Income Determination Module 1

2025

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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

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 12 pm until approximately 1 pm
- Staff will present the training and allow for questions after each topic is covered

Housekeeping:

- Certificates will NOT be provided after the conclusion of the class
- We suggest you silence your phones and put an "out of office" email response, to help avoid distractions during the training
- Please pose questions and comments in the "Chat Box" or 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/hsgh/4350.3
  - Chapters 3 and 5 along with corresponding tools and exhibits
- **HUD Notice H 2023–10 and Notice PIH 2023–27**
  - https://www.hud.gov/sites/dfiles/OCHCO/documents/2023-27pihn.pdf
  - This document replaces Chapters 3 and 5 of the HUD 4350.3 until/unless a revised Handbook is released
  - This document was updated to include further clarifications on February 2, 2024
- **Technical Guide for Determining Income and Allowances for the HOME Program**
  - https://files.hudexchange.info/resources/documents/HOMEGuideForIncomeAndAllowances.pdf
- **24 CFR 5.609 – Annual Income**
  - https://www.ecfr.gov/current/title-24/subtitle-A/part-5#5.609
- **Texas Administrative Code**
  - https://texreg.sos.state.tx.us/public/readtac$ext.ViewTAC?tac_view=3&ti=10&pt=1

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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 and Assets

- **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
  - Not all items of value are considered an asset
  - Items are not required to be "cashed out" at time of application
  - Income from Assets includes all amounts not specifically excluded by regulation
  - For a listing of asset inclusions and exclusions, refer to Notice 2023–10 and Notice 2023–27. (https://www.hud.gov/sites/dfiles/OCHCO/documents/2023-27pihn.pdf)

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Definitions: 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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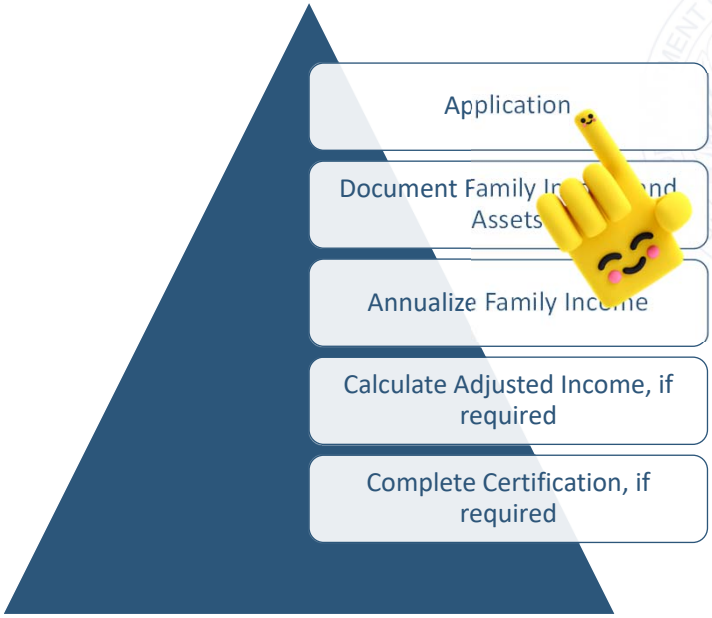
The Qualifying Process: Steps to Eligibility Determination



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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 to determine if the household appears eligible based on the initial information provided
- Electronic applications are acceptable as long as they include all of the required screening questions and provide the same documentation as 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

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The Qualifying Process: The Application

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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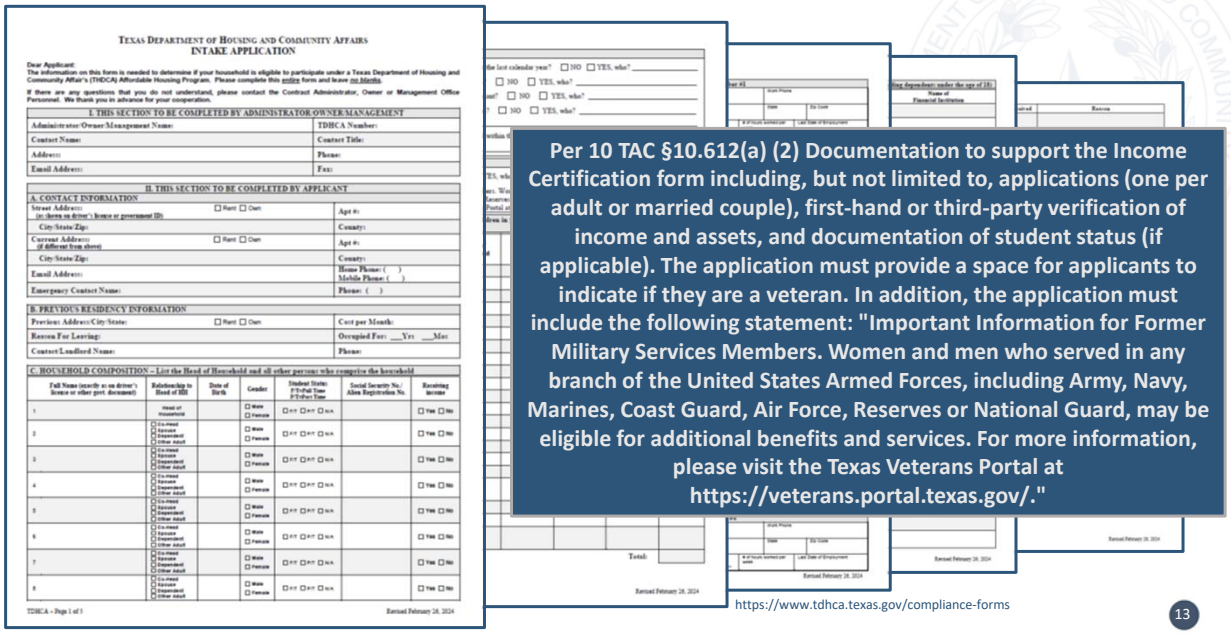
The Qualifying Process: TDHCA Application



