



We thank you for your interest in Shalom Apartments Community. If you have any questions, please call our office at (401) 738-4414. We are pleased to send you the enclosed application. Please complete and return to the address, email or fax listed above.

Administration will only process complete applications. Please provide the following information for every member who will occupy the household.

- Complete, signed "Application" for each household member 18 and over.
- Complete, signed "Supplement to Application – HUD 92006" for each household member 18 and over.
- A copy of each family member's birth certificate.
- A copy of each family member's social security card.
- A copy front and back of government issued current photo ID for each household member 18 and over.
- Proof of eligibility: 62+ or "Proof of Mobility Impairment"  
 The head of household or co-head must have a mobility impairment that is expected to be a long, continued or of indefinite duration that such a person's ability to live independently would benefit from units that are architecturally altered with special design features. This need must be verified by a medical practitioner.
- Proof of all income sources such as social security benefit letter, pension statement, pay statement, annuity statement, dividend statement, etc.
- Copy of all bank statements and asset accounts.

Please note the following tenancy requirements for Shalom / Shalom II Apartments.

|   |   |
|---|---|
| <p><b>Shalom I</b><br/>         95 One-Bedroom / 5 Two-Bedroom Apartment Homes</p> <p>Income Limits:<br/>         One Person \$62,950 Annual Gross Income<br/>         Two People \$71,950 Annual Gross Income</p> <p>Age Requirements:<br/>         62+ Head, Co-Head or Spouse<br/>         18+ Head, Co-Head or Spouse are mobility impaired</p> | <p><b>Shalom II</b><br/>         53 One-Bedroom Apartment Homes</p> <p>Income Limits:<br/>         One Person \$39,350 Annual Gross Income<br/>         Two People \$45,000 Annual Gross Income</p> <p>Age Requirements:<br/>         62+ Head, Co-Head or Spouse</p> |
|---|---|

HUD regulations grant extra consideration to applicants with extremely low income: \$23,600 annual gross income for one-person household.

Unfortunately, at this time there are no available apartments, and your name will be placed on a wait list. Applicants are selected per HUD regulation. When we are ready to process your application for residency, we will contact you to schedule an interview to qualify income and household composition.

Persons with disabilities including limited English proficiency, have the right to request reasonable accommodation in the completion of this application. Please contact our office at 401-738-4414. Shalom Apartments does not discriminate on the basis of race, color, religion, disability, familial status, national origin, perceived sexual orientation, gender identity or marital status in the admission or employment in its assisted programs.

Sincerely,

Rachael Adams  
 Director of Housing Operations  
 Shalom Apartments

*Shalom Apartments are a community of Jewish Collaborative Services*

Supplemental and Optional Contact Information for HUD-Assisted Housing Applicants

**SUPPLEMENT TO APPLICATION FOR FEDERALLY ASSISTED HOUSING**

This form is to be provided to each applicant for federally assisted housing

**Instructions: Optional Contact Person or Organization:** You have the right by law to include as part of your application for housing, the name, address, telephone number, and other relevant information of a family member, friend, or social, health, advocacy, or other organization. This contact information is for the purpose of identifying a person or organization that may be able to help in resolving any issues that may arise during your tenancy or to assist in providing any special care or services you may require. **You may update, remove, or change the information you provide on this form at any time.** You are not required to provide this contact information, but if you choose to do so, please include the relevant information on this form.

