

HOME HOMEBUYER QUALIFYING HOUSEHOLDS

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OBJECTIVES

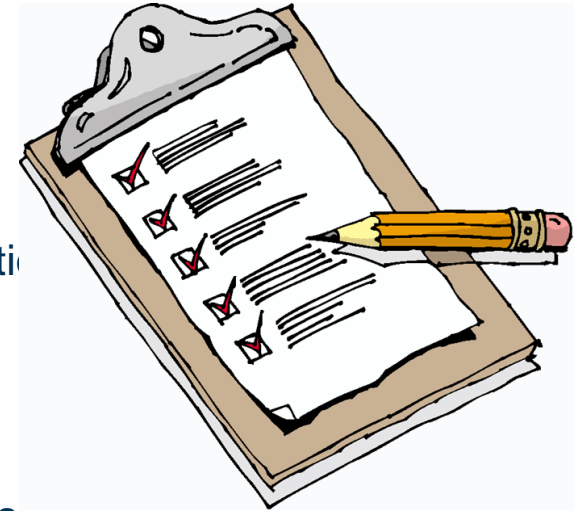
At the end of the presentation, you will learn

- How to annualize income for
 - Earned income
 - Unearned income
 - Seasonal Income
 - Adjusting for COLA
- How to calculate income from Student Financial Assistance
- How to complete the Income Certification and Income Certification Questionnaire
- What supporting documentation is needed for pre-eligibility/eligibility determination
- How to request pre-eligibility determination



QUALIFYING HOUSEHOLDS

- Income qualifications
- Who do we count in the household
- Whose income in the household counts?
- Verification of income and assets and supporting documentation
- Qualifying households with students
- Hierarchy of verifications required
- Assets
- Student Financial Assistance
- Documentation and Supporting Documentation Requirements



* ANNUAL INCOME-HUD REG. 24 CFR 5.609

HUD- A WEB-BASED INCOME CALCULATOR TO CALCULATE IF A FAMILY'S INCOME MEETS HOME REQUIREMENTS IS AVAILABLE ON HUD'S CPD WEBSITE AT

<https://www.hudexchange.info/incomecalculator/>

WHO IS COUNTED

ALL PERSONS THAT CONSIDER THE UNIT/WILL CONSIDER THE UNIT AS THEIR PRIMARY PLACE OF RESIDENCY INCLUDING:

- Children who are
 - Temporarily absent and placed in foster home
 - In joint custody who are present in the household 50% or more of the time
 - Away at school but who live with the family during breaks
 - Unborn children
 - * Self-affidavit is only acceptable means of establishing pregnancy.
 - Children in the process of being adopted
- Members who are:
 - Temporarily absent- away for work assignment
 - Members in rehab facility however, anticipated to return to the family/returning home
 - A future spouse or roommate (i.e. do not currently live together but with move into new home, plan on living together)



WHOSE IS NOT COUNTED

LIVE IN AIDE/ATTENDANT

A person who resides with one or more elderly, near elderly persons or a person with a disability and who is determined to be essential to the care and well-being of the person(s) and who are not obligated for the support of the person(s) and will not contribute materially to the household and would not otherwise be living in the unit except to provide the necessary supportive services.

“a live-in attendant may never be a dependent of the household”

TEMPORARY GUESTS/VISITORS

A person staying with the family on a temporary basis with the consent of the household.

PERMANENTLY CONFINED HOUSEHOLD MEMBERS

- Determined by household if they wish to count member.



TEMPORARILY ABSENT DEPENDENT STUDENTS

4350.3 5-6 A & B

- Dependent students away from the household at school are included if the unit is listed as their permanent residence.

HOUSEHOLD MEMBERS IN THE MILITARY

4350.3 5-6 C

- Members of the household in the military that are assigned out of the area and that have a spouse or child(ren) in the unit are included.

JOINT CUSTODY OF CHILDREN

4350.3 3-6 E 4 b

- Children who do not physically reside in the unit at least 50% of the time.

FOSTER CHILDREN/FOSTER ADULTS

- Per HOTMA, foster children and foster adults are not considered household members for the purposes of determining income limits. Their income and assets are **NOT** counted as part of the total household income.

DETERMINING WHOSE TO COUNT

HOUSEHOLD MEMBER	EARNED INCOME COUNTED?	UNEARNED
HEAD, SPOUSE/COHEAD	YES	YES
OTHER ADULT HOUSEHOLD MEMBERS?	YES	YES
FOSTER YOUTH/ADULT	NO	NO
DEPENDENT CHILDREN UNDER 18	NO	YES
FT STUDENTS OVER 18 THAT ARE NOT HEAD, SPOUSE OR CO-HEAD	YES- UP TO 480 (ADJUSTED ANNUALLY FOR INFLATION)	YES
TEMP. ABSENT HOUSEHOLD MEMBERS	YES	YES
PERM. ABSENT HOUSEHOLD MEMBERS	AT DISCRETION OF HOUSEHOLD	AT DISCRETION OF HOUSEHOLD
LIVE-IN AIDES/ATTENDANTS	NO	NO

