



National American Indian Housing Council

Admissions and Occupancy



Welcome!



About NAIHC

- ▶ Founded in 1974 as a 501(c)(3) corporation
- ▶ 271 members representing 463 tribes
- ▶ 10-member Board of Directors representing nine geographical regions in the U.S.
- ▶ Advocacy
- ▶ Training (ONAP assigned)
- ▶ On-site technical assistance (ONAP assigned)
- ▶ Research
- ▶ <http://www.naihc.net/>



About NAIHC Leadership Institute

- ▶ Course 1: Indian Housing Management
- ▶ Course 2: Supervisory Management
- ▶ Course 3: Property Maintenance Management
- ▶ Course 4: Admissions & Occupancy
- ▶ Course 5: Pathways Home: Train the Trainer
- ▶ Course 6: Resident Services
- ▶ Course 7: NAHASDA LIHTC Compliance
- ▶ Course 8: Basic Accounting
- ▶ Course 9: Financial Management
- ▶ Course 10: Financing Affordable Housing Development
- ▶ Course 11: Project Management
- ▶ Course 12: Environmental Compliance
- ▶ Course 13: Acquisition Basics

Group Introductions...



- Name
- Tribe/TDHE
- Your position/years working in Indian Housing
- “I need to learn how to...”
- Expectations this week



WELCOME

Zoom Tools

Host

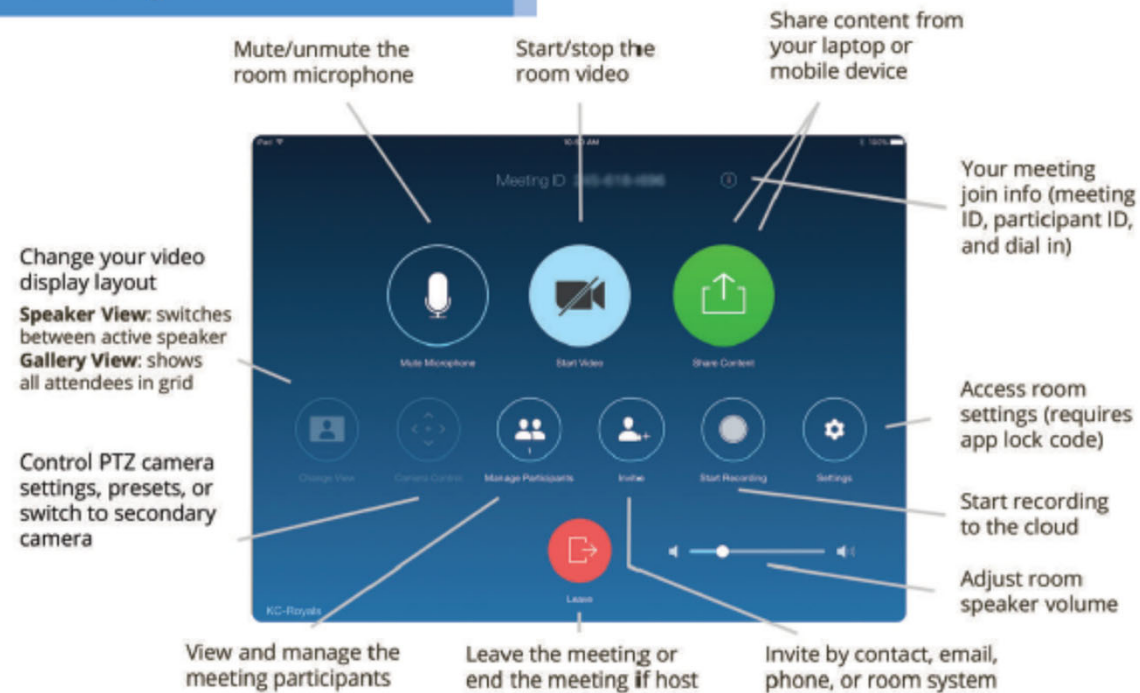
Instructor

Introductions

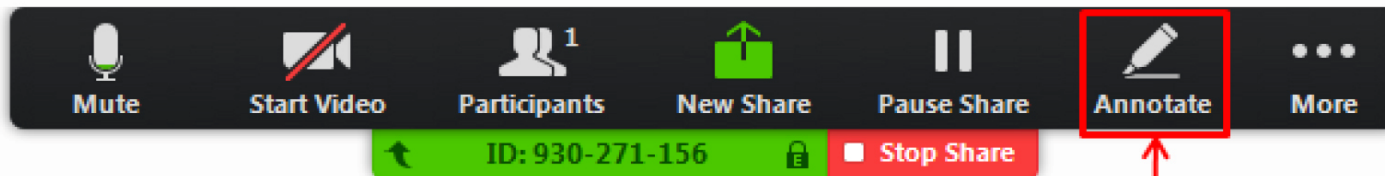
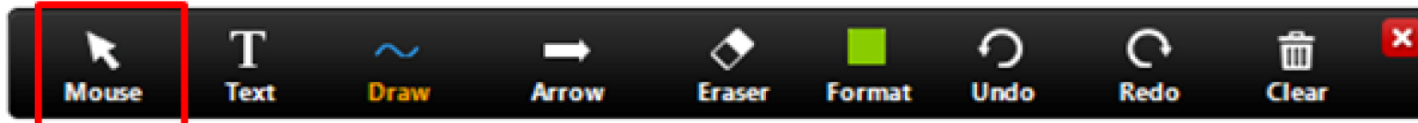
Agenda

- Zoom Tools
- Host
- Instructor
- Introductions

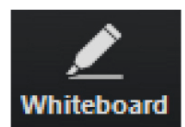
Meeting Controls



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annotations. To select several annotations at once, click and drag your mouse over them.

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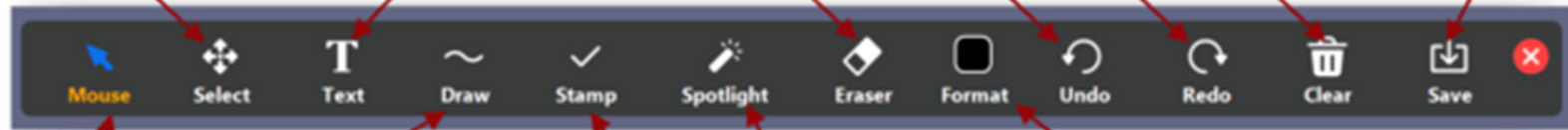
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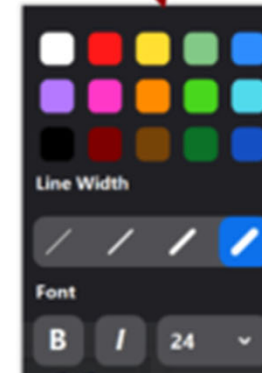
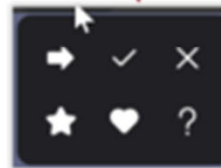
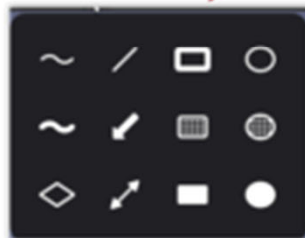
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Insert lines, arrows, and shapes

Insert icons

Turn the cursor into a spotlight or arrow

Change the formatting options of annotations tools like colour, line width, and font.



Poll: I work as a . . .

- A. Executive Director
- B. Board or Tribal Council Member
- C. Occupancy Specialist
- D. Housing Counselor
- E. Maintenance/Construction
- F. Housing Manager
- G. Finance
- H. Social Services
- I. ONAP Rep
- J. I am not sure what my job is

Poll: I want to learn about _____.
Select all that apply

- A. Calculating Income
- B. Housing Counseling for low-income families
- C. Eligible Families
- D. Calculating Asset Income
- E. What counts as income
- F. Qualifying for a homebuyer program
- G. Qualifying for a homeownership program

HOW LONG HAVE YOU BEEN

- ## WORKING IN HOUSING?
- ▶ Zero to 6 months
 - ▶ 7 to 12 months
 - ▶ 1 to 3 years
 - ▶ 4 to 5 years
 - ▶ 6 to 10 years
 - ▶ 10 years +





Course Objectives

Understand how NAHASDA policies and program requirements impact the A&O process.

Learn what counts as income and how to calculate income to determine eligibility.

Learn how to calculate adjusted income and house payments.

Learn staffing requirements for admission and occupancy functions.

Explain the intake and application process.

Explain the significance of maintaining complete, organized files.

Learn the verification requirements needed to ensure fairness and consistency in the selection process.

Understand how good collections contribute to sound management.



Common Courtesies

- ▶ Ask questions!
- ▶ Feel free to turn on your video and make comments.
- ▶ Share techniques and advice.
- ▶ Have fun.

Course Structure



Presentation



Exercises



Participant materials



Examples



Annotation activities

READ THE SCENARIO & ANSWER THE QUESTIONS:

A low-income family has a 3-bedroom rental home. Unfortunately, the primary wage earner lost her job. Although her husband works, it is seasonal, and his excellent reputation ensures he will be rehired. They are good tenants and never missed a payment. However, the reduced income makes it difficult to provide for their children and pay \$600 rent per month. They made a partial payment in February and no payment in March. They are panicking and nervous about contacting the housing program, because their notices are so ominous.

1. Which of the following should the family do first?:
 - A. Get a lawyer
 - B. File for unemployment
 - C. Find a job
 - D. Contact the housing staff and inform them of their circumstances.

2. What should the housing program do about the delinquency?
 - A. Reach out to the family by phone and discuss the situation.
 - B. Explain that they could do an interim recertification and adjust their rent based on current circumstances.
 - C. Meet with the family and assist them with filing for unemployment, budgeting.
 - D. Meet with the family and work on a repayment agreement.
 - E. All of the above

A photograph of a traditional wooden building, likely a house or workshop, with a steep, shingled roof. The roof is made of dark, weathered wooden shingles and is supported by several thick, light-colored wooden poles. The building's walls are made of vertical wooden planks. A decorative doorway is visible on the right side, featuring a colorful, abstract design. The sky is blue with scattered white clouds. The ground in the foreground is a mix of gravel and grass with small yellow flowers.

**LESSON 1:
OVERVIEW OF NAHASDA**

Learning Objectives

- ▶ Recognize NAHASDA requirement for establishing policies describing rent, insurance, admissions & occupancy, maintenance, inspections, conflict of interest.
- ▶ Identify key provisions of NAHASDA that apply to admissions and occupancy.
- ▶ Learn how family income levels and other program requirements determine eligibility for NAHASDA assistance.

What Governs your A&O Program?

NAHASDA statute

NAHASDA regulations

Other funder's requirements

Tribal Law

State Law as applicable

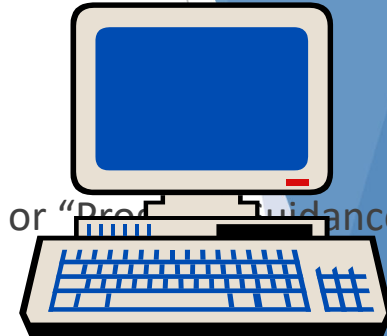
NAHASDA STATUTE

NAHASDA Requirements

• Eligible Families	• Definitions of Annual Gross Income
• Tribal Preference	• Maintenance & Inspections
• Eligible Activities	• Useful Life
• Policies	• Adjusted Gross Income
• Environmental Requirements	• Waiting List
• Insurance	• Verification
• Uniform Relocation Act	• Occupancy
• Conflict of Interest	• Recordkeeping

PIH Notices and NAHASDA Guidance

- ▶ PIH Notices
- ▶ Program Guidance
- ▶ Sources:
 - ▶ <https://www.hud.gov/codetalk> and click on either “PIH Notices” or “Program Guidance”



Uniform Guidance: What is it?

