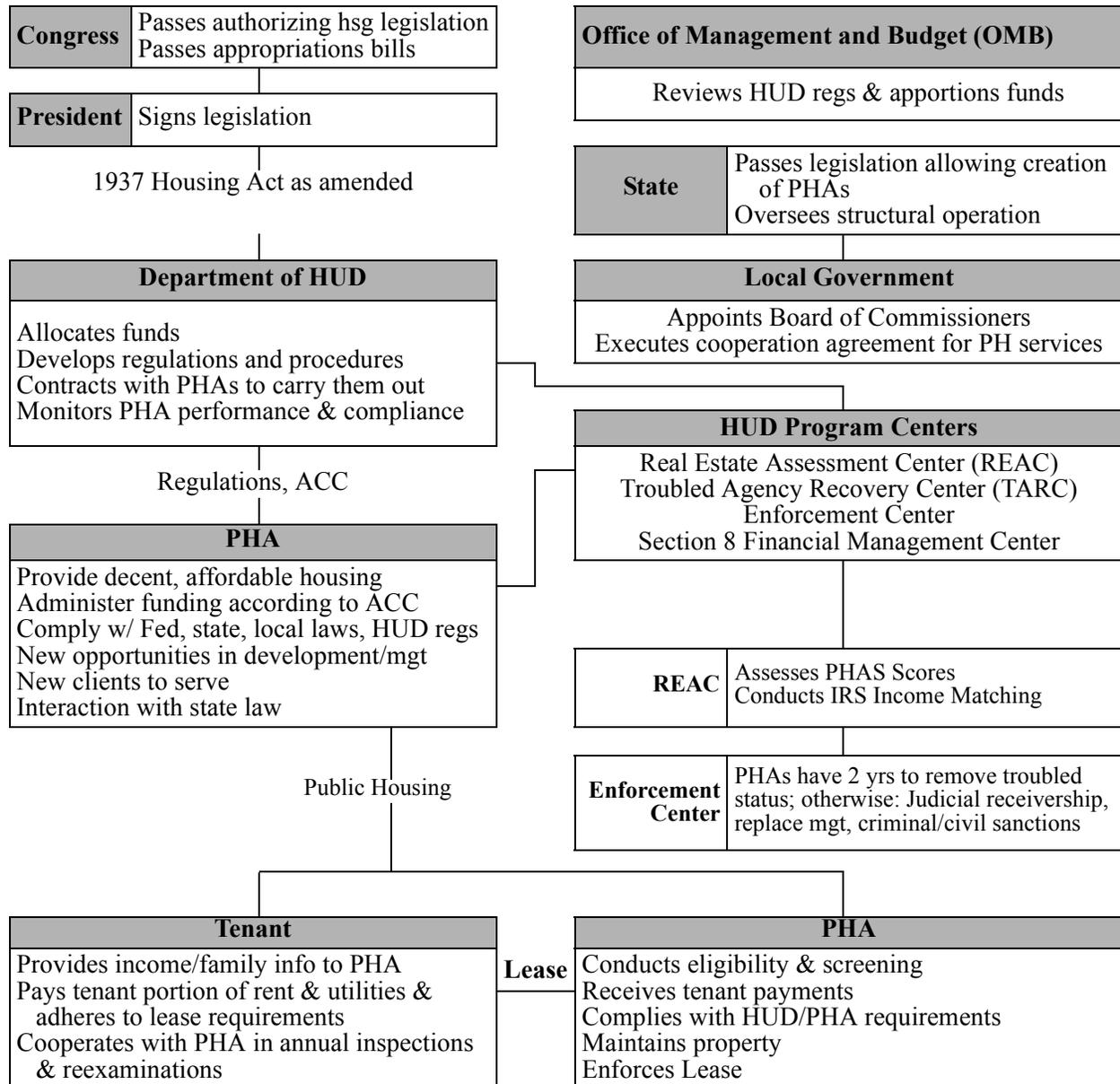
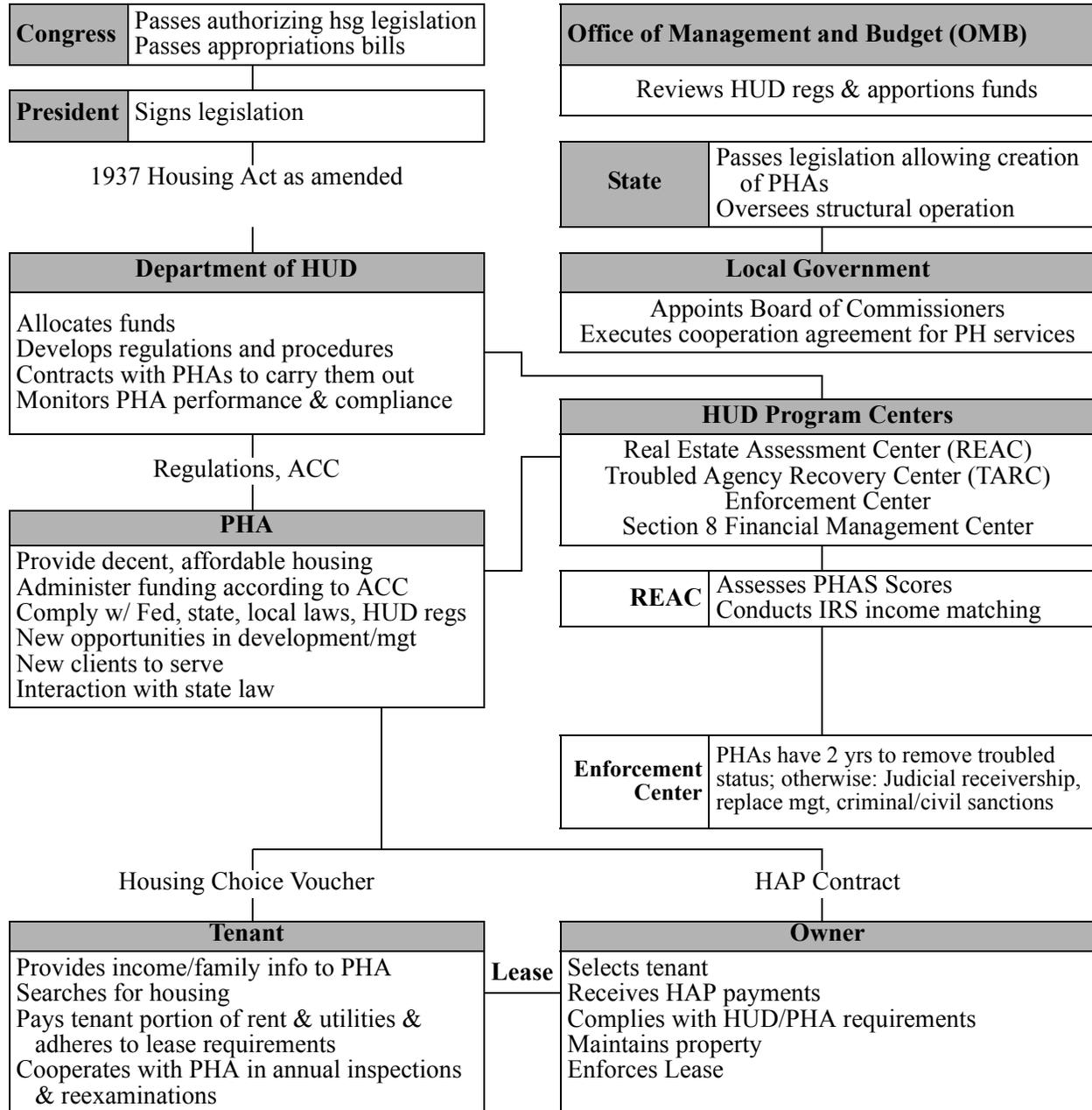


## Basic Program Overview

### Key Relationships in Public Housing



**Key Relationships in the Section 8 Program**



## PHA Structure

- PHAs receive their structure and powers under state law.
- Public corporation with a board of directors.
  - Can be a department of a local entity
- PHAs contract with HUD under an ACC (Annual Contributions Contract) for funding to operate the public housing and housing choice voucher programs.
- PHA structures are different and vary State to State.
  - Titles differ within PHAs
  - Scopes of responsibility differ
- However, all agencies that operate the housing choice voucher program must follow the same HUD rules, and all agencies are rated under SEMAP (Section 8 Management Assessment Program). All agencies that operate the public housing program must follow the same HUD rules, and all agencies are rated under PHAS.

