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Contact Information

Mailing Address:

TDHCA
PO Box 13941
Austin, TX 78711-3941

Physical Address:

TDHCA
221 East 11th Street
Austin, TX 78701

Website: <https://www.tdhca.texas.gov>
info@tdhca.texas.gov

Department Phone Number: (512) 475-3800
or (800) 525-0657 (toll free in Texas only)

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Announcements

Schedule:

- The training will run from 9 am until approximately 4 pm
- Breaks: Morning and Afternoon (15 minutes each)
- 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 by email; you may want to keep an eye on the “junk” folder.
- 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 “Questions Box”



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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://texas-sos.appianportalsgov.com/rules-and-meetings?chapter=10&interface=VIEW_TAC&part=1&subchapter=F&title=10

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Multifamily Compliance Resources

- **Multifamily Compliance Forms**
 - <https://www.tdhca.texas.gov/compliance-forms>
- **Multifamily Compliance Manuals and Rules**
 - <https://www.tdhca.texas.gov/compliance-manuals-and-rules>
- **Income and Rent Limits**
 - <https://www.tdhca.texas.gov/income-and-rent-limits>
- **Multifamily Compliance Training and Presentations**
 - <https://www.tdhca.texas.gov/compliance-training>
 - <https://www.tdhca.texas.gov/compliance-program-training-presentations>
- **Contact List**
 - <https://www.tdhca.texas.gov/compliance-division-staff>
- **TBRA Links**
 - <https://www.tdhca.texas.gov/tenant-based-rental-assistance-tbra-program>

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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; 24 CFR §5.609
- 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
- Items are not required to be “cashed out” at time of application
- Not all items of value are considered an asset
- Income from Assets includes all amounts not specifically excluded by regulation; 24 CFR §5.609
- 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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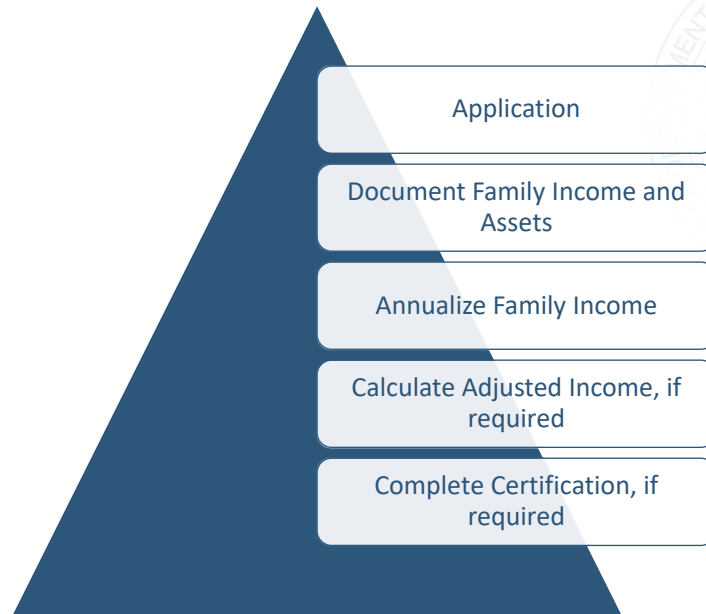


The Qualifying Process

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The Qualifying Process: Steps to Eligibility Determination



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The Qualifying Process: The Application

- There is no required form, the application must screen for ALL sources of income, assets and student status
- Should be completed by the household
- Staff should review the application and determine if the household appears eligible based on the information provided
- Electronic applications are accepted, but additional required screening questions and forms would be provided if the household came into the office to complete
- **Obtain the “Release and Consent” form from all adults**
 - **Necessary to verify disclosed income, assets and student status**
- Your program may have specific form requirements for applications, make sure you are complying with your program requirements

If the Development is layered with programs outside of the Department’s jurisdiction (Rural Development, Project Based Section 8, etc.) there may be additional program requirements not discussed in this training.

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The Qualifying Process: TDHCA Application

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
INTAKE APPLICATION

Dear Applicant:
The information on this form is needed to determine if your household is eligible to participate under a Texas Department of Housing and Community Affairs (TDHCA) affordable housing program. Please complete this intake form and return it to the office.

If there are any questions that you do not understand, please contact the Contract Administrator, Owner or Management Office Personnel. We thank you in advance for your cooperation.

THIS SECTION TO BE COMPLETED BY ADMINISTRATOR/OWNER/MANAGEMENT

Administrative/Owner/Management Name: _____ TDHCA Number: _____
 Contract Name: _____ Contract Title: _____
 Address: _____ Phone: _____
 Email Address: _____ Fax: _____

IF THIS SECTION TO BE COMPLETED BY APPLICANT

A. CONTACT INFORMATION

Street Address: _____ ☐ Rent ☐ Own Age in _____
 City/State/Zip: _____ ☐ Rent ☐ Own ☐ Own
 Current Address: _____ ☐ Rent ☐ Own Age in _____
 City/State/Zip: _____ ☐ Rent ☐ Own ☐ Own
 Email Address: _____ Home Phone: () _____
 Emergency Contact Name: _____ Phone: () _____

B. PREVIOUS RESIDENCY INFORMATION

Previous Address City/State: _____ ☐ Rent ☐ Own Cost per Month: _____
 Reason for Leaving: _____ Occupied For: ____ Yes ____ No
 Contact/Landlord Name: _____ Phone: _____

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

Full Name (include maiden name)	Relationship to Head of HH	Date of Birth	Gender	Student Status (Full-time or Part-time)	Social Security No. (Last 4 digits)	Receiving Income
1. _____	Head of Household	____/____/____	<input type="checkbox"/> Male <input type="checkbox"/> Female	<input type="checkbox"/> Yes <input type="checkbox"/> No	____-____-____	<input type="checkbox"/> Yes <input type="checkbox"/> No
2. _____	Spouse	____/____/____	<input type="checkbox"/> Male <input type="checkbox"/> Female	<input type="checkbox"/> Yes <input type="checkbox"/> No	____-____-____	<input type="checkbox"/> Yes <input type="checkbox"/> No
3. _____	Child	____/____/____	<input type="checkbox"/> Male <input type="checkbox"/> Female	<input type="checkbox"/> Yes <input type="checkbox"/> No	____-____-____	<input type="checkbox"/> Yes <input type="checkbox"/> No
4. _____	Child	____/____/____	<input type="checkbox"/> Male <input type="checkbox"/> Female	<input type="checkbox"/> Yes <input type="checkbox"/> No	____-____-____	<input type="checkbox"/> Yes <input type="checkbox"/> No
5. _____	Child	____/____/____	<input type="checkbox"/> Male <input type="checkbox"/> Female	<input type="checkbox"/> Yes <input type="checkbox"/> No	____-____-____	<input type="checkbox"/> Yes <input type="checkbox"/> No
6. _____	Child	____/____/____	<input type="checkbox"/> Male <input type="checkbox"/> Female	<input type="checkbox"/> Yes <input type="checkbox"/> No	____-____-____	<input type="checkbox"/> Yes <input type="checkbox"/> No
7. _____	Child	____/____/____	<input type="checkbox"/> Male <input type="checkbox"/> Female	<input type="checkbox"/> Yes <input type="checkbox"/> No	____-____-____	<input type="checkbox"/> Yes <input type="checkbox"/> No
8. _____	Child	____/____/____	<input type="checkbox"/> Male <input type="checkbox"/> Female	<input type="checkbox"/> Yes <input type="checkbox"/> No	____-____-____	<input type="checkbox"/> Yes <input type="checkbox"/> No

TDHCA - Page 1 of 1
Revised February 26, 2024

Per 10 TAC §10.612(a) (2) Documentation to support the Income Certification form including, but not limited to, applications (one per adult or married couple), first-hand or third-party verification of income and assets, and documentation of student status (if applicable). The application must provide a space for applicants to indicate if they are a veteran. In addition, the application must include the following statement: "Important Information for Former Military Services Members. Women and men who served in any branch of the United States Armed Forces, including Army, Navy, Marines, Coast Guard, Air Force, Reserves or National Guard, may be eligible for additional benefits and services. For more information, please visit the Texas Veterans Portal at <https://veterans.portal.texas.gov/>."

<https://www.tdhca.texas.gov/compliance-forms>

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The Qualifying Process: Release and Consent

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
RELEASE AND CONSENT FORM

I. THIS SECTION TO BE COMPLETED BY DEVELOPMENT

Development Name:	TDHCA/CMTS Number:
Contact Name:	Contact Title:
Development Address:	Phone:
Email Address:	Fax:

II. THIS SECTION TO BE COMPLETED BY APPLICANT

Applicant/Resident Name: _____

I/We, _____, the undersigned hereby authorize all persons or companies in the categories listed below to release information regarding employment, income and/or assets for purposes of verifying information on my/our application for participation in a Texas Department of Housing and Community Affairs (TDHCA) Affordable Housing Program. I/we authorize release of information without liability to the administrator/owner/management listed above, and/or the Texas Department of Housing and Community Affairs and/or the Department's service provider.

INFORMATION COVERED
I/We understand that previous or current information regarding me/us may be needed. Verifications and inquiries that may be requested include, but are not limited to: personal identity, student status, employment, income, assets, and medical or childcare allowances. I/We understand that this authorization cannot be used to obtain information about me/us that is not pertinent to my eligibility for and continued participation in a TDHCA Affordable Housing Program.

GROUPS OR INDIVIDUALS THAT MAY BE ASKED
The groups or individuals that may be asked to release the above information include, but are not limited to:

Past and Present Employers	Welfare Agencies	Veterans Administrations
Support and Allowance Providers	State Unemployment Agencies	Retirement Systems
Educational Institutions	Social Security Administration	Medical and Child Care Providers
Bank and other Financial Institutions	Utility Providers	Previous Landlords
Public Housing Agencies	Appraisal Districts	Insurance Carrier

III. APPLICANT CERTIFICATION
I/We agree that a photocopy of this authorization may be used for the purposes stated above. The original of this authorization is on file and will stay in effect for a year and one month from the date signed. I/We understand I/We have a right to review this file and correct any information that is incorrect.

Applicant/Resident Printed Name	Signature	Date
Co-Applicant/Resident Printed Name	Signature	Date
Other Adult Member Printed Name	Signature	Date
Other Adult Member Printed Name	Signature	Date

NOTE: THIS GENERAL CONSENT MAY NOT BE USED TO REQUEST A COPY OF A TAX RETURN. IF A COPY OF A TAX RETURN IS NEEDED, IRS FORM 4506, "REQUEST FOR COPY OF A TAX FORM" MUST BE PREPARED AND SIGNED SEPARATELY.

Revised January 24, 2022

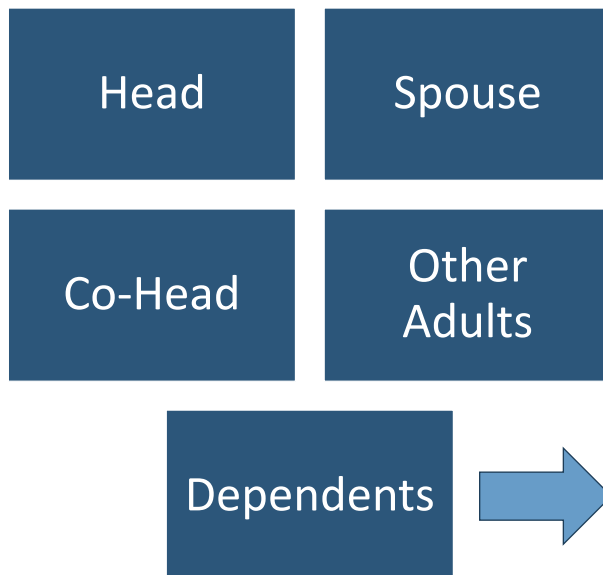
The Release and Consent form must be signed by all adult household members. All can sign one form, or each adult can sign their own form.

<https://www.tdhca.texas.gov/compliance-forms>

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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

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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

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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 1

Sample Household:

- Fred; Head of Household
- Francis; Spouse
- dl; Live-In Aide
- This household is comprised of 3 people with 2 family members, **true or false?**



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Learning Point: Live-In Aide 2

Sample Household:

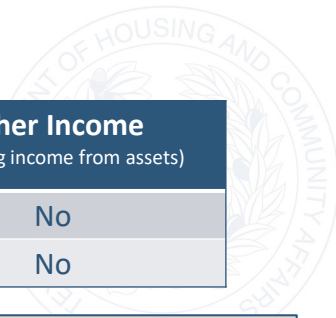
- William; Head of Household
- Sylvia; Spouse/Live-In Aide
- This household is comprised of 2 people with 1 family member, **true or false?**



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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

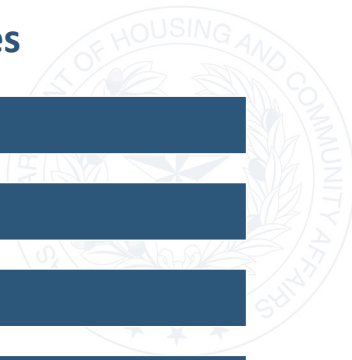
Sample Household:

- 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?**

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The Qualifying Process: Tips to Minimize Challenges

- 
- 1 All forms completed in their entirety
 - 2 All household members listed
 - 3 Is the application current? (within 120 days)
 - 4 Any changes/corrections are completed and initialed by applicants
 - 5 No correction fluid, white-out or evidence of tampering/perfecting
 - 6 Peer Review
 - 7 3rd party or compliance file review

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Verifications



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The Qualifying Process: Verification Types

Three (3) Acceptable verification methods:

- First-Hand
- Third-Party
- Oral Clarification

Maintain Verification Documentation

- All tenant files must maintain verification documentation

Verification Documentation

- Must be dated within 120 days of the effective date of the household's Income Certification
- Exceptions Apply

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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

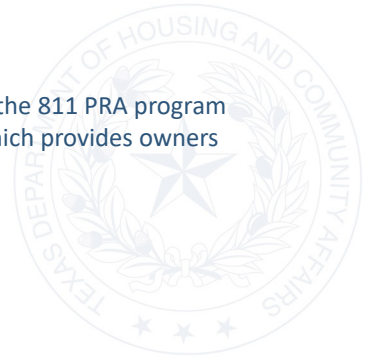
Section 811 PRA requires the use of the EIV system, this will be the preferred method for those programs based on the income source.