Code of Federal Regulations: 2 CFR 200

Title 2: Grants and Agreements

**PART 200— “UNIFORM ADMINISTRATIVE REQUIREMENTS,
COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR
FEDERAL AWARDS”**

- Now commonly referred to as the “Uniform Guidance” for Federal Awards (2 CFR Part 200).
- Replaces, consolidates and streamlines eight Federal regulations into a single guide
- Applies to all Federal grants and to certain other types of Federal awards



Uniform Administrative Requirements

- ▶ Management systems
- ▶ Insurance
- ▶ Procurement
- ▶ Reporting & recordkeeping
- ▶ Conflict of interest
- ▶ Audit
- ▶ Allowable, unallowable costs

INSURANCE - Program Guidance 2014-03

- **Purpose:** The intent of this guidance is to provide IHBG recipients with direction on the following: (1) When is insurance required? (2) What insurance requirements apply, and when is insurance adequate? (3) What insurance requirements apply to contractors and subcontractors? And, (4) What are other insurance requirements under NAHASDA?
- **When is insurance required and in what amount?** Insurance coverage is required for housing units that are owned, operated, or assisted with IHBG funds. Units that are assisted with IHBG funds must be adequately insured for one of the two time periods listed below, whichever is longer:
 - the useful life (affordability period) of recipient or privately owned units, or
 - the term of a repayment or forgiveness agreement for all or part of the IHBG assistance for privately owned housing units.
- Housing units assisted with IHBG funds must remain affordable for their useful life as determined by the recipient (affordability period), and recipients must have a means of insuring their investment during this period. Therefore, as long as the useful life (affordability period) has not expired, IHBG-assisted housing units owned or operated by the recipient must be covered by adequate insurance.

Insurance

Insurance for housing may be either a purchased insurance policy from an insurance provider or a plan of self-insurance. Recipients may not require insurance on privately owned housing assisted with IHBG funds, if there is no risk of loss or exposure to the recipient, or if the assistance is in an amount less than \$5,000, unless repayment of all or a portion of the assistance is part of the assistance agreement. If private homeowners are unable to provide proof of insurance during the useful life (affordability period) of the assisted properties, the recipient must take steps to insure the units in order to protect its IHBG investment. This protection can be provided in a number of ways including:

- Purchase insurance for housing units that are owned, operated, or assisted with IHBG funds in an amount that is adequate to provide replacement cost to protect the IHBG investment.
- Have IHBG-assisted, private homeowners provide proof of replacement insurance for the useful life (affordability period) of the assistance received.
- Purchase insurance for privately owned housing units in the amount of the outstanding balance of the IHBG assistance provided.

Poll: Insurance Quiz

If a fire destroyed all or part of some housing units that were subject to a useful life (affordability period), and those housing units were not insured, then there is a risk of loss or exposure to the recipient's IHBG program that may result in which of the following:

- A. Loss of IHBG funds
- B. Repayment of IHBG funds
- C. Loss of revenue
- D. All of the above

Useful Life

<u>IHBG Funds Expended</u>	<u>Useful Life</u>
❖ Under \$5,000	6 months
❖ \$5,000 to \$15,000	5 years
❖ \$15,001 to \$40,000	10 years
❖ Over \$40,000.....	15 years
❖ New construction/acquisition	20 years

Conflict of Interest: Applicable Rules

- ✦ 2 CFR 200.318(c)(1) covers conflict of interest in procurement
- ✦ 24 CFR 1000.30 addresses all conflict of interest issues, including admissions and occupancy.
- ✦ The above standards apply only to grant funds

Compliance: 24 CFR 1000.30, 1000.32, 1000.34 and 1000.36

- ✦ Recipients should have in place a set of procedures for determining when a conflict of interest exists and for reporting the conflict to HUD and disclosing it to the public as required by the regulations. Those procedures should include:
 - ✦ A method of determining whether or not there is a potential conflict of interest with an applicant (e.g., does the housing application ask applicants to disclose any personal, family or business relationships with the housing entities decision makers? Does the housing entity maintain a list of persons having immediate family or business ties to its decision makers?); and
 - ✦ Administrative steps for reporting a potential conflict of interest to the Area Office of Native American Programs (ONAP) and disclosing to the public the conflict of interest, the nature of the assistance to be provided the individual and the specific basis for which the selection of the individual was made.

2 CFR 200.318(c)(1)

- ✦ The non-Federal entity must maintain written standards of conduct covering conflicts of interest and governing the performance of its employees engaged in the selection, award and administration of contracts. No employee, officer, or agent must participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The officers, employees, and agents of the non-Federal entity must neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, non-Federal entities may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the non-Federal entity.

What Does That Mean?

Tribal employees, board members, and council members may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or subcontractors.

Tribe/TDHE may establish a maximum amount for gifts that are not significant, or the gift is an unsolicited item of nominal value

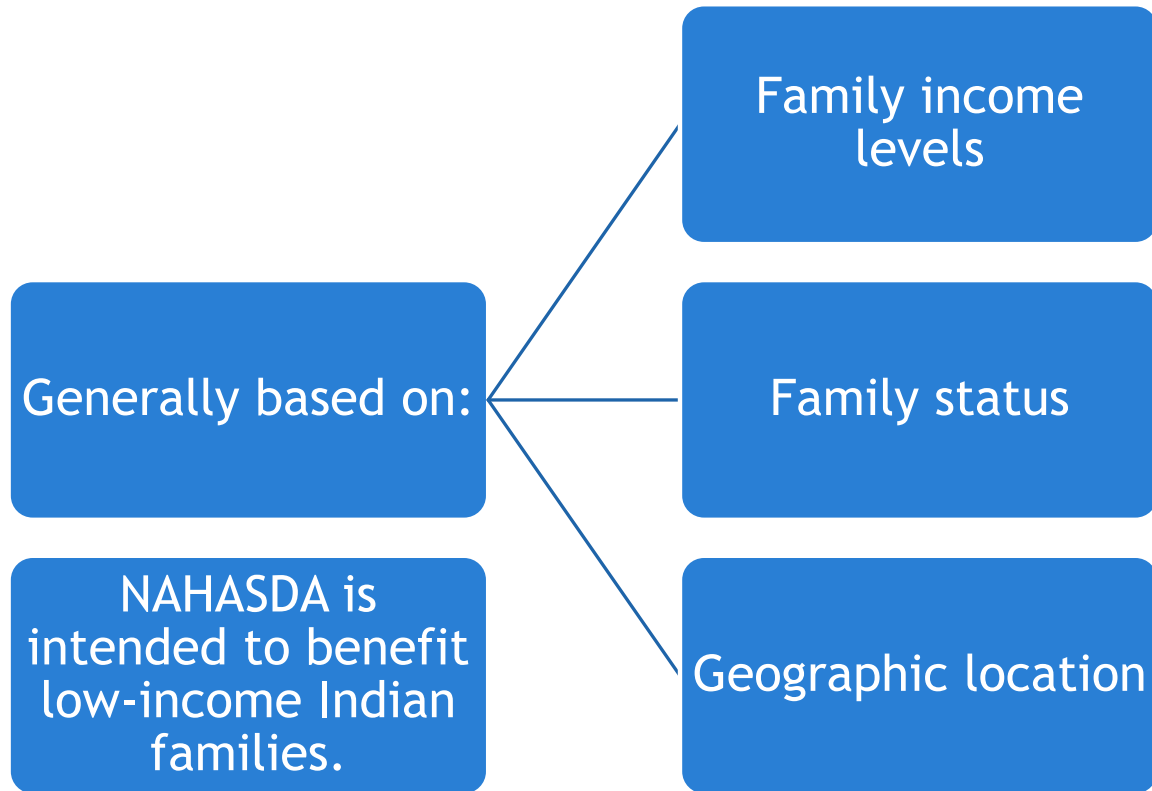
Amount established is usually \$20/gift or up to \$50 in total per year from the same source.

SAMPLE: Notice of Disclosure

In accordance with the Native American Housing Assistance and Self-Determination Act regulations anyone receiving assistance under NAHASDA and who participates in the decision-making process or who gains inside information with regard to NAHASDA assisted activities and benefits from such activities, must make a disclosure to the public and to HUD.

In 1997 Comp Grant funds were awarded for window repair work for eligible participants in Projects 13 and 14. Scheduling is done by site in order to keep costs affordable. Michelle Ellenwood, Executive Assistant, occupies a home for which project assistance was planned under the old Comp Grant program. Mrs. Ellenwood meets the low-income criteria and does not have to repay for this assistance. Selection was based on submission of all the required documentation which was processed and verified to be true and accurate by NPTHA staff. Mrs. Ellenwood has no debt to the NPTHA and would have been eligible for this assistance regardless of her status as the Executive Assistant. Consequently, her role as a Executive Assistant of the NPTHA and as a participant in the program do not present a conflict of interest.

Housing Assistance Eligibility



What is “Median” Income?

✦ (15) MEDIAN INCOME-

... means, with respect to an area that is an Indian area, the **greater** of--

(A) the median income for the Indian area, which the Secretary shall determine;

OR

(B) the median income for the United States.

ATTACHMENT: CALCULATING INCOME FOR ELIGIBILITY

PROGRAM GUIDANCE

No. 2022-01
June 14, 2022

PURPOSE:

Provides income limits for the purpose of determining program eligibility

- Covers three definitions of annual income that
- Updated list of Federally Mandated Exclusions from annual income
- Tribes with large reservations or those that encompass more than one county may have more than one income limit. To reduce administrative burden, the Tribe or TDHE may set income limits for multi-county reservations at the income limit level of the county with the highest income limits.
- Explains calculation methodology.

PROGRAM GUIDANCE

PROGRAM: Indian Housing Block Grant (IHBG)

FOR: All Tribal Government Leaders and Tribally Designated Housing Entities (TDHE)

FROM: Hilary Atkin, Director for Office of Grants Management, PNPG

TOPIC: Income Limits for the IHBG program under the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA)

Purpose: This guidance replaces Program Guidance 2021-01 and provides the latest Housing and Urban Development (HUD) Income Limits applicable to the Indian Housing Block Grant (IHBG) program.

Background: HUD Notice [PDR-2022-01](#), published April 18, 2022, contains the methods used to calculate the FY 2022 Fair Market Rents (FMR) and enumerates the procedures for interested parties to request reevaluations of their FMRs. The FY 2022 FMRs are based on the updated metropolitan area definitions published by the Office of Management and Budget on September 14, 2018, and incorporated by the Census Bureau into the 2019 American Community Survey data. FMRs are used to establish Median Family Income (MFI) limits for the IHBG program.

The FY 2022 area and State FMI are available on HUD's website at:

<https://www.huduser.gov/portal/datasets/il.html#2022>

To find an FMI for a specific area, under the section title, "Access Individual Median Family Income Areas" click the link, "Click Here for FY 2022 MFI Documentation" then search on the appropriate geographic area.

Recipients of IHBG funding must ensure Annual Income of program participants do not exceed FMI. [Program Guidance 2013-05](#) addresses the three Annual Income definitions that recipients may adopt in their policies to compute Annual Income to determine program eligibility.

Guidance: Pursuant to 24 CFR §1000.10, median income for the IHBG program is defined as the greater of:

- 1) The median income of the counties, or their equivalent in which the Indian area is located; or

2022 U.S. Median Income Limits

If the MFI limit for a county located within your Indian area is lower than the United States MFI limit, you must use the United States FMI limit. The United States MFI for FY 2022 is \$90,000. Therefore, the adjusted income limits for family size and 80 and 100 percent of MFI are shown below.

