


Income Determination Training

2025

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Contact Information



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Announcements

Schedule:

- The training will run from 9 am until approximately 3:30 pm
- Breaks: Morning and Afternoon
- Lunch: Approximately 12 – 1 pm
- Staff will present the training and allow for questions after each topic is covered

Housekeeping:

- Certificates will be provided after the conclusion of the class
- We suggest you silence your phones and put an “out of office” email response, if virtual, to help avoid distractions during the training
- If virtual, please pose questions and comments in the “Chat Box” or the “Questions Box,” if virtual



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Resources & Definitions



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General Resources

- **HUD Handbook 4350.3**
 - https://www.hud.gov/program_offices/administration/hudclips/handbooks/hsg/4350.3
 - Chapters 3 and 5 along with corresponding tools and exhibits
- **HUD Notice H 2023–10 and Notice PIH 2023–27**
 - <https://www.hud.gov/sites/dfiles/OCHCO/documents/2023-27pihn.pdf>
 - This document replaces Chapters 3 and 5 of the HUD 4350.3 until/unless a revised Handbook is released
 - This document was updated to include further clarifications on February 2, 2024
- **Technical Guide for Determining Income and Allowances for the HOME Program**
 - <https://files.hudexchange.info/resources/documents/HOMEGuideForIncomeAndAllowances.pdf>
- **24 CFR 5.609 – Annual Income**
 - <https://www.ecfr.gov/current/title-24/subtitle-A/part-5#5.609>
- **Texas Administrative Code**
 - [https://texreg.sos.state.tx.us/public/readtac\\$ext.ViewTAC?tac_view=3&ti=10&pt=1](https://texreg.sos.state.tx.us/public/readtac$ext.ViewTAC?tac_view=3&ti=10&pt=1)

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Definitions

- **Income**
 - ALL amounts, monetary or not, that go to or are received on behalf of the Head, Spouse, or Co-Head (even if the member is temporarily absent), or any other member
 - ALL amounts anticipated to be received from a source outside the applicant group during the 12-month period following admission or certification
 - Annual Income includes all amounts not specifically excluded by regulation
 - For a listing of income exclusions, refer to Notice 2023–10 and Notice 2023–27. (<https://www.hud.gov/sites/dfiles/OCHCO/documents/2023-27pihn.pdf>)
- **Assets**
 - Assets are items of value that may be turned into cash
 - Not all items of value are considered an asset
 - Items are not required to be “cashed out” at time of application
 - Income from Assets includes all amounts not specifically excluded by regulation
 - For a listing of asset inclusions and exclusions, refer to Notice 2023–10 and Notice 2023–27. (<https://www.hud.gov/sites/dfiles/OCHCO/documents/2023-27pihn.pdf>)

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Household versus Family

- **Household**
 - All members of the applicant group
- **Family**
 - All members of the applicant group, or household, that must be included for purposes of eligibility



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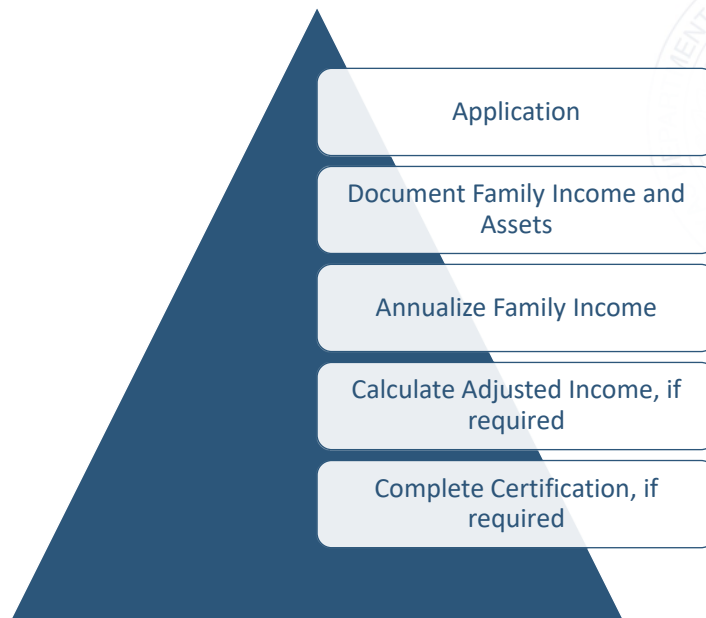
The Qualifying Process



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The Qualifying Process: Steps to Eligibility Determination



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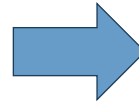
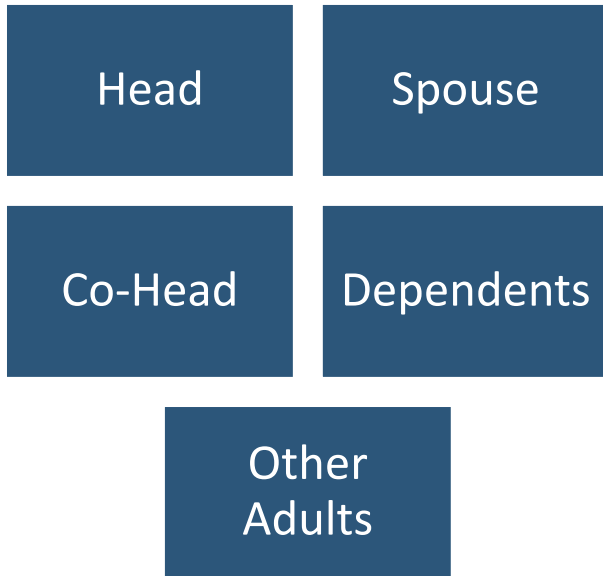
The Qualifying Process: The Application

- The application must screen for ALL sources of income, assets and student status for the family
- Should be completed by the household
- Staff should review the application to determine if the family appears eligible based on the initial information provided
- **Obtain the “Release and Consent” form from all adults**
 - **Necessary to verify disclosed income, assets and student status**
- Programs may have specific form requirements for applications, make sure you are complying with your program requirements

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The Qualifying Process: The Household; Who Counts?



- 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



The Qualifying Process: Whose Income Counts?

Family Members	Earned Income	Other Income (including income from assets)
Head	Yes	Yes
Spouse	Yes	Yes
Co-Head	Yes	Yes
Other Adult	Yes	Yes
Dependents (under 18)	No	Yes
Full-time Student - 18 or older	Yes**	Yes
Household Members	Earned Income	Other Income (including income from assets)
Live-in Aide	No	No
Foster Adult	No	No
Foster Children (under 18)	No	No

The Qualifying Process: Live-in Aide

Household Member	Earned Income	Other Income (including income from assets)
Live-in Aide	No	No

Income and assets from a Live-in Aide can be **excluded** if **ALL** of the following apply:

- Live-in Aide must reside with the applicant member
- Must be essential to the care and well-being of the applicant member
- May **NOT** be obligated for the financial support of the applicant member
- Would not be considered a member except to provide the necessary supportive services

Requirements for a Live-in Aide:

- Verification of the need for the live-in aide must be obtained from a medical practitioner or a healthcare provider
 - Confidential medical information **SHOULD NOT** be sought
- A relative may be considered a live-in aide if they meet the requirements
- A spouse may not be considered a live-in aide

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Learning Point: Live-In Aide

Sample Household:

- William; Head of Household
- Sylvia; Spouse/Co-Head
- Mark; Live-In Aide
- This household is comprised of 3 people with 2 family members, **true or false?**

True, live-in aides do not count towards the family for the purposes of eligibility. This would be a 3-person household, Mark is a live-in Aide and would not be part of the family for purposes of eligibility.

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The Qualifying Process: Foster Persons

Household Members	Earned Income	Other Income (including income from assets)
Foster Adult	No	No
Foster Children (under 18)	No	No

Foster persons, as defined by state law, are excluded from the calculations for family eligibility. The foster assignment must be through a court or welfare agency and documentation of assignment must be present in the file.

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.

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Learning Point: Foster Persons

Sample Household:

- Jesse; Head of Household
- Erin; Foster Adult
- Lynn; Foster Child
- Jane; Foster Child
- This is a 4-person household with 1 family member, **true or false?**

True, foster persons do not count towards the family for the purposes of eligibility. This would be a 4-person household with only 1 family member counting towards eligibility, everyone else listed is a foster person and would not be part of the family for purposes of eligibility.

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Income: Verification Hierarchy

- **Enterprise Income Verification (EIV)**
 - For any program that requires the use of EIV
- **Web-based Income Verification**
 - This is the next highest ranking verification type
- **First-Hand (tenant-provided) Documentation**
 - This a high ranked verification type
- **Third Party Verification**
 - This is a medium ranked verification type
 - Must be sent by the person verifying and returned, the applicant should not handle
- **Oral Clarification/Verification**
 - This type of verification should only be used to clarify missing or incomplete information
- **Self-Certification**
 - This should be used for any income that cannot be verified by other methods and to clarify unclear information

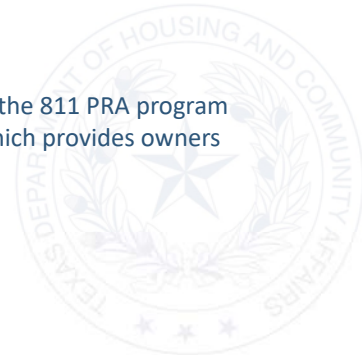


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Income: Enterprise Income Verification (EIV)

- Used by properties participating in HUD's assisted housing programs, such as the 811 PRA program
- The Enterprise Income Verification (EIV) system is a web-based application which provides owners information on:
 - Employment
 - Wage
 - Unemployment compensation
 - Social Security benefits
- There are 2 types of EIV reports; Verification and Income Reports
- The income reports are:
 - Income Report
 - Income Discrepancy Report
 - No Income Reported on 50059
 - No Income Reported by HHS or SSA
 - New Hires Report
- Used at recertification (Interim and Recertification) to reduce errors in subsidy payments
- Owners must print (include print date) and maintain in master binders or tenant files, as required, to document compliance with running these reports
- Owners must address discrepancies between the EIV data and what was reported previously on HUD-50059s or current screening



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Income: Web-based Income Verification

- Web-based Income Verification
 - Information from a reputable source
 - Maintain the full report in the file
 - The Work Number, for example



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Income: First-Hand Documentation

- First-Hand (applicant provided) Documentation
 - Acceptable if the documentation identifies
 - Applicant and Employer; Pay Period and Pay Date; Gross Pay
 - Account Holder and Bank; Interest Rate, if any
 - Paystubs, bank statements, child support payment histories, Social Security Award Letters, Tax Returns, etc.
 - Paperwork Reduction Act minimized the required number of paystubs to 2
 - Some programs require 60 days of source documentation to verify income
 - Review itemization of all amounts included in gross pay and year-to-date earnings
 - Review for any assets not included on the application



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Income: Third Party Verification

- Third Party Verification
 - Employment Verification, Asset Verification, Child Support Verification, etc.
 - This verification type is acceptable if:
 - The form is sent directly to and from the third party
 - The verification cannot be hand-carried by the applicant
 - The verification must be completed in its entirety
 - **Mail**
 - Maintain the envelop in which the verification was sent and received
 - **Fax**
 - Must include the company name and source's fax number
 - **Email**
 - Reliable if the email includes name of appropriate person or firm, maintain email in the tenant file

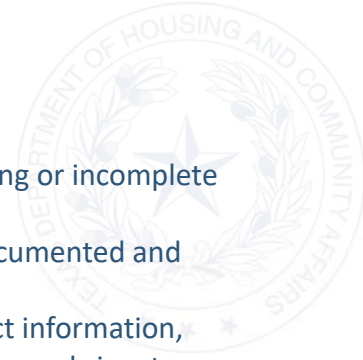


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Income: Oral Verifications and Self-Certifications

- **Oral Clarification/Verification**
 - This type of verification should only be used to clarify missing or incomplete information and any discrepancies
 - This type of verification/clarification is acceptable if it is documented and from a reliable third party source
 - Must include: date & time, person contacted & their contact information, contact's title, what information was clarified and staff name and signature
- **Self-Certification**
 - This should be used for any income that cannot be verified by other methods

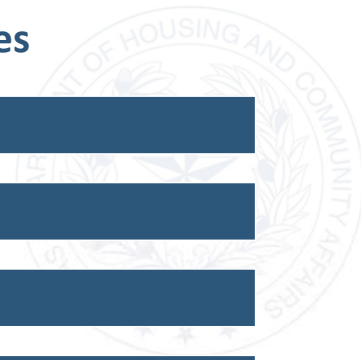


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The Qualifying Process: Tips to Minimize Challenges

- All forms completed in their entirety
- All household members listed
- Is everything current? (within 120 days)
- Any changes/corrections are completed and initialed by applicants
- No correction fluid, white-out or evidence of tampering/perfecting
- Peer Review
- 3rd party or compliance file review



Income



Income: Excluded Income Sources

- Insurance Payments and Settlements
- **Employment Income for Students**
- Payments to keep family members with disabilities living at home
- Payments from the U.S. Census Bureau for work on Decennial Census
- Direct Federal/State Payments for Economic Stimulus or Recovery
- **Tax Returns****
- Gifts for holidays, birthdays, or other significant life events
- Lump sum additions to assets like lottery winnings
- Civil Settlements from an action that caused someone to become disabled
- Income or lump sums received from Civil Rights Settlements
- Back-pay received as a result of a Civil Rights Action
- **Workers' Compensation**
- Income received from a retirement account
 - Except for periodic payments
- **Certain Student Financial Assistance**
- Any other income excluded by 24 CFR 5.609

Any of the Lump Sums outlined on this slide that are placed in an asset, except Tax Returns, will count towards the household assets.

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Income: Excluded Assets

The Rodriguez family received a \$4,500 federal tax refund on 3/1/2024 and deposited the refund into their checking account. At their next annual reexamination with an effective date of 8/1/2024, the PHA/MFH Owner asks the family about any assets they own, the anticipated income from the assets, and if they received a federal tax refund or refundable tax credits in the past 12 months and where they deposited the refund/refundable tax credits or if they purchased savings bonds with the refund.

The Rodriguez family explain that they received a \$4,500 refund and that they deposited the refund into their checking account, which has a balance of \$10,000. The Rodriguez family reports that they have actual income of \$100 from the checking account this year. The family owns no other assets. Therefore, the family's total calculation of net family assets is \$10,000. In determining the total value of net family assets, the PHA/MFH Owner subtracts \$4,500 from the total of \$10,000 of net family assets, for a total countable asset of \$5,500. The full value of actual income is included as income, because actual income is always included even on excluded assets.

Notice H 2023-10 & Notice PIH 2023-27
 Example F2: Federal Tax Refund Excluded from Net Family Assets

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Income: Excluded VA Benefits for HUD-VASH Voucher Holders

- HUD published a Notice on August 13, 2024, announcing changes to the Veterans Affairs Supportive Housing (VASH) program to improve access for veterans experiencing homelessness.
- On September 24, 2024, the IRS issued Revenue Procedure 2024-38, allowing the same income exclusion for Housing Tax Credit (HTC) and BOND programs.
- The exclusion only applies to tenants receiving assistance under the HUD-VASH program. It does not apply to HTC or BOND residents that do not receive assistance under the HUD-VASH program.

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Income: Earned Income

Wages & Salaries	
Commissions & Bonuses	
Overtime & Shift Differential Pay	
Tips & Fees Received	
Self-Employment Income	
Any Other Compensation Received	

** This list is not exhaustive **

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Income: Wage Calculations

Full-Time Hourly	Wage x 2080 hours
Part-Time Hourly	Wage x weekly hours x hourly rate
Weekly	Wage x 52 pay periods
Bi-Weekly	Wage x 26 pay periods
Semi-Monthly	Wage x 24 pay periods
Monthly	Wage x 12 months



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Learning Point: Paystub Average; Semi-Monthly

#966 - Jose Rojas Maintenance Voucher #(210) Pay Date: 11/20/2024
Pay Period: 11/01/2024-11/15/2024

Earnings						Tax Allowance Settings	
Rate	Hours	YTD	Current	YTD			
Hour	19.00	80.00	787.65	1,520.00	14,965.35	Federal:	Head Of Household
Hour	28.50	17.21	143.92	490.50	4,101.78		Form W4 2024 And Later: Yes
							Two Jobs: No
							Claim Dependent: No
Gross Pay				2,010.50	19,067.13		

#966 - Jose Rojas Maintenance Voucher #(325) Pay Date: 12/20/2024
Pay Period: 12/01/2024-12/15/2024

Earnings						Tax Allowance Settings	
Rate	Hours	YTD	Current	YTD			
Hour	19.00	80.00	947.65	1,520.00	18,005.35	Federal:	Head Of Household
Hour	28.50	22.27	179.65	634.70	5,120.09		Form W4 2024 And Later: Yes
							Two Jobs: No
							Claim Dependent: No
Gross Pay				2,154.70	23,125.44		

#966 - Jose Rojas Maintenance Voucher #(384) Pay Date: 12/05/2024
Pay Period: 11/16/2024-11/30/2024

Earnings						Tax Allowance Settings	
Rate	Hours	YTD	Current	YTD			
Hour	19.00	80.00	867.65	1,520.00	16,485.35	Federal:	Head Of Household
Hour	28.50	13.46	157.38	383.61	4,485.39		Form W4 2024 And Later: Yes
							Two Jobs: No
							Claim Dependent: No
Gross Pay				1,903.61	20,970.74		

$\$2,010.50 + \$2,154.70 = \$1,903.61$
 $\$6,068.81 \div 3 = \$2,022.94$ average
 $\$2,022.94 \times 24$ pay periods =
 $\$48,550.56$ annually



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Learning Point: Paystub Average; Bi-Weekly

Jana receives 6 paystubs:

- October 11th: \$650
- October 25th: \$685
- November 8th: \$432
- November 22nd: \$719
- December 6th: \$103
- December 20th: \$724

What is Jana's income to be used for eligibility?