HOW TO CALCULATE INCOME

John Smith

Employment verification shows he started employment on 01/01/2014 and is currently still working. He makes \$12.00 per hour working a total of 30-40 hours per week. His year-to-date earnings from 01/01/2024-03/01/2024= 2198.00

He is anticipated to get a raise taking his hourly pay to \$12.25 starting on 06/01/2024

His certification date was 03/01/2024

He is paid biweekly

Total number of pays from 03/01/2024-06/01/2024= 8 total pays

Do the math-

35= average number of per week 70 total average number of hours per pay

$70 \times 12 \times 8 = 6720.00$

18 pay periods from 06/01/2024-03/01/2025= 12.25 per hour x 70 hours per pay period= 15435.00

Total annualized income= \$22,155.00

CALCULATION OF EMPLOYMENT INCOME

EMPLOYMENT INCOME

4350.3 5-13 APPENDIX 6-C A

“THE FULL AMOUNT, BEFORE ANY PAYROLL DEDUCTIONS, OF WAGES AND SALARIES, OVERTIME PAY, COMMISSIONS, FEES, TIPS, WAGES, BONUSES, AND OTHER COMPENSATION FOR PERSONAL SERVICES.”



ANNUALIZING INCOME

HUD 4350.3 5-5B

Notes for full time employment the following are methods to annualize future income:

Annualizing based on hourly per week-40 hours per week x 52 weeks= 2080 total hours 2080 x amount \$ paid hourly= annualized income
E.g. 2080 x16.80= \$34,944.00 annualized

Weekly wages-52 weeks per year x amount paid weekly= annualized income
E.g. 52 weeks x 1400.00 per week= 72,800.00 annualized

Bi-weekly wages- 26 pays per year x gross pay per pay period = annualized income
E.G 26 pay periods annually x 1400 per pay = \$36,400.00

Semi-Monthly 24 total pays per year x rate of each pay= annualized income
E.g. 24 x 1400= \$33,600 annualized

Monthly wages- 12 total pays per year x rate of each pay= annualized income
E.g. 12 x 1400= \$16800.00

PAYSTUBS

Require two months of paystubs not more than 6 months from effective date

For new employment or when two paystubs/ two months are not available, determine income based on a “traditional written, third-party verification form or the best available information”

COMPANY NAME OR LOGO

1234 Sample Ave
Your City, CA 90000
(800) 920-1234

John Doe
1234 Sample St
Your City, CA 9000
SSN:1234

Pay Period Begin: 9/23/2012 Pay Period End: 10/6/2012
Pay Check Date: 10/12/2012

Tax Date:		Federal	State: CA
Marital Status:	Single	SM-1 Inc	
Allowances:	0 Dep/Ca		
Age:			
Earnings		Taxes	
Description	Current	YTD	Description
Regular			Federal Withholding
Hours:			FICA/Medicare
Pay Rate:			FICA SS Tax
			CA Withholding
			CA OASDI
Totals:			Totals:

Current **YTD**

Total Gross:
Ded Taxable Gross:
Total Taxes:
Total Deductions:
Net Pay:

NON-NEGOTIABLE

SEASONAL WORK/TEMPORARY EMPLOYMENT

4350.3 5-5 C

Some circumstances present more than the usual challenges to estimating income. Examples of challenging situations include households with individuals who are seasonal, self-employed, or who have sporadic income. In all, the expectation is that grantees make reasonable judgements as to the most reliable approach when estimating what the individual's income will be during the year.

Seasonal work- 4350.3 5-5 C Example

Calculate using the average regular hours and the average number of overtime hours at the current pay and overtime rate

EXAMPLE OF SEASONAL EMPLOYMENT INCOME CALCULATION

Name: Pat E. Kake Job Title: Ice Cream Truck Operator

Presently Employed: Yes

Rate of pay 14.50 per hour

Total number of hours per week 40

Total number of weeks worked per year 35

Certification Date 04/01/2024

Eligibility Effective Date: 05/15/2024

Year to date earnings 04/01/2024-05/01/2024 1780.00

Raise on 05/15/2024 = 15.25 per hour

Pat does not work 13 weeks during the winter due to no demand for business

Calculations:

6 weeks between 04/01/2024-05/14/2024= $40 \times 14.50 \times 6 \text{ weeks} = \underline{\$3480.00}$

05/15/2024-03/31/2024= 40 hours per week $\times 15.25$ per hour = \$610.00 per week

Pat's employer verifies Pat does not work for a total of 13 weeks during the winter leave a total of 29 total weeks left for the year.

$610.00 \times 29 = 17,690.00 + 3480.00 = \underline{\$21,170.00}$ annualized.