|  |  |
|--|--|
| <b>Applicant Name:</b>   |  |
| <b>Mailing Address:</b>  |  |
| <b>Telephone No:</b>   | <b>Cell Phone No:</b>  |
| <b>Name of Additional Contact Person or Organization:</b>  |  |
| <b>Address:</b>  |  |
| <b>Telephone No:</b>   | <b>Cell Phone No:</b>  |
| <b>E-Mail Address (if applicable):</b>   |  |
| <b>Relationship to Applicant:</b>  |  |
| <b>Reason for Contact:</b> (Check all that apply)  |  |
| <input type="checkbox"/> Emergency   | <input type="checkbox"/> Assist with Recertification Process |
| <input type="checkbox"/> Unable to contact you   | <input type="checkbox"/> Change in lease terms               |
| <input type="checkbox"/> Termination of rental assistance  | <input type="checkbox"/> Change in house rules               |
| <input type="checkbox"/> Eviction from unit  | <input type="checkbox"/> Other: _____                        |
| <input type="checkbox"/> Late payment of rent  |  |
| <b>Commitment of Housing Authority or Owner:</b> If you are approved for housing, this information will be kept as part of your tenant file. If issues arise during your tenancy or if you require any services or special care, we may contact the person or organization you listed to assist in resolving the issues or in providing any services or special care to you.   |  |
| <b>Confidentiality Statement:</b> The information provided on this form is confidential and will not be disclosed to anyone except as permitted by the applicant or applicable law.  |  |
| <b>Legal Notification:</b> Section 644 of the Housing and Community Development Act of 1992 (Public Law 102-550, approved October 28, 1992) requires each applicant for federally assisted housing to be offered the option of providing information regarding an additional contact person or organization. By accepting the applicant's application, the housing provider agrees to comply with the non-discrimination and equal opportunity requirements of 24 CFR section 5.105, including the prohibitions on discrimination in admission to or participation in federally assisted housing programs on the basis of race, color, religion, national origin, sex, disability, and familial status under the Fair Housing Act, and the prohibition on age discrimination under the Age Discrimination Act of 1975. |  |

Check this box if you choose not to provide the contact information.

|  |  |
|--|--|
|  |  |
|--|--|

**Signature of Applicant**

**Date**

The information collection requirements contained in this form were submitted to the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520). The public reporting burden is estimated at 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Section 644 of the Housing and Community Development Act of 1992 (42 U.S.C. 13604) imposed on HUD the obligation to require housing providers participating in HUD's assisted housing programs to provide any individual or family applying for occupancy in HUD-assisted housing with the option to include in the application for occupancy the name, address, telephone number, and other relevant information of a family member, friend, or person associated with a social, health, advocacy, or similar organization. The objective of providing such information is to facilitate contact by the housing provider with the person or organization identified by the tenant to assist in providing any delivery of services or special care to the tenant and assist with resolving any tenancy issues arising during the tenancy of such tenant. This supplemental application information is to be maintained by the housing provider and maintained as confidential information. Providing the information is basic to the operations of the HUD Assisted-Housing Program and is voluntary. It supports statutory requirements and program and management controls that prevent fraud, waste and mismanagement. In accordance with the Paperwork Reduction Act, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information, unless the collection displays a currently valid OMB control number.

**Privacy Statement:** Public Law 102-550, authorizes the Department of Housing and Urban Development (HUD) to collect all the information (except the Social Security Number (SSN)) which will be used by HUD to protect disbursement data from fraudulent actions.



Monthly Housing Expense: \_\_\_\_\_

Do you currently live in HUD Subsidized Housing? YES  NO

| Last 5 Years of Residence History                          |                   |
|--|-------------------|
| Current Address:   | Landlord Name:    |
|  | Landlord Phone:   |
| OWN <input type="checkbox"/> RENT <input type="checkbox"/> | Landlord Address: |
| Move In: _____ Move Out: Present                           |                   |
|  |                   |
| Previous Address:  | Landlord Name:    |
|  | Landlord Phone:   |
| OWN <input type="checkbox"/> RENT <input type="checkbox"/> | Landlord Address: |
| Move In: _____ Move Out: _____                             |                   |
|  |                   |
| Previous Address:  | Landlord Name:    |
|  | Landlord Phone:   |
| OWN <input type="checkbox"/> RENT <input type="checkbox"/> | Landlord Address: |
| Move In: _____ Move Out: _____                             |                   |

Have you or any member of your household lived in any other State other than Rhode Island? YES  NO

If yes, please list. \_\_\_\_\_

Have you or any member of your household been served with eviction papers, or been evicted, or otherwise involuntarily removed from rental housing due to fraud, non-payment of rent, failure to cooperate with recertification procedures, or for any other reason? YES  NO

If yes, please explain \_\_\_\_\_

Why are you applying for tenancy at Shalom Apartments?