## **Project-Based vs. Tenant-Based Subsidy**

- In public housing, families have to live in the building which has the subsidy attached to it. The legal relationship is the lease between the PHA and the family. Public housing includes four types of projects.
  - Mixed population (Elderly and Disabled)
  - Elderly only
  - Disabled only
  - General occupancy
- Under the tenant-based subsidy, families can choose their unit. In the housing choice voucher program there is a three-way relationship between the PHA, the family and the owner.

## REFERENCES

### MANDATORY REFERENCES

- Statutes
- Regulations
  - Public Housing: 960 and 966
  - HCV: 982
  - Both: Subpart 5
- Current Notices
  - Have an expiration date
  - May be extended
- Handbooks
- Forms
  - Often have instructions in addition to form

### **OPTIONAL REFERENCES**

- Guidebooks
- Letters from individual HUD staff giving guidance
- Notices which have expired (unless changed by mandatory reference)
- Handbooks which have expired (unless changed by mandatory reference)

### **ROLE OF FIELD OFFICE STAFF**

- Answer questions based on mandatory references
- Refer to HUD Guidebooks but make sure staff know that if the guidance is incorporated at a PHA, it should be included in the PHA's policy (Administrative Plan or Admissions and Continued Occupancy Policy).

## Review of Family Report (HUD-50058)

*CFR 908; HUD-50058 Instruction Booklet;  
www.hud.gov/offices/pih/systems/pic/50058*

### UNDERSTANDING THE FORM

- The HUD-50058 is a primary document to review. Therefore, the reviewer must understand each line of the form affecting income and rent calculation applicable to the program being reviewed.
  - The reviewer must know where references can be located.

### PURPOSE AND BACKGROUND

- The purpose is to provide HUD with data on who participates in subsidized housing programs.
- HUD uses data to:
  - Analyze the housing programs
  - Enable HUD to monitor PHA performance
  - Detect fraud
  - Provide information to HUD and Congress and other interested parties.

### PHA RESPONSIBILITIES

- Collect information
- Electronically submit information to HUD
- Review HUD-50058 Error Analysis reports
- Correct all Error Correction reports.

## FORM HUD-50058 FAMILY REPORT

- The form HUD-50058 has seventeen different sections for collecting data.
  1. Agency
  2. Action
  3. Household
  4. Background at Admission
  5. Unit to be Occupied
  6. Assets
  7. Income (Annual Income)
  8. Expected Income Per Year (Adjusted Income)
  9. Total Tenant Payment
  10. Public Housing Only
  11. Premerger Certificates (now used for project-based certificates only)
  12. Section 8 Voucher Rent Calculation
  13. Section 8 Moderate Rehabilitation Program
  14. Manufactured Homeowner Renting the Space – Premerger Certificates (not used)
  15. Section 8 Homeownership (Vouchers)
  16. Indian Mutual Help (IHAs only)
  17. FSS/Welfare to Work Addendum
- At the top of every page the HUD-50058 lists the head of the household's name and SSN along with the date modified.

## FORM HUD-50058 REFERENCES

- PIH Home Page:
  - [www.hud.gov/offices/pih/index.cfm](http://www.hud.gov/offices/pih/index.cfm)
- PIC home page:
  - [www.hud.gov/offices/pih/systems/pic/index.cfm](http://www.hud.gov/offices/pih/systems/pic/index.cfm)
- MTCS Forum:
  - <http://chatwrite.hud.gov/pih/pihboard/mtcs/pihboard.html>
- Guidebooks and Tools:
  - [www.hud.gov/offices/pih/systems/pic/50058/pubs/](http://www.hud.gov/offices/pih/systems/pic/50058/pubs/)



## **FAMILY COMPOSITION**

- Basic information about family composition and characteristics is important for:
  - Establishing eligibility for admission and continued occupancy
  - The family's qualifications for deductions and allowances
  - The appropriate subsidy standard for the family (Housing Choice Voucher)

Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
------------------------	------------------------	----------------------------

### 3. Household

3a. Head of household Member number 01	3b. Last name & Sr., Jr. etc.		3c. First name		3d. MI	3e. Date of birth		3f. Age on effective date of action	
	3g. Sex	3h. Relation <b>H</b>	3i. Citizenship		3j. Disability (Y/N)		3k. Race		3m. Ethnicity
							=1	=2	
						=3	=4		
						=5			
3n. Social Security Number			3p. Alien Registration Number A-		3q. Meeting community service or self-sufficiency requirement? (Public Housing only)				
3a. Member number 02	3b. Last name & Sr., Jr. etc.		3c. First name		3d. MI	3e. Date of birth		3f. Age on effective date of action	
	3g. Sex	3h. Relation	3i. Citizenship		3j. Disability (Y/N)		3k. Race		3m. Ethnicity
							=1	=2	
						=3	=4		
						=5			
3n. Social Security Number			3p. Alien Registration Number A-		3q. Meeting community service or self-sufficiency requirement? (Public Housing only)				
3a. Member number 03	3b. Last name & Sr., Jr. etc.		3c. First name		3d. MI	3e. Date of birth		3f. Age on effective date of action	
	3g. Sex	3h. Relation	3i. Citizenship		3j. Disability (Y/N)		3k. Race		3m. Ethnicity
							=1	=2	
						=3	=4		
						=5			
3n. Social Security Number			3p. Alien Registration Number A-		3q. Meeting community service or self-sufficiency requirement? (Public Housing only)				
3a. Member number 04	3b. Last name & Sr., Jr. etc.		3c. First name		3d. MI	3e. Date of birth		3f. Age on effective date of action	
	3g. Sex	3h. Relation	3i. Citizenship		3j. Disability (Y/N)		3k. Race		3m. Ethnicity
							=1	=2	
						=3	=4		
						=5			
3n. Social Security Number			3p. Alien Registration Number A-		3q. Meeting community service or self-sufficiency requirement? (Public Housing only)				
3a. Member number 05	3b. Last name & Sr., Jr. etc.		3c. First name		3d. MI	3e. Date of birth		3f. Age on effective date of action	
	3g. Sex	3h. Relation	3i. Citizenship		3j. Disability (Y/N)		3k. Race		3m. Ethnicity
							=1	=2	
						=3	=4		
						=5			
3n. Social Security Number			3p. Alien Registration Number A-		3q. Meeting community service or self-sufficiency requirement? (Public Housing only)				
3a. Member number 06	3b. Last name & Sr., Jr. etc.		3c. First name		3d. MI	3e. Date of birth		3f. Age on effective date of action	
	3g. Sex	3h. Relation	3i. Citizenship		3j. Disability (Y/N)		3k. Race		3m. Ethnicity
							=1	=2	
						=3	=4		
						=5			
3n. Social Security Number			3p. Alien Registration Number A-		3q. Meeting community service or self-sufficiency requirement? (Public Housing only)				

**Codes:**

**3h. Relation:**

H = head  
S = spouse  
K = co-head  
F = foster child/foster adult  
Y = other youth under 18  
E = full-time student 18+  
L = live-in aide  
A = other adult

**3i. Citizenship:**

EC = eligible citizen  
EN = eligible noncitizen  
IN = ineligible noncitizen  
PV = pending verification

**3k. Race:**

1 = White  
2 = Black/African American  
3 = American Indian/Alaska Native  
4 = Asian  
5 = Native Hawaiian/Other Pacific Islander

**3m. Ethnicity:**

1 = Hispanic or Latino  
2 = not Hispanic or Latino

**3q. Community service or self-sufficiency:**

1 = yes  
2 = no  
3 = pending  
4 = exempt  
5 = n/a

## Family Type

### HOUSEHOLD

*CFR 5.100*

- HUD defines “household” as the family and the PHA-approved live-in aide.

### FAMILY

*CFR 5.403*

- HUD Defines “elderly,” “disabled,” and “displaced” families. “Family” includes but is not limited to:
  - An elderly family
  - A disabled family
  - A displaced family
- The PHA determines what groups other than the HUD-defined groups constitute a family.

### ELDERLY FAMILY

*CFR 5.403*

- An elderly family is a family whose head, spouse or sole member is at least 62 years of age.

### DISABLED FAMILY

*CFR 5.403*

- A family whose head, spouse or sole member is a person with disabilities.