SPORADIC INCOME

- 4350.3 5-5 C
 - If a potential homebuyer is not currently working, “non-recurring, sporadic” income is not counted in the households annual income.
 - When the family reports little to no income, or when the income fluctuates throughout the year, the owner/agent can review source documents and determine an average of the family’s past annual income over 12 months. The owner/agent can project the actual income forward 12 months to determine the family’s anticipated annual income.

SELF-EMPLOYMENT INCOME

4350.3 5-6 H

Self Employment income: The NET Income from the operation of a business or profession is counted per IRS rules.

How to verify self-employment

1. Form 1040 (tax return)
2. Financial Statement from business owner
3. Signed Statements from the business owner
4. Completed IRS 1040 Schedules C, E, and F
 1. C= Business Income
 2. E= Rental Income
 3. F= Farm Income

HOME Technical Guide Page 6

- “ If a copy of a tax return is needed, IRS Form 4506 “Request for Copy of Tax Form” must be completed and signed. Copies of the documents should be retained in the project files”
- IHEDA notes Using Tax Returns for Income Verification: If utilizing tax returns as income verification, the recipient must obtain a certified copy by completing IRS Form 4506 “Request for Copy of Tax Form.” The owner must be able to reasonably project expected income for the next twelve (12) months from the household provided documents. The owner may use information obtained electronically from fax, e-mail or the internet. A printout from a reliable source is adequate verification.

SOCIAL SECURITY, SSI AND OTHER BENEFIT INCOME

- 4350.3 5-6 I & J
 - The full amount of periodic payments from SS, SSI annuities, insurance policies, retirement funds, pensions, disability, or death benefits are to be counted.
 - Count the amount before Medicare or other deductions are taken out
 - Delayed SS, SSI, or VA payments are **NOT** counted
 - If there are adjustments for past overpayments, use the amount **AFTER** the adjustment. Example Sam Walton gets a gross amount of SS in the amount of \$800.00 reduced to \$700.00 because of a past overpayment. Only \$700.00 is counted.
 - Ensure to include annual Cost of Living Adjustments (COLA) when applicable.

EXAMPLE OF CALCULATING INCOME WITH COLA

RED 24-50

IRS announce meant of COLA increase for 2025= 2.5% beginning 12/31/2024

Eligibility date= 10/15/2024

COLA announced 10/10/2024

Calculating COLA

Current award amount x 2.5

Award letter indicates individual receives 1850.00 per month before deductions

Calculation $1850.00 \times 2.5 = 1896.25$ or $1.025 \times 1850.00 \times 1.025 = 1896.25$ per month for the remaining number of months in the next 12 months.

$10/01/2024-12/31/2024 = 3 \times 1850.00 = \$5,550.00$

$01/01/2025-09/30/2025 = 9 \times 1896.25 = \$17,066.25$

Combine the two for the annualized income \$22, 616.25

TIPS TO REMEMBER

- IHCDA DOES NOT USE/REQUIRE YTD INCOME
- WHEN RAISES OVERTIME, BONUSES, ETC. ARE INDICATED ON CURRENT INCOME VERIFICATION DOCUMENTS, MUST USE EFFECTIVE DATE OF RAISES AND THE DATE OF CERTIFICATION TO ANNUALIZE THE INCOME.
- IHCDA AND HUD REQUIRE 2 FULL CONSECUTIVE MONTHS OF INCOME VERIFICATION NO MORE THAN 6 MONTHS FROM THE DATE OF ELIGIBILITY DETERMINATION.
- IHCDA WILL USE THE AVERAGE HOURS, NOT THE HIGHEST IN RANGE WHEN EMPLOYMENT VERIFICATION INDICATES THAT A TENANT WORKS A RANGE OF HOURS

DOCUMENTATION REQUIREMENTS

IHCDA RED COMPLIANCE FORMS

Supplemental

Mandatory

- # 23 Income Certification Questionnaire
- # 47 OOR & Homebuyers Income Certification
- #36 Student Status Self-Certification- For HOME
- Supporting documentation as required