		2022 Median Family Income \$90,000						
	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons	7 Persons	8 Persons
80%	\$50,400	\$57,600	\$64,800	\$72,000	\$77,800	\$83,600	\$89,300	\$95,100
100%	\$63,000	\$72,000	\$81,000	\$90,000	\$97,200	\$104,400	\$111,600	\$118,800

Alaska Income Limits

2022 Median Family Income \$102,200 Alaska

	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons	7 Persons	8 Persons
80%	\$57,300	\$65,400	\$73,700	\$81,800	\$88,400	\$94,900	\$101,500	\$108,000
100%	\$71,600	\$81,800	\$92,000	\$102,200	\$110,400	\$118,600	\$126,800	\$135,000

2022 Median Family Income \$106,200 Aleutians West

	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons	7 Persons	8 Persons
80%	\$59,500	\$68,000	\$76,500	\$85,000	\$91,800	\$98,600	\$105,400	\$112,200
100%	\$74,400	\$85,000	\$95,600	\$106,200	\$114,700	\$123,200	\$131,700	\$140,200

2022 Median Family Income \$116,300 Anchorage

	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons	7 Persons	8 Persons
80%	\$65,200	\$74,500	\$83,800	\$93,100	\$100,600	\$108,000	\$115,500	\$122,900
100%	\$81,500	\$93,000	\$104,700	\$116,300	\$125,700	\$135,000	\$144,300	\$153,600

2022 Median Family Income \$109,200 Bristol Bay

	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons	7 Persons	8 Persons
80%	\$61,200	\$69,900	\$78,700	\$87,400	\$94,400	\$101,400	\$108,400	\$115,400
100%	\$76,500	\$87,400	\$98,300	\$109,200	\$118,000	\$126,700	\$135,500	\$144,200

2022 Median Family Income \$117,600 Denali

	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons	7 Persons	8 Persons
80%	\$65,900	\$75,300	\$84,700	\$94,100	\$101,700	\$109,200	\$116,700	\$124,300
100%	\$82,400	\$94,100	\$105,900	\$117,600	\$127,100	\$136,500	\$145,900	\$155,300

2022 Median Family Income \$120,900 Juneau

	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons	7 Persons	8 Persons
80%	\$67,800	\$77,400	\$87,200	\$96,800	\$104,600	\$112,300	\$120,100	\$127,800
100%	\$84,700	\$96,700	\$108,900	\$120,900	\$130,600	\$140,300	\$150,000	\$159,600

2022 Median Family Income \$108,400 Kodiak Island

	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons	7 Persons	8 Persons
80%	\$60,800	\$69,400	\$78,200	\$86,800	\$93,800	\$100,700	\$107,700	\$114,600
100%	\$75,900	\$86,700	\$97,600	\$108,400	\$117,100	\$125,800	\$134,500	\$143,100

2022 Median Family Income \$110,200 Valdez-Cordova

	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons	7 Persons	8 Persons
80%	\$61,800	\$70,600	\$79,400	\$88,200	\$95,300	\$102,400	\$109,400	\$116,500
100%	\$77,200	\$88,200	\$99,200	\$110,200	\$119,100	\$127,900	\$136,700	\$145,500

For additional information, please contact your local Area Office of Native American Programs.

PROGRAM GUIDANCE

No. 2013-05(R)

May 06, 2013

Calculating Annual Income for Purposes of Eligibility Under NAHASDA

PROGRAM GUIDANCE

PROGRAM: Indian Housing Block Grant (IHBG)

FOR: All Tribal Government Leaders and Tribally Designated Housing Entities

RJB

FROM: Rodger J. Boyd, Deputy Assistant Secretary for Native American Programs, PN

TOPIC: Calculating Annual Income for Purposes of Eligibility under NAHASDA

Purpose: This guidance provides instructions to IHBG recipients on how to calculate annual income under the IHBG program for the purpose of program eligibility. It covers the three definitions of annual income that recipients may adopt in their policies. It includes an updated list of Federally Mandated Exclusions from annual income, and provides guidance on how to treat certain payments received by individuals pursuant to the recent settlement in the case entitled *Elouise Cobell et al. v. Ken Salazar et al. (Cobell Settlement)*, and a number of other Tribal Trust settlements. This Program Guidance replaces Program Guidance 1999-02.

Background: Housing assistance under the IHBG program is generally limited to low-income Indian families. A low-income family is defined in the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA) as a family whose income does not exceed 80 percent of area median income or the national median income whichever is higher. In order to determine whether a family is eligible to receive assistance under the IHBG program, recipients must first determine a family's annual income.

Calculating Annual Income: To calculate a family's annual income for purposes of IHBG eligibility, a recipient should follow these steps:

Step 1: Adopt a Definition in Policies – A recipient must indicate in its written policies that govern the eligibility, admission, and occupancy of families for IHBG assistance, the definition(s) of annual income it will use. The IHBG regulations at 24 CFR §1000.10 provide recipients with the option to choose any one of the following three definitions of “annual income”:

Step 2: NAHASDA Exclusions – Section 4 (9) of NAHASDA defines the term “income” as income from all sources of each member of the household as determined in accordance with criteria prescribed by HUD, except that the following amounts may not be considered as income:

1. Any amounts not actually received by the family.
2. Any amounts that would be eligible for exclusion under Section 1613(a)(7) of the Social Security Act. This relates to certain amounts received from the United States that are attributable to underpayments of benefits due for one or more prior months under the Social Security Act.
3. Any amounts received by any member of the family as disability compensation under Chapter 11 of Title 38, United States Code, or dependency and indemnity compensation under chapter 13 of such title. This relates to amounts received from the Department of Veterans Affairs by a family for service-related disabilities of a member of the family, and survivor benefits. (See PIH Notice 2011-15).
4. Exclude any payments that are expressly excluded from annual income under these NAHASDA exclusions.

PROGRAM GUIDANCE

No. 2013-05(R)

May 06, 2013

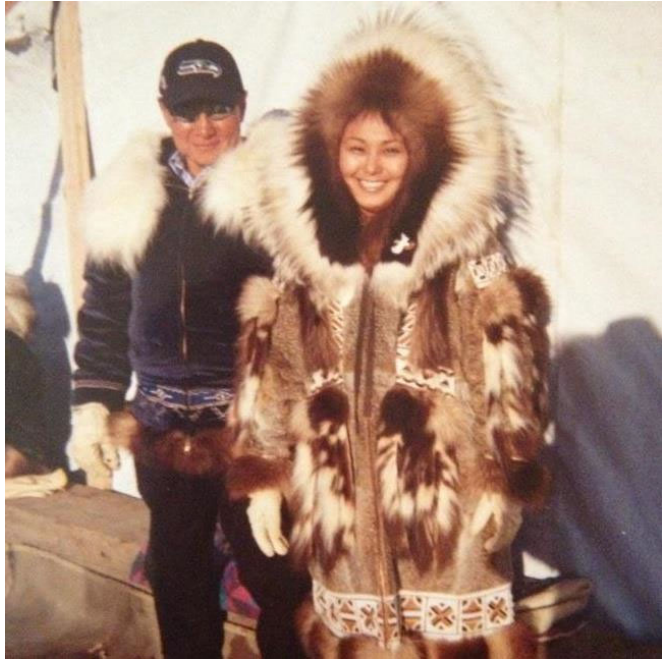
Step 3: Federally Mandated Exclusions – Federally mandated exclusions are amounts specifically excluded under other Federal statutes from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under NAHASDA. HUD periodically publishes a notice in the *Federal Register* identifying the benefits that qualify for this exclusion. The most recent notice was published on December 14, 2012, and can be found in the *Federal Register* at 77 FR 74495. The most common Federally Mandated Exclusions are also included in this Guidance in **Attachment D**.

Per Capita Payments and Recent Trust Case Settlements:

PROGRAM GUIDANCE

No. 2013-05(R)
May 06, 2013

Step 4: Income Verification: The IHBG regulations at 24 CFR § 1000.128 require the recipient to verify that a family is income eligible based on anticipated annual income. The family's annual income may not exceed the applicable income limit. The family is required to provide income documentation to verify this determination. The recipient must have income verification policies in place and is required to maintain the documentation on which the determination of eligibility is based. The recipient may also require a family to periodically verify its income in order to determine housing payments or continued occupancy consistent with locally adopted policies. The recipient may choose to use third party income verification methods or request documentation such as income tax returns, W-2s, pay stubs, and other appropriate information as stipulated by their policies to adequately estimate annual income.



Eligible Families

Who's Eligible?

- ✦ Low-income Indian families
- ✦ Non-low-income families
- ✦ Essential families
- ✦ Law enforcement officers



Low-Income Families



Primary beneficiary of NAHASDA



Family's annual income may not exceed 80 percent of median income, either:
Area median income
U.S. median income



Adjustments for family size



Law Enforcement

Must be employed full-time by federal, state, county, tribal, or other unit of local government

Must be sworn to uphold and make arrests for violations of law

Must be determined that presence of law enforcement officer may deter crime

Providing Assistance to Non-Low-Income Families Notice: PIH 2014-02

Issued: January 24, 2014

Expires: Effective until amended, revoked or superseded

Cross References: 24 CFR §§ 1000.104 - 1000.118

PIH Notice 1999-6

It describes how non-low-income families (families with incomes over 80 percent of the HUD median income limits) may receive assistance under NAHASDA and provides details on exceptions for essential families and law enforcement officials. This Notice also explains the process for documenting these determinations and how to request HUD approval to assist non-low-income families.



Notice PIH 2014-02

Essential Families. A non-low-income family may receive IHBG assistance if the recipient determines that the presence of the family is essential to the well-being of Indian families and the need for housing for such family cannot be met without such IHBG assistance. Families assisted under this provision cannot receive the same amount of benefits as low-income families, as provided in 24 CFR § 1000.110(e), and they do not count as non-low-income families for the purposes of the 10 percent authority even though HUD approval is not required. Guidance on documenting these determinations is covered further in this Notice.

Notice PIH 2014-02

- Secretary Approved Non-Low-Income Families. HUD approval is required if the IHBG recipient plans to: (1) use more than 10 percent of the amount planned for the tribal program year for assistance to non-low-income families (2) provide housing for families with income over 100 percent of the median income. The standard for HUD approval is that the family's housing needs cannot be met without IHBG assistance. The request for approval must be submitted as outlined in 24 CFR § 1000.108 and in this Notice. In cases under (1) above, such assistance is not prohibited by the 10 percent authority cap. It is irrelevant to cases in (2) involving families with incomes over 100% of mean. These non-low-income families will be required to pay more or receive less assistance for benefits such as rent or down payment assistance.

**Summary of Requirements
For Serving Non-Low-Income Families**

Applicability	HUD Approval Required	Rent/Homebuyer Payment differential Required by HUD	Counts Against 10% Authority
Essential Family	No	No	No
Law Enforcement	No	No	No
Continued Occupancy	No	Determined by Tribe/TDHE Occupancy Policy	No
Non-Low- Income Families (10% Authority) between 80-100% of median income	No	Yes	Yes
Secretary Approved: Exceeding 10% Authority to serve Indian families at 80 – 100% of median income	Yes	Yes	By definition these families exceed the 10% cap.
Secretary Approved: Indian family over 100% of median income	Yes	Yes	No

6. DETERMINING HOUSING NEED FOR NON-LOW-INCOME FAMILIES: A recipient must make a determination and document the determination of housing need for non-low-income families. The following guidance is not all inclusive. A recipient may identify other methods of assessing need.

To determine if a housing need exists, recipients should consider the following factors.

- **Inadequate housing.** Such housing includes substandard and overcrowded housing. For the purposes of this Notice, inadequate housing is defined as housing that: (1) is not safe; (2) is not in a physically sound condition with all systems performing the intended design functions; or, (3) does not provide adequate space and privacy for all intended household members.
- **Temporary housing and homelessness.** Families living in temporary housing such as emergency shelters or transitional housing, or in a public or private place not designated for, or ordinarily used as, a regular sleeping accommodation for human beings.
- **Cost burden.** When a family pays over 50 percent of its gross income for housing (including utilities) due to the lack of more affordable housing, it can be determined that

Are There Other Options?