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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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Verification Hierarchy: Paystub Guidelines

**HTC/BOND/THTF/TCAP/TCEP
(Exchange) and 811 Programs:**

- Gather enough paystubs to determine frequency of pay
- No set number of stubs required
- Minimum of 2 stubs are required by HUD

**HOME/HOME-ARP/TCAP-
RF/NHTF/NSP Programs:**

- Must obtain 60 days of source documentation for all income

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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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Verification Hierarchy: Oral Clarification

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
TELEPHONE VERIFICATION/CLARIFICATION RECORD

I. THIS SECTION TO BE COMPLETED BY DEVELOPMENT	
Development Name:	TDHCA Number:
Name of Person Receiving Information:	Title:
Development Address:	Phone:
RE: (Applicant/Resident Name):	
The clarification record is being gathered:	
<input type="checkbox"/> As a source of clarification for a gathered third-party written or first-hand verification. Describe area in which clarification is being sought: _____ Source of clarification: <input type="checkbox"/> Phone Conversation <input type="checkbox"/> Person to Person <input type="checkbox"/> Other: Explain: _____	
Person Contacted:	Title:
Company/Organization:	Phone/Email:
Date Contacted:	Time Contacted:
II. VERIFIED INFORMATION	
1. Reason for Clarification: _____	
2. Explanation for Clarification Given: _____	
3. Additional remark(s): _____	
III. ADMINISTRATOR, OWNER, MANAGEMENT AUTHORIZED REPRESENTATIVE CERTIFICATION	
I certify that the above information is true and correct.	
Signature of Authorized Representative	Representative's Title
Authorized Representative's Printed Name	Phone #
	Email

<https://www.tdhca.texas.gov/compliance-forms>

The Department has made available a Telephone Verification that can be used for Oral Clarifications. This can be used as a source of clarification for a gathered third party or first-hand verification. This form is available on the Department website.

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Verifications: Tips to Minimize Challenges

- 1. All verifications are completed in their entirety
- 2. All household member verifications present
- 3. Are all verifications current? (within 120 days)
- 4. Any missing information is clarified, verifications should not be altered by staff
- 5. No correction fluid, white-out or evidence of tampering/perfecting
- 6. Peer Review and/or 3rd party or compliance file review

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Income

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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**
- Interest income received from a retirement account
 - Periodic payments are income
- **Certain Student Financial Assistance**
- VA Benefits for HUD-VASH Voucher Holders (NEW)
- 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 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 or Wage x 40 hours x 52 weeks
Part-Time Hourly	Wage x weekly hours x weeks worked in a year
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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Documenting Income: Verification of Employment

Kade Tucker

To: carapolle@abcmangement.com
Subject: RE: Employment Verification - Jeremy Smith

Good morning,

I have completed the form, let me know if you need anything else.

Thanks,

Kade Tucker
Crew Leader

Good afternoon,

I am a property manager for a community that participates in the Housing Tax Credit form completed for an applicant. Please complete the form and return by mail.

Feel free to reach out with any questions, I appreciate your assistance with this.

Thank you,

Cara Pollel
Property Manager
ABC Apartments and Property Management
221 E. 11th Street | Austin, TX 78701
Office: 512.475.3821
Fax: 512.475.3359

II. THIS SECTION TO BE COMPLETED BY EMPLOYER	
Employee Name: Jeremy Smith	Job Title: Landscaper
Presently Employed: <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	Date First Employed: April 1, 2022
Last Day of Employment: _____ or <input type="checkbox"/> Not Applicable	
Current Wages/Salary: \$20 (circle one) hourly / weekly / bi-weekly / semi-monthly / monthly / yearly / other: _____	
Average # of regular hours per week: 40	Year-to-date earnings: \$22,136 through 06/30 /25
Overtime Rate: \$30 per hour	Average # of overtime hours per week: 2
Shift Differential Rate: \$ n/a per hour	Average # of shift differential hours per week: n/a
Commissions, bonuses, tips, other: \$100 (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: none Effective date: _____	
If the employee's work is seasonal or sporadic, please indicate the layoff period(s): spring and summer are busier	
Additional remark(s): _____	
III. EMPLOYER AUTHORIZED REPRESENTATIVE CERTIFICATION	
I certify that the above information is true and correct,	
<u>Kade Tucker</u> Signature of Employers Authorized Representative	Crew Leader Representative's Title
	July 12, 2025 Date
Kade Tucker Authorized Representative's Printed Name	512-589-0721 Phone #
	n/a Fax #
XYZ Landscaping, 4112 W. Loop 360, Austin, TX 78725 Employer [Company] Name and Address	ktucker@XYZlands.com Email

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Learning Point: Full-Time Hourly Employee

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

II. THIS SECTION TO BE COMPLETED BY EMPLOYER	
Employee Name: Jeremy Smith	Job Title: Landscaper
Presently Employed: <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	Date First Employed: April 1, 2022
Last Day of Employment: _____ or <input type="checkbox"/> Not Applicable	
Current Wages/Salary: \$20 (circle one) hourly / weekly / bi-weekly / semi-monthly / monthly / yearly / other: _____	
Average # of regular hours per week: 40	Year-to-date earnings: \$22,136 through 06/30/25
Overtime Rate: \$30 per hour	Average # of overtime hours per week: 2
Shift Differential Rate: \$n/a per hour	Average # of shift differential hours per week: n/a
Commissions, bonuses, tips, other: \$100 (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: none Effective date: _____	
If the employee's work is seasonal or sporadic, please indicate the layoff period(s): spring and summer are busier	
Additional remark(s):	

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Learning Point: Part-Time Hourly Employee

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

II. THIS SECTION TO BE COMPLETED BY EMPLOYER	
Employee Name: Jay Moore	Job Title: stocker
Presently Employed: <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	Date First Employed: 5/25/2025
Last Day of Employment: _____ or <input checked="" type="checkbox"/> Not Applicable	
Current Wages/Salary: \$15.00 (circle one) hourly / weekly / bi-weekly / semi-monthly / monthly / yearly / other: _____	
Average # of regular hours per week: 22	Year-to-date earnings: \$3,630 through 07/31/25
Overtime Rate: \$n/a per hour	Average # of overtime hours per week: n/a
Shift Differential Rate: \$n/a per hour	Average # of shift differential hours per week: n/a
Commissions, bonuses, tips, other: \$n/a (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: unknown Effective date: unknown	
If the employee's work is seasonal or sporadic, please indicate the layoff period(s): part-time employee	
Additional remark(s): Part-time employees do not get regular raises, they are budget based and unknown at this time.	

40

40

Learning Point: Paystub Average; Weekly Pay

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

CO: FILE DEPT: CLOCH: VOHR NO: 062
06/17/2025 155500 06040 0000000229

HEB

512-821-5555

101 HEB PARKWAY

COMPANY STREET ADDRESS 2

SAN ANTONIO, TX 78015

Social Security Number: XXX-XX-3333

Taxable Marital Status: SINGLE

Dependents amount: 0

Earnings Statement

DP

Period Beginning: 06/17/2025

Period Ending: 06/23/2025

Pay Date: 06/26/2025

WILLIAM GOMEZ

512-889-0781

3130 W. 12TH STREET

EMPLOYEE STREET ADDRESS 2

AUSTIN, TX 78721

Other Benefits and Information

This Period

Year To Date

Earnings

Rate

Hours

Amount

Year To Date

Regular

17.00

20.00

340.00

10,897.00

Gross Pay

\$340.00

10,897.00

Deduction

Statutory

FICA-Medicare

-4.93

158.02

FICA-Social Security

-21.08

675.56

Federal tax

-5.15

281.50

State tax

-0.00

0.00

Net Pay

\$308.84

Check

-308.84

Net Check

\$0.00

CO: FILE DEPT: CLOCH: VOHR NO: 062
06/24/2025 155500 06040 0000000229

HEB

512-821-5555

101 HEB PARKWAY

COMPANY STREET ADDRESS 2

SAN ANTONIO, TX 78015

Social Security Number: XXX-XX-3333

Taxable Marital Status: SINGLE

Dependents amount: 0

Earnings Statement

DP

Period Beginning: 06/24/2025

Period Ending: 06/30/2025

Pay Date: 07/03/2025

WILLIAM GOMEZ

512-889-0781

3130 W. 12TH STREET

EMPLOYEE STREET ADDRESS 2

AUSTIN, TX 78721

Other Benefits and Information

This Period

Year To Date

Earnings

Rate

Hours

Amount

Year To Date

Regular

17.00

23.00

391.00

10,557.00

Gross Pay

\$391.00

10,557.00

Deduction

Statutory

FICA-Medicare

-5.67

153.09

FICA-Social Security

-24.24

654.48

Federal tax

-10.25

276.75

State tax

-0.00

0.00

Net Pay

\$350.84

Check

-350.84

Net Check

\$0.00

41

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Learning Point: Paystub Average; Bi-Weekly

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

Jane's Work Number Report
shows the last 5 paystubs:

- July 11th: \$1,650
- July 25th: \$1,685
- August 8th: \$1,432
- August 22nd: \$1,719
- September 5th: \$1,103

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

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Learning Point: Paystub Average; Semi-Monthly

What is the income to be used for eligibility?

Earnings					Pay Date: 7/1/2025				
					Pay period begin: 6/16/2025				
					Pay period end: 6/30/2025				
	Pay Rate	Hours	Current Total		Year to Date				
Regular	\$ 16.00	65	\$ 1,040.00	\$	7,500.00				
Shift Diff.	\$ 17.25	15	\$ 258.75	\$	258.75				
Bonus			\$ -	\$	-				
Total			\$ 1,298.75	\$	7,758.75				

Earnings					Pay Date: 8/1/2025				
					Pay period begin: 7/16/2025				
					Pay period end: 7/31/2025				
	Pay Rate	Hours	Current Total		Year to Date				
Regular	\$ 16.00	54	\$ 864.00	\$	9,864.00				
Shift Diff.	\$ 17.25	26	\$ 448.50	\$	707.25				
Bonus	\$ 240.00	n/a	\$ 240.00	\$	480.00				
Total			\$ 1,552.50	\$	11,051.25				

Earnings					Pay Date: 7/15/2025				
					Pay period begin: 7/1/2025				
					Pay period end: 7/15/2025				
	Pay Rate	Hours	Current Total		Year to Date				
Regular	\$ 16.00	80	\$ 1,500.00	\$	9,000.00				
Shift Diff.			\$ -	\$	258.75				
Bonus	\$ 240.00	n/a	\$ 240.00	\$	240.00				
Total			\$ 1,740.00	\$	9,498.75				

Earnings					Pay Date: 8/15/2025				
					Pay period begin: 8/1/2025				
					Pay period end: 8/15/2025				
	Pay Rate	Hours	Current Total		Year to Date				
Regular	\$ 16.00	70	\$ 1,120.00	\$	10,984.00				
Shift Diff.	\$ 17.25	10	\$ 172.50	\$	879.75				
Bonus			\$ -	\$	480.00				
Total			\$ 1,292.50	\$	12,343.75				

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Learning Point: Paystub Average with a Twist

What is the income to be used for eligibility?

Earnings					Pay Date: 4/12/2025				
					Pay period begin: 3/31/2025				
					Pay period end: 4/6/2025				
	Pay Rate	Hours	Current Total		Year to Date				
Regular	\$ 10.00	40	\$ 400.00	\$	9,345.00				
Shift Diff.				\$	1,800.00				
Bonus				\$	300.00				
Total			\$ 400.00	\$	11,445.00				

Earnings					Pay Date: 4/26/2025				
					Pay period begin: 4/14/2025				
					Pay period end: 4/20/2025				
	Pay Rate	Hours	Current Total		Year to Date				
Regular	\$ 10.00	40	\$ 400.00	\$	10,145.00				
Shift Diff.				\$	1,800.00				
Bonus	\$ 100.00	n/a	\$ 100.00	\$	400.00				
Total			\$ 500.00	\$	12,345.00				

Earnings					Pay Date: 4/19/2025				
					Pay period begin: 4/7/2025				
					Pay period end: 4/13/2025				
	Pay Rate	Hours	Current Total		Year to Date				
Regular	\$ 10.00	40	\$ 400.00	\$	9,745.00				
Shift Diff.				\$	1,800.00				
Bonus				\$	300.00				
Total			\$ 400.00	\$	11,845.00				

Earnings					Pay Date: 5/2/2025				
					Pay period begin: 4/21/2025				
					Pay period end: 4/27/2025				
	Pay Rate	Hours	Current Total		Year to Date				
Regular	\$ 10.00	40	\$ 400.00	\$	10,545.00				
Shift Diff.				\$	1,800.00				
Bonus				\$	400.00				
Total			\$ 400.00	\$	12,745.00				

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Learning Point: Paystub Average with a Clarification

What is the income to be used for eligibility?

Earnings				
		Pay Date: 4/12/2025		
		Pay period begin: 3/31/2025		
		Pay period end: 4/6/2025		
	Pay Rate	Hours	Current Total	Year to Date
Regular	\$ 10.00	40	\$ 400.00	\$ 9,345.00
Shift Diff.				\$ 1,800.00
Bonus				\$ 300.00
Total			\$ 400.00	\$ 11,445.00

Earnings				
		Pay Date: 4/19/2025		
		Pay period begin: 4/7/2025		
		Pay period end: 4/13/2025		
	Pay Rate	Hours	Current Total	Year to Date
Regular	\$ 10.00	40	\$ 400.00	\$ 9,745.00
Shift Diff.				\$ 1,800.00
Bonus				\$ 300.00
Total			\$ 400.00	\$ 11,845.00

Earnings				
		Pay Date: 4/26/2025		
		Pay period begin: 4/14/2025		
		Pay period end: 4/20/2025		
	Pay Rate	Hours	Current Total	Year to Date
Regular	\$ 10.00	40	\$ 400.00	\$ 10,345.00
Shift Diff.				
Bonus				
Total				

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 no longer receive this pay though.

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.

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Income: Irregular Employment – Seasonal or Sporadic

Verified Amounts

Include amounts that can be verified

Reasonable Judgement

Use reasonable judgement, most reliable approach to estimating anticipated income

Verification unavailable

If unable to verify the restrictions/range assume it will continue throughout the certification period

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Learning Point: Irregular Employment – Seasonal or Sporadic

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

EMPLOYER INFORMATION		EMPLOYEE INFORMATION	
Name: Del Valle SCHOOL DISTRICT		Name: Cruz-Smith, Rebecca	
Address: 456 School District STREET Del Valle, TX 78723		Address: 123 Ave K Gun Barrel City, TX 75156	
CHECK DETAIL INFORMATION			
Check Date: 01/13/2025		Gross Wages: 2,272.22 Check Number: 9000156	
Net Amount: 1,954.18			
Check Type: Regular			
TAXABLE WAGE INFORMATION			
Gross Wages:			
Minus Deductions that Decrease Tax:			
Plus Taxable Benefits:			
Taxable Gross Wages:			
YTD Taxable Gross Wages:			

II. VERIFIED INFORMATION	
1. Reason for Clarification: _____	
Rebecca Smith is applying for our apartment community, she indicated that is not employed or paid during the summer months, is that correct? What dates are her layoff period?	
2. Explanation for Clarification Given: _____	
Mrs. Smith has elected to have her pay broken into 9 payments instead of 12, all school teachers and aides are off for the summer months of June, July and August. Monthly pay is only received in the 9 months of the school year.	