$\$650 + \$685 + \$432 + \$719 + \$103 + \$724 = \$3,313$ total
 $\$3,313 \div 6 = \552.17 average
 $\$552.17 \times 26$ pay periods = **\$14,356.42 annually**

OCTOBER							NOVEMBER							DECEMBER						
S	M	T	W	TH	F	S	S	M	T	W	TH	F	S	S	M	T	W	TH	F	S
		1	2	3	4	5						1	2	1	2	3	4	5	6	7
6	7	8	9	10	11	12	3	4	5	6	7	8	9	8	9	10	11	12	13	14
13	14	15	16	17	18	19	10	11	12	13	14	15	16	15	16	17	18	19	20	21
20	21	22	23	24	25	26	17	18	19	20	21	22	23	22	23	24	25	26	27	28
27	28	29	30	31			24	25	26	27	28	29	30	29	30	31				

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Learning Point: Salaried Employee

What is Virginia's income to be used for eligibility?

II. THIS SECTION TO BE COMPLETED BY EMPLOYER	
Employee Name: Virginia Vasterling	Job Title: Cattle Whisperer
Presently Employed: <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	Date First Employed: January 12, 2023
Last Day of Employment: _____ or _____	
Current Wages/Salary: \$3,000 (circle one) hourly / weekly / bi-weekly / semi-monthly / monthly	
Average # of regular hours per week: salaried	Year-to-date earnings: \$3,000
Overtime Rate: \$n/a per hour	Average # of overtime hours per week: none
Shift Differential Rate: \$n/a per hour	Average # of shift differential hours per week: none
Commissions, bonuses, tips, other: \$10,000 (circle one) hourly / weekly / bi-weekly / semi-monthly / monthly / yearly (other: per call)	
List any anticipated change in the employee's rate of pay within the next 12 months: none Effective date: none	
If the employee's work is seasonal or sporadic, please indicate the layoff period(s): Virginia works full-time	
Additional remark(s): Bonus is paid based on the number of calves born and sold in the year, average is \$10,000	

We called the employer to clarify the frequency and amount of the bonus; the employer stated that this is a once a year bonus of \$10,000.

$\$3,000 \times 12$ months = \$36,000 total salary
 $\$36,000$ salary + \$10,000 bonus = **\$46,000 annually**

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Learning Point: Hourly Employee

What is Jeanna's income to be used for eligibility?

II. THIS SECTION TO BE COMPLETED BY EMPLOYER	
Employee Name: Jeanna Calzada	Job Title: Dog Caregiver and Dog Walker
Presently Employed: <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	Date First Employed: 11/27/2023
Last Day of Employment: _____ or <input checked="" type="checkbox"/> Not Applicable	
Current Wages/Salary: \$ 19.00 (circle one) hourly / bi-weekly / semi-monthly / monthly / yearly / other: _____	
Average # of regular hours per week: 40	Year-to-date earnings: \$ 38,760 through 12/26/2024
Overtime Rate: \$ 28.50 per hour	Average # of overtime hours per week: 1
Shift Differential Rate: \$ 21.00 per hour	Average # of shift differential hours per week: 8
Commissions, bonuses, tips, other: \$ 50 tips (circle one) hourly / weekly / bi-weekly / semi-monthly / monthly / yearly / other: _____	
List _____	
If th _____	
Add _____	

$\$19 \times 2,080 \text{ hours} = \$39,520 \text{ base pay}$
 $\$28.50 \text{ overtime} \times 1 \text{ hour} \times 52 \text{ weeks} = \$1,482 \text{ overtime}$
 $\$2 \text{ shift differential} \times 8 \text{ hours} \times 52 \text{ weeks} = \$832 \text{ shift differential}$
 $\$50 \text{ tips} \times 52 \text{ weeks} = \$2,600 \text{ tips}$
 $\$39,520 + \$1,482 + \$832 + \$2,600 = \mathbf{\$44,434 \text{ annually}}$

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Learning Point: Paystubs with Extra Pay

What is the applicant's income to be used for eligibility?

Earnings						Earnings					
Pay Date: 11/1/2024						Pay Date: 12/1/2024					
Pay period begin: 10/16/2024						Pay period begin: 11/16/2024					
Pay period end: 10/31/2024						Pay period end: 11/30/2024					
	Pay Rate	Hours	Current Total	Year to Date			Pay Rate	Hours	Current Total	Year to Date	
Regular	\$ 16.00	65	\$ 1,040.00	\$	7,500.00	Regular	\$ 16.00	54	\$ 864.00	\$	10,362.75
Shift Diff.	\$ 17.25	15	\$ 258.75	\$	258.75	Shift Diff.	\$ 17.25	26	\$ 448.50	\$	707.25
Commission			\$ -	\$	-	Commission	\$ 240.00	n/a	\$ 240.00	\$	480.00
Total			\$ 1,298.75	\$	7,758.75	Total			\$ 1,552.50	\$	11,550.00

Earnings						Earnings					
Pay Date: 11/15/2024						Pay Date: 12/15/2024					
Pay period begin: 11/1/2024						Pay period begin: 12/1/2024					
Pay period end: 11/15/2024						Pay period end: 12/15/2024					
	Pay Rate	Hours	Current Total	Year to Date			Pay Rate	Hours	Current Total	Year to Date	
Regular	\$ 16.00	80	\$ 1,500.00	\$	9,498.75	Regular	\$ 16.00	70	\$ 1,120.00	\$	11,482.75
Shift Diff.			\$ -	\$	258.75	Shift Diff.	\$ 17.25	10	\$ 172.50	\$	879.75
Commission	\$ 240.00	n/a	\$ 240.00	\$	240.00	Commission			\$ -	\$	480.00
Total			\$ 1,740.00	\$	9,997.50	Total			\$ 1,292.50	\$	12,842.50

$\$1,298.75 + \$1,740.00 + \$1,552.50 + \$1,292.50 = \$5,883.75$
 $\$5,883.75 \div 4 = \$1,470.94 \text{ average}$
 $\$1,470.94 \times 24 \text{ pay periods} = \mathbf{\$35,302.50 \text{ annually}}$

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Learning Point: Incomplete Paystubs

What is the applicant's income to be used for eligibility?

Earnings					Earnings				
Pay Date: 12/13/2024					Pay Date: 12/27/2024				
Pay period begin: 12/1/2024					Pay period begin: 12/15/2024				
Pay period end: 12/7/2024					Pay period end: 12/21/2024				
	Pay Rate	Hours	Current Total	Year to Date		Pay Rate	Hours	Current Total	Year to Date
Regular	\$ 10.00	40	\$ 400.00	\$ 9,345.00	Regular	\$ 10.00	40	\$ 400.00	\$ 10,145.00
Shift Diff.				\$ 1,800.00	Shift Diff.				\$ 1,800.00
Bonus				\$ 1,500.00	Bonus				\$ 1,500.00
Total			\$ 400.00	\$ 12,645.00	Total			\$ 400.00	\$ 13,445.00

Earnings					Earnings				
Pay Date: 12/20/2024					Pay Date: 1/3/2025				
Pay period begin: 12/8/2024					Pay period begin: 12/22/2024				
Pay period end: 12/14/2024					Pay period end: 12/28/2024				
	Pay Rate	Hours	Current Total	Year to Date		Pay Rate	Hours	Current Total	Year to Date
Regular	\$ 10.00	40	\$ 400.00	\$ 9,745.00	Regular	\$ 10.00	40	\$ 400.00	\$ 10,545.00
Shift Diff.				\$ 1,800.00	Shift Diff.				\$ 1,800.00
Bonus				\$ 1,500.00	Bonus				\$ 1,500.00
Total			\$ 400.00	\$ 13,045.00	Total			\$ 400.00	\$ 13,845.00

~~\$400 x 52 pay periods = \$20,800 annually~~

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Learning Point: Paystubs with Clarification

What is the applicant's income to be used for eligibility?

Earnings					Earnings				
Pay Date: 12/13/2024					Pay Date: 12/27/2024				
Pay period begin: 12/1/2024					Pay period begin: 12/15/2024				
Pay period end: 12/7/2024					Pay period end: 12/21/2024				
	Pay Rate	Hours	Current Total	Year to Date		Pay Rate	Hours	Current Total	Year to Date
Regular	\$ 10.00	40	\$ 400.00	\$ 9,345.00	Regular	\$ 10.00	40	\$ 400.00	\$ 10,145.00
Shift Diff.				\$ 1,800.00	Shift Diff.				\$ 1,800.00
Bonus				\$ 1,500.00	Bonus				\$ 1,500.00
Total			\$ 400.00	\$ 12,645.00	Total			\$ 400.00	\$ 13,445.00

Earnings					Earnings				
Pay Date: 12/20/2024					Pay Date: 1/3/2025				
Pay period begin: 12/8/2024					Pay period begin: 12/22/2024				
Pay period end: 12/14/2024					Pay period end: 12/28/2024				
	Pay Rate	Hours	Current Total	Year to Date		Pay Rate	Hours	Current Total	Year to Date
Regular	\$ 10.00	40	\$ 400.00	\$ 9,745.00	Regular	\$ 10.00	40	\$ 400.00	\$ 10,545.00
Shift Diff.				\$ 1,800.00	Shift Diff.				\$ 1,800.00
Bonus				\$ 1,500.00	Bonus				\$ 1,500.00
Total			\$ 400.00	\$ 13,045.00	Total			\$ 400.00	\$ 13,845.00

II. VERIFIED INFORMATION	
1. Reason for Clarification: _____	
What is the shift differential rate? How often are shift differential hours received/paid? How often are bonuses paid and what is the maximum amount?	
2. Explanation for Clarification Given: _____	
The shift differential rate is \$15 per hour, \$5 extra. Employees average 8 of these hours per week. Bonuses are paid on a monthly basis, if earned, at a maximum of \$100 per month.	
3. Additional remark(s): _____	
None of these above is guaranteed, but the information is based on current employment information.	

$\$400 \times 52 \text{ pay periods} = \$20,800 \text{ base pay}$
 $\$5 \text{ shift differential} \times 8 \text{ hours} \times 52 \text{ weeks} = \$2,080 \text{ shift differential}$
 $\$100 \text{ bonus} \times 12 \text{ months} = \$1,200 \text{ bonus potential}$
 $\$20,800 + \$2,080 + \$1,200 = \$24,080 \text{ annually}$

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Income: Irregular Employment – Seasonal or Sporadic



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Learning Point: Irregular Employment – Seasonal or Sporadic

-----EMPLOYER INFORMATION-----		-----EMPLOYEE INFORMATION-----	
Name: Del Valle SCHOOL DISTRICT Address: 456 School District STREET Del Valle, TX 78723		Name: Cruz-Smith, Rebecca Address: 123 Ave K Gun Barrel City, TX 75	
-----CHECK DETAIL INFORMATION-----			
Check Date: 01/13/2025 Net Amount: 1,954.18 Check Type: Regular		Gross Wages: 2,272.22 Check Number: 9000156	
-----CURRENT EMPLOYMENT CONTACT INFORMATION – Household Member #2-----			
Household Member's Name Rebecca Cruz- Smith		Occupation teacher's aide	Work Phone 512-202-1256
Name and Street Address of Employer 456 School District Street		City Del Valle	State Texas
Date Hired 1/5/2024		Salary \$ ^{1.00} Hourly <input type="checkbox"/> Weekly <input type="checkbox"/> bi-weekly <input type="checkbox"/> twice a month <input type="checkbox"/> Monthly <input checked="" type="checkbox"/> Yearly <input type="checkbox"/> Other <input type="checkbox"/>	Zip Code 78723
Gross Wage		# of hours worked per week 35	Last Date of Employment summers
-----PAYS-----			
Minus Deductions that Decrease Taxable Income			
Plus Taxable Benefits			
Taxable Gross Wages:		2,133.54	2,133.54
YTD Taxable Gross Wages:		2,133.54	2,133.54
		2,222.39	2,222.39
		2,222.39	2,222.39

**\$2,272.22 x 12 =
\$27,266.64**

**Is this correct?
No!**

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Learning Point: Irregular Employment – Seasonal or Sporadic cont.

****Rebecca must be screened for other income/employment during her layoff period.****

\$2,272.22 x 9 = \$20,449.98

Is this correct?

Yes!

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Income: Anticipated Changes

- Anticipated changes can include:
 - Rate of pay
 - Hours worked
 - Benefits (bonus or commission, for example) received
- If the applicant anticipates the increase...
 - Take the anticipated increase into account when determining eligibility
 - If verification is not possible, or employer will not confirm, gather a self-certification
- Paystubs should be reviewed to confirm increases in pay and calculated using the increased pay, if a change occurred during the period for which paystubs were obtained

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Learning Point: Anticipated Changes

What is Christina's income to be used for eligibility if they are moving in on February 4th?

II. THIS SECTION TO BE COMPLETED BY EMPLOYER	
Employee Name: Christina Jones	Job Title: Landscape Technician
Presently Employed: <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	Date First Employed: 08/01/2022
Last Day of Employment: _____ or <input checked="" type="checkbox"/> Not Applicable	
Current Wages/Salary: \$ 9.50 (circle one) hourly weekly / bi-weekly / semi-monthly / monthly / yearly / other: _____	
Average # of regular hours per week: 40	Year-to-date earnings: \$ 19,380 through 12/26/2024
Overtime Rate: \$ n/a per hour	Average # of overtime hours per week: none
Shift Differential Rate: \$ n/a per hour	Average # of shift differential hours per week: none
Commissions, bonuses, tips, other: \$ none (circle one) hourly / weekly / bi-weekly / semi-monthly / monthly / yearly / other: _____	
List any anticipated change in the employee's rate of pay within the next 12 months: \$1 Effective date: April 1, 2025	
If the employee's work is seasonal or sporadic, please indicate the layoff period(s): n/a	
Additional remark(s): Raises are given at the start of the busy season	

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Learning Point: Anticipated Changes continued

What is Christina's income to be used for eligibility if certification is effective on February 4th?

II. THIS SECTION TO BE COMPLETED BY EMPLOYER	
Employee Name: Christina Jones	Job Title: Landscape Technician
Presently Employed: <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	Date First Employed: 08/01/2022
Last Day of Employment: _____ or <input checked="" type="checkbox"/> Not Applicable	
Current Wages/Salary: \$ 9.50 (circle one) hourly weekly / bi-weekly / semi-monthly / monthly / yearly / other: _____	
Average # of regular hours per week: 40	Year-to-date earnings: \$ 19,380 through _____
Overtime Rate: \$ n/a per hour	Average # of overtime hours per week: none
Shift Differential Rate: \$ n/a per hour	Average # of shift differential hours per week: none
Commissions, bonuses, tips, other: \$ none (circle one) hourly / weekly / bi-weekly / semi-monthly / monthly / yearly / other: _____	
List any anticipated change in the employee's rate of pay within the next 12 months: _____ Effective date: _____	
If the employee's work is seasonal or sporadic, please indicate the layoff period(s): _____	
Additional remark(s): _____	

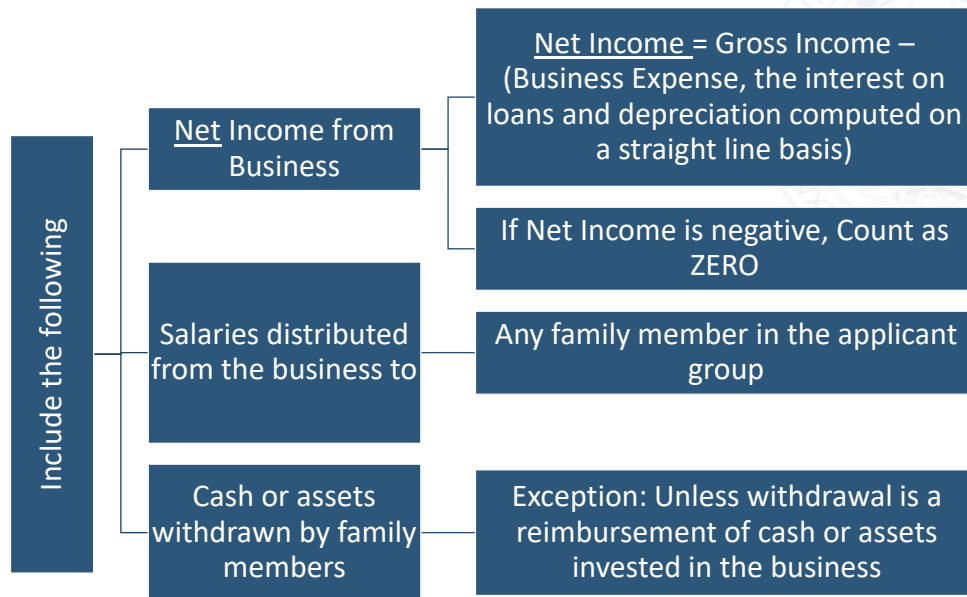
8 weeks at \$9.50 x 40 = \$3,040
 44 weeks at \$10.50 x 40 = \$18,480
 \$3,040 + \$18,480 = \$21,520
annually

FEBRUARY							MARCH						
S	M	T	W	TH	F	S	S	M	T	W	TH	F	S
				1	2	3						1	2
4	5	6	7	8	9	10	3	4	5	6	7	8	9
11	12	13	14	15	16	17	10	11	12	13	14	15	16
18	19	20	21	22	23	24	17	18	19	20	21	22	23
25	26	27	28	29			24	25	26	27	28	29	30
							31						

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Income: Self-Employment/Income from Business



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Learning Point: Self-Employment Income

Morgan has a landscaping business. They gross \$4,900 per month. Their quarterly expenses (repairs, fuel, supplies, etc.) are \$1,600. Morgan has one part-time employee that is paid \$1,500 per month.