\_\_\_\_\_

How did you hear about Shalom Apartments?

\_\_\_\_\_

Are you a U. S. Military Veteran, or have you been displaced due to a presidentially declared disaster? YES  NO

**CRIMINAL HISTORY:**

Have you or any member of your household ever been convicted of a felony, or a misdemeanor other than a traffic violation? YES  NO

If yes, please list. \_\_\_\_\_

Does any member of your household use an illegal drug or other illegal controlled substance(s) or was ever convicted of the illegal distribution or manufacture of an illegal drug or other illegal controlled substance? YES  NO

If yes, please list. \_\_\_\_\_

Are you or any member of your household subject to a state lifetime sex offender registration in any state? YES  NO

If yes, please list. \_\_\_\_\_

**HEALTH:**

Do you need an apartment that has been modified to accommodate physical disabilities? YES  NO

Do you require a live-in attendant? YES  NO

**INCOME:**

Applications are not complete without proof of all income sources.

YES NO

- I receive cash contributions or gifts on an ongoing basis from persons not living with me.
- I am self-employed. List the types of jobs you do: \_\_\_\_\_
- I have a job and receive money/wages, tips, or bonuses. List the businesses or companies that pay you: \_\_\_\_\_
- I receive unemployment benefits.
- I receive periodic payments from Workers' Compensation.
- I receive Veteran's Administration or GI Bill benefits.
- I receive military active-duty allotments.
- I receive payments from retirement funds or pensions.  
If yes, list sources. \_\_\_\_\_
- I receive Social Security or Railroad Retirement Act Income.
- I receive unearned income from family members age 17 or under (example: Social Security).
- I receive Supplemental Security Income (SSI).
- I receive state Supplemental Security Income (SSP).
- I receive foster or adoption assistance payments.
- I receive disability or death benefits other than Social Security.
- I receive Public Assistance other than food stamps.
- I receive child support. If yes, from how many fathers do you receive support?  
If yes, child support paid directly to whom? \_\_\_\_\_
- I have been awarded a judgment for Child Support but do not receive payments.
- I plan to take legal action on an unpaid Child Support claim within the next (12) months.
- I receive alimony.  
If yes, alimony paid directly to whom? \_\_\_\_\_
- I receive periodic payments from a trust, annuity, or inheritance.
- I receive periodic payments from insurance policies.  
If yes, list sources. \_\_\_\_\_
- I receive periodic payments from lottery winnings.
- I receive income from rental of real estate or personal property.
- I am a member of an Indian Tribe receiving gaming payments.
- I receive income from sources other than those listed above.  
If yes, please list type: \_\_\_\_\_

**ASSETS:**

Applications are not complete without recent statement for all assets.

YES NO

- I have lump sum receipts or one-time receipts.
- I own real estate including mobile homes or hold a mortgage, deed of trust, or land contracts.  
If yes, list source? \_\_\_\_\_
- I have personal property held for investment purposes (gems, jewelry, coin or stamp collections, etc.)
- I have a pre-paid debit account(s) at: \_\_\_\_\_

(List name(s) Ex. Direct Express, EBT, Child Support Key card, etc.)

- I have a savings account(s) at: \_\_\_\_\_  
(List name(s) of banks, credit unions, savings & loans, etc.)
- I have a checking account(s) at: \_\_\_\_\_  
(List name(s) of banks, credit unions, savings & loans, etc.)
- YES NO  
  I have time certificate(s) at: \_\_\_\_\_  
(List name(s) of banks, credit unions, savings & loans, etc.)
- I have certificates of deposit at: \_\_\_\_\_  
(List name(s) of banks, credit unions, savings & loans, etc.)
- I have IRA's or Keogh account(s): \_\_\_\_\_  
(List name(s) of banks, credit unions, savings & loans, etc.)
- I have life insurance policies.  
If yes, list sources. \_\_\_\_\_
- I have revocable trusts.  
If yes, list sources. \_\_\_\_\_
- I have savings bonds or treasury bills.  
If yes, list sources. \_\_\_\_\_
- I have stocks, bonds, or mutual funds.  
If yes, list sources. \_\_\_\_\_
- I have assets from sources other than those listed above.  
If yes, please list type: \_\_\_\_\_