- **Rental and homeowner housing.** In cases where a family is living in inadequate rental housing, the recipient should determine if the family could find adequate rental housing without requiring IHBG assistance.
- **Income and assets.** It should be determined if the family has sufficient income and/or assets that would enable it to obtain adequate housing (which may mean rental housing) without IHBG assistance.
- **Private and governmental programs.** In cases involving homeownership, the recipient should determine if the family could qualify for a conventional or government backed mortgage, (for example, HUD's Section 184 Loan Guarantees for Indian Housing

Recipient can only use 10% of annual IHBG which is \$356,000. What is their 10% authority amount? Calculate the assistance provided based on the information below:

Example 1: The recipient is assisting a non-low income Indian family with rental assistance. The tribe has decided to use the monthly Fair Market Rent (FMR) of \$698 as the rental value for assistance.

\$698 FMR value x 12 months = \$8,376 of NAHASDA assistance.

Example 2: The recipient is assisting a non-low-income Indian family with homeownership assistance. The monthly value of the homebuyer unit is \$850.

\$850 value x 12 months = \$10,200 of NAHASDA assistance.

Example 3: The recipient is assisting a non-low-income Indian family with down payment assistance. Amount of assistance being provided to non-low-income Indian family is \$7,400.

MODERATE INCOME CHECKLIST

I. Determination of Need	
<input type="checkbox"/>	A. Inadequate Housing
	Lacks Energy Efficiency
	Over Crowded
	Poor Plumbing
	Electrical Deficiencies
	Inadequate Drain field
	Structurally Unsound
	Pest Infested
	Fire Hazard
	Inadequate Heating and/or Cooling
	No Heating
	Inadequate Cooling
	Lack of Water Pressure
	No Insulation
	Single Wide Trailer
	Not Code Compliant
	No Child Safety Measures
	Incomplete Kitchen
	Incomplete Bathroom

<input type="checkbox"/>	B. Temporary Housing
	Living with Relatives
	Motels/Hotels
	Transitional Shelter
<input type="checkbox"/>	C. Homeless
<input type="checkbox"/>	D. Cost Burden (Housing costs exceed 50% of AGI including utilities)
<input type="checkbox"/>	E. Inaccessibility to Financing
II. Determination that Housing Need cannot Reasonably Be Met	
	Rental Housing not available in area
	Affordability
	Income & Assets Insufficient
	Housing Stock Insufficient
	Conventional Mortgages not available on trust land
	State Housing Finance Programs not available
	Section 8 waiting list is too long
	Inadequate Housing Stock in Area
	Family Desires Residence on Reservation or in Village
III. Documentation	
	Property Inspection
	Code Violation Letters
	Family Size and Unit Size
	Statement from a Temporary Housing Landlord
	Affidavit from Family
	Payroll Stubs
	Rent Receipt
	Rejection Letters
	Denial Letters

Essential Families




Must determine that family's housing needs cannot be met without IHBG assistance



Must determine that family's presence is essential to well-being of Native Alaskan families



Examples of "essential" families - teachers, health care providers, other professionals



LESSON 3:
ELIGIBLE
ACTIVITIES



Indian housing assistance



Development



Housing Services



Housing Management Services




Crime Prevention & Safety



Model Activities



Administrative and planning expenses

- 
- An aerial photograph of a small town situated in a valley. A winding river flows through the landscape, with several smaller ponds or reservoirs. The town is densely packed with buildings, and a road network is visible. A blue text box is overlaid on the left side of the image, containing a list of project details. The overall scene is a mix of natural greenery and developed infrastructure.
- Population 900
 - Existing housing in poor condition, overcrowded
 - Building 10 new homes
 - Installing water & sewer facilities to all existing and new homes
 - Existing homes consist of rentals

LESSON 4

Rules for Calculating Income



Calculating Income Methods

- ✦ Families have a variety of pay schedules and sources of income.
- ✦ Identify the client's pay schedule for each source of income.
- ✦ Select the appropriate rate calculation based on the pay frequency (hourly, bi-weekly or bi-monthly) for each source of income.
- ✦ Calculate each source of income.
- ✦ Add the results from each source to determine a family's gross annual income.

Reminder: Annualizing Income

Hourly wages X 2,080

Weekly wages X 52

Bi-weekly wages X 26

Semi-monthly (paid twice/month) X 24

Monthly X 12

Overview of Methods to Calculate Income

GROSS MONTHLY INCOME		
Pay Schedule	Calculation for Gross Monthly Income	Example
Hourly	Total hourly pay before deductions × hours per week × 52 weeks per year ÷ 12 months	\$10/hr × 35 hrs × 52 weeks ÷ 12 months = \$1,517
Weekly	Total weekly pay before deductions × 52 ÷ 12	\$750 × 52 weeks / 12 months = \$3,250
Bi-Weekly	Total bi-weekly pay before deductions × 26 ÷ 12	\$1,000 × 26 ÷ 12 = \$2,167 monthly
Semi-Monthly	Total semi-monthly pay before deductions × 2	\$1,200 × 2 = \$2,400 monthly
Monthly	Total monthly pay before deductions	No calculation
Self-Employed	Average adjusted gross income , or AGI, from tax returns and/or Profit and Loss Statement, or P&L, ÷ by the number of months of income counted	\$70,587 ÷ 24 = \$2,941 monthly

ACTIVITY

- 1. Jackson's gross earnings of \$1051.58 are paid to him twice a month. Determine his annual income and then his monthly income amount.**
- 2. Jean works at the Tribal Health Center as a record specialist and earns \$10.25 an hour for a forty (40) hour work week. Determine her annual gross salary and then her monthly amount.**
- 3. Sally works at the Tribal Day Care Center and is paid \$6.77 per hour. Because her hours vary from week to week, she submitted the following four pay stubs for the month of June. For week ending June 6 - \$230.18, June 13 - \$300.80, June 20 - \$266.95 and for June 27 - \$283.88. Calculate Sally's annual income and then determine her projected monthly amount of income.**
- 4. Tom works as a seasonal construction worker for the Nez Perce Tribal Housing Authority. The season begins on April 1 and runs until October 31 each year, which is approximately 32 weeks. He is paid \$12.10 an hour for a 40-hour work week. He also receives \$280.00 per week from unemployment. Find Tom's annual income and monthly income amount.**

Activity: You Do the Math

1. Jackson's gross earnings of \$1051.58 are paid to him twice a month. Calculate his annual income and monthly income.

$$\mathbf{\$1,051.58 \times 24 \text{ weeks} = \$25,237.92} \quad \mathbf{\$25,237.92 \div 12 = \$2,103.16 \text{ GMI}}$$

2. Jean works at a Health Center as a record specialist and earns \$10.25 an hour for a 40-hour workweek. Calculate her annual gross income and monthly income.

$$\mathbf{\$10.25 \times 40 \text{ hrs.} = \$410 \text{ per week}} \quad \mathbf{\$410 \times 52 = \$21,320} \quad \mathbf{\$21,320 \div 12 = \$1,776.67 \text{ GMI}}$$

3. Sally works at the Tribal Day Care Center and is paid \$6.77 per hour. Because her hours vary from week to week, she submitted the following four pay stubs for the month of June. For week ending June 6 - \$230.18, June 13 - \$300.80, June 20 - \$266.95 and for June 27 - \$283.88. Calculate Sally's annual income and then determine her projected monthly amount of income.

W/E	6/06	\$230.18
W/E	6/13	\$300.80
W/E	6/20	\$266.95
W/E	6/27	<u>\$283.88</u>
TOTAL	\$1,081.81	

$$\mathbf{\$1,081.81 / 4 \text{ items} = \$270.45 \text{ avg wk amt}}$$

$$\mathbf{\$270.45 \times 52 =}$$

$$\mathbf{\$14,063.40}$$

$$\mathbf{\$14,063.40 \div 12 = \$1,171.95 \text{ GMI}}$$

Activity: You Do the Math

4. Tom works as a seasonal construction worker for the Kapolei Contractors. The season begins on April 1 and runs until October 31 each year, which is approximately 32 weeks. He is paid \$12.10 an hour for a 40-hour workweek. He also receives \$280.00 per week from unemployment. Find Tom's annual income and monthly income amount.

$$\begin{aligned} & \$12.10 \times 40 \text{ hours} = \$484 \text{ per week} & & \$15,488 + \$5,600 = \$21,088 \\ & \$484 \times 32 \text{ weeks} = \$15,488 & & \\ & \$280 \times 20 \text{ wks.} = \$5,600 & & \$21,088 \div 12 = \$1,757.33 \text{ GMI} \end{aligned}$$

5. Marianne works for the Idaho State Department of Transportation and earns a gross amount of \$1262.20 every pay period. She is paid on a bi-weekly basis.

$$\begin{aligned} & \$1,262.20 \times 26 = \$32,817.20 \\ & \$32,817.20 \div 12 = \$2,734.76 \text{ GMI} \end{aligned}$$

Activity: You Do the Math

6. Barbara works part time as a cashier at the local Seven/Eleven (7/11) in Lewiston. She earns \$10.00 an hour and works twenty (20) hours a week. She also works three evenings a week at the Skooner Inn. She earns \$10.75 an hour and works five (5) hours per evening. Calculate Barbara's total annual income and her monthly rate.

$$\begin{aligned} &\$10.00 \times 20 \text{ hours} = \$200 \text{ per week} \\ &\$200 \times 52 \text{ weeks} = \$10,400 \end{aligned}$$

$$\begin{aligned} &\$10.75 \times 5 \text{ hrs.} = \$53.75 \text{ per evening} \\ &\$53.75 \times 3 \text{ evenings} = \$161.25 \text{ per week} \\ &\$161.25 \text{ per week} \times 52 \text{ weeks} = \$8,385 \end{aligned}$$

$$\begin{aligned} &\$10,400 + \$8,385 = \$18,785 \\ &\$18,785 \div 12 \text{ months} = \$1,565 \text{ GMI} \end{aligned}$$

Activity: You Do the Math

7. Valerie is on call to work at a local Nursing Facility. She submitted the following pay stubs for verification in February. January 03 - \$235.20, January 10 - \$249.90, January 17 - \$279.30, January 24 - \$264.60 and January 31 - \$294.00. Determine Valerie's expected annual income and her anticipated monthly rate.