FORM #	FORM NAME	APPLICABLE PROGRAM
1	Annuity Verification	All
2	Asset Verification	All
3	Bank Verification	All
4	Child or Spousal Support Certification	All
5	---REDACTED---	N/A
6	Criminal Background Check Release & Authorization	All
7	Disposal of Assets Certification	All
8	Employment Verification	All
9A	Lease Addendum for Units Participating in Section 42	RHTC
9B	Lease Addendum for Units Participating in HOME	HOME
9C	Lease Addendum Receipt of Required Pamphlets	HOME/CDBG/CDBG-D/NSP/HTF
9D	Lease Addendum for Units Participating in CDBG/NSP/HTF	CDBG/CDBG-D/NSP/HTF
9E	Lease Addendum for Units Participating in Section 811 PRA	811 PRA
10	Lease Renewal Addendum	All
11	Live-in Care Attendant Certification	All
12	Live-in Care Attendant Verification	All
13	Management Telephone Clarification Report	All
14	Marital Separation Status Certification	All
15	---REDACTED---	All
16A	PHA Income Verification	All
16B	Other Rental Assistance Program Income Verification	All
17	Release of Information Authorization	All
18	Rental Housing Application	All
19	Self-Employment Certification	All
20	---REDACTED---	N/A
21	Student Status Verification	RHTC & HOME
22	Tenant Income Certification	RHTC or RHTC Combo
23	Income Certification Questionnaire	All
24	Self Certification	All
25	Unborn Child Certification	All
26-2024	Under \$50,000 Asset Certification	All
26-2025	Under \$51,600 Asset Certification	All
27	Zero Income Certification & Basic Needs Questionnaire	All
28	100% Recertification Exemption Tenant Recertification	RHTC
29	Property Ownership Change Form	All
30	Property Management Change Form	All
31	Staff Unit Request Form	RHTC
32	Extended Use Policy Request Form	RHTC
33	---REDACTED---	N/A
34	Extended Use Policy Annual Household Update Form	RHTC
35	Student Status Self-Certification for RHTC	RHTC
36	Student Status Self-Certification for HOME	HOME
37	Race & Ethnicity Data Reporting Form	RHTC
37A	Race, Ethnicity, and Special Needs Data Reporting Form	RHTC
38	HOME/CDBG/CDBG-D/NSP Tenant Income Certification	HOME/CDBG/CDBG-D/NSP/HTF (no RHTC)
38A	HOME TBRA Tenant Income Certification	HOME TBRA (not HOME Rental)
39	Recertification Form for CDBG & NSP	CDBG/CDBG-D/NSP
40	Paystub Income Calculation Worksheet	All
41	Employment Verification Calculation Worksheet	All
42	Checklist for IHCDA Desktop Reviews	RHTC
43	Checklist for IHCDA Desktop Reviews	HOME/CDBG/CDBG-D/NSP/HTF
44	Lease Addendum Unit Transfer	All
45	Lease Addendum Rent Decrease due to UA Increase	All
46	HOME & HTF Rent Update Form	HOME & HTF
47	OOR & Homeowner Income Certification	HOME/CDBG/CDBG-D/NSP
48	Ramp Up Indiana Categorical Income Eligibility	Ramp Up Indiana

INCOME CERTIFICATION QUESTIONNAIRE

INCOME CERTIFICATION QUESTIONNAIRE (*NOTE: A separate questionnaire must be completed by each adult member of the household)		
NAME: _____		
<input type="checkbox"/> Initial Certification <input type="checkbox"/> Recertification <input type="checkbox"/> Addition of Household Member		
RENTAL ASSISTANCE		
YES	NO	
1. <input type="checkbox"/>	<input type="checkbox"/>	I receive Section 8 Housing Choice Voucher rental assistance. If yes, list the housing authority below. Housing Authority Name _____ Note: This is not counted as household income.
2. <input type="checkbox"/>	<input type="checkbox"/>	I receive another form of federal or state rental assistance (not Section 8). If yes, list the housing authority or entity that provides the rental assistance below. Program Name _____ Organization providing rental assistance _____ Note: This is not counted as household income.
INCOME INFORMATION		
Include all income sources, including unearned income of minors.		
YES	NO	MONTHLY GROSS INCOME
3. <input type="checkbox"/>	<input type="checkbox"/>	I am self-employed. (List nature of self-employment). This includes but is not limited to: 1099-contractors, rideshare companies (e.g., Uber, Lyft), app-based delivery services (e.g., DoorDash, Grubhub, Shipt, etc.), other gig economy jobs, multi-level marketing companies (e.g., Mary Kay, Total Life Changes, Avon, etc.), social media income (e.g., YouTube, TikTok, etc.), etc. List types: 1) _____ \$ _____ 2) _____ \$ _____ (Use net income from business)
4. <input type="checkbox"/>	<input type="checkbox"/>	I have a job and receive the following types of pay. Include income earned as a seasonal worker or day laborer. Check all that apply: <input type="checkbox"/> Wages <input type="checkbox"/> Salary <input type="checkbox"/> Overtime pay <input type="checkbox"/> Commissions <input type="checkbox"/> Tips (reported) <input type="checkbox"/> Cash tips (not reported or disclosed) <input type="checkbox"/> Bonuses <input type="checkbox"/> Other compensation List the businesses and/or companies that pay you: Name of Employer 1) _____ \$ _____ 2) _____ \$ _____

HELPFUL TIPS

- USE OF MOST CURRENT FORM
- ONE PER HOUSEHOLD MEMBER 18 OR OLDER
- GUIDE TO ENSURE PROPER REPORTING OF INCOME AND ASSETS FOR POTENTIAL HOMEBUYER
- MUST BE SIGNED AND DATED WITHIN REQUIRED TIMEFRAME OF ELIGIBILITY DETERMINATION



REVIEWING THE INCOME QUESTIONNAIRE

INCOME CERTIFICATION QUESTIONNAIRE

(NOTE: A separate questionnaire must be completed by each adult member of the household.)