Annual Gross Income Including Income from Assets: \_\_\_\_\_

|  |       |  |       |
|--|-------|--|-------|
| EMERGENCY CONTACT<br>Complete HUD Form 92006 |       | EMERGENCY CONTACT<br>Complete HUD Form 92006 |       |
| Name:  |       | Name:  |       |
| Relationship:                                |       | Relationship:                                |       |
| Address:                                     |       | Address:                                     |       |
|  |       |  |       |
| Tel:   | Cell: | Tel:   | Cell: |

I certify to the best of my knowledge that all statements are true and accurate. When circumstances change, I will notify administration for possible re-certification. I understand that providing false information will result in denial or termination of benefits and may result in federal and or state penalties including fines and imprisonment. Please reference form HUD-1141.

Each Household member, excluding live-in aides, who is 18 or older must sign this form.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date



# APPLYING FOR HUD HOUSING ASSISTANCE?

**THINK ABOUT THIS...  
IS FRAUD WORTH IT?**

## Do You Realize...

If you commit fraud to obtain assisted housing from HUD, you could be:

- **Evicted** from your apartment or house.
- **Required to repay** all overpaid rental assistance you received.
- **Fined** up to \$10,000.
- **Imprisoned** for up to five years.
- **Prohibited** from receiving future assistance.
- **Subject** to State and local government penalties.

## Do You Know...

You are committing fraud if you sign a form knowing that you provided false or misleading information.

The information you provide on housing assistance application and recertification forms will be checked. The local housing agency, HUD, or the Office of Inspector General will check the income and asset information you provide with other Federal, State, or local governments and with private agencies. Certifying false information is fraud.

## So Be Careful!

When you fill out your application and yearly recertification for assisted housing from HUD make sure your answers to the questions are accurate and honest. You must include:

All sources of income and changes in income you or any members of your household receive, such as wages, welfare payments, social security and veterans' benefits, pensions, retirement, etc.

Any money you receive on behalf of your children, such as child support, AFDC payments, social security for children, etc.

Any increase in income, such as wages from a new job or an expected pay raise or bonus.

All assets, such as bank accounts, savings bonds, certificates of deposit, stocks, real estate, etc., that are owned by you or any member of your household.

All income from assets, such as interest from savings and checking accounts, stock dividends, etc.

Any business or asset (your home) that you sold in the last two years at less than full value.

The names of everyone, adults or children, relatives and non-relatives, who are living with you and make up your household.

**(Important Notice for Hurricane Katrina and Hurricane Rita Evacuees:** HUD's reporting requirements may be temporarily waived or suspended because of your circumstances. Contact the local housing agency before you complete the housing assistance application.)

## Ask Questions

If you don't understand something on the application or recertification forms, always ask questions. It's better to be safe than sorry.

## Watch Out for Housing Assistance Scams!

- Don't pay money to have someone fill out housing assistance application and recertification forms for you.
- Don't pay money to move up on a waiting list.
- Don't pay for anything that is not covered by your lease.
- Get a receipt for any money you pay.
- Get a written explanation if you are required to pay for anything other than rent (maintenance or utility charges).

## Report Fraud

If you know of anyone who provided false information on a HUD housing assistance application or recertification or if anyone tells you to provide false information, report that person to the HUD Office of Inspector General Hotline. You can call the Hotline toll-free Monday through Friday, from 10:00 a.m. to 4:30 p.m., Eastern Time, at 1-800-347-3735. You can fax information to (202) 708-4829 or e-mail it to [Hotline@hudoig.gov](mailto:Hotline@hudoig.gov). You can write the Hotline at:



