type="checkbox"/> Co-Head <input checked="" type="checkbox"/> Spouse <input type="checkbox"/> Dependent <input type="checkbox"/> Other Adult	3/11/68	<input type="checkbox"/> Male <input checked="" type="checkbox"/> Female	<input type="checkbox"/> F/T <input type="checkbox"/> P/T <input checked="" type="checkbox"/> N/A	xxx-xx-1002	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
3 Kathy Peterson	<input type="checkbox"/> Co-Head <input type="checkbox"/> Spouse <input type="checkbox"/> Dependent <input checked="" type="checkbox"/> Other Adult	4/12/73	<input type="checkbox"/> Male <input checked="" type="checkbox"/> Female	<input checked="" type="checkbox"/> F/T <input type="checkbox"/> P/T <input type="checkbox"/> N/A	xxx-xx-2101	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
4 Liam Peterson	<input type="checkbox"/> Co-Head <input type="checkbox"/> Spouse <input checked="" type="checkbox"/> Dependent <input type="checkbox"/> Other Adult	9/1/12	<input checked="" type="checkbox"/> Male <input type="checkbox"/> Female	<input type="checkbox"/> F/T <input type="checkbox"/> P/T <input checked="" type="checkbox"/> N/A	xxx-xx-2221	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

**TRUE**

# Whose Income Counts?

## TRUE OR FALSE

- ❖ Based on the application, 2 members have income that should be included when determining eligibility.

C. HOUSEHOLD COMPOSITION – List the Head of Household and all other persons who comprise the household						
Full Name (exactly as on driver's license or other govt. document)	Relationship to Head of HH	Date of Birth	Gender	Student Status F/T=Full Time P/T=Part Time	Social Security No./ Alien Registration No.	Receiving income
1 <i>Mark Lee</i>	Head of Household	<i>7/8/65</i>	<input checked="" type="checkbox"/> Male <input type="checkbox"/> Female	<input checked="" type="checkbox"/> F/T <input type="checkbox"/> P/T <input type="checkbox"/> N/A	<i>xxx-xx-0000</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
2 <i>Jill Lee</i>	<input type="checkbox"/> Co-Head <input checked="" type="checkbox"/> Spouse <input type="checkbox"/> Dependent <input type="checkbox"/> Other Adult	<i>10/15/70</i>	<input type="checkbox"/> Male <input checked="" type="checkbox"/> Female	<input type="checkbox"/> F/T <input type="checkbox"/> P/T <input checked="" type="checkbox"/> N/A	<i>xxx-xx-1112</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
3 <i>Sarah Lee</i>	<input type="checkbox"/> Co-Head <input type="checkbox"/> Spouse <input checked="" type="checkbox"/> Dependent <input type="checkbox"/> Other Adult	<i>9/28/95</i>	<input type="checkbox"/> Male <input checked="" type="checkbox"/> Female	<input checked="" type="checkbox"/> F/T <input type="checkbox"/> P/T <input type="checkbox"/> N/A	<i>xxx-xx-2221</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

**FALSE**

# Full-Time Students (18 Years or Older)

- ❖ **Count only a small amount of their earned income – a maximum of \$480 per year, if:**
  - ❖ **Not the Head, Spouse, or Co-Head;**
  - ❖ **A Dependent**
- ❖ **Must verify student status**
  - ❖ **Verified by Registrar's office**
  - ❖ **Full-time student determination is made by the educational institution or technical school**



**Must gather verification of earned income**

# Full-Time Students

## TRUE OR FALSE

- ❖ Mario and Rita apply with their 21 year old son Calvin. Calvin is a **full-time student** who works at Lowe's making \$9,984 a year. Only \$480 of Calvin's income should be included in the income calculation.

**TRUE**





# Full-Time Students

## TRUE OR FALSE

- ❖ Charles and Maggie apply with their 18 year old daughter Myka. Myka works part-time at Red Robin making \$7,680 a year. Only \$480 of Myka's income should be included in the income calculation.

**FALSE**

**Myka is NOT a Full Time Student**

# Full-Time Students

## TRUE OR FALSE

- ❖ Ellen applies with her 19 year old son Blake. Blake is a full-time student who receives **\$7,260 a year in social security benefits**. Only \$480 of Blake's income should be included.