NAME: SANDY DUCKLIN

Initial Certification Recertification Addition of Household Member

RENTAL ASSISTANCE

YES	NO		Note: This is not counted as household income.
<input type="checkbox"/>	<input checked="" type="checkbox"/>	1. I receive Section 8 Housing Choice Voucher rental assistance. If yes, list the housing authority below: Housing Authority Name: _____	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	2. I receive another form of federal or state rental assistance (not Section 8). If yes, list the housing authority or entity that provides the rental assistance below: Program Name: _____ Organization providing rental assistance: _____	

INCOME INFORMATION
Include all income sources, including unearned income of minors.

YES	NO		MONTHLY GROSS INCOME (Use net income from business)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	3. I am self-employed. (List nature of self-employment). This includes but is not limited to: 1099-contractors, ride-share companies (e.g. Uber, Lyft), app-based delivery services (e.g., DoorDash, GrubHub, Shipt, etc.), other gig economy jobs, multi-level marketing companies (e.g., Mary Kay, Total Life Changers, Avon, etc.), social media income (e.g., YouTube, TikTok, etc.), etc. List types: 1) _____ \$ 500.00 2) LYFT \$ 200	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	4. I have a job and receive the following types of pay. Include income earned as a seasonal worker or day laborer. Check all that apply: <input checked="" type="checkbox"/> Wages <input type="checkbox"/> Salary <input type="checkbox"/> Overtime pay <input type="checkbox"/> Commission <input type="checkbox"/> Tips (reported) <input type="checkbox"/> Cash tips (not reported or disclosed) <input type="checkbox"/> Bonus <input type="checkbox"/> Other compensation List the businesses and/or companies that pay you: Name of Employer: 1) ACME CORPORATION \$ 2715.00 2) _____ \$ _____	

ASSET INFORMATION
Include all asset sources, including assets of minors.

YES	NO		INTEREST RATE	CASH VALUE
<input checked="" type="checkbox"/>	<input type="checkbox"/>	18. I have a checking account(s). # Of accounts held: 1 If yes, list bank(s): 1) key bank 0 % CURRENT BALANCE \$ 758 2) _____ % \$ _____ 3) _____ % \$ _____		
<input checked="" type="checkbox"/>	<input type="checkbox"/>	19. I have a savings account(s). # Of accounts held: 1 If yes, list bank(s): 1) keybank .002 % CURRENT BALANCE \$ 1450.00 2) _____ % \$ _____ 3) _____ % \$ _____		
<input checked="" type="checkbox"/>	<input type="checkbox"/>	21. I have a digital wallet service(s) (e.g., Apple Pay / Apple Cash, Cash App, PayPal, Venmo, etc.) # Of accounts held: _____ If yes, list service(s): 1) Cash App 0 % 2) Venmo 0 % 3) Chime 0 %		\$ 150.00

UNDER PENALTIES OF PERJURY, I CERTIFY THAT THE INFORMATION PRESENTED ON THIS FORM IS TRUE AND ACCURATE TO THE BEST OF MY KNOWLEDGE. THE UNDERSIGNED FURTHER UNDERSTANDS THAT PROVIDING FALSE REPRESENTATIONS HEREIN CONSTITUTES AN ACT OF FRAUD, FALSE MISLEADING, OR INCOMPLETE INFORMATION WILL RESULT IN THE DENIAL OF APPLICATION OR TERMINATION OF THE LEASE AGREEMENT.

PRINTED NAME OF APPLICANT/TENANT: _____ SIGNATURE OF APPLICANT/TENANT: _____ DATE: _____

Part I- Basic information

Name, Initial Certification

Part II- Rental Assistance

- More Applicable to rental unit applicants.

Part III- Income Information

- Must include all earned and unearned income for each potential household member including child support, SS Benefits, recurring payments such as family member who pays monthly cell phone bill for potential applicant etc,

Part IV- Asset Information

- Includes checking/savings account, digital wallets, trusts, real estate, etc.
- Part V- Signature, Name and Date

ORR & HOMEOWNER INCOME CERTIFICATION

COMPLETING THE INCOME CERT FORM DO'S AND DON'TS

1. DO READ THE INSTRUCTIONS ON PAGES 3-5
2. DO NOT USE WHITE OUT
3. DO ENSURE THAT ALL INFORMATION FROM QUESTIONNAIRE MATCHES FORM
4. IF ITEM IS CROSSED OFF ENSURE IT IS INITIALED AND DATED.
5. ENSURE PROPER AMI LEVEL IS SELECTED
6. ENSURE ADDRESS OF UNIT IS LISTED AS THE ADDRESS

FOR & HOMEOWNER INCOME CERTIFICATION

Initial Certification Recertification Award # _____

Application Date 01/15/2024
 S106 Release Date _____
 Construction Contract Date _____