#1 w/e	1/03	\$235.20
#2 w/e	1/10	\$249.90
#3 w/e	1/17	\$279.30
#4 w/e	1/24	\$264.60
#5 w/e	1/31	<u>\$294.00</u>
		\$1,323.00

$$\$1,323 \div 5 \text{ items} = \$264.60$$

$$\$264.60 \times 52 \text{ weeks} = \$13,759.20$$

$$\$13,759.20 \div 12 = \$1,146.60 \text{ GMI}$$

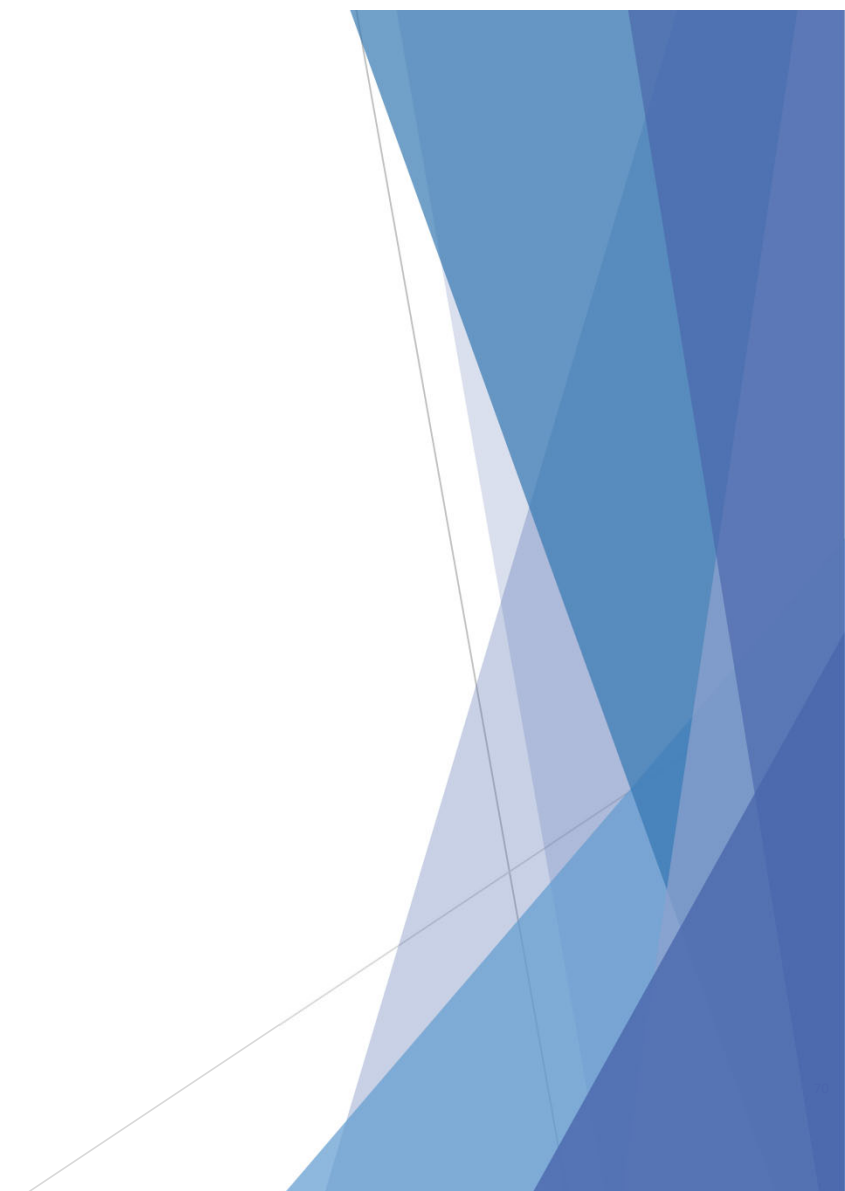
LESSON 5

Definitions of Income



Objectives

- ▶ Learn definitions of income allowed by NAHASDA.
- ▶ Apply rules to calculate gross annual income.



Qualifying as Affordable Housing

- ▶ When the family is low-income at the following times:
 - ▶ Rental housing, at the time of the family's initial occupancy;
 - ▶ A contract to purchase existing housing, at the time of purchase;
 - ▶ A lease-purchase agreement for existing housing or for new construction, time agreement is signed; and
 - ▶ A contract to purchase housing to be constructed, at the time the contract is signed.

Defining Annual Income

- ▶ Housing policies must specify which method adopted - can use method most beneficial to the family
- ▶ HUD Section 8 method is most common
- ▶ Three methods of defining “income:”
 - ▶ HUD Section 8
 - ▶ U.S. Census
 - ▶ Internal Revenue Service
- ▶ **CALCULATE INCOME**

General Requirements

Whose income to count?

- Generally, all adult household members

Anticipating income

- Grantees are required to project a household's income - "snapshot" of current circumstances
- Grantees should assume that current circumstances will continue for next 12 months
- Exception is when documentation is provided that current circumstances are about to change



Whose Income Counts?

NOTE: The earned income of a full-time student 18 years old or older who is not the head, co-head, or spouse is excluded to the extent that it exceeds \$480.

MEMBERS	EMPLOYMENT INCOME	OTHER INCOME
Head	YES	YES
Spouse	YES	YES
Co-head	YES	YES
Other Adult	YES	YES
Dependents	NO	YES
Child under 18	SEE NOTE	YES
Foster child	NO	YES
Foster adult	YES	YES
<u>NON-MEMBERS</u>		
Live-in aide	NO	NO

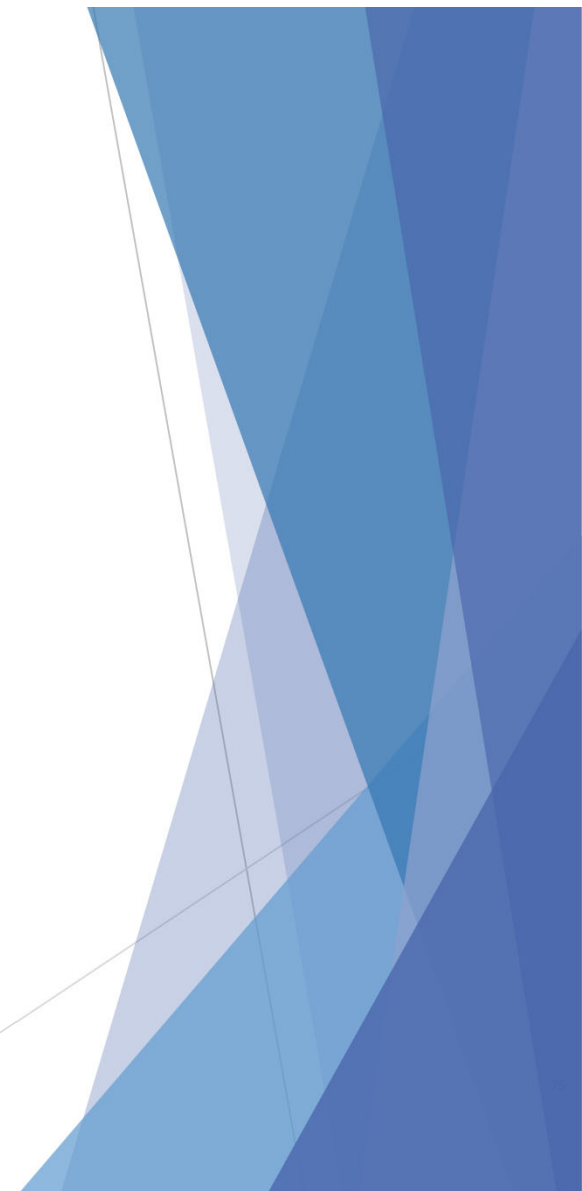
Calculating Annual Gross Income

Income From Self-Employment

- Cash assets withdrawn or salaries paid to household members from business must be counted
- Negative net income from business is not counted

Assets

- No asset limitation
- Income from assets is recognized as part of annual income



Census Long Form Definition

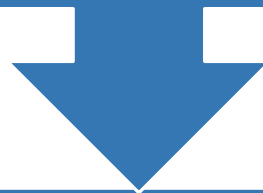
Has inclusions and exclusions

Income to be counted

- Similar to Section 8 Part 5 definition of income
- Includes income of minors 15 years and over

Census Long Form Definition cont'd.

Treatment of Assets - Primary difference between Part 5 and Census definitions



Asset calculation is unique to the Part 5 definition, but certain assets must still be considered when using the Census definition:

Interest

Dividends

**Profit from
royalties or real
estate**

**Income from
payments from an
estate
or trust fund**



Department of the Treasury
Internal Revenue Service

IRS Definition

Use IRS Form 1040 Series for individual federal annual income tax purposes

Certain kinds of income are added together to get gross income

Certain deductions are then taken to arrive at adjusted income figure

Adjusted gross income is used to determine program eligibility

Comparison of Income Definitions

SECTION 8	CENSUS	IRS
Earned income age 18 + Unearned income less than age 18	Income age 15+	Income all ages depending on amount and type
Requires special asset computation	Assets calculation included	Assets calculation included
Child support counted as income	Child support counted as income	Child support excluded as income
Inheritance counts as asset	Inheritance doesn't count	Inheritance doesn't count

Activity - Annual Income for the Delgado Family

Z

Using Section 8, calculate the annual income for the Delgado household of 6, who wish to rent a home in their home community. The **median income** for a household of 6 is \$74,147

1. John Delgado (applicant, 41 years old): \$15.50 per hour, 40 hours per week, no overtime
2. Dolores Delgado (co-applicant, 42 years old): \$10.00 per hour, works 30 hours per week, for nine months per year, she also receives \$110.00 per week in unemployment for the other three months
3. Grandmother (64 years old): receives Social Security \$400 per month
4. 20-year-old daughter, Linda, is a full-time student, earns \$10,000 for part-time work, and has a baby.
5. Son, Mike age 17, earns \$2,200 each summer from mowing lawns

ANTICIPATED ANNUAL INCOME

A	B	C	D	E	F
Family Members	Wages, Salaries	Benefits, Pensions	Public Asst.	Other Income	Asset Income
John	\$32,240				0
Delores	\$13,130				0
Granny	0	\$4,800			0
Linda		0			\$480
					0
1. TOTALS	B \$45,370	C \$ 4,800	D \$	E \$ 0	F \$ \$480
TOTAL ANNUAL INCOME EQUALS: B + C + D + E + F					\$50,650



Activity

A low-income family has been determined to be eligible for a lease-purchase agreement. The NAHASDA regulations describes when a family qualifies as affordable housing. According to §1000.147, when would the family qualify as low-income?

- A. When the family moves into the home.
- B. When the family signs the lease-purchase agreement.
- C. When the family finds a builder.

▶ ACTIVITY

Calculating Anticipated Annual Income

Please use the following information to answer the next 2 questions.

- Tom Smith works in the Tribe's maintenance department. His wife Lisa is a cashier at the tribal store. Tom's mother, Nana Sue lives with the family. 16-year-old Tommy has a job at the local Subway.
- Tom 45 Salary \$25,000
- Lisa 46 \$13/ hour, 30 hours a week
- Nana Sue 70 \$400/ month social security
- Tommy 16 \$11/ hour, 20 hours a week
- full time student

ACTIVITY

1. Whose income is included in determining the household income?

- A. Tom, Lisa, Nana Sue, and Tommy
- B. Tom and Lisa only
- C. Tom, Lisa, Nana Sue

2. What is the Family's total income?

- A. $25000 + (13/\text{hr} \times 30 \text{ hours} \times 52 \text{ weeks}) + (400 \times 12) + (11/\text{hr} \times 20 \text{ hours} \times 52 \text{ weeks}) = 61,520$
- B. $25000 + (13/\text{hr} \times 30 \text{ hours} \times 52 \text{ weeks}) = 45,280$
- C. $25000 + (13/\text{hr} \times 30 \text{ hours} \times 52 \text{ weeks}) + (400 \times 12) = 50,080$

Activity

A low-income family has been determined eligible for a lease-purchase agreement. The NAHASDA regulations describes when a family qualifies for affordable housing. According to §1000.147, when would the family qualify as low-income:

- A. When the family moves into the home
- B. When the family signs the lease-purchase agreement
- C. When the family finds a builder



LESSON 6
Calculating Income
Using Section 8

Objectives

- ▶ Understand what income is included and excluded and whose income counts.
- ▶ Apply income limits to determine income eligibility.
- ▶ Learn to use Program Guidance on Calculating Annual Income for Purposes of Eligibility under NAHASDA

INCOME INCLUSIONS

Examples of income included when calculating the total gross household income:

- Employment
- Social Security
- TANF
- Tribal General Assistance
- Alimony and child support
- Alaska Corporation Dividends
- Recurring gifts
- Unemployment benefits
- Workers Compensation
- Permanent Fund Dividend
- Per Capita payments from gaming activities (NOTE: Per Cap from Tribal Trust land has an initial \$2,000 per individual exclusion. This ONLY applies to per cap payments whose source is derived from Tribal Trust land.)