## **LIVE-IN AIDE**

*CFR 5.403*

*CFR 966.4(d)(3)*

- A person who resides with person(s) who are elderly, near elderly, and/or have a disability, and:
  - Is determined by the PHA to be essential to the care and well-being of the person(s).
  - Is not obligated for support of the person(s).
- Who would not be living in the unit except to provide necessary supportive services.
- A PHA must approve a live-in aide if this meets the criteria of a reasonable accommodation for persons with disabilities.
- A live-in aide is a household member.
  - They can be employed outside the home, and often are employed. Because they are not family members, all income is excluded.

## Social Security Number Requirements

### WHO IS REQUIRED TO REPORT

*CFR 5.210 thru 5.218*

*CFR 5.216(a)(1)*

- All family members age six and over who have a Social Security number are required to disclose it and provide verifying documentation as a condition of initial or continuing eligibility under HUD programs.

*CFR 5.216(a)(2)*

- If a family member who is at least six years old does not have a Social Security number, the individual must sign a certification that he or she does not have one.

*Notice H96-60*

- The certification should:
  - State the individual's name
  - State that the individual has not been assigned an SSN
  - State that the individual will disclose the number if he or she later gets one
  - Be signed and dated

*CFR 5.216(j)*

- If a family member who is required to execute a certification is less than 18 years old, the certification must be executed by the individual's parent or guardian.

Social Security Number Requirements

*CFR 5.216(g)*

- If an individual can provide an SSN but not the requisite documentation, written certification must be executed by the individual (or his/her parent or guardian if under 18). The certification should:
  - State the individual's name
  - State the SSN
  - State that the individual is unable to submit the documentation
  - Be signed and dated

*CFR 5.216(g)(5)*

- The individual has 60 days from the date of certification to obtain documentation to verify the SSN disclosed, and individuals at least 62 years of age may be granted an additional 60-day extension.

*CFR 5.218(a) and (c)*

**FAILURE TO DISCLOSE OR VERIFY SSNs**

- Applicants: Denial of assistance
- Participants: Termination of Assistance

## Citizenship/Eligible Immigrant Status

- The purpose of the regulation is to ensure only citizens, nationals, and certain categories of eligible immigrants are assisted with HUD subsidy.

### ELIGIBILITY FOR ASSISTANCE

- To determine the family type and eligibility status of any family, the eligibility of each individual in the family must be established first.
- CFR 5.500*
- Individuals will fall into one of these categories:
    - Citizens or nationals
    - Eligible immigrants 62 or older
    - Other eligible immigrants
    - Ineligibles, including noncitizen students on student visas
- CFR 5.500*
- Families will fall into one of the following categories:
    - All members are either citizens or eligible immigrants.
- CFR 5.504(b)*
- Some members are eligible and some are ineligible (mixed family).
- CFR 5.500*
- All members are ineligible immigrants.
- Family categories are:
    - An **eligible** family will be comprised of citizen(s), national(s) or noncitizen(s) with *eligible* immigrant status. Eligible families receive full assistance.
    - An **ineligible** family is one in which no member is a citizen, national or eligible immigrant. Ineligible families are denied assistance.
    - **Mixed families** are comprised of citizen(s) or eligible noncitizen(s) and those without citizenship or eligible noncitizen status. Mixed families receive prorated assistance.

## VERIFICATION REQUIREMENTS

- CFR 5.508*

  - Verification of citizenship or national status is provided directly by the family.
- CFR 5.508(b)(1)*

  - Persons who claim citizenship status by executing a signed declaration (Section 214 Status)
- CFR 5.508(b)(2)*

  - Persons 62 and older who claim eligible immigration status by executing a signed declaration and providing proof of age
- CFR 5.508(e)*

  - Persons who declare themselves ineligible or don't contend eligibility status
- CFR 5.508(b)(1)*

  - PHAs may require verification of either U.S. citizenship or U.S. national declaration in the form of a U.S. passport, resident alien card, registration card, social security card or other appropriate documentation.
- CFR 5.508(b)(3)*

  - Verification is required for all other noncitizens who claim eligible immigration status (other than persons 62 and older):
    - A signed declaration of eligible immigration status
    - An INS card or other INS document
    - A signed verification consent form
  - Verification must use INS SAVE. Note: SAVE is changing to a fully automated system called ASVS (Automated Status Verification System).

**DOCUMENTATION**

- PHA documents:

*CFR 5.508(b)(3)*

- Declaration of Section 214 Status

*CFR 5.508(b)(3)*

- Verification Consent Form

*CFR 5.508(e)*

- Listing of Non-Contending Family Members

*CFR 5.508(f)*

- Notice of Section 214 Requirements

## Terms in Rent Calculation

*Note: Some terms will be defined in other sections of the book.*

- Annual Income
- Adjusted Annual Income
- Total Tenant Payment
- Utility Allowance
- Utility Reimbursement Payment
- Flat Rent (public housing)
- Ceiling Rent (public housing)
- Tenant Rent (public housing)

## HOUSING CHOICE VOUCHER TERMS

- *Rent to owner:* Total monthly rent payable to the owner under the lease for the unit.
- *Gross rent.* The sum of the rent to owner plus any utility allowance.
- *Total HAP:* HAP plus utility reimbursement, if any.
- *Total family share:* The portion of the rent and utilities paid by the family.
- *Tenant rent to owner:* In the voucher program, the portion of rent to owner paid by the family.
- *HAP to owner:* Check sent to the owner for the PHA's portion of the rent to owner.

## Annual Income

*CFR 5.609(a)*

- *Annual Income* means all amounts, monetary or not:
  - Which go to or on behalf of the family head or spouse or to any other family member, or
  - That are anticipated during the 12 month period following admission or the annual reexamination effective date, and
  - Which are not specifically excluded in 24 CFR 5.609(c), and
  - Also includes amounts derived from assets to which any family member has access.
  - To be received from a source outside the family

## COMPUTING ANNUAL INCOME

*Notice PIH 2001-15, 5/2/01*

- Annual income is determined by calculating a family's anticipated total or gross income minus allowable exclusions.

$$\begin{array}{r} \text{Total/Gross Income} \\ - \text{Exclusions} \\ \hline = \text{Annual Income} \end{array}$$

- PHAs are now required to show excluded income of family members on the HUD-50058.

## **CONVERTING INCOME**

- Convert earned income to annual income as follows:
  - Multiply hourly wages by the number hours worked/year (2080 hours for full-time employment with a 40-hour work week and no overtime).
  - Multiply weekly wages by 52.
  - Multiply bi-weekly wages by 26.
  - Multiply semi-monthly wages by 24.
  - Multiply monthly wages by 12

## **ANNUAL INCOME INCLUDES**

### **EMPLOYMENT INCOME**

- Employment income, prior to payroll deductions (includes overtime, commission, fees and bonuses).
- Seasonal employment presents a challenge for anticipating income. Sometimes an employer can't give an accurate estimate.
  - Many variables could affect the work schedule and subsequent income, such as weather conditions, demand for work, or other interruptions.
  - If an employer cannot give an estimate of anticipated income for the next twelve months, the PHA:
    - May use last year's income as the best indicator of expected future income.
    - May annualize income over a shorter period, then conduct an interim at the end of the shorter period, or when changes occur.
  - PHAs should develop policies for calculation of seasonal income.

**Adult Full-Time Student**

- For head, spouse or co-head full-time student, count all employment income
- For adult full-time students who qualify as dependents, count only the first \$480 of employment income.
- The educational institution determines the full-time status of the student. This includes vocational schools.

**INCOME OF MINORS**

- Include any benefits or other non-earned income paid directly to minors.

**MILITARY PAY**

*CFR 5.609(a)(1)*  
*CFR 5.609(b)(8)*

- Count all regular pay, special pay and allowances of a member of the armed forces.
- Exclude the special hazardous duty pay when exposed to hostile fire.

*CFR 5.609(c)(7)*

**GIFTS AND CONTRIBUTIONS**

*CFR 5.609(b)(7)*

- PHAs must include as income regular contributions made to the family.
- This may include rent and utility payments paid on behalf of the family and other cash or non-cash contributions provided on a regular basis.

*CFR 5.609(c)(9)*

- Casual contributions or sporadic gifts are not included.