**FALSE**

**Include the full amount of unearned income**

# Full-Time Students

## TRUE OR FALSE

- ❖ Freddie applies with his **16 year old** daughter Elizabeth. Elizabeth is a full-time student and works part-time at Ulta making \$2,130 a year. Only \$480 of Elizabeth's income should be included in the income calculation.

**FALSE**

Members	Earned Income	Other Income (including income from assets)
Dependents (Child Under 18)	No	Yes

# Full-Time Students

## TRUE OR FALSE

- ❖ Based on the application, only \$480 of Elsa's earned income needs to be included.

### C. HOUSEHOLD COMPOSITION – List the Head of Household and all other persons who comprise the household

Full Name (exactly as on driver's license or other govt. document)	Relationship to Head of HH	Date of Birth	Gender	Student Status F/T=Full Time P/T=Part Time	Social Security No./ Alien Registration No.	Receiving income
1 Hans Snow	Head of Household	6/20/63	<input checked="" type="checkbox"/> Male <input type="checkbox"/> Female	<input type="checkbox"/> F/T <input type="checkbox"/> P/T <input checked="" type="checkbox"/> N/A	xxx-xx-9900	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
2 Elsa Snow	<input type="checkbox"/> Co-Head <input checked="" type="checkbox"/> Spouse <input type="checkbox"/> Dependent <input type="checkbox"/> Other Adult	1/7/67	<input type="checkbox"/> Male <input checked="" type="checkbox"/> Female	<input checked="" type="checkbox"/> F/T <input type="checkbox"/> P/T <input type="checkbox"/> N/A	xxx-xx-1302	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
3 Kristie Snow	<input type="checkbox"/> Co-Head <input type="checkbox"/> Spouse <input type="checkbox"/> Dependent <input checked="" type="checkbox"/> Other Adult	5/11/74	<input type="checkbox"/> Male <input checked="" type="checkbox"/> Female	<input type="checkbox"/> F/T <input type="checkbox"/> P/T <input checked="" type="checkbox"/> N/A	xxx-xx-2701	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
4 Olaf Snow	<input type="checkbox"/> Co-Head <input type="checkbox"/> Spouse <input checked="" type="checkbox"/> Dependent <input type="checkbox"/> Other Adult	1/7/99	<input checked="" type="checkbox"/> Male <input type="checkbox"/> Female	<input checked="" type="checkbox"/> F/T <input type="checkbox"/> P/T <input type="checkbox"/> N/A	xxx-xx-2771	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

**FALSE**

# Temporarily Absent Members

- ❖ **Include Members on Active Military Duty**

- ❖ **Income must be counted if:**

- ❖ **Military member is:**

- ❖ **Head**

- ❖ **Spouse**

- ❖ **Co-Head**

- ❖ **The spouse or a dependent of the person on active military duty is a member of the applicant group**





# Members on Active Military Duty

## TRUE OR FALSE

- ❖ **Nancy applies with her son Kendall. Nancy indicates that there are 3 members in the family and her spouse (Jerry) is away on active military duty. Jerry's income and assets must be considered when determining income eligibility.**

**TRUE**

# Members on Active Military Duty

## TRUE OR FALSE

- ❖ **Sylvia submits an application with her husband Sam and niece Clair. Sylvia indicates that she is caring for Clair while her sister (Margie) is away on active military duty. The income and assets of Margie should be considered when determining eligibility.**

**TRUE**

# Permanently Confined Member

- ❖ **Individuals permanently confined to a nursing home or hospital**
  - ❖ **May not be named as the Head, Spouse, or Co-Head but may continue as a member at the applicant's discretion**
  - ❖ **How to handle income depends on Applicant**
    - ❖ **If identified as a member count all income;**
    - ❖ **If applicant chooses to exclude the member then income is also excluded**



# Other Members Under 18 Years of Age

- ❖ **Emancipated Minors**

- ❖ **Include income for:**

- ❖ **Members under the age of 18 who under law are treated as adults**
    - ❖ **Members identified as Head, Spouse, or Co-Head**