What is the income to be included for Morgan's self-employment?

$\$4,900 \times 12 \text{ months} = \$58,800 \text{ annual gross income}$
MINUS
 $\$1,500 \text{ payroll} \times 12 \text{ months} = \$18,000 \text{ annual payroll}$
 $\$1,600 \text{ quarterly expenses} \times 4 \text{ quarters} = \$6,400 \text{ annual expenses}$
 $\$58,800 - \$18,000 - \$6,400 = \mathbf{\$34,400 \text{ annually}}$

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Learning Point: Self-Employment; Gig Income

Week	Total Earnings
Current week	\$369.77
Sep 11-17	\$170.28
Sep 4-10	\$294.38

\$294.38 + \$170.28 + \$369.77 = \$834.43	
\$834.43 ÷ 3 = \$278.14	
\$278.14 x 52 weeks = \$14,463.45 annually	

Josie works for Instacart in addition to her regular employment.

Based on the three (3) most recent weekly statements, what is her income for eligibility?

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Income: Tip Income

Let's talk about tip income...

- Tips are not always reflected on paystubs or verifications
- Obtain a self-certification of anticipated tips
- Tip income is typically earned in service industries
 - Wait Staff & Bartenders
 - Hair Stylists & Nail Technicians
 - Taxi, Delivery and Rideshare Drivers
 - Valet Persons
 - This list is not exhaustive!

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Learning Point: Hourly Employee; Unreported Tips

What is Jeanna's (from slide 34) income to be used for eligibility with the NEW tips?

II. THIS SECTION TO BE COMPLETED BY EMPLOYER	
Employee Name: Jeanna Calzada	Job Title: Dog Caregiver and Dog Walker
Presently Employed: <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	Date First Employed: 11/27/2023
Last Day of Employment: _____ or <input checked="" type="checkbox"/> Not Applicable	
Current Wages/Salary: \$ 19.00 (circle one) hourly/week	
Average # of regular hours per week: 40	
Overtime Rate: \$ 28.00 per hour	
Shift Differential Rate: \$ 21.00 per hour	
Commissions, bonuses, tips, other: \$ 50 tips (circle one) hourly	
List any anticipated change in the employee's rate of pay with _____	
If the employee's work is seasonal or sporadic, please indicate _____	
Additional remark(s): All employees are required to work	

Applicant/Tenant: Jeanna Calzada Apartment: 101

I, Jeanna Calzada, hereby certify that I receive \$ 50 (weekly/monthly/quarterly/annually (circle one)) in undeclared tip income.

These are tips the I **DO NOT** report to my employer, and are in addition to the amount of tip income I report to my employer for tax purposes.

$\$39,520 + \$1,482 + \$832 + \$2,600 = \$44,434$ annually...
 But, during a later conversation with Jeanna we discovered that she receives tips that are not reported but need to be included...
 $\$50 \times 52 = \$2,600 + \$44,434 = \$47,034$ annually

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Income: Social Media Influencer

There are many different ways a person can get paid for being a social media influencer. Most are independent contractors and should be treated as self-employed.

Example: Kevin streams for YouTube. He can make anywhere from \$1,200 to \$4,000, dependent upon his views, ads, etc., per month and receives a statement each month. He also has subscribers and gifts given which must also be included as income. In this case, he can provide the most recent 4-6 statements. To calculate his income, average the statements and count the net income. The taxes paid/owed are not considered an allowable deduction when determining the net income. Please note, not all influencers receive monthly statements; therefore, you will need to work with the applicant and/or prospective resident regarding what they have available to verify their income.

- Acceptable forms of verification would include:*
- IRS form 1040 schedule C or 4506-T
 - Statements showing net income (most recent 4-6 to average)
 - Other documentation listed in Appendix 3 of the 4350.3
 - Self affidavit as last resort

Citation: HUD 4350.3, 5-6H, page 5-13
 Appendix 3 (Acceptable forms of verification)

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Income: Unearned Income

<input type="checkbox"/>	Child Support & Alimony	<input type="text"/>
<input type="checkbox"/>	Social Security and SSI	<input type="text"/>
<input type="checkbox"/>	Monetary Contributions	<input type="text"/>
<input type="checkbox"/>	Unemployment	<input type="text"/>
<input type="checkbox"/>	Annuities	<input type="text"/>
<input type="checkbox"/>	Retirement & Pension	<input type="text"/>
<input type="checkbox"/>	Financial Aid	<input type="text"/>
<input type="checkbox"/>	Disability & VA Benefits	<input type="text"/>
<input type="checkbox"/>	TANF (not food stamps)	<input type="text"/>

** This list is not exhaustive **

Income: Adjustments for Prior Overpayments

Calculate assuming current circumstance will last a full twelve (12) months.

Adjustments for Prior Overpayment of Benefits

If an agency is reducing a family's benefits to adjust for a prior overpayment (e.g., social security, SSI, TANF, or unemployment benefits), count the amount that is actually provided after the adjustment.

Income: Unemployment Income

Based on the unemployment benefit statement; what is the amount of unemployment income that would be included in the calculation of eligibility?

Claim Information

Claim Type: Regular Unemployment Benefits

Claim Start Date:

Weekly Benefit Amount: \$590.00

Maximum Possible Benefits: \$9,176.00

Benefits Paid to Date: \$7,730.00

Benefits Remaining: \$1,446.00

Next Date to Request Payment: On your scheduled filing day during the week beginning SUNDAY

Your Scheduled Filing Day is: SUNDAY

Payment Summary

Week(s)	TWC Processed Date	Deduction(s)	Payment
Nov 19, 2024 to Nov 25, 2024	---	\$99.00	\$491.00
Nov 12, 2024 to Nov 18, 2024	---	\$99.00	\$491.00
Nov 05, 2024 to Nov 11, 2024	---	\$99.00	\$491.00
Oct 28, 2024 to Nov 04, 2024	---	\$99.00	\$491.00
Oct 21, 2024 to Oct 27, 2024	---	\$99.00	\$491.00
Oct 14, 2024 to Oct 20, 2024	---	\$99.00	\$491.00
Oct 07, 2024 to Oct 13, 2024	---	\$99.00	\$491.00
Sept 31, 2024 to Oct 06, 2024	---	\$0.00	\$0.00

\$590 x 52 weeks = \$30,680 annually

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Income: Child Support/Alimony

Child Support/Alimony: the amounts received ONLY are included for eligibility, regardless of what is ordered to be received

If Court Ordered or through Enforcement Agency:

- Obtain the current pay history at the time of application/certification
- Include the payments received within 120 days of the certification effective date

If NOT Court Ordered or through an Enforcement Agency:

- Obtain a monetary gift letter from the person paying the cash support
- If unable to obtain gift letter, family should self-certify the income

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Learning Point: Child Support/Alimony; Not Received

Kara has a court order to receive \$425 per month, but her ex-husband does not pay, she has certified to this fact; however, Kara has made no effort to collect the child support. The payment history received from the Attorney General indicates that payments are not made. We must count the full \$425 per month as income, **true or false?**

False

Only the amounts received are included in the annual income for eligibility.

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Learning Point: Child Support/Alimony; Given Back

An applicant has provided a pay history showing a payment of child support in the amount of \$290 every month. The applicant is returning all of the money via Venmo since the non-custodial parent and the applicant have mutually agreed upon a change to the child support order and now are sharing custody.

Does the full child support amount need to be included as income?

The child support must be included in the family's annual income calculation because the pay history reflects receipt of payments.

It is up to the family to make necessary changes with the child support enforcement agency.

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Learning Point: Child Support/Alimony; Regular Payments

What is the amount of child support to be included in the calculation of eligibility for this family certifying on January 21st?

Date: January 10, 2025
Recipient Name: JENIFER HERMAN

CHILD SUPPORT/ALIMONY VERIFICATION

No case was found on the Child Support Registry Only

Other: _____

This document contains the most recent child support order. Tax Offset amounts are not included in the last 12 months of the reverse side of the form.

Cause #: D2-XXXXXX
The amount of court child support is 562.00 per MONTHLY

Last 12 Payments

Date:	Amount:
12/30/2024	\$258.00
12/16/2024	\$258.00
12/02/2024	\$258.00
11/19/2024	\$258.00
11/05/2024	\$258.00
10/27/2024	\$258.00
10/07/2024	\$258.00
09/29/2024	\$258.00
09/19/2024	\$2,535.00
09/01/2024	\$258.00
09/16/2024	\$258.00
09/01/2024	\$258.00

From **Tuesday, January 21, 2025**
Subtracted 120 days

Result: Monday, September 23, 2024

We can determine from this verification that the family receives \$258 every other week.

$\$258 \times 26 \text{ weeks} = \$6,708$ annually

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Learning Point: Child Support/Alimony; Monthly Payments

What is the amount of child support to be included in the calculation of eligibility for this family certifying on March 1st?

Other Parent: Jason Smith
Below are the last 12 payments.

Date (MM/DD/YYYY)	Amount	Type
01/03/2025	\$147.00	Direct Deposit
12/08/2024	\$147.00	Direct Deposit
11/06/2024	\$147.00	Direct Deposit
10/05/2024	\$147.00	Direct Deposit
09/09/2024	\$147.00	Direct Deposit
08/03/2024	\$147.00	Direct Deposit
07/02/2024	\$147.00	Direct Deposit

From **Saturday, March 1, 2025**
Subtracted 120 days

Result: Friday, November 1, 2024

We can determine from this verification that the family receives \$147 every month.

$\$147 \times 12 \text{ months} = \$1,764$ annually

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Learning Point: Child Support; Sporadic

Date: December 27, 2024
Recipient Name: Esther Cruz

CHILD SUPPORT INCOME VERIFICATION

No case was found on the Child Support

Other: _____

This document contains the most recent child support income information in the possession of the Department of Housing and Community Affairs. Tax Offset amounts are not included in the last 12 payments provided. Additional payment records, if applicable, are provided on the reverse side of the form.

What is the Child Support to be included in the calculation of eligibility for Esther Cruz with a certification date of February 1, 2025?

OAG Case #: Registry Only	Case #: 324-xxxx-11 The amount of court child support is 222.00 per BI-WEEKLY Last 12 Payments	OAG Case #: Registry Only	Case #: The amount of court child support is per Last 12 Payments																										
Dependent(s): LIAM CRUZ	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Date:</th> <th>Amount:</th> </tr> </thead> <tbody> <tr><td>12/23/2024</td><td>\$120.00</td></tr> <tr><td>11/23/2024</td><td>\$75.00</td></tr> <tr><td>10/09/2024</td><td>\$50.00</td></tr> <tr><td>09/20/2024</td><td>\$98.00</td></tr> <tr><td>08/26/2024</td><td>\$65.00</td></tr> <tr><td>07/13/2024</td><td>\$200.31</td></tr> <tr><td>06/20/2024</td><td>\$141.31</td></tr> <tr><td>05/08/2024</td><td>\$75.00</td></tr> <tr><td>04/01/2024</td><td>\$200.31</td></tr> <tr><td>03/17/2024</td><td>\$2041.31</td></tr> <tr><td>02/17/2024</td><td>\$65.00</td></tr> <tr><td>01/03/2024</td><td>\$20.31</td></tr> </tbody> </table>	Date:	Amount:	12/23/2024	\$120.00	11/23/2024	\$75.00	10/09/2024	\$50.00	09/20/2024	\$98.00	08/26/2024	\$65.00	07/13/2024	\$200.31	06/20/2024	\$141.31	05/08/2024	\$75.00	04/01/2024	\$200.31	03/17/2024	\$2041.31	02/17/2024	\$65.00	01/03/2024	\$20.31	Dependent(s):	Date: Last 12 Payments Amount:
Date:	Amount:																												
12/23/2024	\$120.00																												
11/23/2024	\$75.00																												
10/09/2024	\$50.00																												
09/20/2024	\$98.00																												
08/26/2024	\$65.00																												
07/13/2024	\$200.31																												
06/20/2024	\$141.31																												
05/08/2024	\$75.00																												
04/01/2024	\$200.31																												
03/17/2024	\$2041.31																												
02/17/2024	\$65.00																												
01/03/2024	\$20.31																												

From Saturday, February 1, 2025
Subtracted 120 days

Result: Friday, October 4, 2024

$\$120 + \$75 + \$50 = \245
 $\$245 \div 3 \text{ months} = \81.67 average
 $\$81.67 \times 12 \text{ months} = \980 annually

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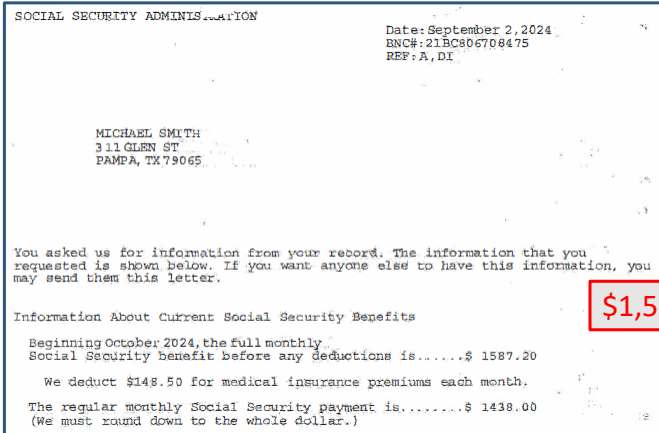
Income: Social Security

- Count **gross amount**; prior to any deductions
 - If the deduction is a result of an overpayment it can be removed from the calculation of income
 - If the deduction is for any other reason; insurance, Medicare, etc., it cannot be removed from the calculation of income
- Include payments received by:
 - Adults
 - Adults on behalf of any family members in the household
 - Family Members under the age of 18
- Exclude payments received by:
 - Live-in Aides
 - Foster Adults and Foster Children
 - Adults on behalf of Foster Persons

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Learning Point: Social Security Before COLA Announcement

What is the amount of Social Security Income to be counted for this family with a certification date of October 1, 2024? The Social Security Administration announced a COLA increase of 3.2% on October 10, 2024.



\$1,587.20 x 12 months = \$19,046.40 Annually

Learning Point: Social Security After COLA Announcement

What is the amount of Social Security Income to be counted for this household with a move-in date of **December 1, 2024**?

The Social Security Administration announced a COLA increase of 2.5% on October 10, 2024.



\$1,587.20 x 1 months = \$1,587.20
\$1,587.20 x 2.5% = \$39.68
\$1,587.20 + \$39.68 = \$1,626.88 with COLA
\$1,626.88 x 11 months = \$17,895.68
\$1,587.20 + \$17,895.68 = \$19,482.88 Annually

Learning Point: Social Security for a Minor Family Member

Charles is applying with his 10-year-old niece, Daisy. Daisy receives Social Security benefits due to the death of a parent. She receives \$744 per month.

How much income should be included in the calculation of eligibility for this family?

\$744 x 12 months = \$8,928 Annually

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

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Income: Monetary (Family Support) Contributions & Gifts

Any amount received from persons outside the family must be included in income for purposes of eligibility.

- Examples include:
 - Rent or utilities paid on behalf of the applicant or family
 - Cash contributions received on a regular basis
 - Financial assistance provided for the support of a child in the family
 - Financial assistance provided to assist a student family member
- Exceptions include:
 - Groceries brought to the family
 - Contributions paid directly to a childcare provider by persons not in the household
 - Gifts for birthdays, weddings and other major life events of family members
 - Federal/State tenant based rental or utility assistance

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Learning Point: Monetary (Family Support) Contributions

What is the calculation of income for eligibility based on the monetary contribution letter below?

January 10, 2025

To whom it may concern,

I, Michelle Rogers, provide my friend, April Johnson, a monthly gift of \$400. This gift has no end date and is paid every month. Please feel free to contact me with any questions.

Thank you,

Michelle Rogers

\$400 x 12 months = \$4,800 Annually

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Income: Periodic Payments

Typically, these benefits are funds in which the applicant paid into over time

- Once matured, monthly benefits are paid out.

Include verifiable anticipated increases, usually referred to as Cost of Living (COLA) increases

Can be received from:

- Annuities
- Insurance Policies (i.e. Long-term Care Insurance, etc.)
- Pension or Retirement Funds
- Disability or Death Benefits

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Learning Point: Periodic Payments

What is the amount of retirement income that should be included in the determination of eligibility?

Verification of Monthly Payments TRS211 (02-19)

1000 Red River Street
Austin, TX 78701-2008
(800) 223-8778
www.trsbol.com

Name John Smith Social Security Number 12345678 12/23/2024

The person named above currently receives the following monthly payments from the Teacher Retirement System. Monthly benefit payments are generally due to be paid on the last working day of the month for which the payment accrues.