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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 continued

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

II. THIS SECTION TO BE COMPLETED BY EMPLOYER	
Employee Name: Christina Jones	Job Title: Sales Person
Presently Employed: <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	Date First Employed: 11/1/2022 Last Day of Employment: _____ or <input type="checkbox"/>
Current Wages/Salary: \$ 19.50 (circle one) hourly / weekly / bi-weekly / semi-monthly / monthly / year	
Average # of regular hours per week: 40	Year-to-date earnings: \$ 23,400 through _____
Overtime Rate: \$ n/a per hour	Average # of overtime hours per week: n/a
Shift Differential Rate: \$ n/a per hour	Average # of shift differential hours per week: _____
Commissions, bonuses, tips, other: \$ none (circle one) hourly / weekly / bi-weekly / semi-monthly / monthly	
List any anticipated change in the employee's rate of pay within the next 12 months: \$ 20/hour Effective date: _____	
If the employee's work is seasonal or sporadic, please indicate the layoff period(s): none	
Additional remark(s): _____	

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

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

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

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

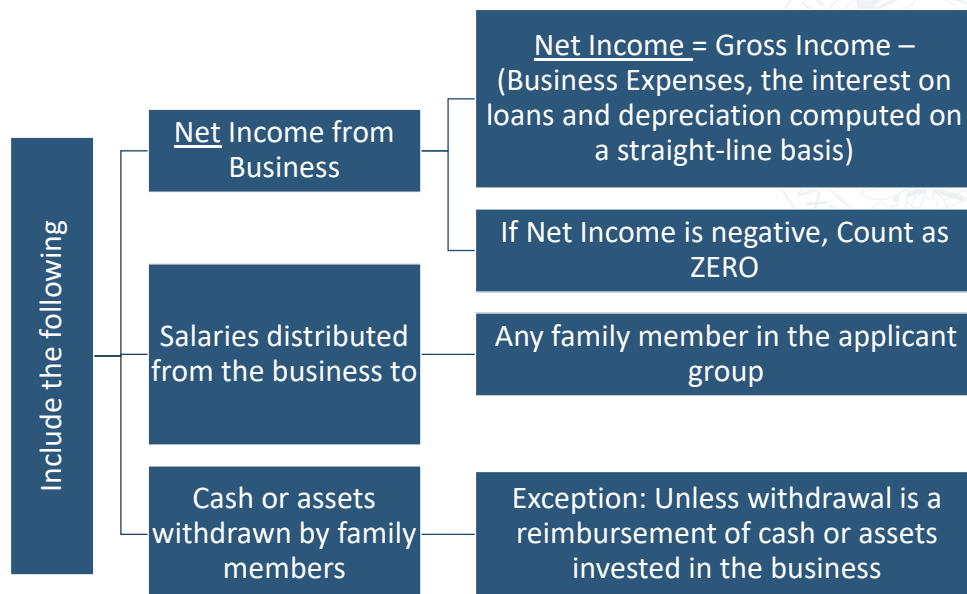
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	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?

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Income: Peer-To-Peer Payment Applications

Josie babysits; she gets paid through Venmo

- The income Josie receives must be included
- If Venmo 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 funny t-shirts online, she is paid through PayPal

- The income from the sales is income for the household
- If PayPal 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

Sean's roommates pay him 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 Sean was receiving money for something like dog-sitting for his roommate, that would be income to include in the calculation of eligibility

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Learning Point: Self-Employment; Gig Income

The screenshots show the following earnings data:

Week	Weekly earnings	Batch earnings	Tips	Total
Current week	\$369.77			
Sep 11-17	\$170.28			
Sep 4-10	\$294.38	\$97.63	\$196.75	\$294.38

Additional details from the Sep 4-10 screenshot:

- Batch pay: \$97.63
- Final tips: \$196.75
- Weekly earnings: \$106.90

Dawn 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

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
UNDECLARED TIP INCOME CERTIFICATION

Applicant/Tenant: _____ Apartment: _____

I, _____, hereby certify that I receive \$ _____ 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.

Under penalty of perjury, I certify that the information presented in this certification is true and accurate to the best of my knowledge. I further understand that providing false representations constitutes an act of fraud. False, misleading, or incomplete information may result in the termination of my lease agreement. I understand that I may be required to periodically update this information as requested by owner/agent.

Signature of Applicant/Tenant _____ Date _____

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 income to be used for eligibility with the self-certified 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 weekly / 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 any anticipated change in the employee's rate of pay within the next 12 months: none Effective date: _____	
If the employee's work is seasonal or sporadic, please indicate the layoff period(s): n/a	
Additional remark(s): All employees are required to work one over-night shift a week	

Applicant/Tenant: Jeanna Calzada	Apartment: 101
I, Jeanna Calzada, hereby certify that I receive \$ 50 (circle one) 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.	

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Income: Social Media Influencer

There are many 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 **

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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.

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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 Type:	Regular Unemployment Benefits
Claim Start Date:	---
Weekly Benefit Amount:	\$392.00
Maximum Possible Benefits:	\$9,176.00
Benefits Paid to Date:	\$2,730.00
Benefits Remaining:	\$6,446.00
Next Date to Request Payment:	On your scheduled filing day during the week beginning SUNDAY
Your Scheduled Filing Day is :	SUNDAY

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Income: Unemployment Income Exception

Housing Tax Credit (HTC) Program Exception

Annualized payments should not be used unless the source of funds is expected to continue throughout the certification period, or for an indeterminable length of time.

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Income: Child Support/Alimony

Child Support/Alimony: the amounts received ONLY are included for eligibility, regardless of what the court ordered amount is.

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 \$325 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 \$325 per month as income, **true or false?**

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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 \$250 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?

63

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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

☐ No case was found on the Child Support

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.

CHILD SUPPORT INCOME VERIFICATION

Cause #: D2-XXXXXX
The amount of court child support is \$62.00 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

OAG Case #: 00104
Registry Only
Dependent(s): IVAN HERMAN

Cause #: D2-XXXXXX
The amount of court child support is \$62.00 per MONTHLY

Date: 12/30/2024
12/16/2024
12/02/2024
11/19/2024
11/05/2024
10/27/2024
10/07/2024
09/29/2024
09/19/2024
09/01/2024
09/16/2024
09/01/2024

as Title IV-D agency. Federal tax offsets, if applicable, are provided on _____

Cause #: _____
The amount of court child support is _____ per MONTHLY

Date: _____ Amount: _____

From Tuesday, January 21, 2025
Subtracted 120 days

Result: Monday, September 23, 2024

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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

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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 #: 001868 Registry Only	Cause #: 324-xxxx-11 The amount of court child support is 222.00 per BI-WEEKLY	OAG Case #: Registry Only	Cause #: The amount of court child support is per
Dependent(s): UAM CRUZ	Last 12 Payments Date: Amount: 12/23/2024 \$120.00 11/23/2024 \$75.00 10/09/2024 \$50.00 09/05/2024 \$96.00 08/26/2024 \$65.00 07/13/2024 \$200.31 06/28/2024 \$141.31 05/08/2024 \$75.00 04/01/2024 \$200.31 03/17/2024 \$204.31 02/17/2024 \$65.00 01/03/2024 \$20.31	Dependent(s):	Last 12 Payments Date: Amount:

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

Result: Friday, October 4, 2024

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Learning Point: Child Support/Alimony; Irregular Payments 1

What is the amount of child support to be included in the calculation of eligibility for this family certifying on June 21st; verification is dated June 1st?

CHILD SUPPORT INCOME VERIFICATION
 based on the Child Support Computer System

Use the most recent child support income information in the possession of the obligor; not included in the last 12 payments provided. Additional payments are not included.

Cause#: D1AG18001288 The amount of court child support is 798.00 per MONTHLY	OAG Case#: Registry Only Dependent(s):
Last 12 payments	
Date:	Amount:
05/27/2025	\$442.15
05/12/2025	\$442.15
04/28/2025	\$838.31
04/14/2025	\$442.15
03/31/2025	\$903.06
03/17/2025	\$442.15
03/03/2025	\$442.15
02/18/2025	\$442.15
02/03/2025	\$677.79
01/21/2025	\$442.15
01/06/2025	\$442.15
12/23/2024	\$442.15

From Saturday, June 21, 2025
 Subtracted 120 days

Result: Friday, February 21, 2025

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Learning Point: Child Support/Alimony; Irregular Payments 2

What is the amount of child support to be included in the calculation of eligibility for this family certifying on August 25th; verification is dated August 8th?

Cause #: 2011-FAM-1923-B
The amount of court child support is 700.00 per MONTHLY

Last 12 Payments

Date:	Amount:
08/01/2025	\$700.00
07/22/2025	\$1,162.00
07/08/2025	\$700.00
06/26/2025	\$700.00
05/28/2025	\$700.00
05/15/2025	\$462.00
05/01/2025	\$700.00
04/18/2025	\$362.00
04/03/2025	\$600.00
03/25/2025	\$362.00
03/04/2025	\$600.00
02/20/2025	\$255.54

From Monday, August 25, 2025
 Subtracted 120 days

Result: Sunday, April 27, 2025

4 days in April
 31 days in May
 30 days in June
 31 days in July
 8 days in August = 104 total days covered

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Learning Point: Child Support/Alimony; Irregular Payments 3

The household is certifying on July 1st and the verification below was obtained on June 23rd. What is the amount of child support to be included in the certification?

OAG Case #: 001234567		Cause #: F-2021-23-D
Registry Only Case:		The amount of court ordered child support is \$832.00 Monthly.
Dependent	Name(s):	
JOHN SMITH		
JANE SMITH		
Last 12 payments		
Date	Amount	
06/20/2025	\$274.62	
06/10/2025	\$274.62	
06/03/2025	\$274.62	
05/26/2025	\$274.62	
04/28/2025	\$273.46	
04/13/2025	\$9.99	
12/29/2024	\$241.15	
12/22/2024	\$206.15	
12/15/2024	\$241.15	
10/06/2024	\$241.15	
09/29/2024	\$185.75	
09/22/2024	\$108.55	

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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, 2025?**

The Social Security Administration has not announced a COLA increase, yet.

SOCIAL SECURITY ADMINISTRATION

Date: September 2, 2025
BNC#: 21BC88475
REF: A, DI

MICHAEL SMITH
311 GLEN ST
PAMPA, TX 79065

You asked us for information from your record. The information that you requested is shown below. If you want anyone else to have this information, you may send them this letter.

Information About Current Social Security Benefits

Beginning September 2025, the full monthly Social Security benefit before any deductions is.....\$ 1587.20

We deduct \$148.50 for medical insurance premiums each month.


The regular monthly Social Security payment is.....\$ 1438.00
(We must round down to the whole dollar.)

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Learning Point: Social Security with Overpayment

What is the amount of Social Security Income to be counted for this family with a certification date of **May 1, 2025?**

 Social Security Administration
Benefit Verification Letter

Date: April 11, 2025
BNC#: 24B86719
REF: DC

DEA FORD
45 SPENCE ST
Fort Worth TX 76206

You asked us for information from your record. The information that you requested is shown below. If you want anyone else to have this information, you may send them this letter.

Information About Supplemental Security Income Payments

Beginning April 2025, the current Supplemental Security Income payment is \$848.70.

This is after we have withheld \$94.30 to recover an overpayment.

This payment amount may change from month to month if income or living situation changes.

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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 **November 1, 2024**?

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

SOCIAL SECURITY ADMINISTRATION

Date: September 2, 2024
BNC#: 21BC806704475
REF: A, DI

MICHAEL SMITH
311 GLEN ST
PAMPA, TX 79065

You asked us for information from your record. The information that you requested is shown below. If you want anyone else to have this information, you may send them this letter.


Information About Current Social Security Benefits

Beginning October 2024, the full monthly Social Security benefit before any deductions is.....\$ 1587.20

We deduct \$148.50 for medical insurance premiums each month.

The regular monthly Social Security payment is.....\$ 1438.00
(We must round down to the whole dollar.)

Thursday, October 10, 2024
For Immediate Release



Mark Hinkle, Press Officer
press.office@ssa.gov

News Release

SOCIAL SECURITY

Social Security Announces 2.5 Percent Benefit Increase for 2025

Social Security benefits and Supplemental Security Income (SSI) payments for more than 72.5 million Americans will increase 2.5 percent in 2025, the Social Security Administration announced today. On average, Social Security retirement benefits will increase by about \$50 per month starting in January.

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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

<https://www.tdhca.texas.gov/compliance-forms>

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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?

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 or 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?

August 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

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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
TRS231 (02-19)

1000 Red River Street
Austin, TX 78701-2668
(800) 223-8778
www.trs.texas.gov

12/23/2024

Name John Smith Social Security Number 12345678

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.

Current Gross Amount of Monthly Payment	Effective Date of Commencement of Payment From - Through	TRS Option (Member)	TRS 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			
\$96.16	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
TRS231R (02-19)

1000 Red River Street
Austin, TX 78701-2668
(800) 223-8778
www.trs.texas.gov

December 23, 2024

Name: John Smith Social Security Number: 12345678

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.

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

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Income: Retirement Accounts

Betty 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 Betty's family, the income must be included as regular income for the family.

Andrea 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 Andrea'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 annuities, 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: Zero Income Certification

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
CERTIFICATION OF ZERO INCOME
(each adult household member must complete this form.)

Head of household name and address _____ (print full name)

Development Name and address _____

A. Within the next 12 months, will you receive income from any of the following sources?
(You must supply additional information to verify all "Yes" answers.)

<input type="checkbox"/> Yes <input type="checkbox"/> No Wages, bonus, commissions, tips, etc.	<input type="checkbox"/> Yes <input type="checkbox"/> No Self-employment (includes Uber/Lyft, online sales, etc.)
<input type="checkbox"/> Yes <input type="checkbox"/> No Unemployment Benefits	<input type="checkbox"/> Yes <input type="checkbox"/> No Annuities, insurance policies, stocks, etc.
<input type="checkbox"/> Yes <input type="checkbox"/> No Worker's Compensation	<input type="checkbox"/> Yes <input type="checkbox"/> No Pensions, IRA, 401K
<input type="checkbox"/> Yes <input type="checkbox"/> No Disability Payments	<input type="checkbox"/> Yes <input type="checkbox"/> No Income from rental property
<input type="checkbox"/> Yes <input type="checkbox"/> No Alimony	<input type="checkbox"/> Yes <input type="checkbox"/> No Death Benefits
<input type="checkbox"/> Yes <input type="checkbox"/> No Child Support	<input type="checkbox"/> Yes <input type="checkbox"/> No Interest/dividends from assets, including bank accounts
<input type="checkbox"/> Yes <input type="checkbox"/> No Social Security	<input type="checkbox"/> Yes <input type="checkbox"/> No Direct Sales Consulting such as Mary Kay, Tupperware, Pampered Chef, etc.
<input type="checkbox"/> Yes <input type="checkbox"/> No Help with paying bills or other expenses or regular gifts of money from family or friends who don't live with you (including online donations such as GoFundMe or through a local bank)	<input type="checkbox"/> Yes <input type="checkbox"/> No Work for cash (babysitting, lawn care, etc.)
	<input type="checkbox"/> Yes <input type="checkbox"/> No Any other source (if yes, explain below)

B. Mark the ONE statement that applies to you:

☐ I do not expect to have any source of income in the next 12 months.