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 Affair's (TDHCA) Affordable Housing Program. Please complete this entire form and leave no blanks.

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.

I. THIS SECTION TO BE COMPLETED BY ADMINISTRATOR/OWNER/MANAGEMENT

Administrator/Owner/Management Name:	TDHCA Number:
Contact Name:	Contact Title:
Address:	Phone:
Email Address:	Fax:

II. THIS SECTION TO BE COMPLETED BY APPLICANT

A. CONTACT INFORMATION

Street Address: (or, listed on driver's license or government ID) ☐ Rent ☐ Own	Apt #:
City/State/Zip:	County:
Current Address: (if different from above) ☐ Rent ☐ Own	Apt #:
City/State/Zip:	County:
Email Address:	Home Phone: ( ) Mobile Phone: ( )
Emergency Contact Name:	Phone: ( )

B. PREVIOUS RESIDENCY INFORMATION

Previous Address/City/State: ☐ Rent ☐ Own	Cost per Month:
Reason For Leaving:	Occupied For: ___Yrs ___Mos
Contact/Landlord Name:	Phone:

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

Full Name (exactly as on driver's license or other govt. document)	Relationship to Head of HH	Date of Birth	Gender	Student Status: F/T=Full Time P/T=Part Time	Social Security No./ Alien Registration No.	Receiving Income
1	Head of Household		☐ Male ☐ Female	☐ F/T ☐ P/T ☐ N/A		☐ Yes ☐ No
2	☐ Co-Head ☐ Spouse ☐ Dependent ☐ Other Adult		☐ Male ☐ Female	☐ F/T ☐ P/T ☐ N/A		☐ Yes ☐ No
3	☐ Co-Head ☐ Spouse ☐ Dependent ☐ Other Adult		☐ Male ☐ Female	☐ F/T ☐ P/T ☐ N/A		☐ Yes ☐ No
4	☐ Co-Head ☐ Spouse ☐ Dependent ☐ Other Adult		☐ Male ☐ Female	☐ F/T ☐ P/T ☐ N/A		☐ Yes ☐ No
5	☐ Co-Head ☐ Spouse ☐ Dependent ☐ Other Adult		☐ Male ☐ Female	☐ F/T ☐ P/T ☐ N/A		☐ Yes ☐ No
6	☐ Co-Head ☐ Spouse ☐ Dependent ☐ Other Adult		☐ Male ☐ Female	☐ F/T ☐ P/T ☐ N/A		☐ Yes ☐ No
7	☐ Co-Head ☐ Spouse ☐ Dependent ☐ Other Adult		☐ Male ☐ Female	☐ F/T ☐ P/T ☐ N/A		☐ Yes ☐ No
8	☐ Co-Head ☐ Spouse ☐ Dependent ☐ Other Adult		☐ Male ☐ Female	☐ F/T ☐ P/T ☐ N/A		☐ Yes ☐ No

TDHCA – Page 1 of 3 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 Affair's (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 inquires 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 Alimony 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?

- Head
- Spouse
- Co-Head
- Dependents
- Other Adults

- 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: The Household; Why Does it Matter?

Why is it important to know who is in the household?

Because the Income Limits are based on the household size!