12/31/2018	Retirement Date	Current Gross Amount of Monthly Payment	Effective Date of Commencement of Payment	TRIS Option (Member)	TRIS Option (Beneficiary)	Effective Date of Current Payment
		\$1,658.36	01/01/2019 - FOR LIFE	09		01/31/2019
		\$1,658.36	Gross Total of All Monthly Payments			
		\$86.16	Total Federal Income Tax Withheld			
		\$135.00	TRS-Care Insurance Premium(s) Withheld			
		\$0.00	Other Healthcare Insurance Premium(s) Withheld			
		\$2.92	Monthly Dues to Professional Organizations			
		\$1,434.28	Net Amount of All Monthly Payments			

Verification of Raise Amounts TRS211R (02-19)

1000 Red River Street
Austin, TX 78701-2008
(800) 223-8778
www.trsbol.com

Name John Smith Social Security Number: 12345678 December 23, 2024

The person named above currently receives the following amount each month from the Teacher Retirement System of Texas (TRS):

\$1,658.36 Gross

The following information below indicates the increases to the monthly payment that the person named above has received:

There are no raises for this participant.

If you have any questions, please call TRS.

$$\$1,658.36 \times 12 = \$19,900.32$$

Verify with issuer if there have been any "cost of living" increases since the origination

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Income: Retirement Accounts

Wendy is 75 years old and has retired this year. She is contributing to her IRA and, because she is over the age of 72, is receiving \$6,450.00 per quarter in required disbursements (RMD).

While the retirement account, as of January 1, 2024, is no longer considered an asset for Wendy's family, the income must be included as regular income for the family.

Carolyn is 40 years old and has not retired. She is contributing to her 401k through her job but has had to take money out of her 401k to help her pay expenses incurred. She is taking these out as withdrawals and not loans on her 401k.

The retirement account, as of January 1, 2024, is no longer considered an asset for Carolyn's family and the withdrawals are excluded as income for the family because they are not required disbursements.

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Income: Pension Funds – Special Rule

Any portion of a fund paid directly to an applicant's *former spouse* pursuant to the terms of a divorce decree, annulment or legal separation are excluded from their income

- Applies to pensions, Social Security, state, local or private pensions authorized by the Office of Personnel Management (OPM)
- If the former spouse is applying, the court ordered amount would be included in their income

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Income: Special Circumstances

Student Family Members

Active Military Duty Family Members

Permanently Confined Family Members

Incarcerated Persons

Persons Under the Age of 18

Financial Aid

Resident Service Stipend

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Income: Full-Time Student Family Members; Earned Income

- If 18 years of age or older; count only a small amount of the student's earned income – a maximum of \$480 per year (to be adjusted annually by HUD) if:
 - The student is not the Head of Household, Spouse or Co-Head
 - The student is a Dependent of the family
- Student Status must be verified with the institution of education
 - Verified by the Registrar's Office
 - If the Registrar's Office will not verify you will use the Student Clearinghouse to verify
 - Full-time student status is determined by the educational institution or technical school
- All income verifications (paystubs, reports, etc.) must be gathered

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Learning Point: Full-Time Student Family Members; Earned Income

Andrea applies with her 19 year old daughter, Kelsey. Kelsey works part-time at Kura Sushi making \$6,230 a year.

True or false; only \$480 of Kelsey's income should be included in the calculation of income for eligibility?

False

Kelsey is not a full-time student

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Learning Point: Full-Time Student Family Members; Unearned Income

Peter applies with his parents; he is a full-time student at the local college. Peter receives Social Security in the amount of \$804 per month.

True or false; only \$480 of Peter's income should be included in the calculation of income for eligibility?

False

The income received is unearned, all unearned income counts towards eligibility for full-time student family members.

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Learning Point: Full-Time Student Family Members; Earned Income-Minor

Samantha applies with their 16 year old child, Tayler, who is a full-time student. Tayler works part-time at Best Buy making \$4,530 a year.

True or false; only \$480 of Tayler's income should be included in the calculation of income for eligibility?

False

Tayler is under the age of 18. Earned income does not count for family members under the age of 18.

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Learning Point: Full-Time Student Family Members; Spouse

Trishia applies with her spouse. Trishia is a full-time student at the local college. Trishia receives earned income in the amount of \$36,000 annually.

True or false; only \$480 of Trishia's income should be included in the calculation of income for eligibility?

False

Trishia is the spouse in the family composition; the rule of \$480 only applies to family dependents.

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Income: Family Members on Active Military Duty

Include Family Members on Active Military Duty in the Household Composition

- Income must be counted if the Military Family Member is: Head, Spouse, or Co-Head
- If the spouse or a dependent of the person on active military duty is a family member of the household the Military Person's income is counted

- Include
 - Regular & Special Pay
 - All Allowances
- Exclude:
 - Hostile Fire Pay
- Only acceptable form of verification is the Leave and Earnings Statement (LES)

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Learning Point: Active Duty Family Member is Head, Spouse or Co-Head

Nancy applies with her son Kendall. Nancy's application indicates that there are 3 household members and her spouse, Jerry, is away on active military duty.

Jerry's income and assets must be considered when determining income eligibility.

75

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Learning Point: Active Military Duty Person's Dependent

Sylvia submits an application with her husband Sam and niece Claire. Sylvia indicates that she is caring for Claire while her sister, Margie, is away on active military duty.

Margie is single and no other permanent housing is identified other than military housing. The income and assets of Margie should be included when determining eligibility.

76

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Learning Point: Leave and Earnings Statement (LES)

What is the calculation of eligibility based on the LES shown below?

DEFENSE FINANCE AND ACCOUNTING SERVICE MILITARY LEAVE AND EARNINGS STATEMENT													
ID	NAME (Last, First, MI)	SOC. SEC. NO.	GRADE	PAY DATE	YRS SVC	ETS	BRANCH	ADSN/DSSN	PERIOD COVERED				
	Kirkham, Daniel	***--7890	E03	12202024	05	240334	ARNG	5689	December 2024				
ENTITLEMENTS			DEDUCTIONS			ALLOTMENTS			SUMMARY				
Type	Amount	Type	Amount	Type	Amount	+Amt Fwd							
A BASIC PAY	1340.10	FICA TAX	102.51						+TOT ENT	1958.04			
B SUBSISTENCE ALWS	230.12	SGLI	31.00						-TOT DED	409.05			
C BAH TYPE II	387.15	DEBT PAYMENT	208.53						-TOT ALMT				
D MILEAGE PAYMENT	.67	TSP CONTRIBUTION	67.01						=NET AMT	1548.99			
E									-CR FWR				
F									=EOM PAY				
G									DIEMS	RET PLAN			
H													
I													
J													
K													
L													
M													
N													
O													
TOTAL	1958.04		409.05										
FED TAXES	Wage Period	Wage YTD	M/S/H	Mult Jobs	Dep 17 Under	Other Dep	Add'l Tax	Other Deds	Other Income	Tax YTD			
	1340.10	8662.94	S	N	01	00	.00	.00	.00	1100.00			
FICA TAXES	Wage Period	Soc Wage YTD	Soc Tax YTD	Med Wage YTD	Med Tax YTD	STATE TAXES	St	Wage Period	Wage YTD	M/S	Ex	Tax YTD	
	1340.10	3662.94	227.10	3662.94	53.11	TX		1340.10	8662.94	S	00	.00	
PAY DATA	BAQ Type	BAQ Depn	VHA Zip	Rent Amt	Share	Stat	JFTR	Depns	2D JFTR	BAS Type	Charity YTD	TPC	PACIDN
	W/O DEP	NO DEP	00000									A	

\$1,958.04 x 12 = \$23,496.48

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Income: Permanently Confined Family Member

Individuals permanently confined to a nursing home or hospital

- May not be the Head, Spouse, or Co-Head
- May continue as a family member at the applicant's discretion

How to handle income depends on the Applicant, if they...

- Include as a family member: Count all income
- Exclude the family member: Income is not counted

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Income: Incarcerated Persons

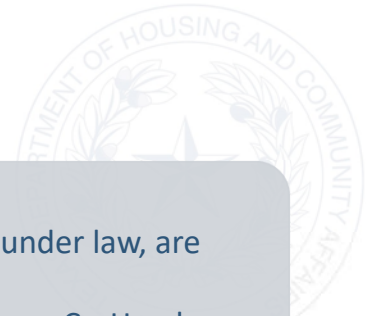


If individual is incarcerated – do not count as a household member, but count any income the family receives from the individual.

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Income: Persons under the age of 18



Emancipated Minors

- Include income if:
 - Under the age of 18, who under law, are treated as adults
 - Identified as Head, Spouse, or Co-Head

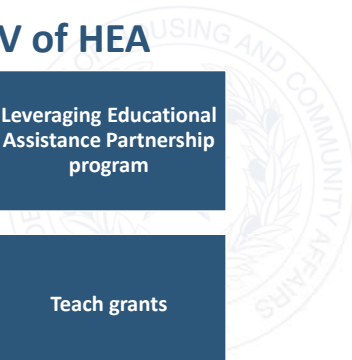
Adopted Children

- Follow same rules as Dependents
- Adoption assistance payments in excess of \$480, annually, are not counted
- Amount will be adjusted annually by HUD

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Income: Types of Financial Assistance Under Title IV of HEA



Federal Pell Grants	Federal early outreach and student services programs	Federal supplemental educational opportunity grants	Leveraging Educational Assistance Partnership program
Special programs for students whose families are engaged in migrant and seasonal farmwork	Robert C. Byrd Honors Scholarship Program	Childcare access means parents in school	Teach grants
Scholarships for veteran's dependents	Federal Family Education Loan Programs	Federal Work-Study Programs	William D. Ford Federal Direct Loan Program
Federal Perkins Loans	Higher Education Relief Opportunities for Students	Section 134 of the Workforce Innovation and Opportunity Act (WIOA)	

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Income: Student Eligibility HAS NOT Changed



Student Eligibility is program based. The eligibility requirements for student family members participating in programs has not been changed. You must ensure that the student eligibility for the family members has been met.

All student household family members must be evaluated for student financial aid as we will discuss on the following slides.

82

Income: Financial Aid, Included or Excluded

Included

- Only count amount received in excess of tuition, books, fees and room & board charges
- Obtain documentation to support the amount in excess of tuition, books & supplies, fees and room & board charges

Excluded

- Applies to all student financial assistance received under Title IV of the Higher Education Act (HEA)

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Income: Financial Aid

If the family contains a student:

- **All assistance provided through Title IV HEA must be excluded from income**
- **All other assistance should be evaluated for inclusion in family income**

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Learning Point: Student Financial Assistance Example 1

Calculation of Income from Student Financial Assistance

Qualified Education Expenses:	\$12,850
Title IV HEA Assistance:	\$14,590
Other Financial Assistance:	\$5,000
Total of Financial Assistance:	\$19,590

How much total financial assistance would be used to reduce expenses?

\$14,590, any amount leftover is excluded by statute

How much should count as regular income?

\$5,000

All assistance provided through Title IV HEA must be excluded from income. This exclusion must be taken into account first. Anything remaining after deducting the qualified expenses is not considered income. Had a balance been left, the other financial assistance would have been applied and anything leftover would be counted as income.

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Learning Point: Student Financial Assistance Example 2

Calculation of Income from Student Financial Assistance

Qualified Education Expenses:	\$18,000
Title IV HEA Assistance:	\$14,590
Other Financial Assistance:	\$5,000
Total of Financial Assistance:	\$19,590

How much total financial assistance would be used to reduce expenses?

\$18,000 (\$14,590 plus \$3,410 of the \$5,000)

How much should count as regular income?

\$1,590 (\$5,000 minus remaining \$3,410)

All assistance provided through Title IV HEA must be excluded from income. This exclusion must be taken into account first. Anything remaining after deducting the qualified expenses is not considered income. Since a balance was left, the other financial assistance has been applied and anything leftover will be counted as income.

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Learning Point: Student Financial Assistance Example 3

Calculation of Income from Student Financial Assistance

Qualified Education Expenses: \$18,000
 Scholarship from a local entity: \$8,000
 Persons outside the household: \$25,000
 Total of Financial Assistance: \$33,000

How much total financial assistance would be used to reduce expenses?

\$8,000

How much should count as regular income?

\$25,000; amounts received from persons outside the household as a gift is income

All assistance provided through Title IV HEA must be excluded from income. This exclusion must be taken into account first. Anything remaining after deducting the qualified expenses is not considered income. Since a balance (the gift) was left, the financial assistance has been applied and anything additional will be counted as income.

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Learning Point: Full-Time Student Financial Assistance

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
 STUDENT VERIFICATION

THIS SECTION TO BE COMPLETED BY MANAGEMENT AND EXECUTED BY STUDENT

This Student Verification is being delivered in connection with the undersigned's eligibility for residency in the following apartment:
 Property Name: Pandora Springs

I hereby grant disclosure of the information requested below from Austin Community College
 Name of Educational Institution

Jeremy Smith 1/12/2024
 Signature Date

Jeremy Smith 123-45-6666
 Printed Name Student ID#

Return Form to: Pandora Springs pandorasprings@politeimgmt.com Fax (512) 475-3800

THIS SECTION TO BE COMPLETED BY EDUCATIONAL INSTITUTION

The above-named individual has applied for residency or is currently residing in housing that requires verification of student status. Please provide the information requested below:

Is the above-named individual a student at this educational institution? YES NO

If no, please list the last month and year the above-named individual was a student at this educational institution: _____

If yes, please list the student's full-time (FT) or part-time (PT) status for each month of the current calendar year of 2024
 (Please circle)

January	PT	PT	N/A	July	PT	PT	N/A
February	PT	PT	N/A	August	PT	PT	N/A
March	PT	PT	N/A	September	PT	PT	N/A
April	PT	PT	N/A	October	PT	PT	N/A
May	PT	PT	N/A	November	PT	PT	N/A
June	PT	PT	N/A	December	PT	PT	N/A

I hereby certify that the information supplied in this section is true and complete to the best of my knowledge.

Signature: Jasmine Harris Date: January 15, 2024
 Print your name: Jasmine Harris Title: Registrar Agent
 Title: Registrar Agent Educational Institution: Austin Community College
 Educational Institution: Austin Community College

Austin Community College
 4501 Highland College
 Austin, TX 78753
 Tel 512-223-7900
 www.austincc.edu

March 14, 2023

We are pleased to offer you the following financial assistance for the 23-24 AID YEAR.

Please sign and return one copy of this letter within 15 days of the date listed above. Returning students may log on to Web to accept aid. Unfortunately, failure to do so may result in the cancellation of your award. If you wish to decline any aid please do so by marking the line below:

DECLINE	TYPE OF AWARD	FALL	SPRING	TOTAL
_____	Federal Pell Grant	2,548.00	2,907.00	\$5,455.00
_____	Estimated TX State	1,559.00	1,559.00	\$3,118.00
_____	TX Cook Grant	300.00	300.00	\$600.00
_____	Fees	274.00	273.00	\$547.00
_____	Subsidized Direct Loan	1,750.00	1,750.00	\$3,500.00
_____	Unsubsidized Direct Loan	1,000.00	1,000.00	\$2,000.00

Comments:

Awards are based on full-time enrollment unless otherwise indicated. Please notify us with any changes.

As a result of Education, only 99% of a federal student loan will be applied to the bill.

Your financial assistance may be modified or canceled at any time due to lack of satisfactory academic progress, verification, changes in enrollment, residency, eligibility, funding availability, or any other reason specified by federal, state or institutional regulations or policies.

By signing below I understand that I ACCEPT all aid unless otherwise indicated. I agree to the terms and conditions of the award, and the obligations and responsibilities incurred by utilization of these funds.

Jeremy Smith March 14, 2023
 Student Signature Date

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Learning Point: Full-Time Student Financial Assistance, continued

Title IV HEA Assistance

Federal Pell Grant	2,908.00	2,907.00	\$5,815.00
--------------------	----------	----------	------------

Other Assistance

TX Cash Grant	500.00	500.00	\$1,000
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Loans

Subsidized Direct Loan	1,750.00	1,750.00	\$3,500.00
Unsubsidized Direct Loan	1,000.00	1,000.00	\$2,000.00

Educational Expenses

TX State Tuition	1,550.00	1,550.00	\$3,100
Fees	274.00	273.00	\$547.00

Total Qualified Educational Expenses:
 \$3,100 Tuition
 \$547 Fees
 \$300 Books (we confirmed by receipt)
 = \$3,947.00

Title IV HEA Financial Assistance:
 \$5,815 (Pell Grant)

Other Financial Assistance:
 \$1,000 (State Grant)

\$3,947 (expenses) - \$5,815 (Title IV HEA) = (\$1,868) excess financial assistance; excluded

\$1,000 (other assistance) is included as income since the expenses were covered fully.

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Income: Resident Service Stipend

Modest amounts of concessions or money received for performing a service for an owner or management company.

Determination of the amount to include is based on the amount of the stipend received.

Greater than \$200 per month – Include the entire amount.

\$200, or less, per month – Exclude the entire amount.

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Income: Other Means Tested; Section 8 Verification

Before an owner/administrator implements an “other means tested” verification method, the program administrator should be consulted to determine if this is allowed under the program requirements.