☐ I have been hired for a new job or I will be receiving another source of income soon. I will give you more information for verification purposes.

C. If you have marked "No" for each source of income in section A, and you do not expect to have any source of income in the next 12 months, explain how you will pay for the following: (write N/A if the cost does not apply to your household)

Rent (including garage rent, if applicable) _____

Utilities _____

Food _____

Clothing _____

School supplies _____

Cell phone or phone _____

TV (cable, dish, satellite) and/or internet _____

Medical care _____

Medications & prescriptions _____

Personal care products (shampoo, toothpaste, etc.) _____

Vehicle expenses (car payments, insurance, fuel, etc.) _____

Payments on credit card balances _____

Other expenses not listed above _____

Additional comments _____

Under penalty of perjury, I certify that the information presented in this certification is true and accurate to the best of my knowledge. I further understand that providing false representations constitutes an act of fraud. False, misleading, or incomplete information may result in the termination of my lease agreement. I understand that I may be required to periodically update this information as requested by owner/agent.

Signature of Applicant/Tenant _____ Date _____

Revised January 24, 2022

The Certification of Zero Income is not a required form; however, it is helpful as a due diligence item to ensure that all income sources have been properly screened for, and a person truly has zero income.

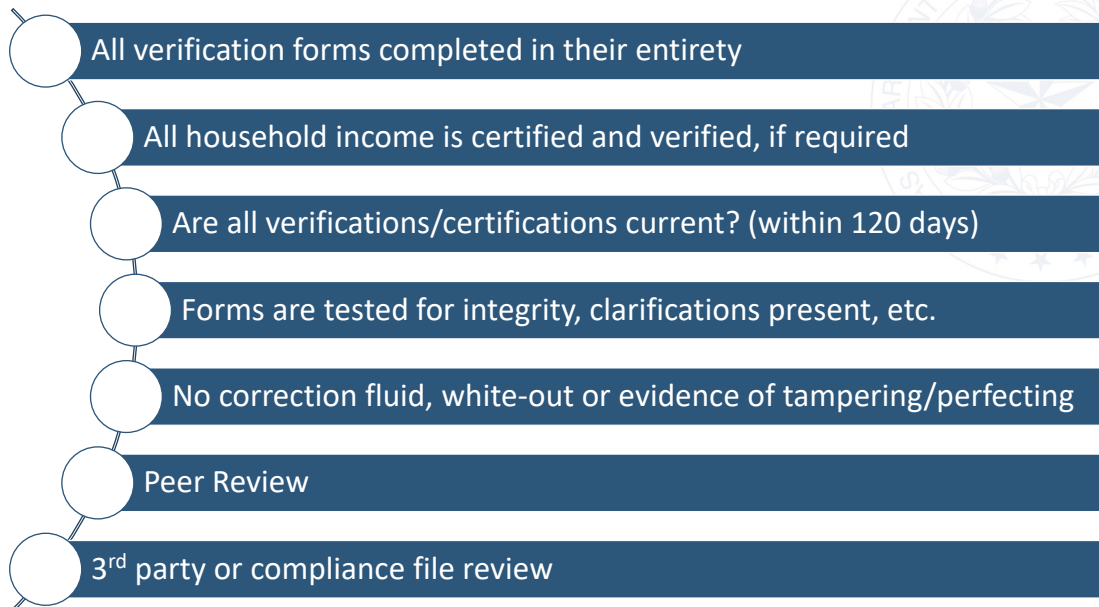
The Department does not have a form for a household to certify that they are not employed; however, owners are encouraged to use whatever means necessary to determine household eligibility and this is a helpful form in that regard.

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<https://www.tdhca.texas.gov/compliance-forms>

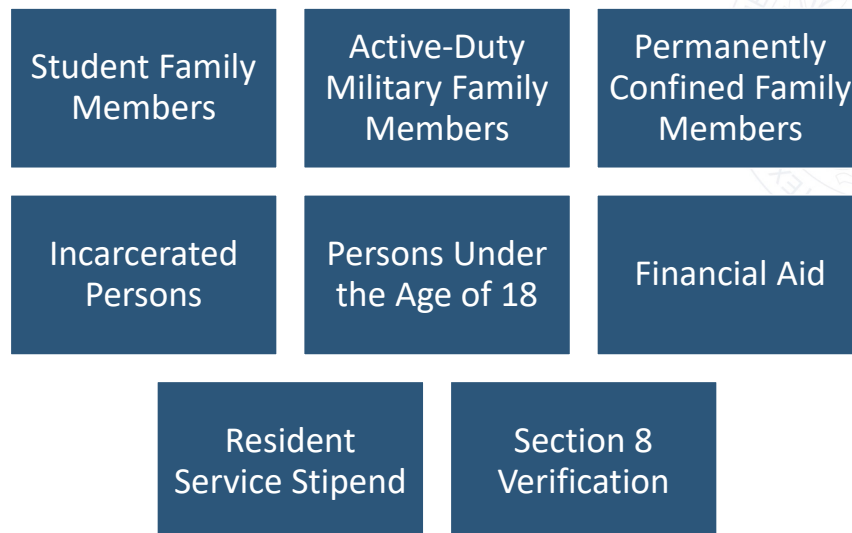
Income: Tips to Minimize Challenges

- 
- All verification forms completed in their entirety
 - All household income is certified and verified, if required
 - Are all verifications/certifications current? (within 120 days)
 - Forms are tested for integrity, clarifications present, etc.
 - No correction fluid, white-out or evidence of tampering/perfecting
 - Peer Review
 - 3rd party or compliance file review

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Income: Special Circumstances



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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 a local sushi restaurant making \$6,230 a year.

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

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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?

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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 a local electronics retailer making \$4,530 a year.

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

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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 university. 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?

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Income: Family Members; Active-Duty Military

Include Family Members on Active Military Duty in the Household Composition

- Income must be counted if the Military Family Member is the 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-duty in the military.

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

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Learning Point: Active-Duty Military Person's Dependent

Sylvia applies with her husband Sam and niece Claire. Sylvia indicates that she is caring for Claire while her sister, Margie, is away on active-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.

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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 B C D E F G H I J K L M N O	BASIC PAY	1340.10	FICA TAX	102.51									+TOT ENT	1958.04
	SUBSISTENCE ALWS	230.12	SGLI	31.00									-TOT DED	409.05
	BAH TYPE II	387.15	DEBT PAYMENT	208.53									-TOT ALMT	
	MILEAGE PAYMENT	.67	TSP CONTRIBUTION	67.01									=NET AMT	1548.99
									-CR FWR					
									=EOM PAY					
									DIEMS	RET PLAN				
	TOTAL		1958.04		409.05									
FED TAXES	Wage Period 1340.10	Wage YTD 8662.94	M/S/H S	Mult Jobs N	Dep 17 Under 01	Other Dep 00	Add'l Tax .00	Other Deds .00	Other Income .00	Tax YTD 1100.00				
FICA TAXES	Wage Period 1340.10	Soc Wage YTD 3662.94	Soc Tax YTD 227.10	Med Wage YTD 3662.94	Med Tax YTD 53.11	STATE TAXES TX	Wage Period 1340.10	Wage YTD 8662.94	M/S S	Ex 00	Tax YTD .00			
PAY DATA	BAQ Type W/O DEP	BAQ Depn NO DEP	VHA Zip 00000	Rent Amt	Share	Stat	JFTR	Depns	2D JFTR	BAS Type	Charity YTD	TPC A	PACIDN	

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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

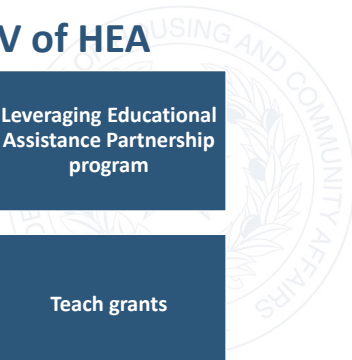
Adopted Children

- 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



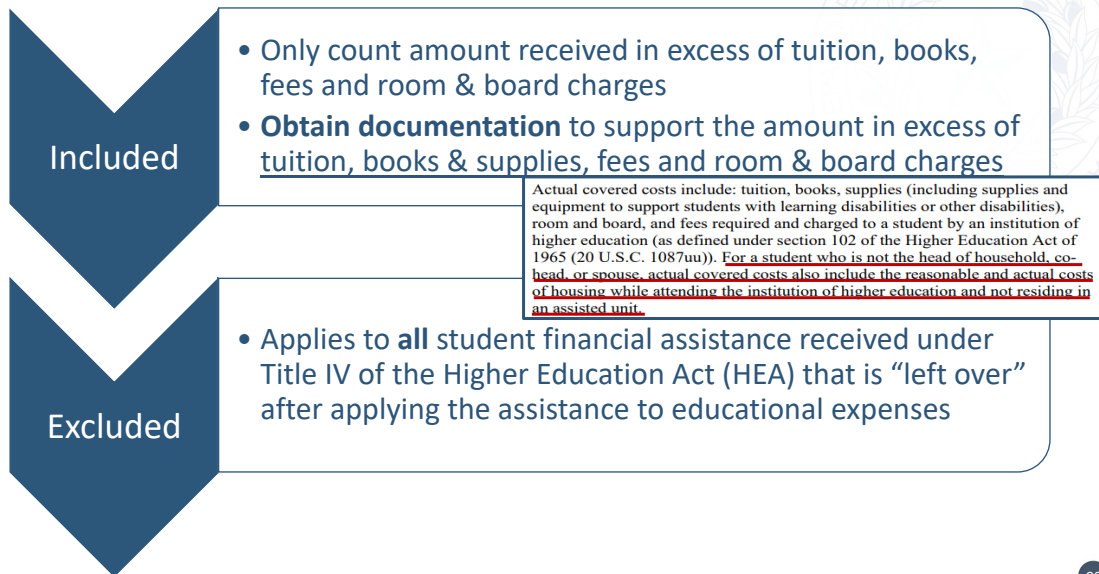
Student Eligibility is program based. The eligibility requirements for student family members participating in programs has not been changed. You must ensure that the student eligibility for the family members has been met.

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

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Income: Financial Aid, Included or Excluded



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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 if there is a remaining balance after applying the assistance to the educational expenses**
- **All other assistance should be evaluated for inclusion in family income; any excess assistance must be included in the income after applying the assistance to any remaining educational expenses**

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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?

How much should count as regular 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. 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?

How much should count as regular 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 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	\$8,000

- Other student financial assistance does not include:
- Financial support provided to the student in the form of a fee for services performed (e.g., a work study or teaching fellowship that is not excluded under section 479B of the Higher Education Act HEA); or
 - Gifts, including gifts from family or friends.
- Note:** Other student financial assistance may be paid directly to the student or to the educational institution on the student's behalf. The PHA/MFH Owner must verify that the other student financial assistance is for the student's actual covered costs.

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

How much should count as regular 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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HOTMA: Student Income Example 1

Total Cost of Attendance 2024-2025		
	On Campus Residence	Off Campus Residence
Tuition and Fees		\$12,104
Housing and Food	\$15,072	
Books and Supplies		\$1,430
Transportation		\$2,438
Other Education Costs		\$3,990
Estimated Cost of Attendance	\$35,034 / yr	

Scholarship and Grant Options	
Scholarships and Grants are considered "Gift" aid - no repayment is needed.	
Scholarships	Grants
Merit-Based Scholarships	Need-Based Grant Aid
Scholarships From Your School	Federal Pell Grants
Scholarships From Your State	Institutional Grants
Other Scholarships	State Grants
Employer Paid Tuition Benefits	Other Forms of Grant Aid
Total Scholarships	Total Grants

The student household member lives on campus during the school year but comes home to the assisted unit during school breaks. This allows the household to deduct the room and board as an educational expense.

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HOTMA: Student Income Example 2

Cost of Attendance			
Non Billable Items			
Type	Fall 202610	Spring 202620	Amount
Tuition and Fees	\$5,387.38	\$4,587.00	\$9,974.38
Books and Supplies	\$827.00	\$827.00	\$1,654.00
Room and Board	\$7,532.00	\$7,532.00	\$15,064.00
Personal	\$1,611.00	\$1,611.00	\$3,222.00
Transportation	\$1,403.00	\$1,403.00	\$2,806.00
	\$16,760.38	\$15,960.00	\$32,720.38
			\$32,720.38

Grants and Scholarships to Pay for College			
Type	Fall 202610	Spring 202620	Amount
Pell Grant	\$13,698.00	\$13,697.00	\$27,395.00 ACCEPTED
	\$13,698.00	\$13,697.00	\$27,395.00
			-\$27,395.00

The student household member lives in the assisted unit. This disallows the household from including the room and board as an educational expense.

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HOTMA: Student Income Example 3

Charges			\$3,175.11
Tuition			
Posted Date	Description	Amount	
10/23/2024	Grad Board Auth Tuition\RES	\$450.00	
10/23/2024	Grad Board Des Tuition\RES	\$225.00	
10/23/2024	Statutory Tuition GRAD\RES	\$450.00	
10/23/2024	Tuition-BD (Trad) GRAD\RES	\$2,050.11	
Mandatory Fees			\$965.47
Posted Date	Description	Amount	
10/23/2024	Environmental Services Fee	\$5.00	
10/23/2024	Intercollegiate Athletics Trad	\$160.65	
10/23/2024	International Education Fee	\$4.00	
10/23/2024	Learning Support Fee GRAD	\$324.00	
10/23/2024	Medical Service Fee	\$66.85	
10/23/2024	Recreational Facility Fee	\$85.78	
10/23/2024	Student Service Fee	\$120.69	
10/23/2024	Student Union Fee	\$167.00	
10/23/2024	Transportation Fee	\$31.50	
Course Fees			\$99.90
Posted Date	Description	Amount	
10/23/2024	Instru Fee - CLASS 1 - GRAD	\$99.90	
Total Charges:			\$4,240.48
Payments Received			
Date Posted	Item Description	Amount	
01/06/2025	TGS TBP Base (Spring)	-\$2,870.00	
Total Payments:			-\$2,870.00
Financial Aid			
Date Posted	Item Description	Amount	
01/03/2025	Fed Direct Unsubsidized Loan	-\$4,903.00	
01/03/2025	UNT Tuition Grant GRAD -1Y	-\$7,500.00	
Total Financial Aid:			-\$12,403.00

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Income: Section 8 Verification

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

(The Section 8 Housing Choice Voucher Program)

To: _____ has applied for residency/is a resident of _____
 (Applicant/Resident Name) (Property Name)

Housing Address: _____
 City, State: _____

Number of Household Members: _____ ☐ Move-In ☐ Recertification

Permission by: _____
 (Signature of Applicant/Resident) (Date)

Please complete the section below and return this form in the enclosed self-addressed, stamped envelope. Thank you in advance for your prompt attention.