ATTACHMENT

Income Exclusions

Examples of income excluded when calculating household gross annual income:

- Food Stamps
- Section 8 rental assistance
- Foster care payments
- Hostile fire pay to military members
- Student financial aid
- Recurring payments paid directly to a childcare provider by a person not living in the home
- Amounts specifically excluded by any other Federal statute
- Veterans' Benefits excluded from income for NAHASDA program eligibility. Per PIH Notice 2011-15, compensation for a veteran or any member of his or her family for service-connected disability or death under title 38 USC, Chapter 11 and dependency and indemnity compensation for service-connected deaths under title 38 USC, Chapter 13 is excluded from the calculation of income for determining program eligibility under NAHASDA.

Attachment A – Section 8 Definition of Annual Income

24 CFR, Part 5, Subpart F (Section 5.609)

§ 5.609 Annual Income.

(a) *Annual income* means all amounts, monetary or not, which:

(1) Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member; or

(2) Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and

(3) Which are not specifically excluded in paragraph (c) of this section.

(4) Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.

(b) Annual income includes, but is not limited to:

(1) The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;

(2) The net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family;

(3) Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only as authorized in paragraph (b)(2) of this section. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of \$5,000, annual income shall include the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD;

(4) The 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 a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount (except as provided in paragraph (c)(14) of this section);

(5) Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (except as provided in paragraph (c)(3) of this section);

(6) *Welfare assistance payments.*

(i) Welfare assistance payments made under the Temporary Assistance for Needy Families (TANF) program are included in annual income only to the extent such payments:

- (A) Qualify as assistance under the TANF program definition at 45 CFR 260.31; and
- (B) Are not otherwise excluded under paragraph (c) of this section.

(ii) If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of:

- (A) The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus
- (B) The maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph shall be the amount resulting from one application of the percentage.

(7) 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;

(8) All regular pay, special pay and allowances of a member of the Armed Forces (except as provided in paragraph (c)(7) of this section).

(9) For section 8 programs only and as provided in 24 CFR 5.612, any financial assistance, in excess of amounts received for tuition, that an individual receives under the Higher Education Act of 1965 (20 U.S.C. 1001 *et seq.*), from private sources, or from an institution of higher education (as defined under the Higher Education Act of 1965 (20 U.S.C. 1002)), shall be considered income to that individual, except that financial assistance described in this paragraph is not considered annual income for persons over the age of 23 with dependent children. For purposes of this paragraph, "financial assistance" does not include loan proceeds for the purpose of determining income.

(c) Annual income does not include the following:

(1) Income from employment of children (including foster children) under the age of 18 years;

(2) 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);

(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 (except as provided in paragraph (b)(5) of this section);



ACTIVITY

**REVIEW: PROGRAM
GUIDANCE
Calculating Income,
Exclusions, Inclusions**

- (4) Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;
- (5) Income of a live-in aide, as defined in 24 CFR § 5.403;
- (6) Subject to paragraph (b)(9) of this section, the full amount of student financial assistance paid directly to the student or to the educational institution;
- (7) The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;
- (8) (i) Amounts received under training programs funded by HUD;
(ii) 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);
(iii) 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;
(iv) 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;
(v) Incremental earnings and benefits resulting to any family member from participation in qualifying 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;
- (9) Temporary, nonrecurring or sporadic income (including gifts);
- (10) 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;
- (11) Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of household and spouse);
- (12) Adoption assistance payments in excess of \$480 per adopted child;
- (13) [Reserved]

(14) Deferred periodic amounts from supplemental security income and social security benefits that are received in a lump sum amount or in prospective monthly amounts.

(15) 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;

(16) 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; or

(17) 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 set forth in 24 CFR 5.609(c) apply. A notice will be published in the FEDERAL REGISTER and distributed to PHAs and housing owners identifying the benefits that qualify for this exclusion. Updates will be published and distributed when necessary. [Federally Mandated Exclusions listed below in Attachment D]

ACTIVITY

- Dave 61 and disabled \$ 1,000/ month disability
- Dana 62 \$ 10,000/year per capita
- Dave Jr 40 full time student \$ 20/hour, 10 hours a week tutoring
- Dana receives \$10,000 per capita from her tribe from gaming.
- The family has medical expenses of \$1000/ year and attendant care expenses of \$200/month so Dana can volunteer at the local library.
- The Tribe charges 25% of adjusted income as rent.
- Tribe's maximum rent for a low-income family is \$800

• **WHOSE INCOME COUNTS???????**

1. What type of family is this?

- A. Elderly/Disabled
- B. High income
- C. None of the above

2. Which of the following deductions apply to the family?

- A. Elder/Disabled
- B. Dependent
- C. Medical expenses
- D. Attendant care expenses
- E. Child Care
- F. Travel

3. What is the correct way to calculate their income?

- A. $(1000 \times 12) + 10,000 + (20 \text{ hr} \times 10 \text{ hours} \times 52 \text{ weeks}) = 32,400$
- B. $(1000 \times 12) + 10,000 + 480 = 22,480$
- C. $(1000 \times 12) + 10,000 = 22,000$

4. Which is correct for the family's total deductions?

- ▶ A. Elder/Disabled 400 + Dependent 480 + Medical and Attendant 2725.60 = 3605.60
- ▶ B. Elder/Disabled 400 + Medical and Attendant 2725.60 = 3125.60
- ▶ C. Elder/Disabled 400 + Dependent 480 + Medical only 325.60 = 1205.60

▶ 5. What is the family's adjusted annual income, adjusted monthly income, and rent payment?

- ▶ A. 21275, 1772, 443
- ▶ B. 21275, 1772, 800

Calculating Asset Income

Assets

- No asset limitation
- Income from assets is recognized as part of annual income

What is an Asset?

INCLUDED	EXCLUDED
<ul style="list-style-type: none">• Savings Accounts• Checking Accounts• Money Market Accounts• 401k• IRAs• Real Estate Ownership• Mutual Funds• Whole Life Insurance	<ul style="list-style-type: none">• Personal property (vehicle used on a regular basis, jewelry, furniture, clothes, etc.)• Interest in Indian Trust Land• Assets lost in divorce, foreclosure or bankruptcy• Assets disposed of for fair market value• Term life insurance• Assets not accessible by the applicant

Net Family Assets Include:

1. Cash held in savings and checking accounts, safe deposit boxes, homes, etc.. For savings accounts, use the current balance. For checking accounts, use the average balance for the last six months. Assets held in foreign countries are considered assets.
2. Revocable trusts. Include the cash value of any revocable trust available to the family.
3. Equity in rental property or other capital investments. Include the current fair market value less (a) any unpaid balance on any loans secured by the property and (b) reasonable costs that would be incurred in selling the asset (e.g., penalties, broker fees, etc..).NOTE: If the person's main business is real estate, then count any income as business income. Do not count it both as an asset and business income.

Net Family Assets Include:

4. Stocks, bonds, Treasury bills, certificates of deposit, mutual funds, and money market accounts. Interest or dividends earned are counted as income from assets even when the earnings are reinvested. The value of stocks and other assets vary from one day to another. The value of the asset may go up or down the day before or after rent is calculated and multiple times during the year thereafter. The owner may assess the value of these assets at any time after the authorization for the release of information has been received. The tenant may request an interim recertification at any time thereafter that a decrease in stock value may result in a decrease in rent.
5. Individual retirement, 401K, and Keogh accounts. These are included when the holder has access to the funds, even though a penalty may be assessed. If the individual is making occasional withdrawals from the account, determine the amount of the asset by using the average balance for the previous six months. (Do not count withdrawals as income.)

Rules for Assets

- ✓ **Asset produces little or no income: an “imputed” income can be calculated based on a Passbook Rate that is applied to the cash value of all assets.**
- ✓ **Assets disposed of at less than market value: The amount to be included as an asset is the difference between the cash value of the asset and the amount that was actually received (if any) in the disposition of the asset**
- ✓ **If the individual does not have access to the asset, (e.g., can’t cash out till 21) - DON’T COUNT IT!**

Assets

- ▶ Assets cash value is the market value less **reasonable** expenses required to convert the asset.
 - ▶ Penalties or Fees for Converting Financial Holdings
 - ▶ Costs for Selling Real Property received from the asset in the Actual Income from Assets
 - ▶ Income generated from asset, not the value of the asset, is counted
 - ▶ Income included should be the anticipated income-month period



DETERMINING CASH VALUE

An asset's cash value is the market value less reasonable expenses required to convert the asset to cash, including:

Mrs. Dutch "sold" a piece of property to a family member for \$30,000 on July 1, 2016. The home was valued at \$75,000 and had no loans against it.

Market value	\$75,000
Less settlement costs	\$3,000
Less sales price	\$30,000
Cash value considered	\$42,000

USE FORM FOR CALCULATING ASSETS, INCOME, & AGI

TEMPLATE FOR CALCULATING TOTAL HOUSEHOLD INCOME AND ADJUSTED GROSS INCOME

Asset Income

1a. Family Member Name	FM #	1b. Asset Type	1c. C/I	Calculation for Asset Cash Value (mv - expenses)	1d. Cash Value of Asset	Calculation for Asset Income (mv x int/div)	1e. Actual Annual Asset Income	
TOTAL							\$	\$

If 1d. Total is greater than \$5,000, complete Line 2. and Line 3.
 If 1d. Total is less than or equal to \$5,000, enter \$0 in Line 2.; complete Line 3.

2. Imputed income from assets HUD approved passbook rate (.02) x 1d.Total \$

3. Total Asset Income Greater of Line 2. or 1e. Total \$

Annual Income

4a. Family Member Name	4b. FM #	Calculation	4c. Employment or Business	4d. Social Security, Pensions, etc.	4e. Public Assistance	4f. Other Income
4g. Total Income from each source			\$	\$	\$	\$
5. Total Income All Sources			Add all amounts on Line 4g. above: \$			
6. Total Annual Income			Add Line 5. + Total Asset Income: \$			

TEMPLATE FOR CALCULATING TOTAL HOUSEHOLD INCOME AND ADJUSTED GROSS INCOME

Asset Income

1a. Family Member Name	FM #	1b. Asset Type	1c. C/I	Calculation for Asset Cash Value (mv - expenses)	1d. Cash Value of Asset	Calculation for Asset Income (mv x int/div)	1e. Actual Annual Asset Income
TOTAL					\$		\$

If 1d. Total is greater than \$5,000, complete Line 2. and Line 3.
 If 1d. Total is less than or equal to \$5,000, enter \$0 in Line 2.; complete Line 3.

2. Imputed income from assets HUD approved passbook rate (.02) x 1d.Total \$

3. Total Asset Income Greater of Line 2. or 1e. Total \$

Blurred/ghosted version of the Annual Income form.

Determining Cash Value

An asset's cash value is the market value less reasonable expenses required to convert the asset to cash, including:

Mrs. Dutch "sold" a piece of property to a family member for \$30,000 on July 1, 2016. The home was valued at \$75,000 and had no loans against it.