County:	TRAVIS
Financing:	9% Housing Credits
Place:	Austin
Project PIS Date:	06/09/2019-03/31/2020
Carryover/Determination Notice/Subaward Agreement date:	05/17/2018-04/23/2019
For Home and NSP Only:	On or Before 05/31/2024

Submit Bookmark

MTSP Median Income : 126000

Income Limits

Income	1	2	3	4	5	6	7	8
20	17640	20160	22680	25200	27220	29240	31260	33280
30	26460	30240	34020	37800	40830	43860	46890	49920
40	35280	40320	45360	50400	54440	58480	62520	66560
50	44100	50400	56700	63000	68050	73100	78150	83200
60	52920	60480	68040	75600	81660	87720	93780	99840
70	61740	70560	79380	88200	95270	102340	109410	116480
80	70560	80640	90720	100800	108880	116960	125040	133120

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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

Sample Household:

- William; Head of Household
- Sylvia; William's Spouse/Co-Head
- Mark; Live-In Aide
- This household is comprised of 3 people with 2 family members, **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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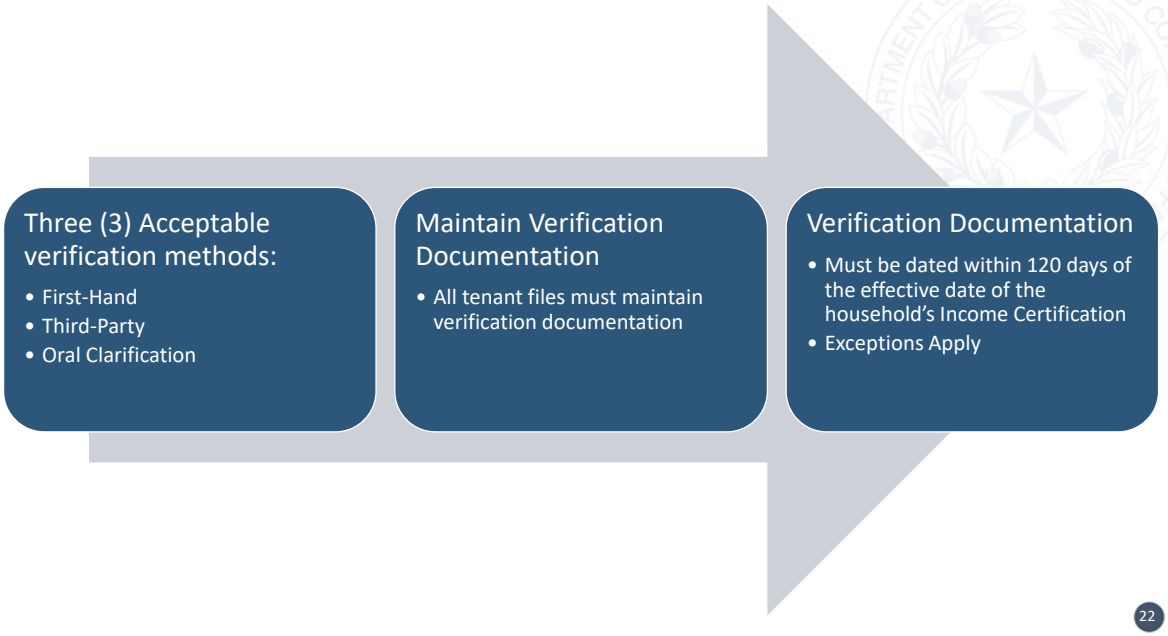
The Qualifying Process: Verification Types



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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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Verification Hierarchy: 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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Verification Hierarchy: 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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Verification Hierarchy: First-Hand Documentation

- First-Hand (tenant-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.
  - HUD Guidance requires a minimum of 2 paystubs
    - 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 household's application

Per 10 TAC §10.612(a)(3): The Department permits Owners to use check stubs or other first-hand documentation of income and assets provided by the applicant or household in lieu of third-party verification forms. It is not necessary to first attempt to obtain a third-party verification form. Owners should scrutinize these documents to identify and address any obvious attempts at forgery, alteration, or generation of falsified documents.

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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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Verification Hierarchy: 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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Verification Hierarchy: Oral Clarifications 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
  - For example, if a household reports that they babysit and are paid in cash a self-certification can be used to verify this income

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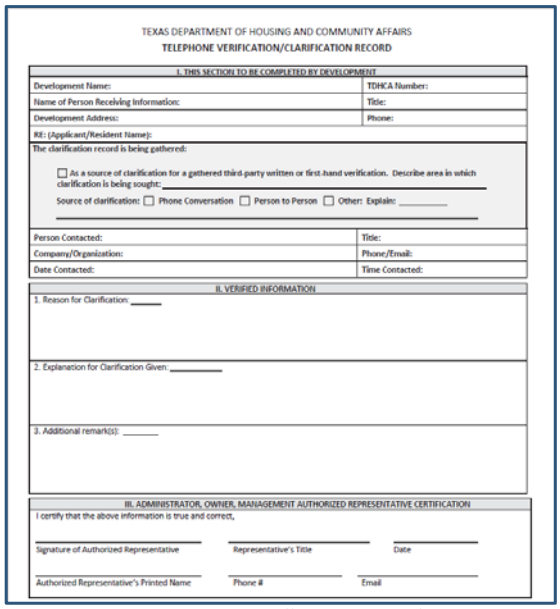
Verification Hierarchy: Oral Clarification



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:

☐ 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: ☐ Phone Conversation ☐ Person to Person ☐ 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 | Date

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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The Qualifying Process: Tips to Minimize Challenges

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

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THANK YOU!

Income Determination Module 1

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (TDHCA)

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