Sincerely,

THE FOLLOWING TO BE COMPLETED BY THE PUBLIC HOUSING AUTHORITY:

Based on the last income certification/recertification effective on _____, the household consists of _____ members whose combined gross annual income before any adjustments is \$ _____.
 (# of members) (Date) (Gross Annual Income)

(Signature) _____ (Date) _____ (Phone #) _____
 (Printed Name) _____ (Title) _____

<https://www.tdhca.texas.gov/compliance-forms>

This form may not be used if the verifying Housing Authority has any ownership, management, consulting agreement, or any involvement in the property operations.

The effective date (←) shown in the circle must be within 120 days of the certification effective date.

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Income: 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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Learning Point: Section 8 Verification

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
INCOME VERIFICATION FOR HOUSEHOLDS WITH SECTION 8 CERTIFICATES
(The Section 8 income certification/recertification date must be within 120 days of the property income certification/recertification date.)

To: Kara Lozano has applied for residency/is a resident of Pandora Springs
(Applicant/Resident Name) (Property Name)

Address: _____
City: _____
State: _____
Zip: _____

Number of Household Members: 3 ☒ Move-In ☐ Recertification

Permission by: Kara Lozano 01/10/2025
(Signature of Applicant/Resident) (Date)

THE FOLLOWING TO BE COMPLETED BY THE PUBLIC HOUSING AUTHORITY:

Based on the last income certification/recertification effective on 2/1/24, the household consists of 3 members whose combined gross annual income before any adjustments is \$37,650.00
(# of members) (Date) (Gross Annual Income)

Amy Smith 01/15/2025 512-465-3000
(Signature) (Date) (Phone #)

Amy Smith
(Printed Name) Housing Specialist
(Title)

Kara is moving into Pandora Springs on February 10, 2025. The household receives Section 8. The property received the following response with regards to Kara's household annual income.

Is this an acceptable verification of income?

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Special Circumstances: Tips to Minimize Challenges

- All verification forms completed in their entirety
- All household income is certified and verified, if required
- Are all verifications/certifications current? (within 120 days)
- Forms are tested for integrity, clarifications present, etc.
- No correction fluid, white-out or evidence of tampering/perfecting
- Peer Review
- 3rd party or compliance file review

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Assets: Whose Assets Count?

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

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Assets: 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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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

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 households have assets fully verified once during each 3 years of tenancy, households may then self-certify assets when the total is equal to or less than \$51,600. There are some exceptions to this rule:
 - HTC, Exchange, TCAP, and THTF may self-certify assets when the amount is \$51,600 or less
 - **BOND must fully verify assets at initial certification and during each 3rd year of tenancy when an income certification is completed**
 - MFDL Programs: at Initial Certification the assets must be fully verified by third party or first-hand documentation; also, during the 6th year of the affordability period certifications the assets must be verified
- For 811 Program units, the assets must be fully verified by third party or first-hand documentation at Move-In and Initial Certifications and during each 3rd year certification for the household
 - All 811 households must have their assets fully verified during the first HOTMA recertification
- **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: Self-Certification or Verification

Asset Certification

- The use of this form is not allowed if program or certification year requires full verification of assets
- Must be used in addition to the application screening tool to certify disposed of assets as well as assets held currently by the household
- Required, if assets are under or equal to required threshold during years when asset verifications are not required

Asset Verification

- Required if a household's total assets cash value is greater than the HUD threshold, currently \$51,600, and if program or certification year requires full verification (discussed on previous slide)
- Must be sent directly to the financial institution which holds the asset and returned directly to the development

This form is titled "HUD Department of Housing and Community Affairs" and "HUD-117 Asset Certification Form". It includes fields for "Development Name", "Owner Name", "Unit Number", and "Date". The main section is "1. Assets Held", which is a table with columns for "Asset Type", "Asset Description", "Value", and "Date Acquired". Below this table are instructions and a section for "2. Disposed Assets".

This form is titled "HUD Department of Housing and Community Affairs" and "HUD-118 Asset Verification Form". It includes fields for "Development Name", "Owner Name", "Unit Number", and "Date". The main section is "1. Assets Held", which is a table with columns for "Asset Type", "Asset Description", "Value", and "Date Acquired". Below this table are instructions and a section for "2. Disposed Assets".

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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 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: Determining Imputed Income

Step 3: Determine the Imputed Income from the Asset, if required

If the combined cash value of the net family assets is **OVER** the HUD Asset Verification Threshold for the family, the actual income from assets is included for the assets where it is determinable, and the imputed income (current passbook savings rate is used) is included for those that do not have a determinable rate of return.

$\$51,600 \leq \text{Total Net Family Assets}$

Actual & Imputed Income from Assets is included

What to consider with regards to Imputed Income:

- Do non-necessary personal property total more than the threshold?
 - If yes, they are included in net family assets along with all actual income from the assets.
 - If the assets do not have a determinable rate of return, imputed income must be calculated and included.
 - If no, the amount of the asset is excluded from net family assets, but the actual income (if any) is included in household income from assets.
- Does the family have real property (real estate/land)?
 - If yes, it is included in net family assets regardless of value.
 - If the value of real property and non-necessary personal property puts the net family assets over the threshold, imputed income must be calculated unless the asset is receiving income, like a rental property.

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Assets: Determining Imputed Income

If net family assets are over the threshold, then any asset without a determinable rate of return must have imputed income calculated using the current passbook savings rate.

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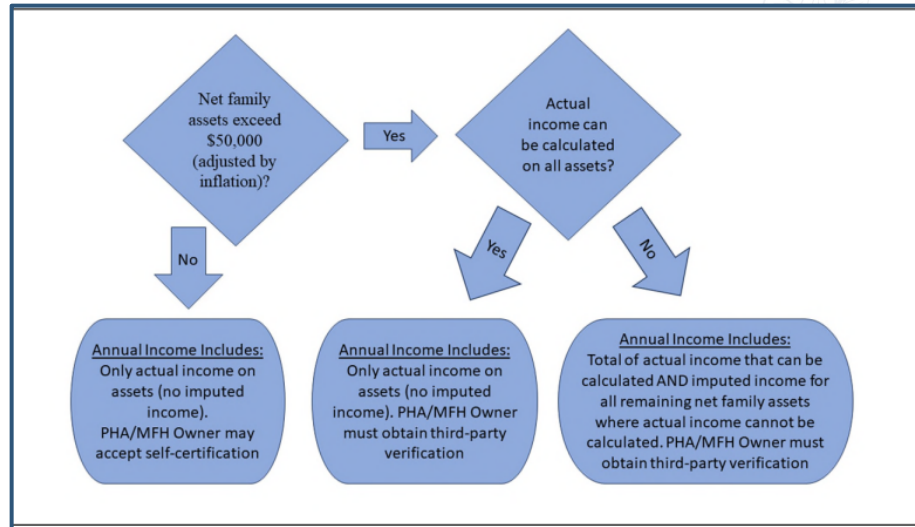
Assets: Actual and Imputed Income

- **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.

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HOTMA: Decision Chart for Determining Income from Assets



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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

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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.) • ABLE 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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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 Example 1

WELLS FARGO Pandora Springs Apartments ATTN: Cara Requestor Fax: (512) 4...		Balance Confirmation Services R4057-01N PO Box 40028 Roanoke, VA 24022 Phone: (540) 563-7323	
Account Number: XXXXXX1234 Account Type: Checking Account Status: Open Account Holders: William/Rebecca Smith		Last Six Statements Most Recent First	
Current Balance: \$2,832.09 Date Opened: 03/07/2003 Current Interest Rate: 0.00% Date Closed: Balance at Close:		Average Balance: \$6,831.88 Balance: \$5,303.99 Interest: \$2,847.46 Paid: \$2,817.57 N/A N/A N/A N/A	
Account Number: XXXXXX5678 Account Type: Savings Account Status: Open Account Holders: William/Rebecca Smith		Last Six Statements Most Recent First	
Current Balance: \$48,000 Date Opened: 03/07/2003 Current Interest Rate: 2.00% Date Closed: Balance at Close:		Average Balance: \$46,000.00 Balance: \$48,000.00 Interest: \$47,781.23 Paid: \$48,817.57 \$1.20 \$1.60 \$1.56 \$1.76 \$2.16 \$1.55	
Current Balance: \$48,000 Date Opened: 03/07/2003 Current Interest Rate: 2.00% Date Closed: Balance at Close:	\$48,000 \$48,000.00 \$47,781.23 \$48,817.57 \$50,817.25 \$47,773.68	\$46,000.00 \$48,000.00 \$47,781.23 \$48,817.57 \$50,817.25 \$47,773.68	\$1.20 \$1.60 \$1.56 \$1.76 \$2.16 \$1.55

Checking Account

Actual Income:

Cash Value:

Savings Account

Actual Income:

Cash Value:

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 Example 2

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
ASSET VERIFICATION FORM

I. THIS SECTION IS TO BE COMPLETED BY ADMINISTRATOR/OWNER/tenant AND SIGNED BY APPLICANT/RESIDENT

To: (Name of Institution) HSPCU Date: January 13, 2024
Institution Address: 1604, San Antonio, Texas Phone/Fax: 210-475-3900
RE: (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:

Cash Value:

Savings Account

Actual Income:

Cash Value:

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 Example 3

ASSET CERTIFICATION OF NET FAMILY ASSETS

For households whose combined net assets do not exceed the Imputation Threshold as defined by HUD at:
<https://www.huduser.gov/portal/datasets/inflationary-adjustments-notifications.html>
(Complete only one form per household; include assets of minors.)

Head of Household Name: Jeremy Smith Unit No.: 101

Development Name and Address: ABC Apartments 221 East 11th St Austin TX 78721

Complete all that apply for 1 through 4:

1. My/our assets include (enter n/a in (A) if none)

Source	Cash Value
Savings Account(s)	\$18,351
Certificates of Deposit	\$
Stocks	\$
Peer to Peer (Cash App, Venmo, PayPal, etc.)	\$35
Equity in Real Estate	\$24,000
Lump Sum Receipts	\$
Bitcoin/ Cryptocurrency	\$
Life Insurance (including Term)	\$
Cash on Hand	\$
Personal Property Held as an Investment	\$
Other (list):	\$600 \$1,200

PLEASE NOTE: Certain funds (e.g., Trust) may be excluded from this calculation.
(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 less than fair market value (FMV). Those amounts equal a total of: \$ (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).

Account Number: XXXXXX1234
Account Type: Checking/Savings
Account Status: Open
Account Holders: Jeremy and Cassandra Smith

Last Six Statements Most Recent First

Account Number:	Account Type:	Account Status:	Account Holders:	Average Balance:	Interest Paid:
XXXXXX1234	Checking	Open	Jeremy/Cassandra Smith	\$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

Current Balance: \$4,832.09
Date Opened: 03/07/2003
Current Interest Rate: 0.00%

Account Number: XXXXXX5678
Account Type: Savings
Account Status: Open
Account Holders: Jeremy/Cassandra Smith

Last Six Statements Most Recent First

Account Number:	Account Type:	Account Status:	Account Holders:	Average Balance:	Interest Paid:
XXXXXX5678	Savings	Open	Jeremy/Cassandra Smith	\$16,000.00	\$1.20
				\$18,000.00	\$1.60
				\$17,781.28	\$1.56
				\$18,817.57	\$1.76
				\$15,817.25	\$2.16
				\$17,773.68	\$1.55

Current Balance: \$18,351
Date Opened: 03/07/2003
Current Interest Rate: 2.00%

Checking Account

Actual Income:

Cash Value:

Savings Account

Actual Income:

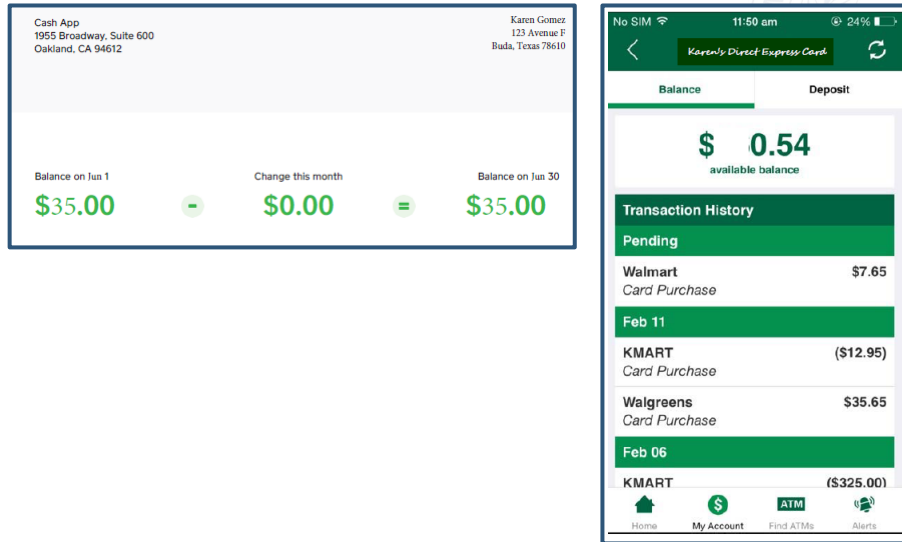
Cash Value:

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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Assets: Cash App and Direct Express Card Example



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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

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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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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

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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

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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: Peer-To-Peer Payment Applications



Venmo



Cash App



PayPal



Zelle

- 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: Reasonable Costs to Convert



****This list is not exhaustive, will vary by asset****

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Assets: Investment Accounts



Stocks

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



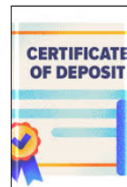
Bonds

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



Mutual Funds

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



Certificate of Deposit (CD)

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

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

Cash Value of the stocks:

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

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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
456 12 9999
717 GRANT STREET PA 15219-0000
PITTSBURGH
OR NEW SMITH
140C1100500007A 0313087040000 113005 221
0005764992
000000000001
Issue Date: 11-2005
Print Date: 11-30-05
Serial Number: 000000000001

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 CD:

\$5,000.00 Mkt value

Market Value x Interest Rates = Actual Income

Cash Value of the CD:

Market Value – Cost to Convert = Cash Value

\$5,000 x 3.5% penalty = \$_____ Cost to Convert

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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.