HUD OIG Hotline, GFI  
451 7<sup>th</sup> Street, SW  
Washington, DC 20410



# FACT SHEET

## For HUD ASSISTED RESIDENTS

### Section 202/162 – Project Assistance Contract (PAC)

### Section 202/811 – Project Rental Assistance Contract (PRAC)

## “HOW YOUR RENT IS DETERMINED”

Office of Housing

**\*\*June 2007\*\***

*This Fact Sheet is a general guide to inform the Owner/Management Agents (OA) and HUD-assisted residents of the responsibilities and rights regarding income disclosure and verification.*

### Why Determining Income and Rent Correctly is Important

Department of Housing and Urban Development studies show that many resident families pay incorrect rent. The main causes of this problem are:

- Under-reporting of income by resident families, and
- OAs not granting exclusions and deductions to which resident families are entitled.

OAs and residents all have a responsibility in ensuring that the correct rent is paid.

#### OAs' Responsibilities:

- Obtain accurate income information

- Verify resident income
- Ensure residents receive the exclusions and deductions to which they are entitled
- Accurately calculate Tenant Rent
- Provide tenants a copy of lease agreement and income and rent determinations
- Recalculate rent when changes in family composition and decreases or increases in income are reported by \$200 more per month
- Provide information on OA policies upon request
- Notify residents of any changes in requirements or practices for reporting income or determining rent

#### Residents' Responsibilities:

- Provide accurate family composition information
- Report all income
- Keep copies of papers, forms, and receipts which document income and expenses
- Report changes in family composition and income occurring between annual recertifications
- Sign consent forms for income verification
- Follow lease requirements and house rules

### Income Determinations

A family's anticipated gross income determines not only eligibility for assistance, but also determines the rent a family will pay and the subsidy required. The anticipated income, subject to exclusions and deductions the family will receive during the next twelve (12) months, is used to determine the family's rent.

#### What is Annual Income?

Gross Income – Income Exclusions = Annual Income

#### What is Adjusted Income?

Annual Income – Deductions = Adjusted Income

### Determining Tenant Rent

The rent a family will pay is the **highest** of the following amounts:

- 30% of the family's monthly *adjusted* income
- 10% of the family's monthly income
- Welfare rent or welfare payment from agency to assist family in paying housing costs.

**Note:** An owner may admit an applicant to the PAC program only if the Total Tenant Payment is less than the gross rent. This note does not apply to the PRAC program. In some instances under the PRAC program a

tenant's Total Tenant Payment will exceed the PRAC operating rent (gross rent).

## Income and Assets

HUD assisted residents are required to report **all** income from all sources to the Owner or Agent (OA).

Exclusions to income and deductions are part of the tenant rent process.

When determining the amount of income from assets to be included in annual income, the actual income derived from the assets is included except when the cash value of all of the assets is in excess of \$5,000, then the amount included in annual income is the higher of 2% of the total assets or the actual income derived from the assets.

### Annual Income Includes:

- Full amount (before payroll deductions) of wages and salaries, overtime pay, commissions, fees, tips and bonuses and other compensation for personal services
- Net income from the operation of a business or profession
- Interest, dividends and other net income of any kind from real or personal property (See Assets Include/Assets Do Not Include below)
- Full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic receipts, including lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount **\*\***(except for deferred periodic payments of supplemental security income and social security benefits, see Exclusions from annual Income, below)**\*\***
- Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay **\*\***(except for lump-sum additions to family assets, see Exclusions from Annual Income, below)**\*\***
- Welfare assistance
- Periodic and determinable allowances, such as alimony and child support payments and regular contributions or gifts received from organizations or from persons not residing in the dwelling
- All regular pay, special pay and allowances of a member of the Armed Forces (except for special pay for exposure to hostile fire)
- **\*\***For Section 8 programs only, in excess of amounts received for tuition, that an individual receives under the Higher Education Act of 1965,

shall be considered income to that individual, except that financial assistance is not considered annual income for persons over the age of 23 with dependent children or if a student is living with his or her parents who are receiving section 8 assistance. For the purpose of this paragraph, "financial assistance" does not include loan proceeds for the purpose of determining income.**\*\***

### Assets Include:

- Stocks, bonds, Treasury bills, certificates of deposit, money market accounts
- Individual retirement and Keogh accounts
- Retirement and pension funds
- Cash held in savings and checking accounts, safe deposit boxes, homes, etc.
- Cash value of whole life insurance policies available to the individual before death
- Equity in rental property and other capital investments
- Personal property held as an investment
- Lump sum receipts or one-time receipts
- Mortgage or deed of trust held by an applicant
- Assets disposed of for less than fair market value.