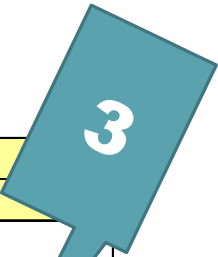
Market value	\$75,000
Less settlement costs	\$3,000
Less sales price	\$30,000
Cash value considered	\$42,000

Assets Example

- ▶ Shaw Family
 - ▶ \$3,000 (average balance over 6 months) in a non-interest-bearing checking account
 - ▶ \$5,500 in an interest-bearing savings account
 - ▶ \$150 interest on the savings account

Calculating Assets

Head of Household		Address		
Property Name:		Unit #		
<p>Note: Attach all source documents, third party verification, and all calculations used to complete this form.</p>				
	Relation	Asset Description	① Actual Cash Value of Assets	② Annual Income from Assets
	HEAD	non-interest bearing account	3,000	0
		interest bearing savings account	5,500	0
Total Cash Value of Assets			1a. \$8500	
Total Annual Income from Assets				\$1 \$150
<p>If Line 1a is greater than \$5,000, complete lines 3 and 4. If Line 1a is less than \$5,000, enter \$0 in Line 3 and complete Line 4.</p>				
LINE 3: Imputed income from assets - HUD passbook rate 6% X 1a.				③ \$510
LINE 4 TOTAL ASSET INCOME: GREATER OF LINE 3 OR 2a.				④ \$510



Family Members	Position in Family	Age	Family Assets	Asset Value
Fred Mertz	Head	85	Rental property	Small rental property that grosses \$6,500/year (expenses to keep up the property are \$3,400/year). The property has a fair market value of \$69,000, but they have a mortgage on the property in the amount of \$35,000. The average closing cost in a real estate transaction is 8% in the area.
Ethel Mertz	Spouse	81	Savings account	Savings of \$5,000 that earned \$179 in interest during the past year.
			Stock	100 shares of stock in "Why Buy it, Inc." with a face value of \$4.25 per share, that has not shown a dividend in years. The cost to sell the stock would be about \$76.
Federal Program's Passbook rate is 6%.				

Calculate the Mertz's asset income by completing the following chart.

ACTIVITY: Fred & Ethel

ACTIVITY: CALCULATING ASSETS

Household Member	Assets	Actual Cash Value of Assets	Annual Income from Assets
------------------	--------	-----------------------------	---------------------------

Fred & Ethel	Rental property	\$28,480	\$3100
	Savings account	\$5000	\$179
	stock	\$349	\$0
Total Actual Assets Income		1a. \$33,829	2. \$3,279

**If Line 1a is greater than \$5,000, complete lines 3 and 4.
 If Line 1s is less than \$5,000, enter \$0 in Line 3 and complete Line 4.**

LINE 3: Imputed income from assets - HUD passbook rate 6% X 1a.	\$2,029.74
LINE: 4 TOTAL ASSET INCOME: GREATER OF LINE 3 OR 2.	\$3,279

ACTIVITY: Archie & Edith

Family Members	Position in Family	Age	Family Assets	Asset Value
Archie Bunker	Head	72	Checking account	\$595 average 6-month balance in a non-interest-bearing account.
Edith Bunker	Spouse	73	Savings account	\$2,695 at 3.1%
Federal Program's Passbook rate is 6%.				

Calculate the Bunkers' asset income by completing the following chart. Answers are provided below.

ACTIVITY: CALCULATING ASSETS

Household Member	Assets	Actual Cash Value of Assets	Annual Income from Assets
Archie	checking account	\$595	\$0
Edith	Savings account	\$2695	\$84
			\$0
Total Actual Assets Income		1a. \$3,290	2. \$84

**If Line 1a is greater than \$5,000, complete lines 3 and 4.
 If Line 1s is less than \$5,000, enter \$0 in Line 3 and complete Line 4.**

LINE 3: Imputed income from assets - HUD passbook rate X

\$0

1a
 LINE: 4 TOTAL ASSET INCOME: GREATER OF LINE 3 OR 2.

\$84

CREATE A CHEAT SHEET FOR ASSET VALUATION PROCESS

Closing Costs:

Loan origination fee (2% of loan amount)

Appraisal fee (Paid at time of application)

Credit report (Paid at time of application)

Title examination/attorney's fees

Title insurance (\$2.00/per\$1,000 of loan amount)

Recording fees

Survey

Termite inspection

Total closing costs

Prepaid Expenses:

Interim Interest (22 days @ \$12.35/day)

Fire and hazard insurance premium: 1 year

Hazard insurance escrow: 2 months @ \$25.00/mo.

City/County property taxes: 6 months @ \$60.00/mo.

Total prepaid expenses

Total CLOSING COSTS

Realtor Fee

Title Search

Repair Costs

Utilities for Month

DESCRIPTION		ACTUAL CASH VALUE OF ASSETS	ACTUAL CASH EARNED
	BANK ASSETS	0	136.26
1937 BUILT FEE LAND REALESTATE ASSET			
HOME VALUE	188,000		
LAND (FEE SIMPLE	471,100		
Trust Land	0		
SUBTOTAL	659,100		
Realtor @ 10%	-65910		
Attorney	-1000		
Repair	-20000		
title Search	-1000		
Taxes	-1700		
Insurance	?		
HOA	0		
	569,490	\$ 35,789.40	136.26

Activity

Family Members	Position in Family	Age	Income Sources
George Jefferson	Head	53	Works full-time at \$7.25/hour. Also receives \$400/month from the government as a result of a settlement in the Agent Orange product liability litigation.
Eloise Jefferson	Spouse	48	Works 18 hours/week at a bank at \$7.50/hour. Also receives \$50/month from her mother to help with expenses.
Lionel Jefferson	Son	19	Full-time student at City College where he has a part-time, 15-hour/week job in the student bookstore at \$6.00/hour for the 46 weeks when classes are in session.

ANTICIPATED ANNUAL INCOME

ANTICIPATED ANNUAL INCOME										
Family Members	a.	Wages/ Salaries	b.	Benefits/ Pensions	c.	Public Assistance	d	Other Income	e	Asset Income
George		\$15,080								
Eloise		\$7,020						\$600		
Lionel		\$480								
6. Totals	a.	\$22,580	b.		c.		d	\$600	e.	N/A
7.	Enter total of items from 6a. through 6e. This is Annual Income									7. \$23,180

ACTIVITY

ACTIVITY EXPLANATION

- ▶ George: George's earnings from work count as income, but his income from the Agent Orange Settlement Fund (\$4,800/year) does not. Thus, George's income is $\$7.25/\text{hour} \times 40 \text{ hours/week} \times 52 \text{ weeks/year}$, or \$15,080.
- ▶ Eloise: Eloise's income from wages of $\$7.50/\text{hour} \times 18 \text{ hours/week} \times 52 \text{ weeks}$, or \$7,020. In addition, her regular gift income of \$50/month or \$600/year counts as income. (The gift income is counted as "other income.")
- ▶ Lionel: Because Lionel is a full-time student and is not the head of household or spouse, only the first \$480 of his earnings counts in the family income.

LESSON 7

Calculating Adjusted Income



Objectives

- Identify NAHASDA deductions and allowances allowed by family type.
- Calculate adjusted income and determine total tenant payment (TTP).

Total Tenant Payment (TTP)

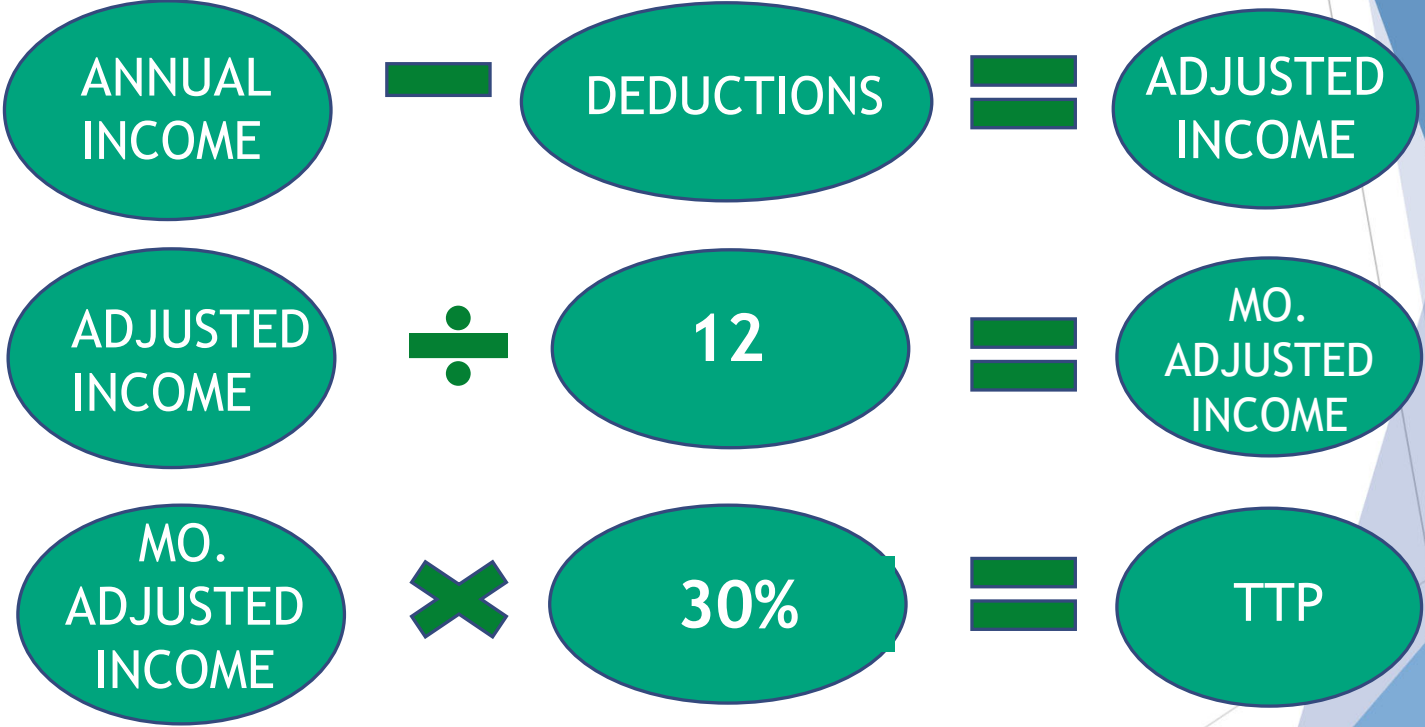
Amount a tenant is expected to contribute for rent

