Income Determination Module 3

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 1:30 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**
  - 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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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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Unearned Income

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Unearned Income: 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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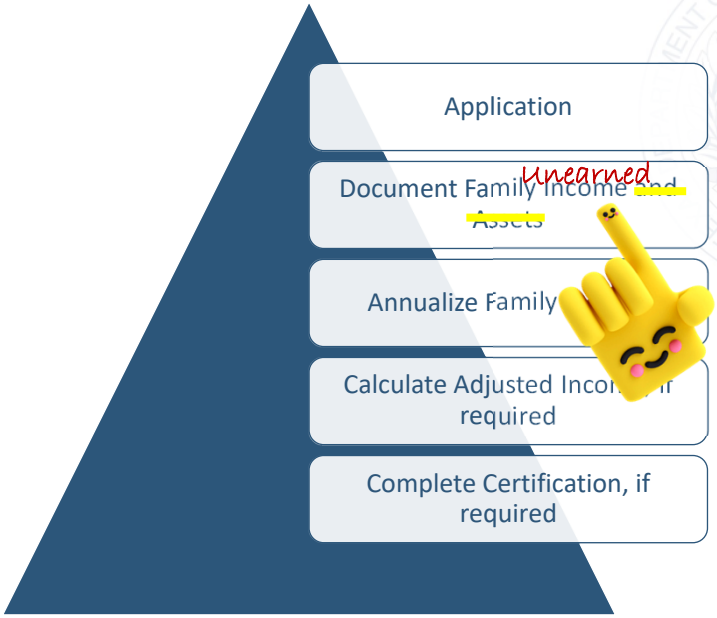
The Qualifying Process: Steps to Eligibility Determination



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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**
- Income received from a retirement account
  - Except for periodic payments
- **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: Unearned Income

- Child Support & Alimony
- Social Security and SSI
- Monetary Contributions
- Unemployment
- Annuities
- Retirement & Pension
- Financial Aid
- Disability & VA Benefits
- TANF (not food stamps)

** 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 Information

Claim Type:	Regular Unemployment Benefits
Claim Start Date:	
Weekly Benefit Amount:	$590.00
Maximum Possible Benefits:	$9,176.00
Benefits Paid to Date:	$7,730.00
Benefits Remaining:	$1,446.00
Next Date to Request Payment:	On your scheduled filing day during the week beginning SUNDAY
Your Scheduled Filing Day is :	SUNDAY

Payment Summary

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

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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 is ordered to be received

If Court Ordered or through Enforcement Agency:

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

If NOT Court Ordered or through an Enforcement Agency:

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

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Income: Child Support/Alimony; Average of Payments

Only the amounts received by the applicant/tenant will be considered when calculating income for eligibility.

Payments should be calculated by averaging the payments received using a verification dated within 120 days of the Income Certification.

Payments should be calculated using the payments received within 120 days of the certification effective date.

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Learning Point: Child Support/Alimony; Not Received

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

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Learning Point: Child Support/Alimony; Given Back

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

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

21

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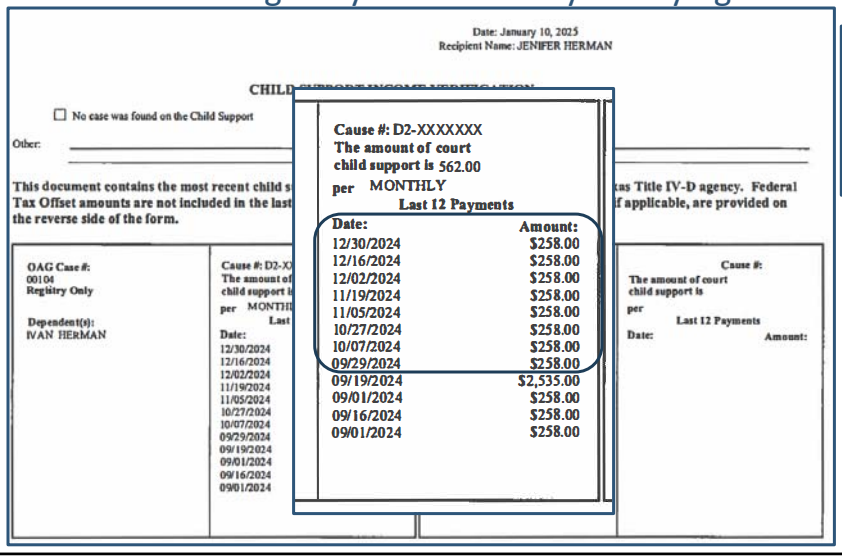
Learning Point: Child Support/Alimony; Regular Payments

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 s… Tax Offset amounts are not included in the last… the reverse side of the form.