**PERIODIC PAYMENTS AND ALLOWANCES**

*CFR 5.609(b)(4)*

- Social Security (full amount of Social Security prior to Medicare deduction)

*HUD Memo 8/4/89*

- If Social Security recipient's benefits are reduced to make up for prior overpayments, the recipient's income should include the amount the Social Security agency will provide, not the amount that would have been provided if no error were made.

*CFR 5.609(b)(4)*

- Applies to other similar benefits as well as Social Security.

- Annuities
- Insurance policies
- Pensions
- Disability
- Death benefits

*CFR 5.609(b)(7)*

- Alimony and Child Support:

*HCV Guidebook part 5.3*

- PHAs should include amounts awarded as part of a divorce or separation agreement unless the PHA has verified that the income is not provided.
- Include amounts awarded unless applicant certifies that income is not provided and has made effort to collect amounts, including filing with courts or appropriate agencies responsible for enforcing such payments.

### **LUMP-SUM PAYMENTS**

#### **Income**

*CFR 5.609(b)(4)*

- Lump-sum payments caused by delays in processing periodic payments (unemployment or welfare assistance benefits) are included as income.

#### **Assets**

*CFR 5.609(c)(3)*

- Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses are not included in income.

*CFR 5.609(c)(14)*

- Lump-sum payments caused by delays in processing periodic payments for Social Security or SSI are not included as income.

#### **INCOME FROM A BUSINESS (Including Self-Employment)**

*CFR 5.609(b)(2)*

- Net income equals gross income less expenses.
- Business expense depreciation (straight-line), interest payments on loans and all expenses other than those for expansion or capital improvements.

#### **PUBLIC ASSISTANCE**

*CFR 5.609(b)(6)*

- Temporary Assistance to Needy Families (TANF)
- SSI
- General Assistance/General Relief

**Public Assistance Income in As-paid States ("Welfare Rent")**

*Form HUD-50058 Instruction  
Booklet section 9(g)*

- Special calculations of income are required for “as-paid” state, county, or local public assistance programs.
- There is also a special calculation of TTP (Total Tenant Payment) which includes Welfare Rent.

**PAYMENTS IN LIEU OF EARNINGS**

*CFR 5.609(b)(5)*

- Annual income includes:
  - Unemployment
  - Workers' Compensation
  - Severance pay

**SECTION 7 OF 50058: INCOME**

**7. Income**

7a. Family member name	No.	7b. Income Code	7c. Calculation (PHA use)	7d. Dollars per year	7e. Income exclusions	7f. Income after exclusions (7d minus 7e)
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
7g. Column total						\$ 7g.
7h. Reserved						
7i. Total annual income: 6j + 7g						\$ 7i.

**EXAMPLE OF COMPLETED SECTION 7**

6j = 155

**7. Income**

7a. Family member name	No.	7b. Income Code	7c. Calculation (PHA use)	7d. Dollars per year	7e. Income exclusions	7f. Income after exclusions (7d minus 7e)
<b>Julie</b>	<b>1</b>	<b>W</b>	<b>10.25 x 2080</b>	<b>\$ 21,320</b>	<b>\$</b>	<b>\$ 21,320</b>
<b>Karen</b>	<b>2</b>	<b>W</b>	<b>150 x 52</b>	<b>\$ 7,800</b>	<b>\$ 7,320</b>	<b>\$ 480</b>
<b>Tony</b>	<b>3</b>	<b>W</b>	<b>100 x 52</b>	<b>\$ 5,200</b>	<b>\$ 5,200</b>	<b>\$ 0</b>
<b>Eric</b>	<b>4</b>	<b>S</b>	<b>300 x 12</b>	<b>\$ 3,600</b>	<b>\$</b>	<b>\$ 3,600</b>
				\$	\$	\$
				\$	\$	\$
7g. Column total						\$ 25,400 7g.
7h. Reserved						
7i. Total annual income: 6j + 7g						\$ 25,555 7i.

## Learning Activity 1: Annual Income

- Eric Evans receives veteran's benefits of \$600 monthly
- Eric's wife, Eve Evans, works full time in a clothing store and earns \$6.25 hourly.

**Task:**

- Calculate the Evans family's total income by completing 7 (7a through 7i) of the 50058 form



## Assets and Asset Income

- The value of assets may affect annual income.
  - The PHA must identify assets and verify the value of assets.

### ASSETS INCLUDE

- Amounts in savings and checking accounts
  - PHAs establish policies for determining the value of accounts.
  - PHAs may elect to count current balances or average balances for a given period.
- Stocks, bonds, other forms of capital investments and real property (land owned or bequeathed).
- Equity in real property or other capital investments
  - Equity is the estimated current market value of the asset less:
    - the unpaid balance on all loans secured by the assets
    - reasonable costs (such as broker fees) that would be incurred in selling the assets
- The cash value of trusts that are available to the family.
- IRA, Keogh, and similar retirement savings accounts, less penalties for withdrawal.
- Contributions to company retirement/pension funds if any member of the family has access to the asset.

*HCV Guidebook part 5.4*

- While individual is employed, include only those amounts the family can withdraw without retiring or terminating employment.
  - *Income*: After retirement, include in annual income any benefits received through periodic payments.
- CFR 5.609(b)(4)*
- Assets, which allow unrestricted access by the applicant.
- HCV Guidebook part 5.4*
- Lump-sum additions to family assets, such as inheritances, lottery winnings, social security and SSI.
- CFR 5.609(c)(3)*
- Personal property held as an investment, such as gems, jewelry, coin collections, antique cars, etc.
  - Cash value of life insurance policies.
- HCV Guidebook part 5.4*

#### **ASSETS DO NOT INCLUDE**

- Personal property
- Assets not accessible to the family
- Interest in Indian Trust lands.

## INCOME FROM ASSETS

- Assets can generate income. Income from assets is counted in determining annual income. Examples of income from assets include:
  - Interest
  - Dividends
  - Net income from real or personal property
- Asset income of minors is counted as income.
- When net family assets are \$5,000 or less, actual asset income is used.
- When net family assets exceed \$5000, asset income is the greater of:
  - Actual income from all net family assets, or
  - Imputed asset income
    - Net family assets multiplied by HUD-supplied passbook interest rate.
- Each HUD field office will determine the rate of interest that will accurately reflect the return on assets in its jurisdiction.

*CFR 5.690(b)(3)*

*HUD-50058 Instruction booklet*

*Notice PIH 23-33*

**SECTION 6 OF 50058: ASSETS**

**6. Assets**

6a. Family member name	No.	6b. Type of asset	6c. Calculation (PHA use)	6d. Cash value of asset	6e. Anticipated Income
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
6f, 6g. Column totals				\$ 6f.	\$ 6g.
6h. Passbook rate (written as decimal)					0. _____ 6h.
6i. Imputed asset income: 6f X 6h (if 6f is \$5,000 or less, put 0)					\$ 6i.
6j. Final asset income: larger of 6g or 6i					\$ 6j.

**EXAMPLE OF COMPLETED SECTION 6**

**6. Assets**

6a. Family member name	No.	6b. Type of asset	6c. Calculation (PHA use)	6d. Cash value of asset	6e. Anticipated Income
<b>Julie</b>	<b>1</b>	<b>CD</b>	<b>\$3600-\$100</b>	<b>\$ 3500</b>	<b>\$ 90</b>
<b>Karen</b>	<b>2</b>	<b>savings</b>		<b>\$ 2200</b>	<b>\$ 44</b>
<b>Tony</b>	<b>3</b>	<b>savings</b>		<b>\$ 500</b>	<b>\$ 7</b>
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
6f, 6g. Column totals				\$ 6200 6f.	\$ 141 6g.
6h. Passbook rate (written as decimal)					0. <u>025</u> 6h.
6i. Imputed asset income: 6f X 6h (if 6f is \$5,000 or less, put 0)					\$ 155 6i.
6j. Final asset income: larger of 6g or 6i					\$ 155 6j.

2.5%  
2.0%  
1.3%

## Learning Activity 2: Assets and Asset Income

- Eric and Eve Evans have a savings account with a balance of \$1000. It is expected to earn 2% interest this year. The HUD passbook rate in their area is 2.25%.

### Task

1. List the asset in section 6 of the 50058 and calculate the anticipated income. (Complete 6a through 6e)
2. Calculate their final asset income (6f through 6j).
3. Compute the total annual income (7i).

Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
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**6. Assets**

6a. Family member name	No.	6b. Type of asset	6c. Calculation (PHA use)	6d. Cash value of asset	6e. Anticipated Income
			<b>1000 x .02</b>	\$ <b>1000</b>	\$ <b>20</b>
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
6f, 6g. Column totals				\$ <b>1000</b> 6f.	\$ <b>20</b> 6g.
6h. Passbook rate (written as decimal)					0. <b>0225</b> 6h.
6i. Imputed asset income: 6f X 6h (if 6f is \$5,000 or less, put 0)					\$ <b>0</b> 6i.
6j. Final asset income: larger of 6g or 6i					\$ <b>20</b> 6j.

**7. Income**

7a. Family member name	No.	7b. Income Code	7c. Calculation (PHA use)	7d. Dollars per year	7e. Income exclusions	7f. Income after exclusions (7d minus 7e)
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
7g. Column total						\$ <b>20200</b> 7g.
7h. Reserved						
7i. Total annual income: 6j + 7g						\$ <b>20,220</b> 7i.

**7b: Income Codes**

<b>Wages:</b> B = own business F = federal wage HA = PHA wage M = military pay W = other wage	<b>Welfare:</b> G = general assistance IW = annual imputed welfare income T = TANF assistance	<b>SS/SSI/Pensions:</b> P = pension S = SSI SS = Social Security	<b>Other Income Sources:</b> C = child support E = medical reimbursement I = Indian trust/per capita N = other nonwage sources U = unemployment benefits
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Notes

# INCOME EXCLUSIONS FROM HUD FACT SHEET: “HOW YOUR RENT IS DETERMINED”

U.S. Department of Housing and Urban Development

## FACT SHEET

### “How Your Rent Is Determined” For Public Housing And Housing Choice Voucher Programs

Office of Public and Indian Housing  
November, 2002

*This Fact Sheet is a general guide to inform the Public Housing Agency (PHA) and HUD- assisted residents of the responsibilities and rights regarding income disclosure and verification. Since some of the requirements vary by program, residents should consult their PHA to determine the specific policies that apply.*

#### **Annual income does not include the following:**

- Income from employment of children (including foster children) under the age of 18 years;
- Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone);
- Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker’s compensation), capital gains and settlement for personal or property losses.
- Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;
- Income of a live-in aide, as defined in §5.403;
- The full amount of student financial assistance paid directly to the student or to the educational institution;
- The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;
- Amounts received under training programs funded by HUD;
- Amounts received by a person with a disability that are disregarded for a limited time purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);
- Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program;
- Amounts received under a resident service stipend. A resident service stipend is a modest amount (not to exceed \$200 per month) received by a resident for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, resident initiatives coordination, and serving as a member of the PHA’s governing board. No resident may receive more than one such stipend during the same period of time;
- Incremental earnings and benefits resulting to any family member from participation in quality State or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for the period during which the family member participates in the employment training program;
- Temporary, nonrecurring or sporadic income (including gifts);
- Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era;
- Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of household and spouse);
- Adoption assistance payments in excess of \$480 per adopted child;
- Deferred periodic amounts from supplemental security benefits that are received in a lump sum amount or in prospective monthly amounts.
- Amounts received by the family in the form of refund or rebates under State or local law for property taxes paid on the dwelling unit;
- Amounts paid by a State agency to a family with a member who has a development disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home; or
- Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions are set forth.

## Other Income Exclusions

### Federally Mandated Income Exclusions -- The following statutory exclusions apply to HUDassisted and other government programs:

- The value of the allotment provided under the Food Stamp Act of 1977.
- Payments to volunteers under the Domestic Volunteer Services Act of 1973
- Payments received under the Alaska Native Claims Settlement Act (cash including cash dividends on stock received from a Native Corporation and on bonds received from a Native Corporation to the extent that it does not in the aggregate exceed \$2,000 per individual per year)
- Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes
- Income Home Energy Assistance Program
- Payments received under programs funded under the Job Training Partnership Act (Workforce Investment Act of 1998)
- Income derived from the disposition of funds to the Grand River Band of Ottawa Indians. The first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U.S. Claims Court, the interests of individual Indians in trust or restricted lands, including the first \$2,000 per year of income received by individual Indians from funds derived from interests held in trust or restricted lands
- Amounts of scholarships funded under Title IV of the Higher Education Act of 1965 (including Federal Work Study program or Bureau of Indian Affairs (BIA) Student Assistance programs
- Payments received from programs funded under Title V of the Older Americans Act of 1985
- Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in Re Agent-product liability
- Payments received under the Maine Indian Claims Settlement Act of 1980
- The value of any child care provided or arranged under the Child Care and Development Block Grant Act of 1990
- Earned income tax credit (EITC) refund payments received on or after January 1, 1991
- Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation
- Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990
- Any allowance paid to a child suffering from spina bifida who is the child of a Vietnam veteran
- Any amount of crime victim compensation under the Victims of Crime Act
- Allowances, earnings and payments to individuals participating in programs under the Workforce Investment Act of 1998

## Learning Activity 3: Identifying Income and Assets ANSWERS

### TRAINER NOTES:

- Use income exclusions on page 4-21; use asset inclusions on page 4-30
- Indicate if the items below are assets by marking A; indicate income items to be counted as income by marking B; if an item is neither an asset nor income, mark it C.

*Asset = A*

*Income = B*

*Neither = C*

<u>C</u>	1.	Adoption assistance payments in excess of \$480
<u>A</u>	2.	Equity in a house that the tenant owns
<u>B</u>	3.	Net income from operation of a business
<u>A</u>	4.	Lump sum lottery winnings
<u>C</u>	5.	Income of live-in attendants
<u>C</u>	6.	Student loans
<u>C</u>	7.	Payments under the Workforce Investment Act of 1998
<u>A</u>	8.	Cash value of IRAs
<u>B</u>	9.	Rent from property
<u>C</u>	10.	Hostile fire pay to a family member in the Armed Forces
<u>B</u>	11.	Public assistance payments
<u>C</u>	12.	Value of food stamps
<u>B</u>	13.	Gross wages, salaries, tips of adult family members
<u>C</u>	14.	Gross wages of 17 year old (not the head or spouse) who has quit school
<u>C</u>	15.	Furniture and automobiles not held as an investment
<u>A</u>	16.	Cash surrender value of life insurance policies

## Adjusted Income

*FR 5.611*

- Adjusted income is annual income minus allowances for
  - Dependents
  - Elderly or disabled family allowance
  - Child care
  - Medical expenses
  - Disability expenses.

## PERMISSIVE DEDUCTIONS - PUBLIC HOUSING ONLY

*CFR 5.611 (b)*

- A PHA may adopt additional deductions from annual income.
- The PHA must establish a written policy for such deductions.

Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
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## 8. Expected Income Per Year

8a. Total annual income: copy from 7i	\$	8a.
---------------------------------------	----	-----

### Permissible Deductions (Public Housing Only. If Section 8, Skip to 8f or 8q)

8b. Family member name	No.	8c. Type of permissible deduction	8d. Amount
			\$
			\$
			\$
8e. Total permissible deductions			\$ 8e.

### If head/spouse/co-head is under 62 and no family member disabled, skip to 8q

8f. Medical/disability threshold: 8a X 0.03	\$	8f.
8g. Total annual unreimbursed disability assistance expense (if no disability expenses, skip to 8k)	\$	8g.
8h. Maximum disability allowance: If 8g minus 8f is positive or zero, put amount	\$	8h.
	If negative and head/spouse/co-head is under 62 and not disabled, put 0	\$ 8h.
	If negative and head/spouse/co-head is elderly or disabled, copy from 8g	\$ 8h.
8i. Earnings in 7d made possible by disability assistance expense	\$	8i.
8j. Allowable disability assistance expense: lower of 8h or 8i (if 8g is less than 8f and head/spouse/co-head elderly or disabled, copy from 8h)	\$	8j.
8k. Total annual unreimbursed medical expenses (if head/spouse/co-head under 62 and not disabled, put 0)	\$	8k.
8m. Total annual disability assistance and medical expense: 8j + 8k (if no disability expenses, copy from 8k)	\$	8m.
8n. Medical/disability assistance allowance:		
	If no disability assistance expenses or if 8g is less than 8f, put 8m minus 8f (if 8m minus 8f is negative, put zero)	\$ 8n.
	If disability assistance expenses and 8g is greater than or equal to 8f, copy from 8m	\$ 8n.
8p. Elderly/disability allowance (default = \$400)	\$	8p.
8q. Number of dependents (people under 18, or with disability, or full-time student. Do not count head of household, spouse, co-head, foster child/adult, or live-in aide).		8q.
8r. Allowance per dependent (default = \$480)	\$	8r.
8s. Dependent allowance: 8q X 8r	\$	8s.
8t. Total annual unreimbursed childcare costs	\$	8t.
8u. Total annual travel cost to work/school (Indian Housing only)	\$	8u.
8v. Reserved		
8w. Reserved		
8x. Total allowances: 8e + 8n + 8p + 8s + 8t + 8u	\$	8x.
8y. Adjusted annual income: 8a minus 8x (if 8x is larger, put 0)	\$	8y.