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Assets

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Assets

Assets are items of value that may be turned into cash

- Not all items of value are considered an asset
- Items are not required to be “cashed out” at time of application

STEP 1: “ACTUAL INCOME” - The amount of income those assets are earning or could earn

STEP 2: “CASH VALUE” - The total cash value of the family’s assets

STEP 3; if required: “IMPUTED INCOME” - The amount of income for assets that do not have a determinable rate of return when the net family assets are more than \$51,600

For any assets whose actual income cannot be determined, calculate imputed income when the household’s net family assets are over \$51,600.

Do NOT calculate imputed income for assets whose income is determinable.

Do NOT calculate the imputed income based on the total cash value of the assets.

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Assets: Actual Income

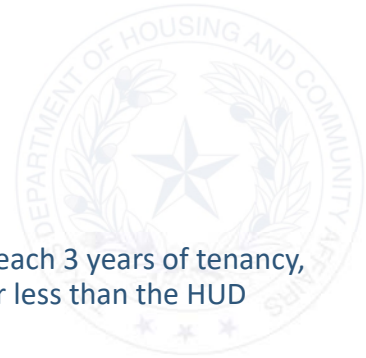


Not all assets have income

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Assets: Verification Requirements



- HOTMA requires that all family assets fully verified once during each 3 years of tenancy, families may then self-certify assets when the total is equal to or less than the HUD Asset Certification Threshold.
- **All assets can be verified using one (1) statement from the financial institution**
 - When verification of assets is required, Owners are required to obtain a minimum of one statement that reflects the current balance of banking/financial accounts

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Assets: Formulas

Step 1: Determine the Actual Income from the Asset:



Step 2: Determine the Cash Value of the Asset:



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Assets: Determining Actual Income

Step 1: Determine the Actual Income from the Asset

If the combined cash value of the net family assets is under the HUD Asset Verification Threshold for the family, ONLY the actual income from assets is included.

$$\$51,600 \geq \text{Total Assets}$$

Only Actual Income from Assets is included

If the combined cash value of the net family assets is greater than the threshold, the annual income includes the actual income from assets with a determinable rate of return and the imputed income calculated on assets without a determinable rate of return using the current passbook savings rate (.45%) as established by HUD.

$$\$51,600 < \text{Total Assets}$$

For assets where the actual income is known use the actual income; for the assets without actual income use the imputed income

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Assets: Determining Cash Value

Step 2: Determine the Cash Value of an Asset

The “cash value” of an asset is the market value less reasonable expenses that would be incurred in selling or converting the asset to cash.

The cash value is the amount the family could actually receive in cash if the family converted an asset to cash.

The family is not required to convert an asset to cash.

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Assets: Actual and Imputed Income

- **Actual Income** from assets is always included in a family’s annual income, regardless of the total value of net family assets or whether the asset itself is included or excluded from net family assets, unless that income is specifically excluded by 24 CFR 5.609(b).
- **Imputed Income** must be calculated for specific assets when three conditions are met:
 - The value of net family assets exceeds \$51,600;
 - The specific asset is included in net family assets; and
 - Actual asset income cannot be calculated for the specific asset.
- All assets are categorized as either **real property** (e.g., land, a home) or **personal property**. Personal property includes tangible items, like boats, as well as intangible items, like bank accounts.
 - **Necessary** personal property is excluded from net family assets.
 - **Non-necessary** personal property with a combined value greater than \$51,600, as adjusted for inflation, is considered part of net family assets; if the combined value is \$51,600 or less then all of the non-necessary personal property is excluded from net family assets.
 - For example, a family could have **non-necessary personal property** with a combined value that does not exceed \$51,600 but also own **real property** such as a parcel of land. Even though the non-necessary personal property would be excluded from net family assets, the real property would be included in net family assets regardless of its value.

Assets: Necessary versus Non-Necessary

Table F1: Examples of Necessary and Non-Necessary Personal Property

Necessary Personal Property	Non-Necessary Personal Property
<ul style="list-style-type: none"> • Car(s)/vehicle(s) that a family relies on for transportation for personal or business use (e.g., bike, motorcycle, skateboard, scooter) • Furniture, carpets, linens, kitchenware • Common appliances • Common electronics (e.g., radio, television, DVD player, gaming system) • Clothing • Personal effects that are not luxury items (e.g., toys, books) • Wedding and engagement rings • Jewelry used in religious/cultural celebrations and ceremonies • Religious and cultural items • Medical equipment and supplies • Health care–related supplies • Musical instruments used by the family • Personal computers, phones, tablets, and related equipment • Professional tools of trade of the family, for example professional books • Educational materials and equipment used by the family, including equipment to accommodate persons with disabilities • Equipment used for exercising (e.g., treadmill, stationary bike, kayak, paddleboard, ski equipment) 	<ul style="list-style-type: none"> • Recreational car/vehicle not needed for day-to-day transportation (campers, motorhomes, travel trailers, all-terrain vehicles (ATVs)) • Bank accounts or other financial investments (e.g., checking account, savings account, stocks/bonds) • Recreational boat/watercraft • Expensive jewelry without religious or cultural value, or which does not hold family significance • Collectibles (e.g., coins/stamps) • Equipment/machinery that is not used to generate income for a business • Items such as gems/precious metals, antique cars, artwork, etc.

Examples of Necessary and Non-Necessary Personal Property from Notice H 2023–10 Notice PIH 2023–27

Assets: Always vs. Never

Assets to consider and assets always excluded from February 2024 update to **Notice H 2023–10 & Notice PIH 2023–27**

Assets to consider	Assets always excluded
<ul style="list-style-type: none"> • Checking and savings accounts • Stocks, bonds, mutual funds • Luxury items or items that are not necessary, e.g., recreational boat, vehicles not used for regular transportation • Assets disposed of for less than fair market value; for example, if you gave away a house to someone outside of the assisted family within the past two years, the value of the house would be considered an asset (except as determined by certain divorce or separation settlements) 	<ul style="list-style-type: none"> • Retirement accounts (e.g., IRAs, 401k, 403b) • Educational savings accounts (Section 529, Section 530, Coverdell ESA, etc.) • ABLÉ accounts • Non-revocable trusts • Necessary items of personal property (items essential for the maintenance, use, and occupancy of a home or necessary for employment, education, cultural expression, or health and wellness) • Federal tax refunds (must be subtracted from total net family assets)

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Assets: Tax Return Excluded on the Certification #1

Putting it on the Certification:

Checking account with no interest:	\$180	Income: \$0.00 (actual)
Savings account with 2% interest rate:	\$8,000	Income: \$160.00 (actual)
Land with no determined rate of return:	\$25,000	Income: \$0 (under \$51,600)
Tax Return total for the family:	(\$2,000)	Excluded
Total of Net Family Assets:	\$23,000	

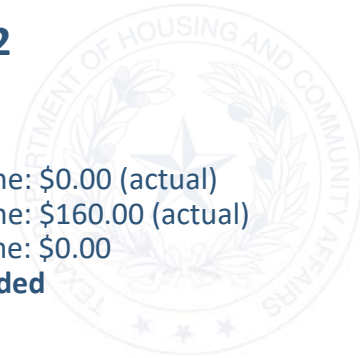
102

102

Assets: Tax Return Excluded on the Certification #2

Putting it on the Certification:

Checking account with no interest:	\$18,000	Income: \$0.00 (actual)
Savings account with 2% interest rate:	\$8,000	Income: \$160.00 (actual)
Land with no determined rate of return:	\$25,000	Income: \$0.00
Tax Return total for the family:	(\$2,000)	Excluded
Total of Net Family Assets:	\$23,000	



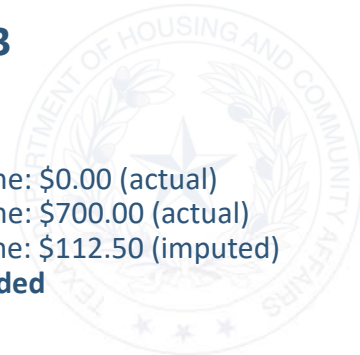
103

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Assets: Tax Return Excluded on the Certification #3

Putting it on the Certification:

Checking account with no interest:	\$18,000	Income: \$0.00 (actual)
Savings account with 2% interest rate:	\$35,000	Income: \$700.00 (actual)
Land with no determined rate of return:	\$25,000	Income: \$112.50 (imputed)
Tax Return total for the family:	(\$5,000)	Excluded
Total of Net Family Assets:	\$73,000	



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Assets: Tax Return Excluded on the Certification #4

Putting it on the Certification:

Checking account with no interest:	\$1,000	Income: \$0.00 (actual)
Savings account with 2% interest rate:	\$300	Income: \$6.00 (actual)
Land with no determined rate of return:	\$75,000	Income: \$337.50 (imputed)
Tax Return total for the family:	(\$5,000)	Excluded
Total of Net Family Assets:	\$70,000	

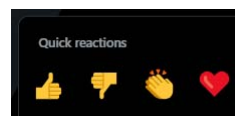
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Learning Point: Are Retirement Accounts Included?

If the household indicated on their application that they have a retirement account, should it be included in the net family assets?

- a) Yes
- b) Yes, but only if they are retirement age
- c) No, HOTMA removed this requirement**
- d) Yes, but only if there is \$100,000 in the account



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Assets: Common Assets



Cash on Hand

Cash Value = Amount of cash on hand
Actual Income = Zero, cash does not generate income



Checking Account

Cash Value = Current Balance
Actual Income = Interest Income, if any



Savings Account

Cash Value = Current Balance
Actual Income = Interest Income

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Learning Point: Checking and Savings – Wells Fargo

		Balance Confirmation Services #609-7-02N PO Box 40028 Roanoke, VA 24022 Phone: (540) 563-7323															
Pandora Springs Apartm ATTN: Cara Requestor Fax: (512) 4	Account Number: XXXXXX1234 Account Type: Checking Account Status: Open Account Holders: William/Rebecca Smith Current Balance: \$2,832.09 Date Opened: 03/07/2003 Current Interest Rate: 0.00% Date Closed: Balance at Close:	Last Six Statements Most Recent First <table border="1"> <thead> <tr> <th>Average Balance:</th> <th>Interest Paid:</th> </tr> </thead> <tbody> <tr> <td>\$6,831.88</td> <td>N/A</td> </tr> <tr> <td>\$5,303.99</td> <td>N/A</td> </tr> <tr> <td>\$2,847.46</td> <td>N/A</td> </tr> <tr> <td>\$2,817.57</td> <td>N/A</td> </tr> <tr> <td>\$2,817.25</td> <td>N/A</td> </tr> <tr> <td>\$2,773.68</td> <td>N/A</td> </tr> </tbody> </table>		Average Balance:	Interest Paid:	\$6,831.88	N/A	\$5,303.99	N/A	\$2,847.46	N/A	\$2,817.57	N/A	\$2,817.25	N/A	\$2,773.68	N/A
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\$2,847.46	N/A																
\$2,817.57	N/A																
\$2,817.25	N/A																
\$2,773.68	N/A																
Verification of Deposit Account Number: Account Type: Account Status: Account Holders:	Account Number: XXXXXX5678 Account Type: Savings Account Status: Open Account Holders: William/Rebecca Smith Current Balance: \$48,000 Date Opened: 03/07/2003 Current Interest Rate: 2.00% Date Closed: Balance at Close:	Last Six Statements Most Recent First <table border="1"> <thead> <tr> <th>Average Balance:</th> <th>Interest Paid:</th> </tr> </thead> <tbody> <tr> <td>\$46,000.00</td> <td>\$1.20</td> </tr> <tr> <td>\$48,000.00</td> <td>\$1.60</td> </tr> <tr> <td>\$47,781.23</td> <td>\$1.56</td> </tr> <tr> <td>\$48,817.57</td> <td>\$1.76</td> </tr> <tr> <td>\$50,817.25</td> <td>\$2.16</td> </tr> <tr> <td>\$47,773.68</td> <td>\$1.55</td> </tr> </tbody> </table>		Average Balance:	Interest Paid:	\$46,000.00	\$1.20	\$48,000.00	\$1.60	\$47,781.23	\$1.56	\$48,817.57	\$1.76	\$50,817.25	\$2.16	\$47,773.68	\$1.55
Average Balance:	Interest Paid:																
\$46,000.00	\$1.20																
\$48,000.00	\$1.60																
\$47,781.23	\$1.56																
\$48,817.57	\$1.76																
\$50,817.25	\$2.16																
\$47,773.68	\$1.55																
Account Number: Account Type: Account Status: Account Holders:	Current Balance: \$48,000 Date Opened: 03/07/2003 Current Interest Rate: 2.00% Date Closed: Balance at Close:	Balance: \$46,000.00 \$48,000.00 \$47,781.23 \$48,817.57 \$50,817.25 \$47,773.68	Paid: \$1.20 \$1.60 \$1.56 \$1.76 \$2.16 \$1.55														

Checking Account
Actual Income: **\$0.00**
Cash Value: **\$2,832.09**

Savings Account
Actual Income: **\$960.00**
(**\$48,000 x 2%**)
Cash Value: **\$48,000.00**

Checking and savings accounts do not (should not) have a cost to convert, cash value will be the same as market value for these accounts.

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Learning Point: Checking and Savings – Credit Union

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
ASSET VERIFICATION FORM

I, THIS SECTION IS TO BE COMPLETED BY ADMINISTRATOR/OWNER/OWNER & CREDITED BY APPLICANT(S) SIGN

FO: (Name of Institution) HSP CU	Date: January 13, 2024
Location Address: Hwy 1504, San Antonio, Texas	Phone/Fax: 210-475-3800
FI: (Applicant/Resident Name) Jeremy and Eric Smith	Social Security Number: 33335555

RELEASE: My signature here or on the attached "Release and Consent Form" authorizes the release and/or verification of my assets.

II. THIS SECTION TO BE COMPLETED BY FINANCIAL INSTITUTION

A. CHECKING ACCOUNT(S)

Account Holder	Account Number	Present Balance	Interest Rate, if any
Jeremy Smith	XXXXX012	\$650.00	0

B. SAVINGS ACCOUNT(S)

Account Holder	Account Number	Present Balance	Annual Interest Rate	Withdrawal Penalty
Eric Smith	XXXXXX018	350.00	1.2%	0

Assets held by minor household members (other than foster children) count towards the net family assets and asset income is included in the total household income.

Checking Account
Actual Income: **\$0.00**
Cash Value: **\$650.00**

Savings Account
Actual Income: **\$4.20**
(**\$350 x 1.2%**)
Cash Value: **\$350.00**

Checking and savings accounts do not (should not) have a cost to convert, cash value will be the same as market value for these accounts.

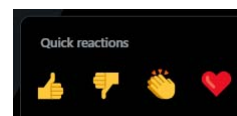
109

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Learning Point: What is an Asset?

A family has a kayak, a checking account and a parcel of land. What, if any, of these items are included as an asset for the family?

- a) Kayak and Land
- b) Checking Account only
- c) Checking Account and Land**
- d) Kayak, Checking Account and Land



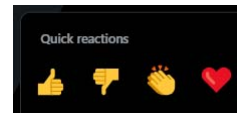
110

110

Learning Point: Common Assets; Checking & Savings Accounts

How many bank statements or account statements are needed to verify any assets using first-hand documentation?

- a) Six, always six
- b) The most current
- c) Depends on the asset
- d) Twelve



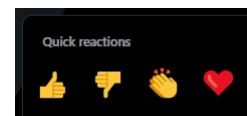
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111

Learning Point: Common Assets; Cash on Hand

If a family member discloses cash on their application, do we count it? If so, how do we verify the amount of cash on hand?

- a) Cash on hand does not count, no need to verify
- b) It counts, they have to bring it in and count it for us to verify amount
- c) It counts, we take their word on the value
- d) Depends on how much cash they disclose



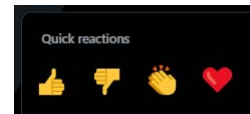
112

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Learning Point: Common Assets; Minors

When a minor in the family has an asset, does it count towards the net family assets?

- a) No, they are a minor, nothing counts
- b) Yes, the asset and the income from the asset are included
- c) Only when the asset is a checking account
- d) Only when the minor is 13 years old or older



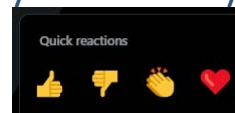
113

113

Learning Point: Common Assets; Foster Persons

When a foster person in the household has an asset, does it count towards the net family assets?

- a) No, income and assets from foster persons are excluded
- b) Yes, the asset and the income from the asset are included
- c) Only when the asset is a checking account
- d) Only when the foster person is 13 years old or younger



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Assets: Reasonable Costs to Convert

This list is not exhaustive, will vary by asset

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Assets: Investment Accounts

<p>Stocks Cash Value = Full Value less penalties/fees Actual Income = Dividend Income, if any</p>	<p>Bonds Cash Value = Redemption Value (Current Market Price) Actual Income = Interest Income</p>
<p>Mutual Funds Cash Value = Full Value less penalties/fees Actual Income = Interest or Dividend Income, if any</p>	<p>Certificate of Deposit (CD) Cash Value = Full Value less penalties/fees Actual Income = Interest Income, if any</p>

These types of assets typically have a withdrawal penalty.

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Learning Point: Investment Accounts; Stocks



Stocks

Cash Value = Full Value less penalties/fees
 Actual Income = Dividend Income, if any

December 31, 2023

Re: Rupert Williams SSN: 8275

As of: December 31, 2023

Shares	Investment
5	Netflix, Inc.