…as Title IV-D agency. Federal …f applicable, are provided on

OAG Case #:
00104
Registry Only

Dependent(s):
IVAN HERMAN

Cause #: D2-XX…
The amount of child support is …
per MONTH…
Last …

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

Cause #: D2-XXXXXXX
The amount of court child support is 562.00
per MONTHLY
Last 12 Payments

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

Cause #:
The amount of court child support is
per
Last 12 Payments
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

23

23

Learning Point: Child Support; Sporadic

Date: December 27, 2024
Recipient Name: Esther Cruz

CHILD SUPPORT INCOME VERIFICATIO

☐ No case was found on the Child Support

Other:

This document contains the most recent child support income information in the poss
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.

OAG Case #: 001868 Registry Only Dependent(s): LIAM CRUZ	Cause #: 324-xxxx-11 The amount of court child support is 222.00 per BI-WEEKLY Last 12 Payments Date: / Amount: 12/23/2024 $120.00 11/23/2024 $75.00 10/09/2024 $50.00 09/26/2024 $98.00 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 $2041.31 02/17/2024 $65.00 01/03/2024 $20.31	OAG Case #: Registry Only Dependent(s):	Cause #: The amount of court child support is per Last 12 Payments Date: / Amount:

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

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

Result: Friday, October 4, 2024

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Income: Social Security

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

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Learning Point: Social Security Before COLA Announcement

What is the amount of Social Security Income to be counted for this family with a certification date of **October 1, 2024?**

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

SOCIAL SECURITY ADMINISTRATION

Date: September 2, 2024
BNC#: 21BC806706475
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.)

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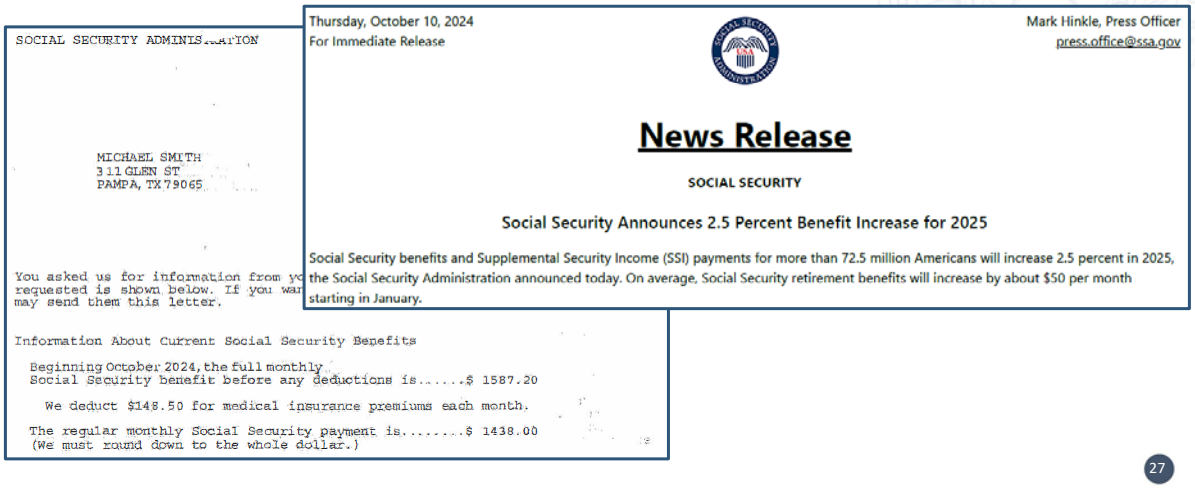
Learning Point: Social Security After COLA Announcement

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

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



SOCIAL SECURITY ADMINISTRATION

MICHAEL SMITH
311 GLEN ST
PAMPA, TX 79065

You asked us for information from yo
requested is shown below. If you wan
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

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

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?

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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?