### Assets Do Not Include:

- Necessary personal property (clothing, furniture, cars, wedding ring, vehicles specially equipped for persons with disabilities)
- Interests in Indian trust land
- Term life insurance policies
- Equity in the cooperative unit in which the family lives
- Assets that are part of an active business
- Assets that are not effectively owned by the applicant or are held in an individual's name but:
  - The assets and any income they earn accrue to the benefit of someone else who is not a member of the household, and
  - that other person is responsible for income taxes incurred on income generated by the assets
- Assets that are not accessible to the applicant and provide no income to the applicant (Example: A battered spouse owns a house with her husband. Due to the domestic situation, she receives no income from the asset and cannot convert the asset to cash.)
- Assets disposed of for less than fair market value as a result of:
  - Foreclosure
  - Bankruptcy
  - Divorce or separation agreement if the applicant

or resident receives important consideration not necessarily in dollars.

### **Exclusions from Annual Income:**

- Income from the employment of children (including foster children) under the age of 18
- Payment 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
- \*\*Subject to the inclusion of income for the Section 8 program for students who are enrolled in an institution of higher education under Annual Income Includes, above,\*\*The full amount of student financial assistance either 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 for 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
- Resident service stipend (not to exceed \$200 per month)
- Incremental earnings and benefits resulting to any family member from participation in qualifying State or local employment training programs and training of a family member as resident management staff
- Temporary, non-recurring 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 head of household, co-head or spouse)
- Adoption assistance payments in excess of \$480 per adopted child
- Deferred periodic payments of supplemental security income and social security benefits that are received in a lump sum amount or in prospective monthly amounts
- Amounts received by the family in the form of refunds 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 developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home

### **Federally Mandated Exclusions:**

- Value of the allotment provided to an eligible household 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
- Income derived from certain submarginal land of the US that is held in trust for certain Indian Tribes
- Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program
- Payments received under programs funded in whole or in part under the Job Training Partnership Act
- Income derived from the disposition of funds to the Grand River Band of Ottawa Indians
- The first \$2000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the US. Claims Court, the interests of individual Indians in trust or restricted lands, including the first \$2000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands
- Amounts of scholarships funded under Title IV of the Higher Education Act of 1965, including awards under the Federal work-study program or under the Bureau of Indian Affairs 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 *In Re Agent-product liability litigation*

- Payments received under the Maine Indian Claims Settlement Act of 1980
- The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990
- Earned income tax credit (EITC) refund payments 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
- Allowance, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990
- Any allowance paid under the provisions of 38U.S.C. 1805 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) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act
- Allowances, earnings and payments to individuals participating under the Workforce Investment Act of 1998

## **Deductions:**

- \$480 for each dependent including full time students or persons with a disability
- \$400 for any elderly family or disabled family
- Unreimbursed medical expenses of any elderly family or disabled family that total more than 3% of Annual Income the expenditure is applied only one time
- Unreimbursed reasonable attendant care and auxiliary apparatus expenses for disabled family member(s) to allow family member(s) to work that total more than 3% of Annual Income
- If an elderly family has both unreimbursed medical expenses and disability assistance expenses, the family's 3% of income expenditure is applied only one time
- Any reasonable child care expenses for children under age 13 necessary to enable a member of the family to be employed or to further his or her education.

## **Reference Materials**

### **Regulations:**

- General HUD Program Requirements; 24 CFR Part 5 and CFR 24 Part 891.