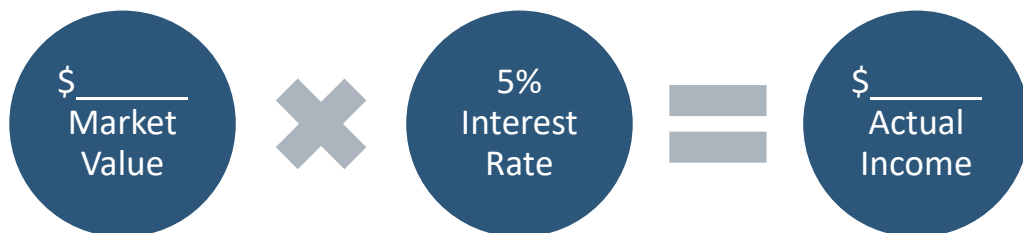
146

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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%**.

What is the actual income for the asset?



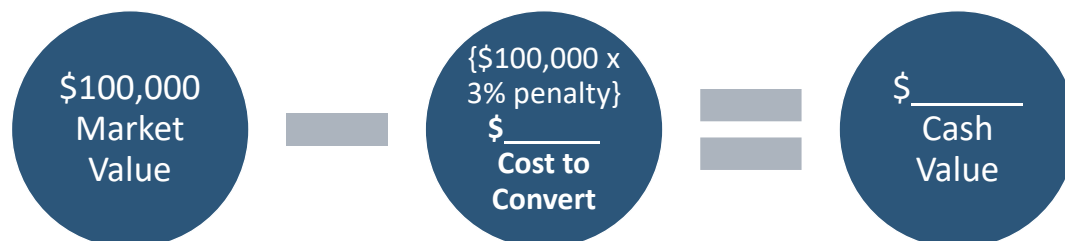
147

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Learning Point: Annuities; Cash Value

Earnest purchased a **\$100,000** annuity at age 65 with immediate payments of **\$614 monthly**. 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%**.

What is the cash value of the asset?



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Assets: Trusts



Trusts

- Cash Value = Withdrawn Amount
- Actual Income = Interest Income, if any

The property held in a trust can be cash, real property (land), personal property (jewelry) or any other liquid assets.

There are two types of trusts

1. Revocable – The creator of the trust may amend or revoke the trust, they have retained access
 2. Irrevocable – The creator has no access to the funds, they did not retain access
- If anyone in the family has access to the trust it must be considered in the calculation of assets.

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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: 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

Cash Value

Market Value – Cost to Convert = Cash Value

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

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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

- Janet 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

\$_____ Equity in the property

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

\$90,000

- \$8,000

\$_____ Cash Value

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Learning Point: The Income Certification

TOTALS	\$48,550.56	\$	\$	\$		
Add totals from (A) through (D) above			TOTAL INCOME (E): \$ 48,550.56			
PART IV. INCOME FROM ASSETS						
HH Mbr #	(F) Type of Asset	(G) C/D	(H) N/R	(I) Cash Value of Asset	(J) A/I	(K) Annual Income from Asset
1	Checking Account	C	N	\$500.00	A	\$0.00
1	Savings Account	C	N	\$10,000.00	A	\$200.00
1	Real Estate	C	R	\$82,000.00	I	\$369.00
1	Tax Return Deducted			(\$2,400.00)		
(L) TOTAL NON-NECESSARY PERSONAL PROPERTY:				\$ 10,500.00	(M) Total Actual Income: \$ 200.00	
(N) TOTAL NET FAMILY ASSETS:				\$ 79,600.00	(O) Total Imputed Income: \$ 369.00	
(P) TOTAL INCOME FROM ASSETS [(M) + (O)]:					\$ 569.00	
(Q) Total Annual Household Income from all Sources [Add (E) + (P)]:					\$49,119.56	

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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

\$1,700 per month x 12 months = **\$ _____ annual rental income**

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

\$9,250 taxes + \$5,884.97 mortgage interest = **\$ _____ total deductions**

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

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

\$ _____ Annual Income from Asset

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Learning Point: The Income Certification

TOTALS	\$ 48,550.56	\$	\$	\$		
Add totals from (A) through (D) above			TOTAL INCOME (E): \$ 48,550.56			
PART IV. INCOME FROM ASSETS						
HH Mbr #	(F) Type of Asset	(G) C/D	(H) N/R	(I) Cash Value of Asset	(J) A/I	(K) Annual Income from Asset
1	Checking Account	C	N	\$500.00	A	\$0.00
1	Savings Account	C	N	\$10,000.00	A	\$200.00
1	Real Estate	C	R	\$190,000.00	A	\$5,265.03
1	Tax Return Deducted			(\$1,800.00)		
(L) TOTAL NON-NECESSARY PERSONAL PROPERTY:				\$ 10,500.00	(M) Total Actual Income:	\$ 5,465.03
(N) TOTAL NET FAMILY ASSETS:				\$ 188,200.00	(O) Total Imputed Income:	\$ 0.00
(P) TOTAL INCOME FROM ASSETS [(M) + (O)]:					\$ 5,465.03	
(Q) Total Annual Household Income from all Sources [Add (E) + (P)]:					\$ 54,015.59	
PART V. HOUSEHOLD SET ASIDE DESIGNATION						
Income:	<input type="checkbox"/> 15%	<input type="checkbox"/> 20%	<input type="checkbox"/> 30%	<input type="checkbox"/> 40%	<input type="checkbox"/> 50%	<input checked="" type="checkbox"/> 60%
Rent:	<input type="checkbox"/> 20%	<input type="checkbox"/> 30%	<input type="checkbox"/> 40%	<input type="checkbox"/> 50%	<input checked="" type="checkbox"/> 60%	<input type="checkbox"/> 70%

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Assets: Deed of Trust or Contract for Sale

Sydney signed her Certification in February 2025. 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
\$5,884.97

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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-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

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Learning Point: The Income Certification

TOTALS	\$ 48,550.56	\$	\$						
Add totals from (A) through (D) above		TOTAL INCOME (E): \$ 48,550.56							
PART IV. INCOME FROM ASSETS									
HH Mbr #	(F) Type of Asset	(G) C/D	(H) N/R	(I) Cash Value of Asset	(J) A/I	(K) Annual Income from Asset			
1	Checking Account	C	N	\$500.00	A	\$0.00			
1	Savings Account	C	N	\$10,000.00	A	\$200.00			
1	Real Estate	C	R	\$94,878.25	A	\$5,884.97			
(L) TOTAL NON-NECESSARY PERSONAL PROPERTY:				\$ 10,500.00	(M) Total Actual Income:	\$ 6,084.97			
(N) TOTAL NET FAMILY ASSETS:				\$ 94,878.25	(O) Total Imputed Income:	\$ 0.00			
(P) TOTAL INCOME FROM ASSETS [(M) + (O)]:				\$ 6,084.97					
(Q) Total Annual Household Income from all Sources [Add (E) + (P)]:				\$ 54,635.53					
PART V. HOUSEHOLD SET ASIDE DESIGNATION									
Income:	<input type="checkbox"/> 15%	<input type="checkbox"/> 20%	<input type="checkbox"/> 30%	<input type="checkbox"/> 40%	<input type="checkbox"/> 50%	<input checked="" type="checkbox"/> 60%	<input checked="" type="checkbox"/> 70%	<input type="checkbox"/> 80%	<input type="checkbox"/> o/i
Rent:	<input type="checkbox"/> 20%	<input type="checkbox"/> 30%	<input type="checkbox"/> 40%	<input type="checkbox"/> 50%	<input type="checkbox"/> 60%	<input checked="" type="checkbox"/> 70%	<input type="checkbox"/> 80%		

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Learning Point: Real Property; Land

Property Details		
Account		
Property ID:	5454	Geographic ID: KBB-0-4-5
Type:	Real	Zoning:
Property Use:		Condo:
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 (=)

Real Property; Land

Actual Income:

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

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

Cost to Convert:

Cash Value:

Imputed Income:

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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Learning Point: The Income Certification

TOTALS		\$ 69,480.54	\$	\$	\$	
Add totals from (A) through (D) above			TOTAL INCOME (E): \$ 69,480.54			
PART IV. INCOME FROM ASSETS						
HH Mbr #	(F) Type of Asset	(G) C/D	(H) N/R	(I) Cash Value of Asset	(J) A/I	(K) Annual Income from Asset
1/2	Checking - WF	C	N	\$2,832.09	A	\$0.00
1/2	Savings- WF	C	N	\$48,000.00	A	\$960.00
3	Checking - RBFCU	C	N	\$650.00	A	\$0.00
4	Savings - RBFCU	C	N	\$350.00	A	\$4.20
1/2	Real Property - Land	C	R	\$29,880.00	I	\$121.01
(L) TOTAL NON-NECESSARY PERSONAL PROPERTY:				\$ 51,832.09	(M) Total Actual Income:	\$ 964.20
(N) TOTAL NET FAMILY ASSETS:				\$ 81,712.09	(O) Total Imputed Income:	\$ 121.01
(P) TOTAL INCOME FROM ASSETS [(M) + (O)]:						\$ 1,085.21
(Q) Total Annual Household Income from all Sources [Add (E) + (P)]:						\$ 70,565.75
PART V. HOUSEHOLD SET ASIDE DESIGNATION						
Income:	<input type="checkbox"/> 15%	<input type="checkbox"/> 20%	<input type="checkbox"/> 30%	<input type="checkbox"/> 40%	<input checked="" type="checkbox"/> 50%	<input checked="" type="checkbox"/> 60%
Rent:	<input type="checkbox"/> 20%	<input type="checkbox"/> 30%	<input type="checkbox"/> 40%	<input type="checkbox"/> 50%	<input checked="" type="checkbox"/> 60%	<input type="checkbox"/> 70%

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Learning Point: Real Property

Real Property is always included in net family assets,
true or false?

- a) True
- b) False

**Real property must
always be 3rd party or 1st
hand verified.**

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Learning Point: Real Property Income

Real Property always has actual income, **true or false?**

- a) True
- b) False

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Learning Point: Tax Returns

Tax Returns are added back into net family assets after verified, **true or false?**

- a) True
- b) False

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



Assets disposed of for less than FMV

- Cash Value = Market Value less the disposed of amount and the cost to convert
- Actual Income = No actual income
- Include Cash Value if:
 - Fair Market Value (FMV) of asset(s) disposed of exceeds the gross amount received for the asset
 - 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 combined 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			
Peer to Peer Payments, etc.	Personal Property Held as an Investment	\$	%	\$	Explanation		
Equity in Real Estate	Other (list):	\$ 100	2 %	\$ 2	Explanation	Liam Savings Account	
Lump Sum	PLEASE NOTE: Certain funds (e.g., Trust) may or may not be (fully) accessible to you. Include only those amounts which <u>are</u> accessible to you.						
Bitcoin/ Crypto	(Check either box 2 or box 3 below, not both)						
Life Insurance	2. <input checked="" type="checkbox"/> 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).						
Cash on Hand	3. <input type="checkbox"/> 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.						
Personal Property Held as an Investment	4. <input type="checkbox"/> 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).						
Other (list):	PLEASE NOTE: Certain funds (e.g., Trust) may or may not be (fully) accessible to you. Include only those amounts which <u>are</u> accessible to you.						
	(Check either box 2 or box 3 below, not both)						
	2. <input checked="" type="checkbox"/> 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. <input type="checkbox"/> 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. <input type="checkbox"/> 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?

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Learning Point: Real Property; Real Estate

January 9, 2025

I gave my home in Dimmit, Texas to my sister, Edith Cruz, in February of 2025 before I moved to the Austin area. She paid me \$10,000 for this and I am still holding on to that money in my savings account. She does not pay me rent and there is no principal balance due on the house.

Certified as true & correct: *Esther Cruz* 1/9/2025

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:

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 2027. The imputed income will go away at that time also.

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Learning Point: Real Property; Home – Disposed of Asset

Property Details

Account		
Property ID:	3232	Geographic ID: KBB-0-26
Type:	Real	Zoning: W
Property Use:		Condo:
Location		
Situs Address:	135 Beach Street	
Map ID:		Mapscot:

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 (=)

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**
 Sale Price: **(\$10,000.00)**
= \$155,260.00

Cost to Convert:

Cash Value:

Imputed Income:

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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Learning Point: The Income Certification

TOTALS	\$	\$ 12,996.00	\$	\$ 900.00		
Add totals from (A) through (D) above			TOTAL INCOME (E): \$ 13,896			
PART IV. INCOME FROM ASSETS						
HH Mbr #	(F) Type of Asset	(G) C/D	(H) N/R	(I) Cash Value of Asset	(J) A/I	(K) Annual Income from Asset
1	Checking	C	N	\$1,200.00	A	\$0.00
1	Savings	C	N	\$10,000.00	A	\$200.00
1	Real Property - Disposed	D	R	\$139,734.00	I	\$628.80
2	Savings	C	N	\$100.00	A	\$2.00
1	Cash on Hand	C	N	\$500.00	I	\$2.25
(L) TOTAL NON-NECESSARY PERSONAL PROPERTY:				\$ 11,800.00	(M) Total Actual Income: \$ 204.25	
(N) TOTAL NET FAMILY ASSETS:				\$ 139,734.00	(O) Total Imputed Income: \$ 628.80	
(P) TOTAL INCOME FROM ASSETS [(M) + (O)]:						\$ 833.05
(Q) Total Annual Household Income from all Sources [Add (E) + (P)]:						\$ 14,729.05
PART V. HOUSEHOLD SET ASIDE DESIGNATION						
Income: <input type="checkbox"/> 15% <input type="checkbox"/> 20% <input checked="" type="checkbox"/> 30% <input type="checkbox"/> 40% <input type="checkbox"/> 50% <input type="checkbox"/> 60% <input type="checkbox"/> 70% <input type="checkbox"/> 80% <input type="checkbox"/> O/I						
Rent: <input type="checkbox"/> 20% <input checked="" type="checkbox"/> 30% <input type="checkbox"/> 40% <input type="checkbox"/> 50% <input type="checkbox"/> 60% <input type="checkbox"/> 70% <input type="checkbox"/> 80%						

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Learning Point: Disposed of Assets

Assets disposed of for less than Fair Market Value are included for a period of 5 years, **true or false?**

- a) True
- b) False

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Learning Point: Disposed of Assets

Assets disposed of for less than fair market value because of foreclosure, bankruptcy, divorce or separation are NOT counted, **true or false?**

- a) True
- b) False

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Assets: 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						
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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New Asset Certification Form

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
Asset Certification of Net Family Assets

For households whose combined net assets do not exceed the Imputation Threshold as defined by HUD at:
<https://www.huduser.gov/portal/datasets/inflationary-adjustments-notifications.html>
(Complete only one form per household; include assets of minors.)