January 10, 2025

To whom it may concern,

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

Thank you,

Michelle Rogers

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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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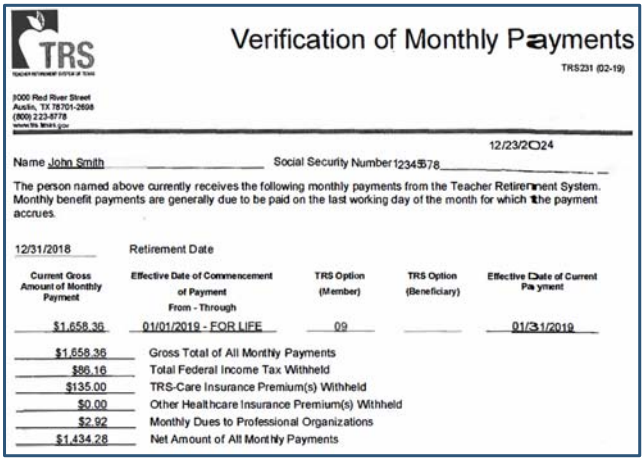
Learning Point: Periodic Payments

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



TRS

Verification of Monthly Payments

TRS231 (02-19)

1000 Red River Street
Austin, TX 78701-2698
(800) 223-8778
www.trs.texas.gov

12/23/2024

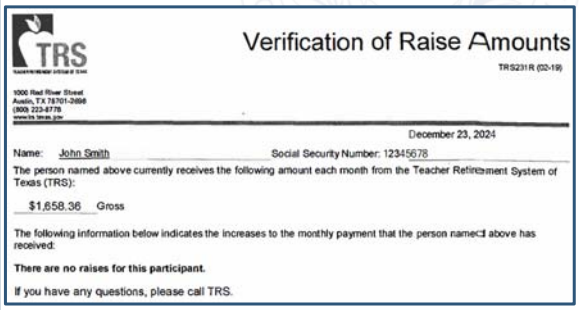
Name John Smith Social Security Number 12345678

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.

12/31/2018 Retirement Date

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
$86.16	Total Federal Income Tax Withheld
$135.00	TRS-Care Insurance Premium(s) Withheld
$0.00	Other Healthcare Insurance Premium(s) Withheld
$2.92	Monthly Dues to Professional Organizations
$1,434.28	Net Amount of All Monthly Payments



TRS

Verification of Raise Amounts

TRS231R (02-19)

1000 Red River Street
Austin, TX 78701-2698
(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

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

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

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

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

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Income: Pension Funds – Special Rule

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

- Applies to 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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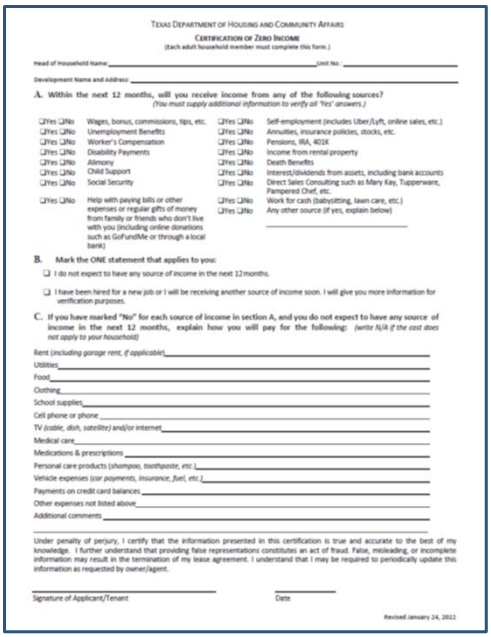
Income: Zero Income Certification



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

CERTIFICATION OF ZERO INCOME

(Each adult household member must complete this form.)

Head of Household Name: _____ Unit No.: _____

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.)

☐Yes ☐No	Wages, bonus, commissions, tips, etc.	☐Yes ☐No	Self-employment (includes Uber/Lyft, online sales, etc.)
☐Yes ☐No	Unemployment Benefits	☐Yes ☐No	Annuities, insurance policies, stocks, etc.
☐Yes ☐No	Worker's Compensation	☐Yes ☐No	Pensions, IRA, 401K
☐Yes ☐No	Disability Payments	☐Yes ☐No	Income from rental property
☐Yes ☐No	Alimony	☐Yes ☐No	Death Benefits
☐Yes ☐No	Child Support	☐Yes ☐No	Interest/dividends from assets, including bank accounts
☐Yes ☐No	Social Security	☐Yes ☐No	Direct Sales Consulting such as Mary Kay, Tupperware, Pampered Chef, etc.
☐Yes ☐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)	☐Yes ☐No	Work for cash (babysitting, lawn care, etc.)
		☐Yes ☐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.

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

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Unearned 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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THANK YOU!

Income Determination Module 3

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (TDHCA)

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