### **Handbook:**

- 4350.3, Occupancy Requirements of Subsidized Multifamily Housing Programs

### **Notices:**

- "Federally Mandated Exclusions" Notice 66 FR 4669, April 20, 2001

### **For More Information:**

Find out more about HUD's programs on HUD's Internet homepage at <http://www.hud.gov>

# FACT SHEET

## For HUD ASSISTED RESIDENTS

### Project-Based Section 8

## “HOW YOUR RENT IS DETERMINED”

Office of Housing

September 2010

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### Why Determining Income and Rent Correctly is Important

Department of Housing and Urban Development studies show that many resident families pay incorrect rent. The main causes of this problem are:

- Under-reporting of income by resident families, and
- OAs not granting exclusions and deductions to which resident families are entitled.

OAs and residents all have a responsibility in ensuring that the correct rent is paid.

### OAs' Responsibilities:

- Obtain accurate income information
- Verify resident income
- Ensure residents receive the exclusions and deductions to which they are entitled
- Accurately calculate Tenant Rent
- Provide tenants a copy of lease agreement and income and rent determinations Recalculate rent when changes in family composition are reported
- Recalculate rent when resident income decreases
- Recalculate rent when resident income increases by \$200 or more per month
- Recalculate rent every 90 days when resident claims minimum rent hardship exemption
- Provide information on OA policies upon request
- Notify residents of any changes in requirements or practices for reporting income or determining rent

### Residents' Responsibilities:

- Provide accurate family composition information
- Report all income
- Keep copies of papers, forms, and receipts which document income and expenses
- Report changes in family composition and income occurring between annual recertifications
- Sign consent forms for income verification
- Follow lease requirements and house rules

### Income Determinations

A family's anticipated gross income determines not only eligibility for assistance, but also determines the rent a family will pay and the subsidy required. The anticipated income, subject to exclusions and deductions the family will receive during the next twelve (12) months, is used to determine the family's rent.

### What is Annual Income?

Gross Income – Income Exclusions = Annual Income

### What is Adjusted Income?

Annual Income – Deductions = Adjusted Income

### Determining Tenant Rent

### **Project-Based Section 8 Rent Formula:**

The rent a family will pay is the **highest** of the following amounts:

- 30% of the family's monthly *adjusted* income
  - 10% of the family's monthly income
  - Welfare rent or welfare payment from agency to assist family in paying housing costs.
- OR
- \$25.00 Minimum Rent

## **Income and Assets**

HUD assisted residents are required to report **all** income from all sources to the Owner or Agent (OA).

Exclusions to income and deductions are part of the tenant rent process.

When determining the amount of income from assets to be included in annual income, the actual income derived from the assets is included except when the cash value of all of the assets is in excess of \$5,000, then the amount included in annual income is the higher of 2% of the total assets or the actual income derived from the assets.

### **Annual Income Includes:**

- Full amount (before payroll deductions) of wages and salaries, overtime pay, commissions, fees, tips and bonuses and other compensation for personal services
- Net income from the operation of a business or profession
- Interest, dividends and other net income of any kind from real or personal property (See Assets Include/Assets Do Not Include below)
- Full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic receipts, including lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount (except for deferred periodic payments of supplemental security income and social security benefits, see Exclusions from Annual Income, below)
- Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (except for lump-sum additions to

family assets, see Exclusions from Annual Income, below Welfare assistance

- Periodic and determinable allowances, such as alimony and child support payments and regular contributions or gifts received from organizations or from persons not residing in the dwelling
- All regular pay, special pay and allowances of a member of the Armed Forces (except for special pay for exposure to hostile fire)
- For Section 8 programs only, any financial assistance, in excess of amounts received for tuition, that an individual receives under the Higher Education Act of 1965, shall be considered income to that individual, except that financial assistance is not considered annual income for persons over the age of 23 with dependent children or if a student is living with his or her parents who are receiving section 8 assistance. For the purpose of this paragraph, "financial assistance" does not include loan proceeds for the purpose of determining income.