*It's A Risk Investment applies a 6% transaction charge.
 The shares accrue no interest or dividends.*

NETFLIX Netflix Inc
 NASDAQ: NFLX

Overview Compare Financials

Market Summary - Netflix Inc

919.99 USD
 +0.86 (0.094%) ↑ today
 Dec 18, 1:11 PM EST • Disclaimer

Actual Income from the stocks:
 5 shares x \$919.99/share = \$4,599.95 Mkt value

Market Value x Interest Rates = Actual Income
\$4,599.95 x no interest = \$0 Actual Income

Cash Value of the Stocks:

Market Value – Cost to Convert = Cash Value
 \$4,599.95 x 6% transaction charge = \$276 Cost to Convert

\$4,599.95 - \$276 = \$4,323.95 Cash Value

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Learning Point: Investment Accounts; Bonds



Bonds

Cash Value = Redemption Value (Current Market Price)
 Actual Income = Interest Income

Denomination: 50 Series: SERIES I

Owner: JOE SMITH
 717 GRANT STREET PA 15219-0000
 PITTSBURGH PA 15219-0000
 OR: BEN SMITH 140C110050007A 0515087840000 113005 221

Issue Date: 11 2005
 Print Date: FEB PIT 11-30-05

Serial Number: 0005786992 0000000001

Total Price	Total Value	Total Interest	YTD Interest
\$50.00	\$96.74	\$46.74	\$0.38

Bonds: 1-1 of 1

Serial #	Series	Denom	Issue Date	Next Accrual	Final Maturity	Issue Price	Interest	Interest Rate	Value	Note
NA	I	\$50	11/2005	02/2024	11/2035	\$50.00	\$46.74	4.96%	\$96.74	REMOVE

<https://www.treasurydirect.gov/BC/SBCPrice>

Bonds are purchased at a specified amount and accrue over time. There is a calculator available (link above) to determine the cash value and interest income on the asset.

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Learning Point: Investment Accounts; Certificates of Deposit (CD)



Certificate of Deposit (CD)

Cash Value = Full Value less penalties/fees

Actual Income = Interest Income, if any

Joe just invested \$5,000 in a CD at a fixed interest rate of 5% with 5 years maturity. Upon maturity, Joe's initial investment of \$5,000 will reach \$6,382. The return on the CD for the period of 5 years is \$1,382. If Joe removes the CD before maturity a penalty of 3.5% will be assessed.

Actual Income from the stocks:

\$5,000.00 Mkt value

Market Value x Interest Rates = Actual Income

\$5,000 x 5% interest = \$250 Actual Income

Cash Value of the Stocks:

Market Value – Cost to Convert = Cash Value
\$5,000 x 3.5% penalty = \$175.00 Cost to Convert

\$5,000 - \$175 = \$4,825 Cash Value

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Assets: Retirement Accounts


Retirement accounts are no longer included in the calculation of net family assets

Income from interest/dividends is not included in the calculation of income, but regular disbursements are income

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Assets: Annuities



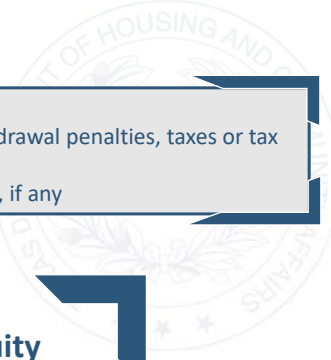
Annuities

- Cash Value = Full Value less withdrawal penalties, taxes or tax penalties
- Actual Income = Interest Income, if any

Ask the account holder if they have the right to withdraw the balance, their answer will tell you how to handle the annuity.

- If yes, the account is an asset, even if payments are being made.
- If no, the account is not an asset.

Generally, when annuity payments are received it can no longer be converted to a lump sum of cash; in this case the payments are income but the annuity is not treated as an asset.



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Learning Point: Annuities; Actual Income

Earnest purchased a **\$100,000** annuity at age 65 with immediate payments of **\$614 monthly, but he is deferring these**. The annuity has a **5% interest rate** over 10 years. At age 70, the annuity will pay \$613 monthly for life. Earnest can withdraw the remainder with a **penalty of 3%**.

If Earnest applies at the age of 67, what is the actual income for the asset?

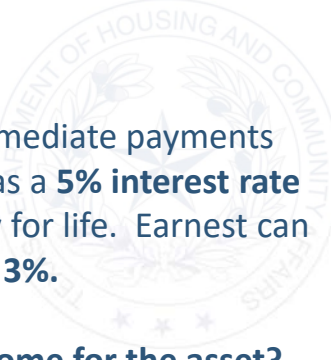
\$100,000
market
value

×

5%
Interest
Rate

=

\$5,000
Actual
Income



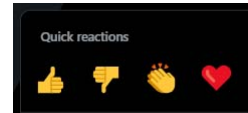
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Learning Point: Trusts

Julie has setup a trust for her grandson to receive when he reaches the age of 25. The trust is intended to help him purchase his first home. Julie has placed \$25,000 in the trust. The trust earns about \$1,000 per year, but the income is reinvested into the trust. Julie has set the trust up as irrevocable, she no longer has access to the trust and her grandson is not yet the age required to access the trust account.

Julie is applying, how should the trust be handled for her application and certification of assets?



- a) The trust's current value and \$1,000 annual income must be included
- b) The trust's current value is included but the income is not included since it is reinvested
- c) None of the trust, income or current balance, is included since it is irrevocable
- d) We should ask Julie how much she wants to include and only count that amount

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Assets: Real Estate

Currently Owns



- **Cash Value** = Fair Market Value less unpaid principal and reasonable costs incurred to sell
- **Actual Income** = Zero (it is not earning income)

3rd Party Lives There



- **Cash Value** = Fair Market Value less unpaid principal and reasonable costs incurred to sell
- **Actual Income** = Monthly Rent minus interest, taxes, insurance and maintenance fees

Deed of Trust/Contract for Sale



- **Cash Value** = Unpaid principal portion of mortgage as of the certification effective date
- **Actual Income** = Interest portion due during the 12-month certification period

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Assets: Exemption to Real Estate

HOME Homeowner Rehabilitation Assistance (HRA) program

Real Estate exception:

- Equity in the applicant's primary residence is not considered in the calculation of assets

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Assets: Real Estate Documents

Real Estate may require additional documentation:

- Mortgage Statement showing unpaid principal
- Tax Statement
- Documentation to evidence current broker fees and closing costs
- Amortization Schedule
- Deed of Sale

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Assets: Real Estate – Determining Cash Value

- If a family owns real estate, it is necessary to consider the family's equity in the property as well as the expense to sell the property.
- To determine the family's equity, subtract amounts owed on the property from its market value:

Market value

- Mortgage amount owed

Equity in the property

- Calculate the cash value by subtracting the expense of selling the property:

Equity

- Expense of selling

Cash Value

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Learning Point: Real Estate – Determining Cash Value

- Juanita owns a home, the home is vacant at the time of her certification
- The Market value is \$150,000 and the unpaid principal is \$60,000

\$150,000

- \$60,000

\$90,000 Equity in the property

- The cost to dispose of the house would be \$8,000

\$90,000

- \$8,000

\$82,000 Cash Value

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Assets: Real Estate for Rent

What to do when family owns a home (real estate) and is renting it out:

- Determine the cash value of the real estate, which was covered on the previous slides
- If rental income is received from real estate it must be included as income from an asset
 - If the family indicates to you that someone else is living in the home and paying the mortgage for them, this is a rental property and the rental amount is the mortgage payment
- You may need to gather the following documents:
 - Verification of rental income to be received in the next 12 months; i.e. a lease contract
 - If there are any expenses in renting the home, the following may be deducted from rental income **if verification is obtained to support the deductions:**
 - Taxes
 - Insurance
 - Maintenance
 - Utilities
 - Mortgage Interest
 - Management Fees

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Learning Point: Real Estate – Determining Rental Income

The Lee family owns a home, which they are renting out. We have already determined that the cash value of the home is \$190,000. They have indicated that they rent the home for **\$1,700 per month**. They still pay the **taxes of \$9,250 and mortgage interest of \$5,884.97** on the home. What should the income from the asset be on the Income Certification?

Step 1: Determine the annual amount received from rental income

$$\text{\$1,700 per month} \times 12 \text{ months} = \text{\$20,400 annual rental income}$$

Step 2: Determine the expenses associated with renting the home:

$$\text{\$9,250 taxes} + \text{\$5,884.97 mortgage interest} = \text{\$15,134.97 total deductions}$$

Step 3: Subtract the deductions from the rental income to determine the asset income:

$$\text{\$20,400 rental income} - \text{\$15,134.97 verified deductions} =$$

$$\text{\$5,265.03 Annual Income from Asset}$$

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Assets: Deed of Trust or Contract for Sale

Sydney signed her Certification in February 2024. She holds a Contract for Sale. Based on the relevant portions of the contract and amortization schedule (next slide) what is the actual income from the asset and what is the cash value of the asset?

CONTRACT FOR SALE OF REAL ESTATE

This contract is made and dated December 7, 2023

Between: **Sydney Young** (from now on called "the Seller")
and
Brandon and Melissa Lee (from now on called "the Buyer")

Purchase price is \$100,000 and is payable by the Buyer to the Seller as follows:

(a) By a note and mortgage from the Buyer to the Seller in the principal amount of \$100,000. Amount shall be payable with interest at the yearly rate of 6.25% by monthly installments of \$615.72. It shall be due in full in 30 years with full prepayment rights and day default period beginning on January 2024.

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Assets: Deed of Trust or Contract for Sale; Actual Income

Actual Income is the interest portion due for the 12-month period following certification.

Month	Interest	Principal	Balance (Principal)
Jan-25	\$ 494.59	\$ 121.12	\$ 95,000.00
Feb-25	\$ 493.96	\$ 121.75	\$ 94,878.25
Mar-25	\$ 493.33	\$ 122.39	\$ 94,755.86
Apr-25	\$ 492.69	\$ 123.03	\$ 94,632.83
May-25	\$ 492.05	\$ 123.67	\$ 94,509.16
Jun-25	\$ 491.41	\$ 124.31	\$ 94,384.85
Jul-25	\$ 490.76	\$ 124.96	\$ 94,259.89
Aug-25	\$ 490.11	\$ 125.61	\$ 94,134.28
Sep-25	\$ 489.45	\$ 126.26	\$ 94,008.02
Oct-25	\$ 488.80	\$ 126.92	\$ 93,881.10
Nov-25	\$ 488.14	\$ 127.58	\$ 93,753.52
Dec-25	\$ 487.47	\$ 128.25	\$ 93,625.27
Jan-26	\$ 486.80	\$ 128.91	\$ 93,496.36
Feb-26	\$ 486.13	\$ 129.59	\$ 93,366.77
Mar-26	\$ 485.46	\$ 130.26	\$ 93,236.51

493.96
493.33
492.69
492.05
491.41
490.76
490.11
489.45
488.80
488.14
487.47
486.80
<u>5,884.97</u>

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Assets: Deed of Trust or Contract for Sale; Cash Value

Cash Value is the Principal Balance at the time of the certification.

Month	Interest	Principal	Balance (Principal)
Jan-25	\$ 494.59	\$ 121.12	\$ 95,000.00
Feb-25	\$ 493.96	\$ 121.75	\$ 94,878.25
Mar-25	\$ 493.33	\$ 122.39	\$ 94,755.86
Apr-25	\$ 492.69	\$ 123.03	\$ 94,632.83
May-25	\$ 492.05	\$ 123.67	\$ 94,509.16
Jun-25	\$ 491.41	\$ 124.31	\$ 94,384.85
Jul-25	\$ 490.76	\$ 124.96	\$ 94,259.89
Aug-25	\$ 490.11	\$ 125.61	\$ 94,134.28
Sep-25	\$ 489.45	\$ 126.26	\$ 94,008.02
Oct-25	\$ 488.80	\$ 126.92	\$ 93,881.10
Nov-25	\$ 488.14	\$ 127.58	\$ 93,753.52
Dec-52	\$ 487.47	\$ 128.25	\$ 93,625.27
Jan-26	\$ 486.80	\$ 128.91	\$ 93,496.36
Feb-26	\$ 486.13	\$ 129.59	\$ 93,366.77
Mar-26	\$ 485.46	\$ 130.26	\$ 93,236.51



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Learning Point: Real Property; Land

Property Details

Account

Property ID: 5454

Type: Real

Property Use:

Location

Situs Address: E 15TH TX

Property Values

Improvement Homesite Value:	\$0 (+)
Improvement Non-Homesite Value:	\$0 (+)
Land Homesite Value:	\$0 (+)
Land Non-Homesite Value:	\$29,880 (+)
Agricultural Market Valuation:	\$0 (+)
Market Value:	\$29,880 (=)

How much are closing costs for a seller in Texas?

In Texas, the average closing costs for buyers are typically 2-6% of the home's purchase price. Sellers can expect to pay around 6-10% of the home's purchase price (including real estate agent commissions). Oct 17, 2023

Real Property: Land



Market Value: **\$29,880.00**

Cost to Convert: **\$2,988.00**

(\$29,880 x 10%)

Cash Value: **\$26,892.00**

Imputed Income: **\$121.01**

(\$26,892 x .45%)

Real Property does have a cost to convert, before we can determine the cash value, we need to know that information.

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Assets: Cryptocurrency



Cryptocurrency

Cash Value = Current market value less penalties/fees

Actual Income = Any income earned by the asset

Cryptocurrency is held online, typically in interest-yielding accounts called Decentralized Finance platforms (DeFis). Treat cryptocurrency like a foreign currency.

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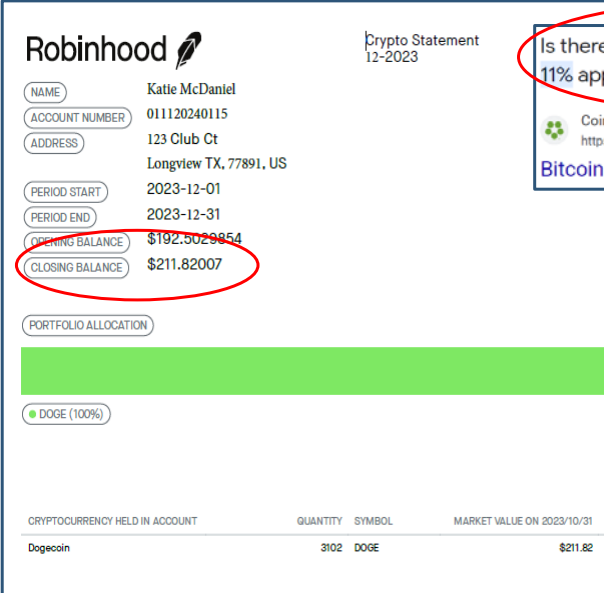
Assets: Cryptocurrencies continued

- **First**, obtain a statement, or some kind of other digital evidence such as a screenshot, from the account in which the cryptocurrency is held. Take that market value and determine the current exchange rate with US dollars.
 - The exchange rate can change frequently, use what it is at the time you're making the determination. Try using a site like <http://coindesk.com>.
- **Next**, determine the broker fee associated with converting the cryptocurrency into US dollars. That information will come from either the account in which the crypto is held, or it could come from the applicant/resident.
 - For example, a resident may say that they're not sure how to convert the Bitcoin into US dollars, but they know that CoinStar machines will do it for a fee. That fee is the cost to convert the Bitcoin to cash. Once that is established, you'll arrive at the cash value.
- **Finally**, To determine the actual yearly income, look for interest information from the DeFi platform they use to hold the cryptocurrency.
 - If they're really savvy, they may be getting interest from yielding or staking... in that case, you may have to look deeper and ask more questions. Perhaps they have a record of the asset income they've earned within the DeFi itself, or they may have an IRS Form 1099-INT.

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Learning Point: Cryptocurrency



Robinhood Crypto Statement 12-2023

NAME: Katie McDaniel
 ACCOUNT NUMBER: 011120240115
 ADDRESS: 123 Club Ct, Longview TX, 77891, US
 PERIOD START: 2023-12-01
 PERIOD END: 2023-12-31
 OPENING BALANCE: \$192.5029854
 CLOSING BALANCE: \$211.82007

PORTFOLIO ALLOCATION: DOGE (100%)

CRYPTOCURRENCY HELD IN ACCOUNT	QUANTITY	SYMBOL	MARKET VALUE ON 2023/10/31
Dogecoin	3102	DOGE	\$211.82

Is there a fee? A transaction fee of 4% and a cash exchange fee of up to 11% applies to each crypto purchase. Fees may vary by location.

Coinstar
<https://coinstar.com> · Crypto At Coinstar
 Bitcoin & Coinme FAQs - Crypto At Coinstar

Actual Income

Market Value x Interest Rate = Actual Income

\$211.82 x no interest rate = no actual income

Cash Value

Market Value – Cost to Convert = Cash Value

\$211.82 x 15% fee = \$31.77 cost to convert

\$211.82 - \$31.77 = \$180.05 cash value

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Assets: Peer-To-Peer Payment Applications



- If regular deposits are seen on these assets, the account holder should be asked to provide an explanation.
 - There are cases where these apps are used to sell homemade items and services. If the account is being used this way, the income must be included as self-employed income for the household.
- These sources of assets should be investigated. If there is a balance held in the account, it should be included in net family assets.
- The list above is not exhaustive, these are some of the commonly seen sources.