Head of Household Name: _____ Unit No.: _____

Development Name and Address: _____

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)	\$ _____	_____ %	\$ _____	Checking Account(s)	\$ _____	_____ %	\$ _____
Certificates of Deposit	\$ _____	_____ %	\$ _____	Money Market Funds	\$ _____	_____ %	\$ _____

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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: Tips to Minimize Challenges

- All verification forms completed in their entirety
- All household assets are certified and verified, if required
- Are all verifications/certifications current? (within 120 days)
- Forms are tested for integrity, clarifications present, etc.
- No correction fluid, white-out or evidence of tampering/perfecting
- Peer Review
- 3rd party or compliance file review

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Adjusted Income



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Adjusted Income: Deductions and Purpose

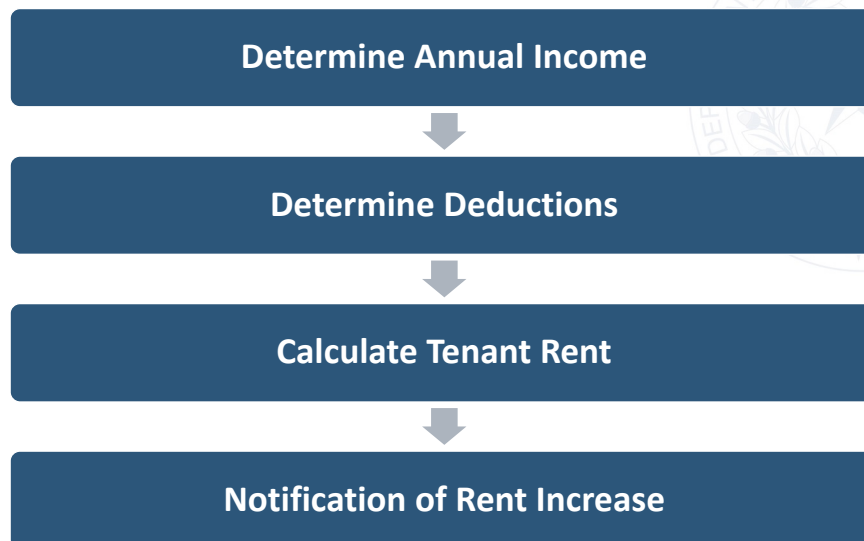
Annually, HUD will issue an **Adjustment for Inflation to be used for deductions**

- **Dependent Deduction** will correlate to the earned income counted for full-time students and adoption assistance; currently this is \$480 per eligible dependent
- **Child Care Deduction** has excluded foster children with HOTMA unless the childcare is paid for with the household's income and not the foster care payments received from the welfare agency, this deduction is limited by the amount of childcare compared to the earned income of the applicable household member
- Reasonable **Attendant Care and Auxiliary Apparatus**; formerly Disabled Deduction – 10% test required and the deduction is only allowed when the expense enables a family member (including the disabled person) to work
- **Elderly/Disabled Deduction** is \$525 and is only allowed once per qualifying household
- **Unreimbursed Health and Medical Care expenses** for elderly/disabled households – 10% test required if not met by previous deduction

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Adjusted Income: The Process



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Adjusted Income: Screening for Deductions

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
SUPPLEMENT TO THE INTAKE APPLICATION

Participation in a TDHCA Tenant Based Rental Assistance Program requires the determination of adjusted income to calculate the amount of subsidy assistance your household may be eligible for. Adjusted income is also used to determine the required tenant paid rent of a household identified as over income at recertification on a HOME Rental development. Information disclosed on this form will only be used to determine eligible deductions. If there are any questions that you do not understand, please contact the Administrator, Owner or Management.

Applicant/Resident Name: _____

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? _____

Is the household comprised of a family member with disabilities? ☐ NO ☐ YES, who? _____

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

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) ☐ Seek employment OR ☐ Be gainfully employed OR ☐ Further his/her education (student 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? _____

C. DISABILITY ASSISTANCE EXPENSES DEDUCTION

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

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: _____

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? _____

E. MEDICAL EXPENSES 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 type="checkbox"/> YES		<input type="checkbox"/> NO <input type="checkbox"/> YES
Doctor Co-Pays <input type="checkbox"/> NO <input type="checkbox"/> YES		<input type="checkbox"/> NO <input type="checkbox"/> YES
Prescription Costs <input type="checkbox"/> NO <input type="checkbox"/> YES		<input type="checkbox"/> NO <input type="checkbox"/> YES
Medical Deduction Costs <input type="checkbox"/> NO <input type="checkbox"/> YES		<input type="checkbox"/> NO <input type="checkbox"/> YES
Over the Counter Costs <input 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? ☐ NO ☐ YES, who? _____

Did the household have any one-time non-recurring medical expenses? ☐ NO ☐ YES, explain? _____

F. APPLICANT/RESIDENT CERTIFICATION

I certify that the above information is true and correct.

Applicant/Resident Printed Name: _____ Signature: _____ Date: _____

Warning: Title 18, Section 1001 of the U.S. Code makes it a criminal offense to make willful false statements or misrepresentations to any Department or Agency in the United States or to any matter within its jurisdiction.

TDHCA Page 1 of 1 May 2010

The household must be screened for deductions

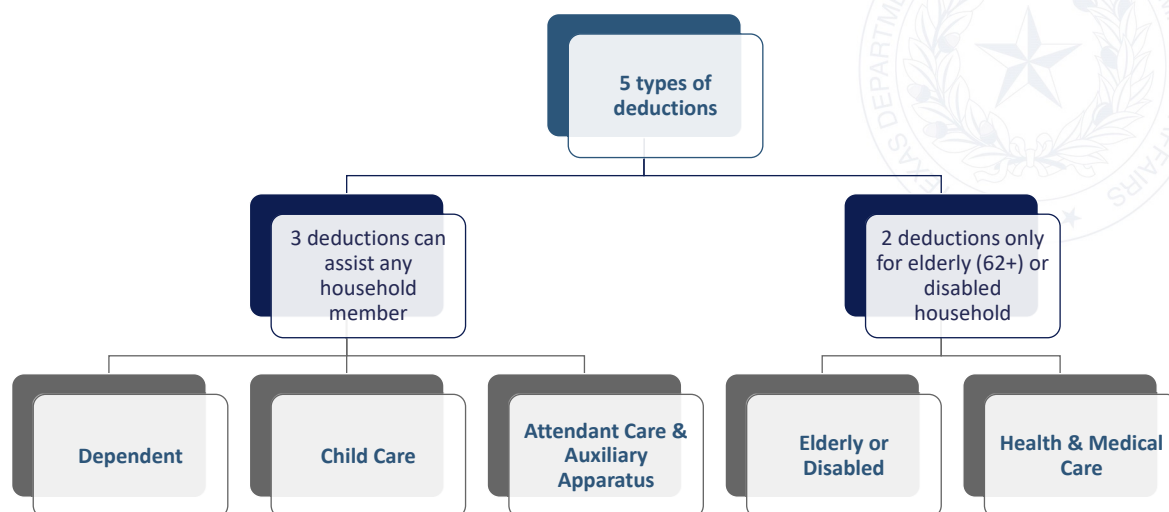
TDHCA has a Supplement to the Intake Application available on the website

Developments may develop and utilize their own version of screening tool

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Adjusted Income: Available Deductions



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Russell Household: Screening for Deductions

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
SUPPLEMENT TO THE INTAKE APPLICATION

Participation in a TDHCA Tenant Based Rental Assistance Program requires the determination of adjusted income to calculate the amount of subsidy assistance your household may be eligible for. Adjusted income is also used to determine the required tenant paid rent of a household identified as over income at recertification on a HOME Rental development. Information disclosed on this form will only be used to determine eligible deductions. If there are any questions that you do not understand, please contact the Administrator, Owner or Management.

Applicant Resident Names: William and Mary Russell

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

Is the household comprised of a family member under the age of 18? ☐ NO ☒ YES, who? Jerome Gonzalez

Is the household comprised of a family member with disabilities? ☐ NO ☒ YES, who? William Russell (20 years old)

Is the household comprised of a family member who is a full-time student? ☐ NO ☒ YES, who? Jerome Gonzalez (2 years old)

B. CHILD CARE EXPENSE DEDUCTION

Is the household paying for the care of children age 12 or under? ☐ NO ☒ YES, for whom? Jerome Gonzalez

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? Tom Remy

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? Tom Remy

4. Is the household reimbursed by an outside Agency or Individual? ☒ NO ☐ YES, who? Tom Remy

C. ATTENDANT CARE AND AUXILIARY APPLIANCE EXPENSE DEDUCTION

Is the household paying for attendant care and/or an auxiliary appliance? ☐ NO ☒ YES, for whom? William Russell

IF YES, Please answer the following questions:

1. Does the care enable use of the auxiliary appliance enable an adult household member to work? ☐ NO ☒ YES, who? Mary

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

3. Identify the type of care and/or appliance paid for: In-home day care for William while Mary works outside of the home

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? William Russell

Is the head of household, spouse, or co-head a person with a disability? ☐ NO ☒ YES, who? William Russell

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 checked="" type="checkbox"/> NO <input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES
Medicaid Co-Pay	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES
Prescription Costs	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES
Medical Deduction Costs	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES
Over the Counter Costs	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES
Other:	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES

Is the household reimbursed by an Agency and/or Individual for any of these costs? ☒ NO ☐ YES, who? Tom Remy

Did the household have any one-time non-recurring medical expenses? ☒ NO ☐ YES, explain?

F. APPLICANT RESIDENT CERTIFICATION

I certify that the above information is true and correct.

Applicant Resident Printed Name: Mary Russell Date: July 28, 2025

Warning: Title 18, Section 1001 of the U.S. Code makes it a criminal offense to make willful false statements or misrepresentations to any Department or Agency in the United States in its any matter within its jurisdiction.

TDHCA Page 1 of 1

The Russell household is applying for a program that requires adjusted income.

We have completed the income and asset screening portion of the process, now we need to adjust their income to determine the rent.

← The Supplement to the Intake Application tells us what we need for the next steps.

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Application: HOME-ARP Qualifying Documents

HOME American Rescue Plan (HOME-ARP) Pre-Application

Applicant Name William and Mary Russell Date 7/28/2025 # of bedrooms requested 2

Number of adults in household: 2 Number of children in household: 1

Applicants should check all boxes that describe y

(J) I am homeless (living outside, in my car, an abandoned building, a camp, transitional housing, or in a temporary shelter). ☒

ii. ☒ I am residing in a publicly or privately operated emergency shelter or transitional housing facility designed to provide temporary living arrangements; or, in a hotel/motel currently paid for by charitable organizations or by federal, state or local government programs;

To Whom It May Concern:

Austin Life Shelter (ALS) provides temporary shelter, case management, and support services to assist homeless individuals and families in achieving self-sufficiency. ALS offers short-term emergency shelter, during which homeless men, women, and families with children can participate in either our Basic Needs Program (3 days to 2 weeks) or our Employment Program (12 weeks), depending on their assessment.

William and Mary Russell and Jerome have been staying at Austin Life Shelter since April 28, 2025, till the present. If you have any questions regarding their residency stay, please feel free to contact me at 512-548-9005 extension 33.

Sincerely,

Amy Hammond
Amy Hammond

Required Documentation:

☐ Homeless Management Information System (HMIS) record;

☒ Referral by another housing or service provider stating that the household was in an emergency shelter or transitional housing; or

☐ Referral by another housing or service provider that the household stating the household is living in hotels and motels paid for by charitable organizations or by federal, state and local government programs; and if hotel/motel:

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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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Documenting Income: 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?	<input type="checkbox"/> NO <input checked="" type="checkbox"/> YES, who? Jerome Gonzales
Is the household comprised of a family member with disabilities?	<input type="checkbox"/> NO <input checked="" type="checkbox"/> YES, who? William Russell (29 years old)
Is the household comprised of a family member who is a full-time student?	<input type="checkbox"/> NO <input checked="" type="checkbox"/> YES, who? Jerome Gonzales (9 years old)

Is the Russell household eligible for a dependent deduction?

How much is the household deduction?

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Adjusted Income: Childcare Deduction

- The Childcare Deduction is available for anticipated expenses to any family paying for childcare. The deduction is available to all children under the age of 13 living in the unit when childcare enables a family member to...
 - Work
 - Look for work
 - Go to school (academic or vocational)
- The family has to evidence that there is no adult family member capable of providing care during the hours care is needed
- Childcare expenses cannot be reimbursed by an outside agency or individual
- Childcare expenses deducted must be reasonable

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

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Adjusted Income: Childcare Deduction continued

- Childcare expenses are not paid to someone living in the unit
- Childcare expenses cannot exceed the work income generated by the family member during the period in which care is provided
- The childcare 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 childcare
 - Evidence that no other adult household member in the unit is available to care for the child
 - Identify the childcare provider
 - Provide documentation of cost

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Documenting Income: Childcare Deduction

B. CHILD CARE EXPENSES DEDUCTION

Is the household paying for the care of children age 12 or under? ☐ NO ☒ YES, for whom? Jerome Gonzales

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? Mary Russell
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? _____

Gonzales, Jerome		Trail Blazer (after school)		Beginning Statement Balance:		0.00
User	Post Date	Description	Comment	Charge	Credit	Balance
JNW	6/1/2025	M(school aged)Tuition Pmt		600.00		600.00
JNW	6/2/2025	Tuition Express			600.00	0.00
Total				600.00	600.00	0.00
Stepping Stone School Statement for June 2025						
Dear valued parents,						
Tuition is due as of June 1, 2025. If a balance remains, please provide a payment today to avoid a late fee. A						
\$30 late fee will be applied to balances at closing on June 3rd.						

Is the Russell household eligible for a childcare deduction?

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Documenting Income: Childcare Deduction continued

How much is the childcare deduction for the Russell household?

- Step 1: Determine Mary's annual income, we have already done this step:

\$39,520

- Step 2: Determine what Mary's earned income is while her child attends childcare:

\$19 an
hour



5 days a
week



3 hours
a day



52
weeks a
year



\$14,820
earned
income

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Learning Point 2: Childcare Deduction completed

- Step 3: Determine the childcare expenses for Jerome:



- Step 4: Determine that childcare expenses do not exceed Mary's earned income generated during the period in which care is provided:

\$14,820 Mary's earned income

\$11,700 total childcare expense

Childcare does not exceed employment income

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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 can 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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Documenting Income: Attendant Care 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? William Russell

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? Mary
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: In-home day care for William while Mary works outside of the home

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

Dear William and Mary Russell:

We will be honored to continue serving your family as a medical aide service for William Russell from the hours of 12 pm until 6 pm each weekday while Mary works outside the home. It is our understanding that the remainder of the working hours are conducted from the home office and Mary is able to offer support, if needed, for William during this time. Should something change in this schedule please let us know.

The expense for the care will continue to be \$450 per week and that amount will be due every other week as scheduled with the business office.