## Learning Activity 4: Adjusted Income

- Eric and Eve have a 3-year-old child Erin, there are no other household members

### Task

1. Complete section 8 (8a through 8y) of the 50058 form to get Adjusted Annual Income.
2. You will be building from the previous learning activity's 50058. See the previous 50058 from learning activity 1-2, for annual income line 7i.

Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
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## 8. Expected Income Per Year

8a. Total annual income: copy from 7i	<b>\$ 20,220</b> 8a.
---------------------------------------	----------------------

### Permissible Deductions (Public Housing Only. If Section 8, Skip to 8f or 8q)

8b. Family member name	No.	8c. Type of permissible deduction	8d. Amount
			\$
			\$
			\$
8e. Total permissible deductions			\$ 8e.

### If head/spouse/co-head is under 62 and no family member disabled, skip to 8q

8f. Medical/disability threshold: 8a X 0.03	\$	8f.
8g. Total annual unreimbursed disability assistance expense (if no disability expenses, skip to 8k)	\$	8g.
8h. Maximum disability allowance: If 8g minus 8f is positive or zero, put amount	\$	8h.
If negative and head/spouse/co-head is under 62 and not disabled, put 0	\$	8h.
If negative and head/spouse/co-head is elderly or disabled, copy from 8g	\$	8h.
8i. Earnings in 7d made possible by disability assistance expense	\$	8i.
8j. Allowable disability assistance expense: lower of 8h or 8i (if 8g is less than 8f and head/spouse/co-head elderly or disabled, copy from 8h)	\$	8j.
8k. Total annual unreimbursed medical expenses (if head/spouse/co-head under 62 and not disabled, put 0)	\$	8k.
8m. Total annual disability assistance and medical expense: 8j + 8k (if no disability expenses, copy from 8k)	\$	8m.
8n. Medical/disability assistance allowance:	\$	8n.
If no disability assistance expenses or if 8g is less than 8f, put 8m minus 8f (if 8m minus 8f is negative, put zero)	\$	8n.
If disability assistance expenses and 8g is greater than or equal to 8f, copy from 8m	\$	8n.
8p. Elderly/disability allowance (default = \$400)	\$	8p.
8q. Number of dependents (people under 18, or with disability, or full-time student. Do not count head of household, spouse, co-head, foster child/adult, or live-in aide).	<b>1</b>	8q.
8r. Allowance per dependent (default = \$480)	\$ <b>480</b>	8r.
8s. Dependent allowance: 8q X 8r	\$ <b>480</b>	8s.
8t. Total annual unreimbursed childcare costs	\$	8t.
8u. Total annual travel cost to work/school (Indian Housing only)	\$	8u.
8v. Reserved		
8w. Reserved		
8x. Total allowances: 8e + 8n + 8p + 8s + 8t + 8u	\$	8x.
8y. Adjusted annual income: 8a minus 8x (if 8x is larger, put 0)	\$ <b>19,740</b>	8y.

## Total Tenant Payment

### FORMULA FOR TOTAL TENANT PAYMENT

*CFR 5.628*

- Total Tenant Payment (TTP) is the highest of the following amounts, rounded to the nearest dollar:

*Form HUD-50058  
Instruction Booklet,  
line 9e  
CFR 5.628*

- 30% of family's monthly adjusted income
- 10% of family's monthly income
- Welfare rent
- PHA's minimum rent
- Welfare rent

**SECTION 9 OF 50058: ASSETS9****9. Total Tenant Payment (TTP)**

9a. Total monthly income: $8a \div 12$	\$	9a.
9b. Reserved		
9c. TTP if based on annual income: $9a \times 0.10$	\$	9c.
9d. Adjusted monthly income: $8y \div 12$	\$	9d.
9e. Percentage of adjusted monthly income: use 30% for Section 8		9e.
9f. TTP if based on adjusted annual income: $(9d \times 9e) \div 100$	\$	9f.
9g. Welfare rent per month (if none, put 0)	\$	9g.
9h. Minimum rent (if waived, put 0)	\$	9h.
9i. Enhanced Voucher minimum rent	\$	9i.
9j. TTP, highest of lines 9c, 9f, 9g, 9h, or 9i	\$	9j.
9k. Most recent TTP	\$	9k.
9m. Qualify for minimum rent hardship exemption? (Y or N)		9m.

**EXAMPLE OF COMPLETED SECTION 7****9. Total Tenant Payment (TTP)**

9a. Total monthly income: $8a \div 12$	\$	<b>2,130</b>	9a.
9b. Reserved			
9c. TTP if based on annual income: $9a \times 0.10$	\$	<b>213</b>	9c.
9d. Adjusted monthly income: $8y \div 12$	\$	<b>1,525</b>	9d.
9e. Percentage of adjusted monthly income: use 30% for Section 8		<b>30</b>	9e.
9f. TTP if based on adjusted annual income: $(9d \times 9e) \div 100$	\$	<b>458</b>	9f.
9g. Welfare rent per month (if none, put 0)	\$	<b>0</b>	9g.
9h. Minimum rent (if waived, put 0)	\$	<b>25</b>	9h.
9i. Enhanced Voucher minimum rent	\$		9i.
9j. TTP, highest of lines 9c, 9f, 9g, 9h, or 9i	\$		9j.
9k. Most recent TTP	\$	<b>350</b>	9k.
9m. Qualify for minimum rent hardship exemption? (Y or N)		<b>N</b>	9m.

## Learning Activity 5: Calculating TTP

- Calculate the Evans family TTP on section 9 of the 50058 form. (Complete 9a through 9j)
- The PHA's minimum rent (minimum TTP) is \$25.
- Additional information to calculate TTP can be found on the Evans 50058 from calculating their adjusted annual income, learning activity 4.
  - Total annual income (8a)                      \$20,220
  - Adjusted annual income (8y)                \$19,740

Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
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### 9. Total Tenant Payment (TTP)

9a. Total monthly income: $8a \div 12$	\$	<b>1685</b>	9a.
9b. Reserved			
9c. TTP if based on annual income: $9a \times 0.10$	\$	<b>169</b>	9c.
9d. Adjusted monthly income: $8y \div 12$	\$	<b>1645</b>	9d.
9e. Percentage of adjusted monthly income: use 30% for Section 8		<b>30</b>	9e.
9f. TTP if based on adjusted annual income: $(9d \times 9e) \div 100$	\$	<b>494</b>	9f.
9g. Welfare rent per month (if none, put 0)	\$	<b>0</b>	9g.
9h. Minimum rent (if waived, put 0)	\$	<b>25</b>	9h.
9i. Enhanced Voucher minimum rent	\$		9i.
9j. TTP, highest of lines 9c, 9f, 9g, 9h, or 9i	\$	<b>494</b>	9j.
9k. Most recent TTP	\$		9k.
9m. Qualify for minimum rent hardship exemption? (Y or N)			9m.

## Utility Allowance

- PHAs are required to establish and maintain utility allowance schedules.
- A utility allowance is that amount approved by the PHA for reasonable monthly costs of local utility consumption.
- Families responsible for utility costs, excluding telephone, will see a utility allowance applied to their rent calculation.
- Public Housing utility allowance determination, establishment and revision requirements may be found in CFR 965.502
- Section 8 utility allowance determination, establishment and revision requirements may be found in CFR 982.517
  - For Housing Choice Voucher participants, PHAs must also establish allowances for tenant-supplied appliances such as ranges and refrigerators.
    - Only allowed when the owner does not provide the appliance.
    - Covers the cost of the appliance itself, not energy used to operate the appliance.