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Learning Point: Peer-To-Peer Payment Applications

Dawn babysits, she gets paid through Venmo

- The income she receives must be included
- If her Venmo account holds a balance it is an asset
- If the account does not have a balance it is not included as an asset

Domanik makes and sells glitter tumblers, she is paid through PayPal

- The income from the sales is income for the household
- If the PayPal account holds a balance of money then it must be included as an asset
- If the account does not have a balance it is not included as an asset

Amy's roommates pay her back for the home expenses incurred through Zelle

- Zelle is a pass-thru account only, it cannot hold money so this is not an asset
- This is not income, it is a reimbursement
- If Amy was receiving money for something like dog-sitting for her roommate, that would be income to include in the calculation of eligibility

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Assets: Disposed of for Less than Fair Market Value (FMV)



Assets disposed of for less than FMV

- Cash Value = Cash value less the disposed of amount
- Actual Income = No actual income

- Include Cash Value if:
 - Fair Market Value (FMV) of asset(s) disposed of exceeds the gross amount received by more than \$1,000
 - The Certification period is within the 2-year period following disposal
 - When 2-year period expires imputed income, if any, assigned to the reported asset(s) also expires
- Assets disposed of for less than fair market value as a result of **foreclosure, bankruptcy, divorce or separation** are *NOT* counted

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Assets: Imputed Income

- Imputed income is a percentage of the value of assets where the actual rate of return is not determinable when the net family assets are more than \$51,600 based on the **current passbook savings rate of .45%**
- Imputed* income is determined by calculating:



2025 Passbook Rate = 0.45%
HUD will evaluate and update this annually

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Learning Point: Assets Certification of Net Family Assets

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
Under \$50,000 ASSET CERTIFICATION
For households whose grossed net assets do not exceed \$50,000.
(Complete only one form per household; include assets of children.)

Head of Household Name: Esther Cruz Unit No.: 501
Development Name and Address: Pandora Springs

Complete all that apply for 1 through 4:

1. My/our assets include (enter n/a in (A) if you do not own the respective asset):

Source	(A) Cash Value	(B) Int. Rate	(A*B) Annual Income	Source	(A) Cash Value	(B) Int. Rate	(A*B) Annual Income
Savings Account(s)	\$ 10K	2 %	\$ 200	Checking Account(s)	\$ 1200	0 %	\$ 0
Certificates of Deposit	\$	%	\$	Money Market Funds	\$	%	\$
Stocks	Cash on Hand	\$ 500	0 %	\$ 0			
Pear to Pear, etc.	Personal Property Held as an Investment	\$	%	\$	Explanation		
Lump Sum	Other (list):	\$ 100	2 %	\$ 2	Explanation	Liam Savings Account	
Bitcoin/ Cr							
Life Insurance							

PLEASE NOTE: Certain funds (e.g., Trust) may or may not be (fully) accessible to you. Include only those amounts which are accessible to you.

(Check either box 2 or box 3 below, not both)

2. Within the past two (2) years, I/we have sold or given away assets (including cash, real estate, etc.) for more than \$1,000 below fair market value (FMV). Those amounts equal a total of: \$ 150,000 (enter the difference between FMV and the amount you received).

3. I/we have not sold or given away assets (including cash, real estate, etc.) for less than fair market value during the past two (2) years.

4. I/we do not have any assets at this time (do not check this box if you have entered any numbers in section 1, above).

PLEASE NOTE: Certain funds (e.g., Trust) may or may not be (fully) accessible to you. Include only those amounts which are accessible to you.

(Check either box 2 or box 3 below, not both)

2. Within the past two (2) years, I/we have sold or given away assets (including cash, real estate, etc.) for more than \$1,000 below fair market value (FMV). Those amounts equal a total of: \$ 150,000 (enter the difference between FMV and the amount you received).

3. I/we have not sold or given away assets (including cash, real estate, etc.) for less than fair market value during the past two (2) years.

4. I/we do not have any assets at this time (do not check this box if you have entered any numbers in section 1, above).

The net family assets (as defined in 24 CFR 813.102) above do not exceed \$50,000, and the annual income from the net family assets is \$ 202 (enter the total of all (A*B) Annual Income in section 1, above). This amount is included in total gross annual income.

Do we have to verify the \$150,000 in disposed of assets?

Yes, the household has to have assets fully verified; but when they applied we did not know what the values would be and we needed to certify cash on hand and disposed of assets. So, we used the Under Asset Threshold Certification form.

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Learning Point: Real Property; Real Estate

January 9, 2024

I gave my home in Dimmit, Texas to my sister, Edith Cruz, in February of 2023 before I moved to the Austin area. She paid me \$10 money in my there is no Certified as

Name:	CRUZ, EDITH
Agent:	
Mailing Address:	135 Beach Street Dimmit, TX 79023
% Ownership:	100.0%
Exemptions:	HS - Homestead For privacy reasons not all exemptions are shown online.
Property Values	
Improvement Homesite Value:	\$150,140 (+)
Improvement Non-Homesite Value:	\$0 (+)
Land Homesite Value:	\$15,120 (+)
Land Non-Homesite Value:	\$0 (+)
Agricultural Market Valuation:	\$0 (+)
Market Value:	\$165,260 (=)

Real Property; Real Estate

Actual Income: **\$0.00**

Since net family assets are over \$51,600 we must calculate imputed income on the land because there is no determinable rate of return.

This asset will remain on the Income Certification until February 2025. The imputed income will go away at that time also.

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Learning Point: Real Property; Home – Disposed of Asset

How much are closing costs for a seller in Texas?

In Texas, the average closing costs for buyers are typically 2–6% of the home's purchase price. Sellers can expect to pay around 6–10% of the home's purchase price (including real estate agent commissions). Oct 17, 2023



Improvement Homesite Value:	\$150,140 (+)
Improvement Non-Homesite Value:	\$0 (+)
Land Homesite Value:	\$15,120 (+)
Land Non-Homesite Value:	\$0 (+)
Agricultural Market Valuation:	\$0 (+)
Market Value:	\$165,260 (=)

Real Property; Land

Market Value: **\$165,260.00**
 Appraisal: **(\$10,000.00)**
 = **\$155,260.00**

Cost to convert: **\$15,526.00**

($\$155,260 \times 10\%$)

Cash Value: **\$139,734.00**

Imputed Income: **\$628.80**

($\$139,734 \times .45\%$)

Real Property does have a cost to convert, before we can determine the cash value we need to know that information.

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Assets: Exclusions in HOTMA Do Not Impact Department Programs

HOTMA does have an asset exclusion for families that have assets totaling more than \$100,000 and for families owning real estate.

These exclusions do not apply to most of the Department programs because most of the programs are covered under good cause protections and income is not a good cause. The exclusions are Public Housing and Section 8 requirements that would impact the Section 8 Housing Choice Voucher program at the Department.

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Assets: Inflationary Adjustments for 2025

	2023	2024	2025	2026	2027	2028	2029	2030
Student Income Allowance	\$ 480.00	\$ 480.00	\$ 480.00					
Dependent Deduction	\$ 480.00	\$ 480.00	\$ 480.00					
Adoption Assistance Allowance	\$ 480.00	\$ 480.00	\$ 480.00					
Elderly Deduction	\$ 400.00	\$ 525.00	\$ 525.00					
Asset Limitation Threshold	\$ 5,000.00	\$ 50,000.00	\$ 51,600.00					
Threshold for Medical Deduction*	3%	10%	10%					
Cost of Living Allowance (COLA)	8.70%	3.20%	2.50%					
Passbook Savings Rate	0.06%	0.40%	0.45%					

* Does not include the hardship allowance applicable to some households

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Adjusted Income

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Adjusted Income: Deductions and Purpose

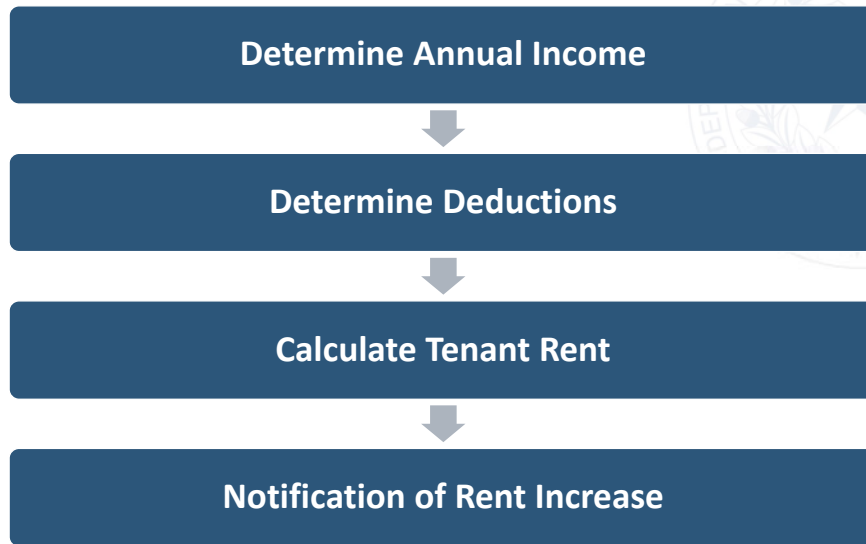
Annually, HUD will issue an Adjustment for Inflation to be used for deductions

- **Dependent Deduction** will correlate to the earned income counted for full-time students and adoption assistance
- **Child Care Deduction** has excluded foster children with HOTMA unless the child care is paid for with the household's income and not the foster care payments received from the welfare agency
- Reasonable **Attendant Care and Auxiliary Apparatus**; formerly Disabled Deduction – the 3% test is now a 10% test
- **Elderly/Disabled Deduction** has been increased to \$525
- **Unreimbursed Health and Medical Care expenses** for elderly/disabled households – the 3% test is now a 10% test

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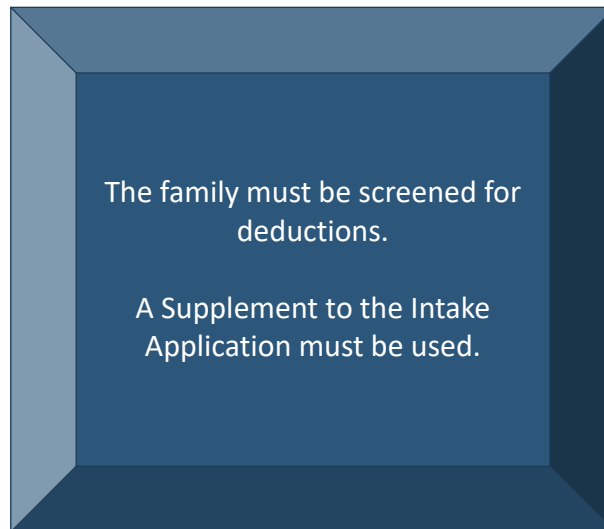
Adjusted Income: The Process



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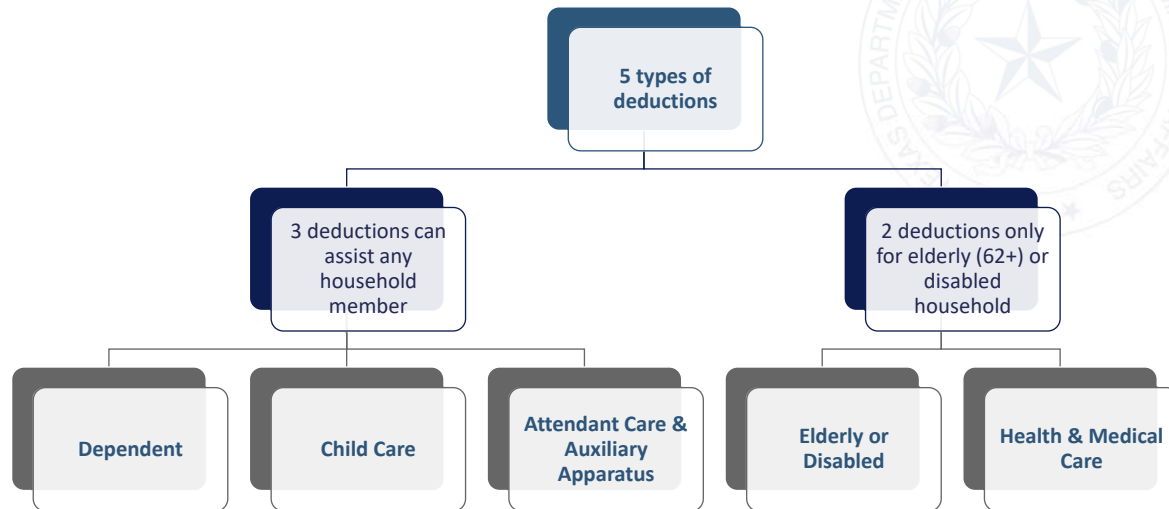
Adjusted Income: Screening for Deductions



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Adjusted Income: Available Deductions



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Adjusted Income: Dependent Deduction

- Dependent Deduction of \$480 per eligible dependent in the family
- Dependents are defined as family members who are not head, spouse, co-head and are:
 - Under 18 years of age
 - A person with disabilities at any age
 - A full-time student, 18 years of age or older
 - Full-time student status is defined by the institution of higher education, with a degree or certificate program, where the student is enrolled
 - *To qualify for the deduction, verification of disability or student status is required*
- A foster child, foster adult, unborn child, a child that has not joined the household yet, or dependent of a live-in aide will never qualify for the deduction
- A family does not have to have legal custody of a dependent to receive the deduction; however, the dependent must live in the unit
- A family may not receive a double dependent deduction for one member
 - For example, a 19 year old, disabled, full-time student would not be eligible for two dependent deductions

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Learning Point: Dependent Deduction

A. DEPENDENT DEDUCTION (Some household members cannot qualify for this deduction regardless of age, disability, or student status: Head of household, spouse, co-head, a foster child, an unborn child, a child who has not yet joined the family, or a live-in aide.)

Is the household comprised of a family member under the age of 18? NO YES, who? Liam Cruz

Is the household comprised of a family member with disabilities? NO YES, who? Esther Cruz

Is the household comprised of a family member who is a full-time student? NO YES, who? Liam Cruz

Is the Cruz household eligible for a dependent deduction?

Yes

How much is their deduction?

The household is eligible for a \$480 deduction for the one dependent

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Adjusted Income: Child Care Deduction

- The Child Care Deduction is available for anticipated expenses to any family paying for child care. The deduction is available to all children under the age of 13 living in the unit (~~including foster children~~) when child care enables a family member to...

- Work
- Look for work
- Go to school (academic or vocational)

Foster children are eligible for this deduction if the child care expense is paid by the family income and not a welfare stipend.

- The family has to evidence that there is no adult family member capable of providing care during the hours care is needed
- Child care expenses cannot be reimbursed by an outside agency or individual
- Child care expenses deducted must be reasonable

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Adjusted Income: Child Care Deduction continued

- Child care expenses are not paid to someone living in the unit
- Child care expenses cannot exceed the work income generated by the family member during the period in which care is provided
- The child care expenses are not restricted when seeking employment or attending school
- To document anticipated child care expenses, the family must:
 - Identify the child(ren) who will be cared for
 - Identify the family member who is enabled to work, look for work, and/or go to school because of the child care
 - Evidence that no other adult household member in the unit is available to care for the child
 - Identify the child care provider
 - Provide documentation of cost

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Learning Point 1: Child Care Deduction

B. CHILD CARE EXPENSES DEDUCTION

Is the household paying for the care of children age 12 or under? NO YES, for whom? _____

If YES, Please answer the following questions:

1. Does the child care enable an adult household member to (check) Be gainfully employed OR Further his/her education (academic or vocational)? NO YES, who? _____

2. Is there an adult household member capable of providing care during the hours care is needed? NO YES

3. Is the child care provided by a member who comprises the household? NO YES, who? _____

4. Is the household reimbursed by an outside Agency or Individual? NO YES, who? _____

Is the Cruz household eligible for a child care deduction?

No, Liam is not in child care.

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Learning Point 2: Child Care Deduction

Eric and Ariel Robles work and their dependents attend an after school program. Their 10 year old and 6 year old children, Melody and Max, attend the YMCA program after school from 3pm to 6pm each day during the school year. They pay the YMCA \$14.00 an hour for the care of their children. They receive no reimbursement for the child care expenses. Eric does not work in the summer, the children spend the summer with their father and the household does not have any child care expenses during this time. Ursula is an adult in the household but is unable to watch the children due to her disability and Sebastian is a full-time adult student in the household but is unable to care for his younger siblings.

Is the Robles household eligible for a child care deduction?

Yes

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Learning Point 2: Child Care Deduction continued

How much is the child care deduction for the Robles family?