PART I - PROPERTY DATA
 Address 123 MAIN STREET
BOWLING GREEN, INDIANA, 12345 (City, State, ZIP)
 County SCOTT

PART II - HOUSEHOLD COMPOSITION

IEL #	Last Name	First Name & Middle Initial	Relationship to Head of Household	Sex	Date of Birth (MM/DD/YYYY)	Special Needs	Level of Higher Learning?	Race	Ethnicity
1	DUCKLIN	SANDY	HEAD	F	10/18/1967		N	C	W
2	DUCKLIN	STEVE	COHEAD	M	02/28/1964		Y	C	W
3	DUCKLIN	MADDY	DC	F	01/01/2017		N	C	W
4	DUCKLIN	GRAYSON	DC	M	05/24/2019		N	C	W

PART III - GROSS ANNUAL INCOME (USE ANNUAL AMOUNTS)

IEL #	GA#	Income Type	Amount	Other Income
1	1	Salary/Wages	\$ 6,000.00	
1	2	Non-Salary/Pension	\$ 17,466.00	
2	1	Public Assistance		\$ 2.00
2	2	Other Income		\$ 2.00
TOTAL \$			\$ 27,906.00	\$ 4.00
Add totals from (A) thru (D) above			\$ 17,466.00	\$ 2.00
			TOTAL INCOME (E):	\$ 55,296.00

PART IV - INCOME FROM ASSETS

IEL #	Type of Asset	Cash Value of Asset	Annual Income from Asset	
1	SAVINGS ACCOUNT	\$ 0.00	\$ 0.00	
2	CHECKING ACCOUNT	\$ 0.00	\$ 0.00	
REAL PROPERTY				
TOTAL ASSET INCOME (G):				\$ 0.00
(L) Total Annual Household Income from all Sources [Add (E) + (G)]:				\$ 55,296.00

HOUSEHOLD CERTIFICATION & SIGNATURES

The information on this form will be used to determine apartment income eligibility. Use has been provided for each person(s) on both in Part II acceptable verification of current adjusted annual income. Under penalty of perjury, I/we certify that the information presented in this Certification is true and accurate to the best of my/our knowledge and belief. The undersigned further certifies that providing false information constitutes an act of fraud. False, misleading, or incomplete information may result in the termination of the lease agreement.

Signature: _____ Date: _____
 Signature: _____ Date: _____
 Signature: _____ Date: _____

PART V - DETERMINATION OF INCOME ELIGIBILITY

TOTAL ANNUAL HOUSEHOLD INCOME FROM ALL SOURCES: \$ 55,296.00

Household Meets Income Requirement at:
 80% 90% 100%

Current Income Limit per Family Size: \$ 64,900.00

SIGNATURE OF GRANT ADMINISTRATOR/REPRESENTATIVE

Based on the representations herein and upon the proofs and documentation required to be submitted, the individual(s) named in Part II of this OOR & Homeowner Income Certification herein eligible under the provisions of 24 CFR Part 870 (CDBG) or 24 CFR Part 92 (HOME).

Signature: _____ Date: 01/03/2024

We encourage and support the nation's affordable housing programs in which there are no barriers to obtaining housing because of race, color, religion, sex, national origin, handicap, or familial status.

ASSETS

NECESSARY VS NON-NECESSARY NON-EXHAUSTIVE LIST

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

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

ASSETS REVIEW

WHAT DOES \$50,000 THRESHOLD AFFECT?

The \$50,000 threshold (\$51,600.00 January 1, 2025) now affects 3 separate determinations:

1. Non-necessary personal property with a combined value \leq \$50,000 (\$51,600.00 January 1, 2025) is **excluded** from net family assets (but still count the asset income)
2. Only calculate imputed asset income when total value of net family assets $>$ \$50,000 (\$51,600.00 January 1, 2025) and then only for specific included assets for which actual asset income cannot be calculated
3. If net family assets \leq \$50,000 (\$51,600.00 January 1, 2025) owner may accept self-cert at move-in and recert

CALCULATING TOTAL ASSETS

An applicant household applies and lists the following assets on their Income Questionnaire.

RV- valued at 18500.00

Stamp Collection valued at 600.00

Checking Account with a current balance of \$22.00 and

A Sports Jersey collectable valued at \$600.00

Since none of the assets are gaining income, the \$ amounts in I & J on the Income Cert. would be reported as \$0.00

Additionally, the under the asset value self cert form should be in the file

PART III. GROSS ANNUAL INCOME (USE ANNUAL AMOUNTS)				
HH Mbr #	(A) Employment or Wages	(B) Soc. Security/Pensions	(C) Public Assistance	(D) Other Income
1		\$ 5,400.00		
2	\$ 16,800.00			
TOTALS	\$ 16,800.00	\$ 5,400.00	\$ 0.00	\$ 0.00
Add totals from (A) through (D), above			TOTAL INCOME (E):	\$ 22,200.00