- ❖ **Adopted Children**

- ❖ **Follow same rules as Dependents**

- ❖ **Exception:**

- ❖ **Adoption assistance payments in excess of \$480 are not counted**

# Foster Children and Foster Adults

**Follow guidelines provided in chart**

<b>Members</b>	<b>Earned Income</b>	<b>Other Income</b> (including income from assets)
Foster Adult	Yes	Yes
Foster Children (Under 18)	No	Yes

## ❖ **Exception:**

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



# Non-Members

## ❖ Live-in Aides

Income *Excluded* if **ALL** the following apply

**Resides with the applicant member**



**Essential to the care and well-being of the applicant member**



**Not obligated for the financial support of the applicant member**



**Would not be considered a member except to provide the necessary supportive services**

# Non-Members

## ❖ Live-in Aides

- ❖ A relative may be considered as a live-in-aide if they meet the requirements
- ❖ Verification of the need for the live-in aide must be obtained from:
  - ❖ Medical Practitioner or a Health Care Provider
  - ❖ Confidential medical information should not be sought



# Non-Members (Live In Aides)

## TRUE OR FALSE

- Based on the application, 2 members have income that should be included when determining eligibility.

C. HOUSEHOLD COMPOSITION – List the Head of Household and all other persons who comprise the household						
Full Name (exactly as on driver's license or other govt. document)	Relationship to Head of HH	Date of Birth	Gender	Student Status F/T=Full Time P/T=Part Time	Social Security No./ Alien Registration No.	Receiving income
1 <i>Stuart McAlister</i>	Head of Household	6/5/42	<input checked="" type="checkbox"/> Male <input type="checkbox"/> Female	<input type="checkbox"/> F/T <input type="checkbox"/> P/T <input checked="" type="checkbox"/> N/A	xxx-xx-6262	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
2 <i>Sylvia Harris</i>	<input type="checkbox"/> Co-Head <input type="checkbox"/> Spouse <input type="checkbox"/> Dependent <input checked="" type="checkbox"/> Other Adult	8/11/85	<input type="checkbox"/> Male <input checked="" type="checkbox"/> Female	<input type="checkbox"/> F/T <input checked="" type="checkbox"/> P/T <input type="checkbox"/> N/A	xxx-xx-3412	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

### D. HOUSEHOLD COMPOSITION INFORMATION

Were any of the household members a full-time student within the last calendar year?  NO  YES, who? \_\_\_\_\_

Are any of the household members listed above foster children?  NO  YES, who? \_\_\_\_\_

Are any of the household members listed above a live-in attendant?  NO  YES, who? *Sylvia Harris*

**FALSE**

# Non-Members (Live In Aides)

## TRUE OR FALSE

- Based on the application, 1 member has income that should be included when determining eligibility.

### C. HOUSEHOLD COMPOSITION – List the Head of Household and all other persons who comprise the household

Full Name (exactly as on driver's license or other govt. document)	Relationship to Head of HH	Date of Birth	Gender	Student Status F/T=Full Time P/T=Part Time	Social Security No./ Alien Registration No.	Receiving income
1 Marshall Williams	Head of Household	8/7/40	<input checked="" type="checkbox"/> Male <input type="checkbox"/> Female	<input type="checkbox"/> F/T <input type="checkbox"/> P/T <input checked="" type="checkbox"/> N/A	xxx-xx-4511	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
2 Amelia Williams	<input type="checkbox"/> Co-Head <input checked="" type="checkbox"/> Spouse <input type="checkbox"/> Dependent <input type="checkbox"/> Other Adult	2/2/50	<input type="checkbox"/> Male <input checked="" type="checkbox"/> Female	<input type="checkbox"/> F/T <input type="checkbox"/> P/T <input checked="" type="checkbox"/> N/A	xxx-xx-9034	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

### D. HOUSEHOLD COMPOSITION INFORMATION

Were any of the household members a full-time student within the last calendar year?  NO  YES, who? \_\_\_\_\_

Are any of the household members listed above foster children?  NO  YES, who? \_\_\_\_\_

Are any of the household members listed above a live-in attendant?  NO  YES, who? **Amelia**

**FALSE**  
**Amelia is the Spouse**



# Break