## Public Housing Rent Calculation

### DEFINITIONS FOR INCOME-BASED RENT

#### TENANT RENT

*CFR 5.603*

- The amount payable monthly by the family as rent to the unit owner (PHA in public housing).

#### UTILITY REIMBURSEMENT

- The amount by which the utility allowance for a unit exceeds the total tenant payment for the family occupying the unit.

#### INCOME BASED RENT

*Form HUD-50058,  
line 10, instructions*

- Rent based upon family income, allowances and deductions.

*CFR 960.253(c)(3)*

- To arrive at Tenant Rent, the utility allowance is subtracted from the Total Tenant Payment

*CFR 5.632  
CFR 960.263(c)(3)*

- If the utility allowance is greater than the TTP, Tenant Rent is zero and there is a Utility Reimbursement Payment.

**SECTION 10 OF 50058: PUBLIC HOUSING RENT CALCULATION**

**10. Public Housing, Indian Rental, and Turnkey III**

10a. TTP: copy from 9j		\$	10a.
10b. Unit's flat rent (see Instruction Booklet for prorated flat rent calculation)		\$	10b.
<b>Income Based Rent Calculation (if prorated rent, skip to 10h)</b>			
10c. Ceiling rent, if any		\$	10c.
10d. Lower of TTP or ceiling rent (if no ceiling rent, put 10a)		\$	10d.
10e. Utility allowance, if any		\$	10e.
10f. Tenant rent: 10d minus 10e	If positive or 0, put tenant rent		\$ 10f.
	If negative, credit tenant	or CR	\$ 10f.
10g. Reserved			

**Type of Rent**

10u. Type of rent selected:			
<input type="checkbox"/>	Income based	<input type="checkbox"/>	Flat
10v. Reserved			

**EXAMPLE OF COMPLETED SECTION 10**

**10. Public Housing, Indian Rental, and Turnkey III**

10a. TTP: copy from 9j		\$ 80	10a.
10b. Unit's flat rent (see Instruction Booklet for prorated flat rent calculation)		\$ 600	10b.
<b>Income Based Rent Calculation (if prorated rent, skip to 10h)</b>			
10c. Ceiling rent, if any		\$	10c.
10d. Lower of TTP or ceiling rent (if no ceiling rent, put 10a)		\$ 80	10d.
10e. Utility allowance, if any		\$ 50	10e.
10f. Tenant rent: 10d minus 10e	If positive or 0, put tenant rent		\$ 10f.
	If negative, credit tenant	or CR	\$ 10f.
10g. Reserved			

**Type of Rent**

10u. Type of rent selected:			
<input checked="" type="checkbox"/>	Income based	<input type="checkbox"/>	Flat
10v. <del>Reserved</del>			

## **CEILING RENTS**

*CFR 960.253(d)*

- The purpose of ceiling rents is to set a maximum rent families will pay, regardless of how high their income goes.
- PHAs that had ceiling rents that were authorized and established before 10/1/99 could retain ceiling rents instead of using flat rents for a period of three years from 10/1/99.
- As of 10/1/2002, the PHA must adjust such ceiling rents to the level required for flat rents.

## **FLAT RENTS**

*CFR 960.253(b)*

- Effective for families admitted or recertified on or after 10/1/99.
- Each PHA must establish a flat rent for each public housing unit.
- Flat rent has no formula-based limit on what the tenant pays. Utility allowances are not deducted. Flat rent is THE rent.
- Flat rent is based on the PHA determination of rental value of the unit. It is designed to not create a disincentive for families to stay in public housing as their income increases.
- For a family that chooses the flat rent option, the PHA must conduct a reexamination of family income at least once every three years. A reexamination of family composition must be completed annually.

### **FLAT RENT METHODOLOGY**

- *Market value* is rent which would allow the unit to be successfully rented if it was not public housing.
- Acceptable methodology incorporates the same nine factors used in Section 8 Rent Reasonableness methodology:
  - Location
  - Quality
  - Size
  - Unit type
  - Age of the unit
  - Amenities
  - Housing services
  - Maintenance
  - Utilities provided by the PHA.

### **FAMILY CHOICE**

*CFR 960.253*

- Families elect annually whether to pay income-based rent or flat rent.
- If the family elects to pay income-based rent, the family may not switch to flat rent until the next annual reexamination.
- If the family has elected to pay flat rent but has a hardship and is unable to pay, the PHA must allow the family to switch to income-based rent.

### **SWITCHING FROM FLAT RENT TO INCOME-BASED RENT BECAUSE OF HARDSHIP**

*CFR 960.253(f)*

- The PHA must adopt written policies for determining when payment of flat rent is a financial hardship for the family.
- Allowable hardships to switch from flat rent to income based rent include:
  - The family has experienced a decrease in income because of changed circumstances, including loss or reduction of employment, death in the family, or reduction in or loss of earnings or other assistance;
  - The family has experienced an increase in expenses, for medical costs, child care, transportation, education, or similar items; and
- Such other situations determined by the PHA to be appropriate.

## **Learning Activity 6: Calculating Tenant Rent in Public Housing**

- The Evans family resides in a 2-bedroom unit with a flat rent of \$700. The utility allowance for the unit is \$45. They have elected to pay an income-based rent. Their TTP is \$494.

### **Task**

1. Calculate their tenant rent on section 10 of the 50058 form. (Complete 10a through 10f)

Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
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**10. Public Housing, Indian Rental, and Turnkey III**

10a. TTP: copy from 9j		\$	<b>494</b>	10a.
10b. Unit's flat rent (see Instruction Booklet for prorated flat rent calculation)		\$	<b>700</b>	10b.
<b>Income Based Rent Calculation (if prorated rent, skip to 10h)</b>				
10c. Ceiling rent, if any		\$		10c.
10d. Lower of TTP or ceiling rent (if no ceiling rent, put 10a)		\$	<b>494</b>	10d.
10e. Utility allowance, if any		\$	<b>45</b>	10e.
10f. Tenant rent: 10d minus 10e	If positive or 0, put tenant rent			\$ <b>449</b> 10f.
	If negative, credit tenant		or CR	\$ 10f.
10g. Reserved				

<b>Income Based Prorated Rent Calculation (if not prorated, skip to 10u)</b>				
10h. Public/Indian Housing maximum rent		\$		10h.
10i. Family maximum subsidy: 10h minus 10a		\$		10i.
10j. Total number eligible				10j.
10k. Total number in family				10k.
10m. Reserved				
10n. Eligible subsidy (10i ÷ 10k) X 10j		\$		10n.
10p. Mixed family TTP: 10h minus 10n		\$		10p.
10q. Reserved				
10r. Utility allowance, if any		\$		10r.
10s. Mixed family tenant rent: 10p minus 10r	If positive or 0, put tenant rent			\$ 10s.
	If negative, credit tenant		or CR	\$ 10s.
10t. Reserved				

**Type of Rent**

10u. Type of rent selected:				
<input type="checkbox"/>	Income based	<input type="checkbox"/>	Flat	
10v. Reserved				

## **Payment Standards for Housing Choice Vouchers**

- Payment standards are used to calculate the total subsidy for the family.
- The payment standard is the maximum subsidy amount.
- PHAs must establish payment standard amounts for each bedroom size and for each FMR area in the PHA's jurisdiction.
- Total subsidy is the lower of gross rent or the payment standard, minus TTP.
- The family share may be the TTP or a higher amount, depending on the unit the family selects.
  - When the gross rent is less than the payment standard, the family share will be the same as the TTP
  - When the gross rent is greater than the payment standard, the family share is the TTP plus any amount by which the gross rent exceeds the payment standard.
- Gross rent minus total HAP equals family share.