PART IV. INCOME FROM ASSETS					
HH Mbr #	(F) Type of Asset	(G) C/D	(H) Cash Value of Asset	(I) Annual Income from Asset	(J) AI
NON-NECESSARY PERSONAL PROPERTY (NNPP):					
List the cash value of each asset as \$0 if the total combined cash value of all NNPP assets is <\$50,000. However, still list annual income even if value is \$0.					
1	recreational vehicle		\$ 18,500.00	0	0
2	stamp collection		\$ 600.00	\$ 0.00	0
1	checking account		\$ 22.00	\$ 0.00	0
1	Kobe Bryant Autographed Black Mamba Lakers Jersey		\$ 600.00		
			\$ 21,600.00	\$ 0.00	0
REAL PROPERTY					
				\$ 0.00	0
TOTAL ASSET INCOME (K):				\$ 0.00	

(L) Total Annual Household Income from all Sources [Add (E) + (K)]

\$ 22,200.00

CHECKING ACCOUNTS

If verification of assets is required, “must obtain a minimum of one statement that reflects the current balance of banking/financial accounts”

6-month balance no longer required!

STUDENT FINANCIAL ASSISTANCE

TREATMENT OF STUDENT FINANCIAL ASSISTANCE

Owner agent must verify and calculate

- (1) Actual covered costs,
- (2) Student financial assistance received under the Higher Education Act,
- (3) Other student financial assistance



DETERMINING STUDENT FINANCIAL ASSISTANCE

Actual Covered Costs

Includes tuition, books, supplies, equipment to support students with disabilities, room and board, and other fees required by an institution of higher education. If the student is not the head of the household, co-head, or spouse actual covered costs also include the reasonable and actual costs of housing while attending the institution of higher education if not residing in an assisted unit.

Student Financial Assistance Received Under Section 479B of the Higher Education Act (“HEA Assistance”)

Other Student Financial Assistance includes grants or scholarships received from such sources as the Federal government; a state, territory, Tribe, or local government;

Does not include financial support provided in the form of a fee for services performed or gifts from family or friends.

May be paid directly to the student or to the institution on the student’s behalf.

DETERMINING STUDENT FINANCIAL ASSISTANCE INCOME FOR HOUSEHOLDS WITHOUT SECTION 8 ASSISTANCE

The amount of student financial assistance to include as income is calculated as follows:

Step 1: Actual covered costs MINUS amount of HEA Assistance = amount of actual covered costs exceeding HEA assistance ("X") o If "X" is negative, count the full amount of other student financial assistance as income

Otherwise, proceed to Step 2

Step 2: Amount of other student financial assistance MINUS "X" = student financial assistance counted in income ("Y")

If "Y" is negative, student financial assistance income = \$0

DETERMINING STUDENT FINANCIAL ASSISTANCE INCOME FOR HOUSEHOLDS WITH SECTION 8 ASSISTANCE

If the student is the head, co-head, or spouse but is age 23 or younger or does not have dependent children, include as income any amount of student financial assistance (sum of amounts received under the Higher Education Act and other student financial assistance) **in excess of** actual covered costs.

VERIFICATIONS

HIERARCHY OF VERIFICATION

Table J2: Verification Hierarchy

Level	Verification Technique	Ranking/Order of Acceptability
6	Upfront Income Verification (UIV), using HUD's Enterprise Income Verification (EIV) system	Highest PHAs/MFH Owners must pull the EIV Income Report for each family at every Annual Reexamination. EIV may be used as the sole verification of Social Security income. EIV income information may be used to calculate other types of annual income when family agrees. See Level 4 for more information.
5	Upfront Income Verification (UIV) using non-EIV system (e.g., The Work Number, web-based state benefits systems, etc.)	Highest
4	Written, third-party verification from the source, also known as "tenant-provided verification" OR EIV + Self-Certification PHAs/MFH Owners can choose either option when both are available to verify income. PHAs/MFH Owners must use written, third-party verification when the income type is not available in EIV (e.g., self-employment, Go Fund Me accounts, general public assistance, Veterans Administration benefits, etc.)	High <ul style="list-style-type: none">• Written, third-party verification is used when tenant disputes EIV-reported employment and income information.• The EIV Income Report may be used to verify and calculate income if the family self-certifies that the amount is accurate and representative of current income. The family must be provided with the information from EIV.

HIERARCHY OF VERIFICATION

3	Written, Third-Party Verification Form	Medium <ul style="list-style-type: none">• Use if Level 5 or Level 4 verification is not available or is rejected by the PHA/MFH Owner and when the applicant or tenant is unable to provide acceptable documentation.• May substitute Level 2 for written, third-party verification form, only completing one of the two forms of verification before moving to self-certification.
2	Oral Third-Party Verification	Medium
1	Self-Certification (not third-party verification)	Low <p>Use as a last resort when unable to obtain any type of third-party verification or if specifically permitted, such as to determine actual income from assets when the family certifies that net family assets do not exceed \$50,000.</p>

THIRD PARTY TENANT PROVIDED DOCUMENTS (LEVEL 4)

An original or authentic document generated by a third-party source that is dated within 120 days for RHTC or 6 months for HOME/NHTF/NSP/CDBG-D/CDBG from the date of receipt by the owner. (Tenant Provided Documents)

When used the owner must consider the following:

- Is the document current?
- Is the document complete?
- Is the document an unaltered original copy?