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

Sincerely,

Michelle Crawford

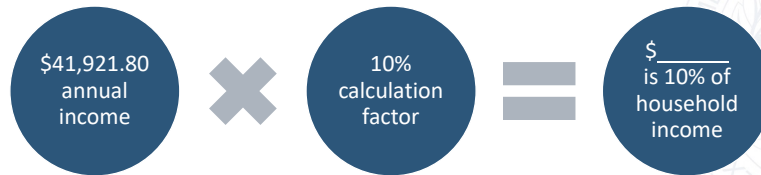
Michelle Crawford, Care Coordinator

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Documenting Income: Attendant Care Deduction

- Step 1: Determine 10% of the household's income:



- Step 2: Determine William's eligible disability deduction:



- Step 3: Ensure the allowable deduction does not exceed the annual income:

$\$ ______ \text{ deduction} < \$41,921.80 \text{ annual income; so the deduction is allowed.}$

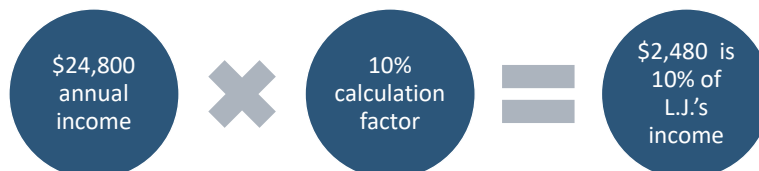
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Learning Point 2: Attendant Care & Auxiliary Apparatus Expense Deduction

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
- For 811 PRA the deduction amount is \$400 until HOTMA is implemented (likely, January 2026)
- 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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Documenting Assets: Elderly or Disabled Family 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? William Russell

Information About Supplemental Security Income Payments

Yes, recipients of Supplemental Security Income (SSI) are, by definition, disabled. SSI is a federal program that provides monthly payments to individuals with disabilities, blindness, or those aged 65 or older, who have limited income and resources. To qualify for SSI, an individual must have a physical or mental impairment that prevents them from working and is expected to last for at least a year or result in death. ²⁰⁵

You are not being asked to disclose any details or specifics regarding the type or nature of the special need, only to disclose that you, or someone in your household, meets one of the categories above.

Based on the above, do you or anyone in your household have a "Special Need"? YES ☒ NO ☐

I do not wish to furnish information regarding special needs (Initials) _____

William, HOH, is a person with a disability. Does this mean that the household is eligible for the Elderly/Disabled Deduction?

How much is the deduction?

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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?

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?

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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 may 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: Care/Apparatus & Health/Medical Expense Disability

L.J., from slides 200 & 201, has the 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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Documenting Assets: Health and 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 checked="" type="checkbox"/> NO <input type="checkbox"/> YES		<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES
Doctor Co-Pays <input type="checkbox"/> NO <input checked="" type="checkbox"/> YES	600.00	<input type="checkbox"/> NO <input checked="" type="checkbox"/> YES
Prescription Costs <input type="checkbox"/> NO <input checked="" type="checkbox"/> YES	1,650.00	<input type="checkbox"/> NO <input checked="" type="checkbox"/> YES
Medical Deduction Costs <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES		<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES
Over the Counter Costs <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES		<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES
Other: <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES		<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES

Is the household reimbursed by an Agency and/or Individual? ☐ YES ☒ NO
Did the household have any one-time non-recurring medical expenses? ☐ YES ☒ NO

Is the household eligible to have the prescriptions and co-pays deducted in their adjusted income?

Dear Mary Russell:

You requested a statement of the expenses incurred thus far in 2025 as a result of prescriptions filled through Walgreens locations in the calendar year 2025. Based on our records your 2025 expenses are \$825.00 for all prescriptions that were processed by Walgreens pharmacists through the year thus far. This is in line with the expenses from 2024 and we would anticipate your total medical costs at the end of 2025 will be approximately \$1,650; as it was in 2024.

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 William Russell:

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 2024. Based on our records your 2024 expenses were \$600.00 for co-pays, lab fees and expenses that were not covered by insurance for your family.

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

Sincerely,

John Williams

John Williams, Office Manager

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Adjusted Income and Calculation of Tenant Rent

Household Deductions:

Dependent Deduction = \$_____ for Jerome

Childcare Expense Deduction = \$_____ for Jerome's care while Mary works since William is unable to care for Jerome

Attendant Care and Auxiliary Apparatus Expense Deduction** = \$_____ total cost – 10% of HH income \$_____
= \$_____ total deduction

Elderly or Disabled Family Deduction = \$_____ for the household, HOH William is a person with a disability

Health and Medical Care Expense Deduction** = \$_____ Deduction (\$600 doctor's visits + \$1,650 prescriptions)

Household income before deductions \$_____

Total Amount of Deductions for the Household: \$_____

Household Adjusted Income = \$_____

Adjusted income ÷ 12 Months = Monthly Adjusted Income x 30% = Monthly Gross Rent, Utility Allowance must be deducted

\$_____ adjusted income ÷ 12 months = \$_____ Monthly Adjusted Income x 30% = \$_____
monthly rent based on adjusted income

\$_____ Gross Rent - \$52 Utility Allowance = \$_____ rent charged to the Russell Household

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Adjusted Income: Medical Expense Deductions**

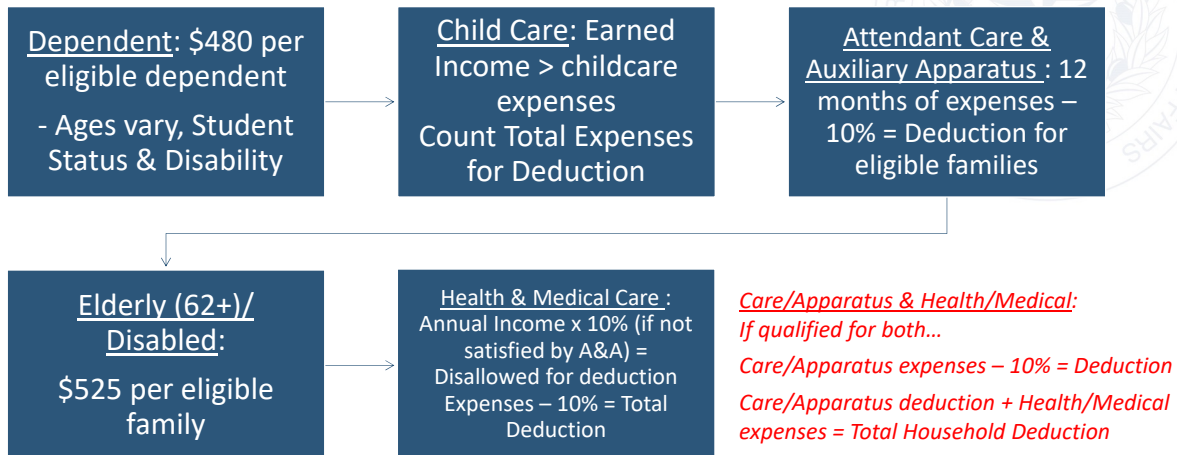
If the family is eligible for both the Attendant Care & Auxiliary Apparatus deduction and the Health & Medical Care deduction, the following must be considered:

- 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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Adjusted Income: Deductions Cheat Sheet



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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 ____/____/____, monthly rent for the unit located at _____, where you are a currently a tenant, will be increased to \$____ per month payable in advance on/or before the ____ of each month.

Sincerely,
 Landlord/Property manager: _____
 Signature: _____

Example

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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						
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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Qualifying Households: Tips to Minimize Challenges

- All certifications and verification forms completed in their entirety
- All household income and assets are certified and verified, if required
- Are all verifications/certifications current? (within 120 days)
- Forms are tested for integrity, clarifications present, etc.
- No correction fluid, white-out or evidence of tampering/perfecting
- Peer Review
- 3rd party or compliance file review

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Final Thoughts...



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The Income Certification

Must Use the Department Approved Form:

- Income Certification
- Available on TDHCA Website
- Completed after all verifications are gathered
- Executed by all adult household members
- Executed by staff (Owner/Representative)
- New form for certifications effective in 2024

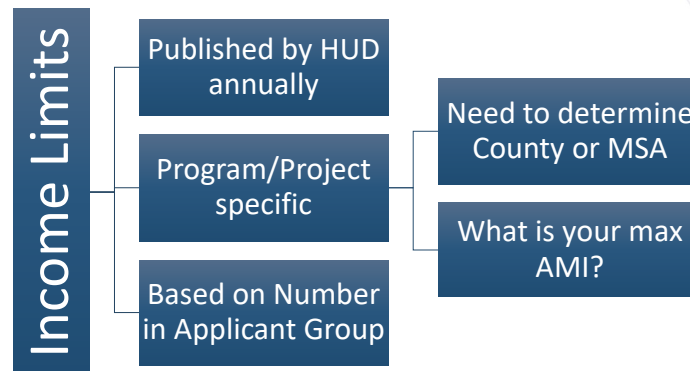
INCOME CERTIFICATION									
<input type="checkbox"/> Initial Certification <input type="checkbox"/> Recertification <input type="checkbox"/> Other*								Effective Date: _____ Move-in Date: (MM/DD/YYYY) _____ *Transfer from Unit: _____	
PART I - DEVELOPMENT DATA									
Property Name: _____				County: _____		BIN #: _____			
Address: _____				Unit Number: _____		# Bedrooms: _____		CMTS #: _____	
PART II - HOUSEHOLD COMPOSITION									
HH Mbr #	Last Name	First Name & Middle Initial	Relationship to Head of Household	Date of Birth (MM/DD/YYYY)	Student Status (Circle one)	Last 4 digits of Social Security Number			
1			HEAD		PT / ST / NA				
2					PT / ST / NA				
3					PT / ST / NA				
4					PT / ST / NA				
5					PT / ST / NA				
6					PT / ST / NA				
7					PT / ST / NA				
PART III - GROSS ANNUAL INCOME (USE ANNUAL AMOUNTS)									
HH Mbr #	(A) Employment/Wages	(B) Soc. Security/Pensions	(C) Public Assistance	(D) Other Income					
TOTALS	\$	\$	\$	\$					
Add totals from (A) through (D) above									
TOTAL INCOME (E) \$									
PART IV - INCOME FROM ASSETS									
HH Mbr #	(F) Type of Asset	(G) U/I N/R	(H) Cash Value of Asset	(I) A/U	(J) Annual Income from Asset				
(K) TOTAL NON-NECESSARY PERSONAL PROPERTY: \$					(L) TOTAL ACTUAL INCOME: \$				
(N) TOTAL NET FAMILY ASSETS: \$					(O) TOTAL IMPUTED INCOME: \$				
(P) TOTAL INCOME FROM ASSETS [(M) + (O)] \$									
(Q) Total Annual Household Income from all Sources [Add (E) + (P)] \$									
HOUSEHOLD CERTIFICATION & SIGNATURES									
The information on this form will be used to determine maximum income eligibility. Use has provided for each person's net form in Part II acceptable verification of current anticipated annual income. Use agrees to notify the landlord immediately upon any member of the household moving out of the unit or any new member moving in. Use agrees to notify the landlord immediately upon any member becoming a full-time student.									
Under penalties of perjury, I/We certify that the information presented in this Certification is true and accurate to the best of my/our knowledge and belief. The undersigned further understands that providing false representations herein constitutes an act of fraud. False, misleading or misinterpreted information may result in the termination of the lease agreement.									
Signature _____ (Date) _____					Signature _____ (Date) _____				
Signature _____ (Date) _____					Signature _____ (Date) _____				
1 Revised October 16, 2023									

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Income Limits

- Confirm Applicant is eligible under the required income limits for the program
- Current limits are on the Department's website



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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>.

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

The 2026 amounts have been announced and should be used for any certification with a 2026 effective date.

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HOTMA Resources: Annual Inflationary Adjustments & Passbook Rate

2024

2025

2026

Adjusted Item	Regulatory Reference	Rate
Passbook Savings Rate	24 CFR 5.609(a)	0.40%
Threshold above which imputed returns must be calculated on net family assets	24 CFR §§ 5.609(a)(2) and (b)(1)	\$50,000
Threshold above which the total value of non-necessary personal property is included in net family assets	24 CFR § 5.603(b) Definition <i>Net family assets</i>	\$50,000
The amount of net assets for which the PHA/MFH Owner/Grantee may accept self-certification by the family	24 CFR § 5.618(b)(1) 24 CFR § 5.659(e) 24 CFR § 92.203(e)(1) 24 CFR § 93.151(e)(1) 24 CFR § 882.515(a) 24 CFR § 882.808(i)(1) 24 CFR § 960.259(c)(2) 24 CFR § 982.516(a)(3)	\$50,000

Adjusted Item	Regulatory Reference	Rate
Passbook Savings Rate	24 CFR 5.609(a)	0.45%
Threshold above which imputed returns must be calculated on net family assets	24 CFR §§ 5.609(a)(2) and (b)(1)	\$51,600
Threshold above which the total value of non-necessary personal property is included in net family assets	24 CFR § 5.603(b) Definition <i>Net family assets</i>	\$51,600
The amount of net assets for which the PHA/MFH Owner/Grantee may accept self-certification by the family	24 CFR § 5.618(b)(1) 24 CFR § 5.659(e) 24 CFR § 92.203(e)(1) 24 CFR § 93.151(e)(1) 24 CFR § 882.515(a) 24 CFR § 882.808(i)(1) 24 CFR § 960.259(c)(2) 24 CFR § 982.516(a)(3)	\$51,600

Adjusted Item	Regulatory Reference	Rate
Passbook Savings Rate	24 CFR 5.609(a)	0.40%
Threshold above which imputed returns must be calculated on net family assets	24 CFR §§ 5.609(a)(2) and (b)(1)	\$52,787
Threshold above which the total value of non-necessary personal property is included in net family assets	24 CFR § 5.603(b) Definition <i>Net family assets</i>	\$52,787
The amount of net assets for which the PHA/MFH Owner/Grantee may accept self-certification by the family	24 CFR § 5.618(b)(1) 24 CFR § 5.659(e) 24 CFR § 92.203(e)(1) 24 CFR § 93.151(e)(1) 24 CFR § 882.515(a) 24 CFR § 882.808(i)(1) 24 CFR § 960.259(c)(2) 24 CFR § 982.516(a)(3)	\$52,787

<https://www.huduser.gov/portal/datasets/inflationary-adjustments-notifications.html>

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One Final Question...

When should you have started, or should you start, calculating income using the HOTMA Guidance?

- a) February 14, 2025
- b) September 29, 2024
- c) January 1, 2024
- d) February 2, 2023
- e) January 1, 2026

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Putting it All Together – File Order

The Department has provided the checklists for use in tenant files as a guide.

Your program may have additional requirements, you will want to insure that your files contain all of the required items and, if applicable, are in the appropriate order.

<https://www.tdhca.texas.gov/compliance-forms>

<https://www.tdhca.texas.gov/tenant-based-rental-assistance-forms-library>

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Tips to Minimize Challenges – Reminder

- All forms completed in their entirety
- Does the tenant file tell a story that a monitor can follow?
- Is everything current? (within 120 days)
- Any changes or corrections should be completed and initialed by applicants
- No correction fluid, white-out or evidence of tampering/perfecting
- Peer Review
- 3rd party or compliance file review

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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.