**EXAMPLE OF GROSS RENT MORE THAN PAYMENT STANDARD (RECERTIFICATION)**

- Family TTP = \$25
- PHA Payment standard = \$600
- GR for unit selected by family = \$680
- \$600 minus \$25 = \$575 total subsidy
- \$680 (GR) minus \$575 = \$105
- Family share = \$105
- Here family share is greater than TTP

12j. Payment standard for the family	\$ 600	12j.
12k. Rent to owner	\$ 650	12k.
12m. Utility allowance, if any	\$ 30	12m.
12n. Reserved		
12p. Gross rent of unit: 12k + 12m (or Space Rent)	\$ 680	12p.
12q. Lower of 12j or 12p (if Premerger Voucher contract, see Instruction Booklet)	\$ 600	12q.
12r. TTP: copy from 9j	\$ 25	12r.
12s. Total HAP: 12q minus 12r	\$ 575	12s.
<b>Rent Calculation (if prorated rent, skip to 12ab)</b>		
12t. Total family share: 12p minus 12s	\$ 105	12t.
12u. HAP to owner: lower of 12k or 12s	\$ 575	12u.
12v. Tenant rent to owner: 12k minus 12u		\$ 12v.
12w. Utility reimbursement to family: 12s minus 12u, but do not exceed 12m		\$ 12w.

Learning Activity 7: Gross Rent Above the Payment Standard

**Learning Activity 7: Gross Rent Above the Payment Standard**

- Using the information below, complete section 12 (12j through 12w) on the 50058 form.

-	PS	\$750	Rent to Owner	\$725
-	TTP	\$494	UA	\$50

Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
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## 12. Section 8 Vouchers

12a. Number of bedrooms on Voucher			12a.
12b. Is family now moving to this unit? (Y or N)			12b.
12c. Does the family qualify as a Hard to House family? (Y or N)			12c.
12d. Did family move into your PHA jurisdiction under portability? (Y or N) (if no, skip to 12g)			12d.
12e. Cost billed per month (put 0 if absorbed)		\$	12e.
12f. PHA code billed			12f.
12g. Housing type:	<input type="checkbox"/> Group home (prorate gross rent)		
<input type="checkbox"/> Own manufactured home, lease space	<input type="checkbox"/> SRO: 1 room occupied by 1 person		
12h. Owner name			12h.
12i. Owner TIN/SSN			12i.
12j. Payment standard for the family	\$	<b>750</b>	12j.
12k. Rent to owner	\$	<b>725</b>	12k.
12m. Utility allowance, if any	\$	<b>50</b>	12m.
12n. Reserved			
12p. Gross rent of unit: 12k + 12m (or Space Rent)	\$	<b>775</b>	12p.
12q. Lower of 12j or 12p (if Premerger Voucher contract, see Instruction Booklet)	\$	<b>750</b>	12q.
12r. TTP: copy from 9j	\$	<b>494</b>	12r.
12s. Total HAP: 12q minus 12r	\$	<b>256</b>	12s.
<b>Rent Calculation (if prorated rent, skip to 12ab)</b>			
12t. Total family share: 12p minus 12s	\$	<b>519</b>	12t.
12u. HAP to owner: lower of 12k or 12s	\$	<b>256</b>	12u.
12v. Tenant rent to owner: 12k minus 12u		\$	<b>469</b> 12v.
12w. Utility reimbursement to family: 12s minus 12u, but do not exceed 12m		\$	<b>0</b> 12w.
<b>Prorated Rent Calculation</b>			
12aa. Reserved			
12ab. Normal total HAP: copy from 12s, but do not exceed 12p		\$	12ab.
12ac. Total number eligible			12ac.
12ad. Total number in family			12ad.
12ae. Proration percentage: 12ac ÷ 12ad			12ae.
12af. Prorated total HAP: 12ab X 12ae			12af.
12ag. Mixed family total family contribution: 12p minus 12af		\$	12ag.
12ah. Utility allowance: copy from 12m		\$	12ah.
12ai. Mixed family tenant rent to owner: 12ag minus 12ah	If positive or 0, put tenant rent		\$ 12ai.
	If negative, credit tenant	or CR	\$ 12ai.
12aj. Prorated HAP to owner: 12k minus 12ai. If 12ai is negative, put 12k		\$	12aj.
12ak. Reserved			

Notes

Learning Activity 7: Gross Rent Above the Payment Standard

**EXAMPLE OF GROSS RENT LESS THAN PAYMENT STANDARD**

- Family TTP = \$25
- PHA Payment standard = \$600
- GR for unit selected by family = \$580
- \$580 minus \$25 = \$555 total subsidy
- \$580 (GR) minus \$555 = \$25
- Family share = \$25
- Here family share is the TTP

12j. Payment standard for the family	\$ 600	12j.	
12k. Rent to owner	\$ 550	12k.	
12m. Utility allowance, if any	\$ 30	12m.	
12n. Reserved			
12p. Gross rent of unit: 12k + 12m (or Space Rent)	\$ 580	12p.	
12q. Lower of 12j or 12p (if Premerger Voucher contract, see Instruction Booklet)	\$ 580	12q.	
12r. TTP: copy from 9j	\$ 25	12r.	
12s. Total HAP: 12q minus 12r	\$ 555	12s.	
<b>Rent Calculation (if prorated rent, skip to 12ab)</b>			
12t. Total family share: 12p minus 12s	\$ 25	12t.	
12u. HAP to owner: lower of 12k or 12s	\$ 550	12u.	
12v. Tenant rent to owner: 12k minus 12u			\$ 0 12v.
12w. Utility reimbursement to family: 12s minus 12u, but do not exceed 12m			\$ 5 12w.

Learning Activity 8: Gross Rent Below the Payment Standard

**Learning Activity 8: Gross Rent Below the Payment Standard**

- Using the information below, complete section 12 (12j through 12w) on the 50058 form.
  - Payment Standard      \$750                  Rent to Owner      \$625
  - Total Tenant Payment \$494                  Utility Allowance    \$50

Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
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## 12. Section 8 Vouchers

12a. Number of bedrooms on Voucher		12a.
12b. Is family now moving to this unit? (Y or N)		12b.
12c. Does the family qualify as a Hard to House family? (Y or N)		12c.
12d. Did family move into your PHA jurisdiction under portability? (Y or N) (if no, skip to 12g)		12d.
12e. Cost billed per month (put 0 if absorbed)	\$	12e.
12f. PHA code billed		12f.
12g. Housing type:	<input type="checkbox"/> Group home (prorate gross rent) <input type="checkbox"/> Own manufactured home, lease space <input type="checkbox"/> SRO: 1 room occupied by 1 person	
12h. Owner name		12h.
12i. Owner TIN/SSN		12i.
12j. Payment standard for the family	\$ <b>750</b>	12j.
12k. Rent to owner	\$ <b>625</b>	12k.
12m. Utility allowance, if any	\$ <b>50</b>	12m.
12n. Reserved		
12p. Gross rent of unit: 12k + 12m (or Space Rent)	\$ <b>675</b>	12p.
12q. Lower of 12j or 12p (if Premerger Voucher contract, see Instruction Booklet)	\$ <b>675</b>	12q.
12r. TTP: copy from 9j	\$ <b>494</b>	12r.
12s. Total HAP: 12q minus 12r	\$ <b>181</b>	12s.
<b>Rent Calculation (if prorated rent, skip to 12ab)</b>		
12t. Total family share: 12p minus 12s	\$ <b>494</b>	12t.
12u. HAP to owner: lower of 12k or 12s	\$ <b>181</b>	12u.
12v. Tenant rent to owner: 12k minus 12u		\$ <b>444</b> 12v.
12w. Utility reimbursement to family: 12s minus 12u, but do not exceed 12m		\$ <b>0</b> 12w.
<b>Prorated Rent Calculation</b>		
12aa. Reserved		
12ab. Normal total HAP: copy from 12s, but do not exceed 12p		\$ 12ab.
12ac. Total number eligible		12ac.
12ad. Total number in family		12ad.
12ae. Proration percentage: 12ac ÷ 12ad		12ae.
12af. Prorated total HAP: 12ab X 12ae		12af.
12ag. Mixed family total family contribution: 12p minus 12af	\$	12ag.
12ah. Utility allowance: copy from 12m	\$	12ah.
12ai. Mixed family tenant rent to owner: 12ag minus 12ah	If positive or 0, put tenant rent	\$ 12ai.
	If negative, credit tenant	or CR \$ 12ai.
12aj. Prorated HAP to owner: 12k minus 12ai. If 12ai is negative, put 12k		\$ 12aj.
12ak. Reserved		

## Maximum Initial Rent Burden

*CFR 982.305(a)(5)*  
*and CFR 982.508*

- When the gross rent exceeds the PHA's payment standard upon the initial occupancy of a unit (new admissions and moves), the family share cannot exceed 40 percent of the family's adjusted monthly income.