If utilizing paystubs the owner must obtain the two most recent, consecutive paystubs from the tenant/applicant. If also HOME/CDBG/CDBG-D/NSP assisted, then the paystubs obtained must also cover at least a full two months of consecutive payments.

Using Bank Statements: most recent statement to verify the current balance (if net assets exceed \$50,000, adjusted for inflation and third-party asset verification is required).

THIRD PARTY WRITTEN VERIFICATION (LEVEL 3)

All requests for income verification must:

- a) State the reason for the request
- b) Include a release statement signed and dated by the applicant or tenant; and
- c) Provide a section for the employer or other third-party source to state the applicant/tenant's anticipated gross annual income or rate of pay, number of hours worked, and frequency of pay. Over-time hours, bonuses, tips, and commissions must be included, as well as the effective date of any verifiable increase during the next 12 months. Spaces should also be available for a signature, job title, phone number, and date.

*If forms are returned with any information incomplete, management **must** contact the source and complete a clarification form to document incomplete information. Owner agents must send and receive verification forms directly to/from the third-party, **not** through the applicant or tenant.

THIRD PARTY ORAL VERIFICATION (LEVEL 2)

When written verification is not possible, as a last resort, IHEDA will accept third party oral verification

When Oral verification is done the following must be included:

Documentation of the oral conversation in the tenant file:

Documentation must include:

- Name, title, and phone number of the third-party contact
- Name of the onsite management representative accepting the information
- Date the information was obtained

SELF-CERTIFICATION (LEVEL 1)

As last resort, third-party verification cannot be obtained, a self-cert must be used.

Per Chapter 5 of the HUD Handbook 4350.3, the following documents should be placed in the tenant file:

- a) A written note to the file explaining why third-party or tenant-provided verification is not possible
- b) A copy of the date-stamped original request that was sent to the third-party;
- c) Written notes or documentation indicating follow-up efforts to reach the third-party to obtain verification
- d) d) A written note to the file indicating that the request has been outstanding without a response from the third-party

*owner may accept self-certification if there is a fee associated with receiving the third-party verification. If the owner chooses to pay the fee to obtain the third-party verification, this cost **cannot** be passed on to the tenant or applicant.

WHAT GOES IN THE FILE?

ITEMS THAT MUST BE IN FILE TO IHCD FOR PRE-ELIGIBILITY

- IHCD Completed Compliance forms for all adult household members
- Supporting Documentation of income and asset verification
- Student Certification Forms
- Owner income calculation sheets
- Under 50/51600 asset cert



Do not send:

- Birth Certificates
- Social Security Cards/numbers
- Private Medical information
- Any PII that is not needed by the PJ to make an eligibility determination



ONE FORM PER HOUSEHOLD OR ONE PER FAMILY MEMBER?

Form	1 per household signed by all adults?	1 separate form per adult?
Income Questionnaire (Compliance Form #23 Mandatory)	-	YES
Tenant Income Certification (Compliance Form # 22 Mandatory)	-	YES
Student Status	-	YES
Under \$50,000 Asset Verification	YES	-
All other verification documents	-	YES

INCOME AND ASSET VERIFICATION

Verification Type	HOME
Employment Income	2 most recent consecutive months . Valid for 6 months from the Eff. Date of Cert.
Tax Returns	A certified copy obtained by completing IRS Form 4506
Assets	1 months no more than 6 months from effective date of cert. OR Asset Self Cert Form

NOTIFICATION TO IHCDA FOR PRE-ELIGIBILITY DETERMINATION NEEDED

CONGRATULATIONS YOU HAVE AN POTENTIAL HOMEBUYER! NOW WHAT?

Complete the eligibility forms, gather supporting documentation and determine if homebuyer is at or below 80% AMI for household size.

- Email Cfarzetta@ihcda.in.gov ensuring to include the award # for the pre-eligibility determination request
- Request Onedrive Link to upload documentation be sure to include name and email address of any staff who will need access.
- * Onedrive links are set up with award number and address of unit for identification purposes.
- Notify IHCDA when potential homebuyer documents are uploaded to OneDrive file.

Tips to remember

- Pre-eligibility requests should be sent at a minimum of 30 days in advance.
- Include award number to easily identify request.
- IHCDA will process requests within 30 days from date of receipt. Please adjust your timelines accordingly.
- PII will be deleted from One Drive file. Please retain originals for your final award close-out process.
- IHCDA is happy to provide up front technical assistance.

Questions?

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