### **Assets Include:**

- Stocks, bonds, Treasury bills, certificates of deposit, money market accounts
- Individual retirement and Keogh accounts
- Retirement and pension funds
- Cash held in savings and checking accounts, safe deposit boxes, homes, etc.
- Cash value of whole life insurance policies available to the individual before death
- Equity in rental property and other capital investments
- Personal property held as an investment
- Lump sum receipts or one-time receipts
- Mortgage or deed of trust held by an applicant
- Assets disposed of for less than fair market value.

### **Assets Do Not Include:**

- Necessary personal property (clothing, furniture, cars, wedding ring, vehicles specially equipped for persons with disabilities)
- Interests in Indian trust land
- Term life insurance policies
- Equity in the cooperative unit in which the family lives
- Assets that are part of an active business
- Assets that are not effectively owned by the applicant

or are held in an individual's name but:

- The assets and any income they earn accrue to the benefit of someone else who is not a member of the household, and
- that other person is responsible for income taxes incurred on income generated by the assets
- Assets that are not accessible to the applicant and provide no income to the applicant (Example: A battered spouse owns a house with her husband. Due to the domestic situation, she receives no income from the asset and cannot convert the asset to cash.)
- Assets disposed of for less than fair market value as a result of:
  - Foreclosure
  - Bankruptcy
  - Divorce or separation agreement if the applicant or resident receives important consideration not necessarily in dollars.

#### **Exclusions from Annual Income:**

- Income from the employment of children (including foster children) under the age of 18
- Payment 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
- Subject to the inclusion of income for the Section 8 program for students who are enrolled in an institution of higher education under Annual Income Includes, above, the full amount of student financial assistance either 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 for 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
- Resident service stipend (not to exceed \$200 per month)
- Incremental earnings and benefits resulting to any family member from participation in qualifying State or local employment training programs and training of a family member as resident management staff
- Temporary, non-recurring 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 head of household, co-head or spouse)
- Adoption assistance payments in excess of \$480 per adopted child
- Deferred periodic payments of supplemental security income and social security benefits that are received in a lump sum amount or in prospective monthly amounts
- Amounts received by the family in the form of refunds 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 developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home

#### **Federally Mandated Exclusions:**

- Value of the allotment provided to an eligible household 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
- Income derived from certain submarginal land of the US that is held in trust for certain Indian Tribes

- Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program
- Payments received under programs funded in whole or in part under the Job Training Partnership Act
- Income derived from the disposition of funds to the Grand River Band of Ottawa Indians
- The first \$2000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the US. Claims Court, the interests of individual Indians in trust or restricted lands, including the first \$2000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands
- 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 *In Re Agent-product* liability litigation
- Payments received under the Maine Indian Claims Settlement Act of 1980
- The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990
- Earned income tax credit (EITC) refund payments 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
- Allowance, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990
- Any allowance paid under the provisions of 38U.S.C. 1805 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) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act
- Allowances, earnings and payments to individuals participating under the Workforce Investment Act of 1998.

## Deductions:

- \$480 for each dependent including full time students or persons with a disability
- \$400 for any elderly family or disabled family
- Unreimbursed medical expenses of any elderly family or disabled family that total more than 3% of Annual Income
- Unreimbursed reasonable attendant care and auxiliary apparatus expenses for disabled family member(s) to allow family member(s) to work that total more than 3% of Annual Income
- If an elderly family has both unreimbursed medical expenses and disability assistance expenses, the family's 3% of income expenditure is applied only one time.
- Any reasonable child care expenses for children under age 13 necessary to enable a member of the family to be employed or to further his or her education.

## Reference Materials

### Legislation:

- Quality Housing and Work Responsibility Act of 1998, Public Law 105-276, 112 Stat. 2518 which amended the United States Housing Act of 1937, 42 USC 2437, et seq.

### Regulations:

- General HUD Program Requirements; 24 CFR Part 5

### Handbook:

- 4350.3, Occupancy Requirements of Subsidized Multifamily Housing Programs

### Notices:

**“Federally Mandated Exclusions” Notice 66 FR 4669, April 20, 2001**

### For More Information:

Find out more about HUD's programs on HUD's Internet homepage at <http://www.hud.gov>