- Step 1: Determine Eric's annual income:

$$\begin{array}{c}
 \$18.00 \\
 \text{an hour}
 \end{array}
 \times
 \begin{array}{c}
 1,140 \\
 \text{hours} \\
 \text{annually}
 \end{array}
 =
 \begin{array}{c}
 \$20,520 \\
 \text{gross} \\
 \text{income}
 \end{array}$$

- Step 2: Determine what Eric's earned income is while his children attend after-school care:

$$\begin{array}{c}
 \$18 \text{ an} \\
 \text{hour}
 \end{array}
 \times
 \begin{array}{c}
 5 \text{ days a} \\
 \text{week}
 \end{array}
 \times
 \begin{array}{c}
 3 \text{ hours} \\
 \text{a day}
 \end{array}
 \times
 \begin{array}{c}
 38 \\
 \text{weeks a} \\
 \text{year}
 \end{array}
 =
 \begin{array}{c}
 \$10,260 \\
 \text{earned} \\
 \text{income}
 \end{array}$$

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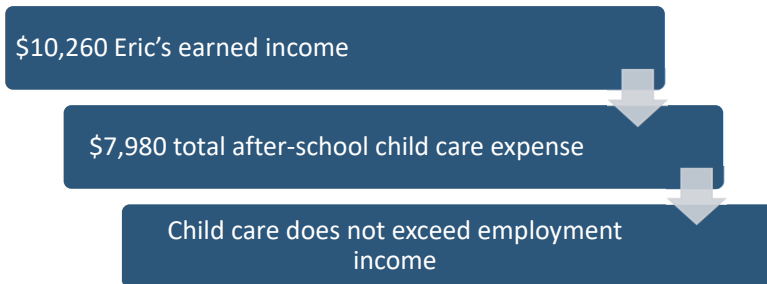
160

Learning Point 2: Child Care Deduction completed

- Step 3: Determine the after-school child care expenses for Melody and Max:



- Step 4: Determine that after-school child care expenses do not exceed Eric's earned income generated during the period in which care is provided:



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Adjusted Income: Attendant Care & Auxiliary Apparatus Expense Deduction

- Attendant Care & Auxiliary Apparatus Expense Deduction is available for unreimbursed, anticipated costs for attendant care and/or an auxiliary apparatus
- The care or apparatus enables a family member, 18 years or older, including the disabled member to work
- The amount claimed is the difference in total expenses for attendant care and/or auxiliary apparatus that exceeds 10% of annual income and earned income of the adult family member enabled to work by the attendant care or auxiliary apparatus
 - Families that were receiving the deduction in 2023 will utilize a hardship implementation; 5% in 2024, 7.5% in 2025 and the full 10% in 2026
- If the disability assistance enables more than one family member to be employed, the allowance cannot exceed the combined income of both

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Attendant Care & Auxiliary Apparatus Expense Deduction Items

- Auxiliary apparatus includes items that are directly related to permitting the disabled person or other family member to work
- Includes items such as, but not limited to, the following:
 - Wheelchairs, ramps, adaptations to vehicles (one-time allowances);
 - Cost of maintenance and upkeep of an auxiliary apparatus (i.e. veterinarian and food costs of service animal)
 - Attendant care includes, but is not limited to, reasonable expenses for home medical care, nursing services, interpreters for hearing impaired persons and readers for persons with visual impairments

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Learning Point 1: Care and Apparatus Expense Deduction

C. ATTENDANT CARE AND AUXILIARY APPARATUS EXPENSE DEDUCTION

Is the household paying for attendant care and/or an auxiliary apparatus? NO YES, for whom? Esther Cruz

If YES, Please answer the following questions:

1. Does the care and/or use of the auxiliary apparatus enable an adult household member to work? NO YES, who? _____

2. Is the household reimbursed by an Agency and/or Individual for these costs? NO YES, who? _____

3. Identify the type of care and/or apparatus paid for: Live-in Aide

Is the Cruz household eligible for a Attendant Care & Auxiliary Apparatus Expense Deduction?

No, even though there is a live-in aide, Esther is not able to work as a result of this care.

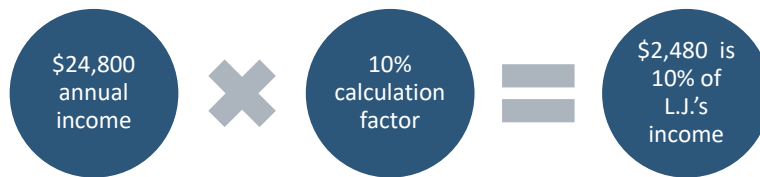
164

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Learning Point 2: Attendant Care & Auxiliary Apparatus Expense Deduction

L.J. is an individual with disabilities that works full-time and has an annual income of \$24,800. He requires a motorized wheelchair and special transportation to get to his job. The eligible disability expense is \$8,500 for his transportation to and from his job. Is L.J. eligible for a disability expense deduction? If yes, how much?

- Step 1: Determine 10% of L.J.'s employment income:



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Learning Point 2: Care & Apparatus Expense Deduction continued

- Step 2: Determine L.J.'s eligible disability deduction:



- Step 3: Ensure L.J.'s allowable deduction does not exceed his annual income:



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Adjusted Income: Elderly or Disabled Deduction

- Elderly or Disabled Deduction is a one-time \$525 deduction
 - HUD has indicated that this amount may be adjusted annually
- The deduction is available to a family if the head, spouse, or co-head (or the sole member) is at least 62 years of age or older, or is a person with disabilities
- A household is entitled to only one deduction regardless of how many family members qualify as elderly or disabled

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Learning Point: Elderly or Disabled Deduction

D. ELDERLY OR DISABLED FAMILY DEDUCTION

Is the head of household, spouse, or co-head at least 62 years of age or older? NO YES, who? _____

Is the head of household, spouse, or co-head a person with a disability? NO YES, who? Esther Cruz

Esther Cruz, Head of Household, is a person with disabilities.

Does this mean that their household is eligible for the
Elderly/Disabled Deduction?

Yes

How much is the deduction?

\$525

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Learning Point 2 & 3: Elderly or Disabled Deduction

Ted is 29 years old and a person with disabilities. Is Ted eligible for the elderly or disabled deduction on their certification? If yes, how much?

Yes, \$525

Carolyn is 62 and lives with her husband, Jeff, who is 35 and disabled. Is the household eligible for the elderly or disabled deduction on their certification? If yes, how much?

Yes, \$525

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Adjusted Income: Health & Medical Care Expense Deduction

- Health & Medical Care Expense Deduction is the portion of total medical expenses that exceeds 10% of annual income and is only permitted for households in which the head, spouse, or co-head is elderly or disabled
 - **Families that received the deduction in 2023 will utilize a hardship implementation; 5% in 2024, 7.5% in 2025 and the full 10% in 2026**
- If the household is eligible, include the unreimbursed anticipated medical expenses of ALL family members
 - Including non-elderly and dependent children
 - Foster persons and Live-in Aides are not eligible for this deduction
 - Medical expenses include medically necessary apparatus, services and medications
- Include ongoing expenses paid in the past 12 months to project the upcoming year's expenses
- Ongoing payments toward existing, unpaid medical bills are eligible for inclusion for the upcoming year
 - NOTE: Must only include the amount of payments to be made, not the total balance due

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Adjusted Income: Health & Medical Care Expense Deduction Continued

- Examples of eligible medical expenses include, but are not limited to:
 - Services of doctors and healthcare professionals
 - Services of healthcare facilities
 - Medical insurance premiums or cost of an HMO
 - Prescription/Nonprescription medicines that have been prescribed by a physician
 - Dental expenses
 - Eyeglasses
 - Hearing aids

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Learning Point: Health & Medical Care Expense Deduction

E. HEALTH AND MEDICAL CARE EXPENSE DEDUCTION (If your household qualifies for the deduction listed in "D" then medical expenses for ALL household members may be eligible for deduction)			
Identify any of the following medical expenses?	Estimated Annual Costs	Can Support for expenses be provided?	
Medicare <input type="checkbox"/> NO <input checked="" type="checkbox"/> YES	148.50 per month	<input type="checkbox"/> NO <input checked="" type="checkbox"/> YES	
Doctor Co-Pays <input type="checkbox"/> NO <input checked="" type="checkbox"/> YES	\$1800.00 for the year	<input type="checkbox"/> NO <input checked="" type="checkbox"/> YES	
Prescription Costs <input type="checkbox"/> NO <input checked="" type="checkbox"/> YES	\$1825.00 for the year	<input type="checkbox"/> NO <input checked="" type="checkbox"/> YES	
Medical Deduction Costs <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES		<input type="checkbox"/> NO <input type="checkbox"/> YES	
Over the Counter Costs <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES		<input type="checkbox"/> NO <input type="checkbox"/> YES	
Other: <input type="checkbox"/> NO <input type="checkbox"/> YES		<input type="checkbox"/> NO <input type="checkbox"/> YES	
Is the household reimbursed by an Agency and/or Individual for any of these costs? <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES, who? _____			
Did the household have any one-time non-recurring medical expenses? <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES, explain? _____			

Since the Cruz household is eligible to receive the Elderly/Disabled Deduction, the family is eligible to receive the Health and Medical Care Expense Deduction.

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Learning Point: Health & Medical Care Expense Back-up

Information About Current Social Security Benefits

Beginning January 2024, the full monthly Social Security benefit before any deductions is \$ 2,479.90
 We deduct \$148.50 for medical insurance premiums each month.
 The regular monthly Social Security payment is \$ 2,331.00
 (We must round down to the whole dollar.)

Dear Esther Cruz:

You requested a statement of the expenses incurred as a result of prescriptions filled through Walgreens locations in the calendar year 2023. Based on our records your 2023 expenses were \$1,825.00 for all prescriptions that were processed by Walgreens pharmacists.

Please feel free to reach out to our business office if you have any further documentation needs.

Sincerely,

Carrie Williams

Carrie Williams, Office Manager

Dear Esther Cruz:

You requested a statement of the amount of co-pays and expenses incurred as a result of visits to Austin Regional Clinic locations in the calendar year 2023. Based on our records your 2023 expenses were \$1,600.00 for co-pays, lab fees and expenses that were not covered by insurance.

Please feel free to reach out to our business office if you have any further documentation needs.

Sincerely,

John Williams

John Williams, Office Manager

We have confirmed the information required to back-up the amounts claimed for the Health and Medical Care Expense Deduction.

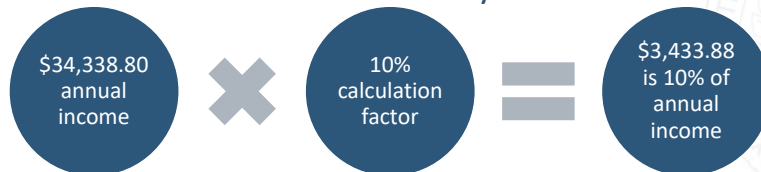
Insurance: \$148.50 x 12 = \$1,782 +
Prescriptions: \$1,825 +
Doctor Visits: \$1,600 = \$5,207 total

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Learning Point: Health & Medical Care Expense Deduction Calculated

- Step 1: Determine 10% of the Cruz family's annual income:



- Step 2: Determine the medical expense deduction amount:



The Cruz household is eligible for a medical expense deduction of \$1,773.12

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Adjusted Income: Medical Expense Deduction

If the family is eligible for both the Attendant Care & Auxiliary Apparatus deduction and the Health & Medical Care deduction, the following must be considered:

- Ensure that the family's 10% of income test is applied only one time
- The Attendant Care & Auxiliary Apparatus expense deduction must be calculated before the Health & Medical Care Expense deduction is determined
- The Attendant Care & Auxiliary Apparatus expense deduction is limited by the amount earned by the person enabled to work
- Expenses cannot be included in both categories (no double-dipping)

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Learning Point: Care/Apparatus & Health/Medical Expense Disability

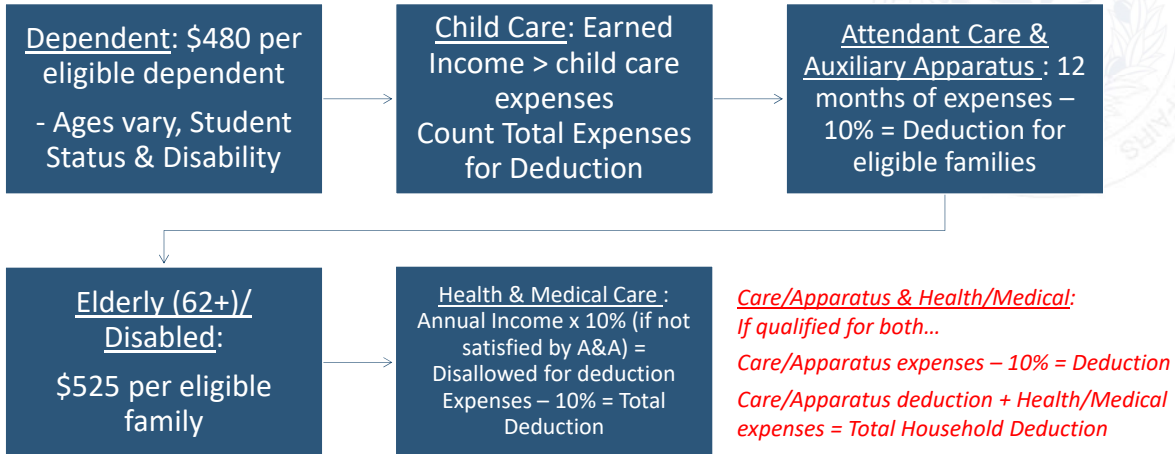
L.J., from slides 191 & 192, has a Attendant Care & Auxiliary Apparatus expense deduction of \$6,020. In addition, L.J. also has Health & Medical Care expenses in the amount of \$1,500 that are not reimbursed by insurance. Since L.J.'s Care & Apparatus expense has already been calculated, which is required to be determined first, then the medical is just added.



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Adjusted Income: Deductions Cheat Sheet



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Learning Point: Adjusted Income

Bryan, Head of Household, age 63
 Nicole, Co-Head, age 52
 Casen, Dependent, age 14, disabled – requires attendant care

Bryan’s annual income	\$25,000
Nicole’s annual income	+ \$23,000
Total Annual Income	\$48,000

Bryan’s out-of-pocket Health & Medical Care expenses	\$2,000
Nicole’s out-of-pocket Health & Medical Care expenses	\$1,000
Casen’s out-of-pocket Attendant Care expenses	+ \$6,000
Total Health & Medical Care and Attendant Care expenses	\$9,000

Less 10% required deduction: **\$4,800** (\$48,000 x 10%)

Annual Income	\$48,000
Medical Deduction	\$4,200 (\$9,000 - \$4,800)
Dependent Deduction	\$480
Elderly/Disabled Ded.	\$525

Adjusted Annual Income \$42,795

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Adjusted Income: Send Notification of Rent Increase

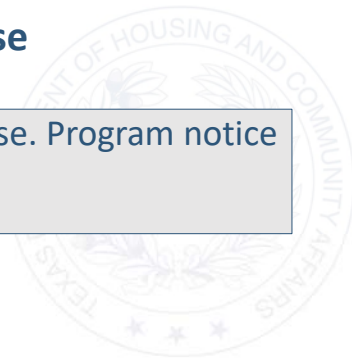
A written notice is required to implement a rent increase. Program notice requirements must be adhered to.

Rent Increase Notification

Date: ___/___/___
 RE: Change in Rent Notice
 Tenant's Name: _____

Please be advised that effective _____ the monthly rent for the unit located at _____ here you are currently a tenant, will be increase to \$ _____ per month payable in advance on/or before the _____ of each month.

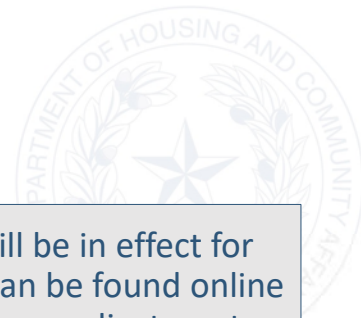
Sincerely,
 Landlord/Property manager: _____
 Signature: _____



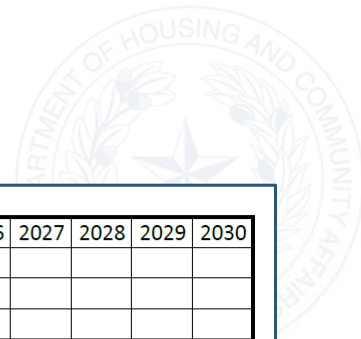
Inflationary Adjustments

HUD has announced the inflationary changes that will be in effect for certifications with 2025 effective dates, the amounts can be found online at <https://www.huduser.gov/portal/datasets/inflationary-adjustments-notifications.html#year2025>.

While deduction amounts did not change, the asset threshold and passbook savings rate have changed.



Deductions: Inflationary Adjustments for 2025



Items Adjusted for Inflation Annually by HUD

	2023	2024	2025	2026	2027	2028	2029	2030
Student Income Allowance	\$ 480.00	\$ 480.00	\$ 480.00					
Dependent Deduction	\$ 480.00	\$ 480.00	\$ 480.00					
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Threshold for Medical Deduction*	3%	10%	10%					
Cost of Living Allowance (COLA)	8.70%	3.20%	2.50%					
Passbook Savings Rate	0.06%	0.40%	0.45%					

* Does not include the hardship allowance applicable to some households



THANK YOU!

Income Determination Training

THIS TRAINING INCLUDES THE INCOME AND ASSET CALCULATION PROCESSES USED FOR THE PROGRAMS MONITORED BY THE DEPARTMENT. ADDITIONALLY, THIS TRAINING COVERS THE PROCESS FOR ADJUSTED INCOME AND OTHER PROGRAM ITEMS THAT ARE APPLICABLE TO SOME PROGRAMS, BUT NOT ALL.

ANY FOLLOW-UP QUESTIONS SHOULD BE DIRECTED TO A MEMBER OF THE APPROPRIATE DIVISION.