Based on percentage of adjusted income

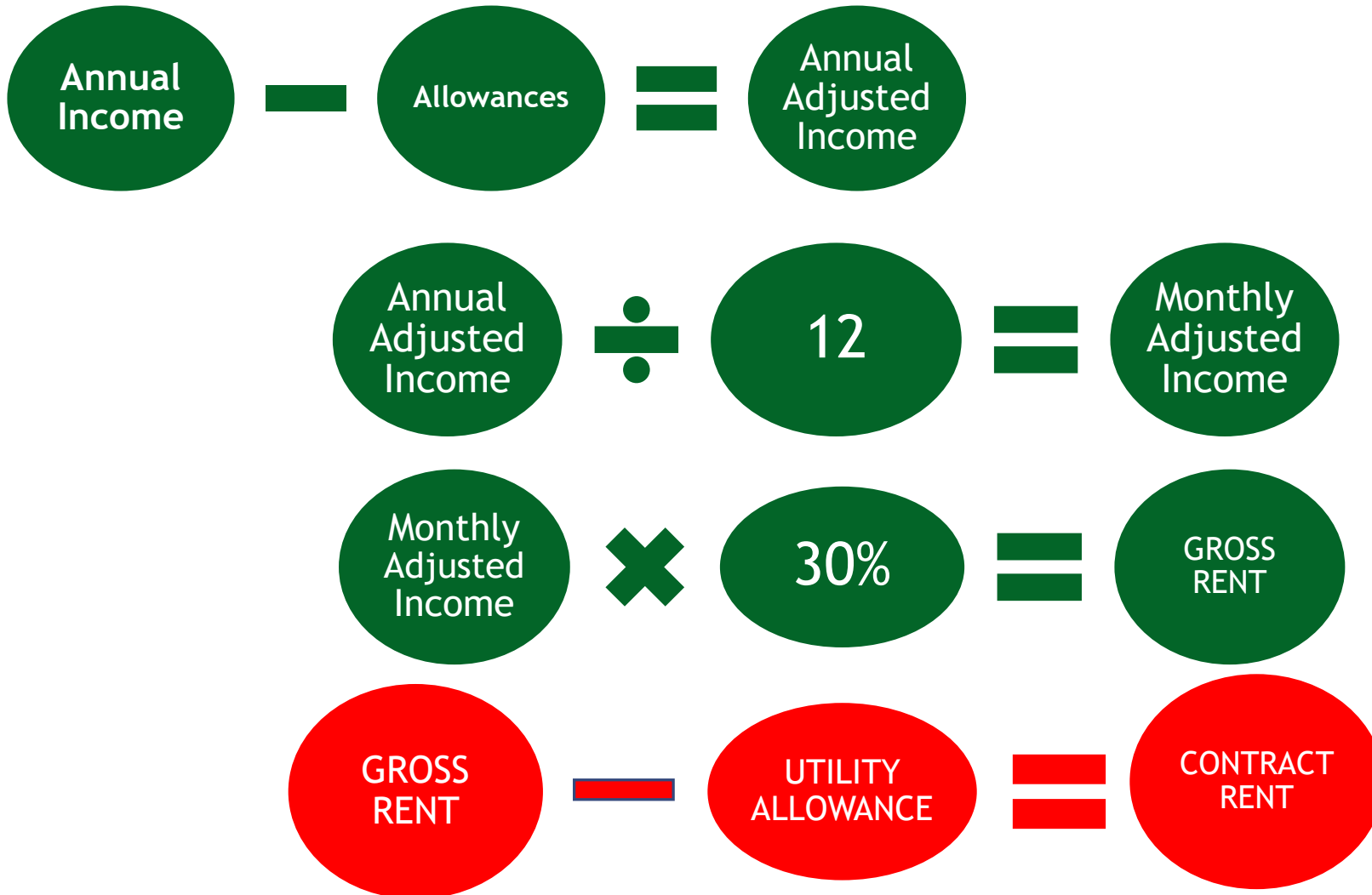
For NAHASDA programs, can't exceed 30% of adjusted income

Utility Allowances are not required by NAHASDA, but maybe required by the Recipient

TOTAL TENANT PAYMENT STEPS



Calculating Contract Rent Steps



Adjusted Income

Adjusted income is derived by subtracting any of five deductions (or allowances) that apply to the household from the household's annual (gross) income.

Household's eligibility for deductions depends, in part, on the type of household.

Not all households are eligible for all deductions.

Statutory Deductions

\$480 for children under 18, persons of disabilities over 18, and full-time students over 18

\$400 for elderly or disabled family

Medical and attendant expenses over 3% of income

Childcare expenses (NOT REIMBURSIBLE) that enable family members to work or go to school

Earned income of minors under 18

Travel expenses, not to exceed \$25 per family per week

Other exclusions provided in the local housing policies

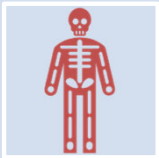
These exclusions are applicable regardless of which method of calculating annual income is used.

Statutory Deductions cont'd.

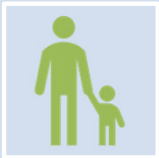
TYPE OF DEDUCTION PERMITTED	ELDERLY OR DISABLED	FAMILY
Elderly or disabled household	✓	
Dependent	✓	✓
childcare	✓	✓
Medical Expenses	✓	
Disability Assistance Expenses	✓	✓

Type of Household

Does not Qualify as a Dependent



The head of the family, the spouse, and the co-head may never qualify as dependents.



A foster child, an unborn child, a child who has not yet joined the family or a live-in attendant may never be counted as a dependent.

Elderly Disabled Deduction

- ✦ A \$400 elderly or disabled family deduction should be allowed ONLY if the head, co-head or spouse is age 62 or older, or a person with disabilities.
- ✦ Any household in which the head, spouse or sole member is 62 years of age or older; two or more persons who are at least 62 years of age live together; or one or more persons who are at least 62 years of age and live with one or more live-in aides.

Calculate the Following

- ✦ An employer reports that a full-time employee who has been receiving \$8/hour will begin to receive \$8.25/hour in the eighth week after the effective date of the reexamination. In such a case the agency can calculate annual income in two ways:

Who gets the deduction when two families claim the dependent deduction for a child?

Family Sharing Custody Deduction

Caretakers for a Child

- ✦ If neither a parent nor a legal guardian remains in a household receiving assistance, the DHHL will take the following actions.
- ✦ All persons seeking to be designated as caretakers are subject to DHHL's screening requirements for applicants and new family members.
- ✦ If a responsible agency has determined that another adult is to be brought into the unit to care for a child for an indefinite period, the designated caretaker will not be considered a family member until a determination of custody or legal guardianship is made.

Caretakers for a Child

- ✦ If a caretaker has assumed responsibility for a child without the involvement of a responsible agency or formal assignment of custody or legal guardianship, the caretaker will be treated as a visitor for 90 days. After the 90 days has elapsed, the caretaker will be considered a family member unless information is provided that would confirm that the caretaker's role is temporary.
 - ✦ In such cases the DHHL will extend the caretaker's status as an eligible visitor.
 - ✦ At any time that legal custody or guardianship has been awarded to a caretaker, the lease will be transferred to the caretaker, as head of household.
 - ✦ During any period that a caretaker is considered a visitor, the income of the caretaker is not counted in annual income and the caretaker does not qualify the family for any deductions from income.

Bonuses, Commissions

- ✦ For persons who regularly receive bonuses or commissions, the DHHL will verify and then average amounts received for the two years preceding admission or reexamination. If only a one-year history is available, the DHHL will use the prior year amounts. In either case the family may provide, and the DHHL will consider, a credible justification for not using this history to anticipate future bonuses or commissions. If a new employee has not yet received any bonuses or commissions, the DHHL will count only the amount estimated by the employer. The file will be documented appropriately.

Income Earned under Certain Federal Programs [24 CFR 5.609(c)(17)]

Income from some federal programs is specifically excluded from consideration as income, including:

- Payments to volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058)
- Payments received under programs funded in whole or in part under the Job Training Partnership Act (29 U.S.C. 1552(b))
- Awards under the federal work-study program (20 U.S.C. 1087 uu)
- Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056(f))
- Allowances, earnings, and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d))
- Allowances, earnings, and payments to participants in programs funded under the Workforce Investment Act of 1998 (29 U.S.C. 2931)

Disabled Household



A disabled household is one in which the head, spouse or sole member is a person with disabilities.



Two or more persons with disabilities living together and one or more persons with disabilities living with one or more live-in aides also qualify as disabled households.

Medical & Attendant Expenses Deduction

- ▶ Medical expenses are deductible for elderly and disabled families only to the extent that the gross annual income of the family is exceeded by three percent of the gross annual income.



Example: Medical Expense Deduction

The Cloud family has anticipated annual income of \$25,000 and anticipated medical expenses of \$3,000 (not covered by insurance).

$$\$25,000 \times 3\% = \$750$$

$$\$3,000 - \$750 = \$2,250 \text{ deduction}$$

Expenses Include

Medical expenses, in the case of an elderly or disabled family;

Reasonable attendant care & auxiliary apparatus expenses for each family member who is a person with disabilities, to the extent necessary to enable any member of the family (including a member who is a person with disabilities) to be employed.

Eligible Deduction Only If .

• •

- ❖ They are paid out-of-pocket by the family and not reimbursed by an outside source such as insurance, Medicare, or grants by a state agency or charitable organization.
- ❖ They are anticipated to be paid by the household in the 12 months following the date of certification/recertification.



Asset Income

1a. Family Member Name	FM #	1b. Asset Type	1c. C/I	Calculation for Asset Cash Value (mv - expenses)	1d. Cash Value of Asset	Calculation for Asset Income (mv x int/div)	1e. Actual Annual Asset Income
TOTAL					\$		\$
If 1d. Total is greater than \$5,000, complete Line 2. and Line 3.							
If 1d. Total is less than or equal to \$5,000, enter \$0 in Line 2. ; complete Line 3.							
2. Imputed income from assets		HUD approved passbook rate (.02) x 1d. Total				\$	
3. Total Asset Income		Greater of Line 2. or 1e. Total				\$	

Annual Income

4a. Family Member Name	4b. FM #	Calculation	4c. Employment or Business	4d. Social Security, Pensions, etc.	4e. Public Assistance	4f. Other Income
4g. Total Income from each source			\$	\$	\$	\$
5. Total Income All Sources			Add all amounts on Line 4g. above:			\$
6. Total Annual Income			Add Line 5. + Total Asset Income:			\$

Adjusted Income

6. Total Annual Income: Carryover from Line 6. on Annual Income table	\$
7. Enter 3% of Total Annual Income (Line 6. x .03)	
Dependent Allowance	
8. Allowance for Dependents (# of dependents _____ x \$480)	\$
Child Care Allowance	
9. Child Care Allowance (Line 9a. plus Line 9b.)	\$
9a. Expense enabling family member to work (may not exceed \$ earned by family member enabled to work)	\$
9b. Expense enabling family member to attend school and/or look for work	\$
Elderly/Disabled Household Allowance	
10. Elderly/Disabled Household Allowance (\$400 or \$0)	\$
Disability Assistance Expenses	
11. Enter total unreimbursed disability assistance expenses:	\$
12. Maximum allowable disability assistance expense (Line 11. minus Line 7.)	
• If positive or zero, enter in Box 12a.	12a. \$
• If negative, enter as positive number in Box 12b.	12b. \$
13. Enter \$ earned by family member enabled to work as a result of disability expenses	\$
14. Enter lower of Line 12a. or Line 13. If Line 12a. is blank or zero, enter zero	\$
Medical Expenses	
15. Enter the total annual unreimbursed medical expenses for all family members of a disabled or elderly family	\$
Medical/Disability Assistance Expenses Allowance	
16. Enter the total of Line 14. and Line 15.	\$
17. Enter Line 12b. If Line 12b. is blank or zero, enter zero.	\$
18. Medical/Disability Assistance Expense: Line 16. minus Line 17. (but not less than zero)	
Travel Expense	
19. Travel Expense (Line 19a. plus Line 19b.)	\$
19a. Expense enabling family member to work or to attend school and/or look for work	\$
20. Total Allowances: Total of Lines 8., 9., 10. 18. and 19.	
Total Adjusted Income	
21. Adjusted Annual Income: Line 6. minus Line 20	

Activity: Annualizing Income

- ▶ A teacher's assistant works 9 months annually and receives \$1,300 per month. During the summer recess, the teacher's assistant works for the Parks and Recreation Department for \$600 per month. Calculate the family's income.

Annualizing Income Activity Answer

- ▶ 1. Calculate annual income based on current income: \$15,600 ($\$1,300 \times 12$ months).
- ▶ The owner would then conduct an interim recertification at the end of the school year to recalculate the family's income during the summer months at reduced annualized amount of \$7,200 ($\600×12 months). The owner would conduct another interim recertification when the tenant returns to the 9-month job.
- ▶ 2. Calculate annual income based on anticipated changes through the year:
 - ▶ \$11,700 ($\$1,300 \times 9$ months)
 - ▶ + 1,800 ($\$600 \times 3$ months)
 - ▶ = \$13,500
- ▶ Using the second method, the owner would not conduct an interim re-examination at the end of the school year. To use this method effectively, history of income from all sources in prior years should be available

Counting Child Support

Wendy has a court order requiring her ex-husband to pay \$200 per month in child support. Wendy has pursued collection through the local child support enforcement agency which provides a printout showing what she has received for the last 6 months:

- Jan-\$50 Mar-\$75 May-\$100 Feb-\$25 Apr-\$25

- How is the income from the child support calculated?

Step 1: Total amount received for 6 months:

\$275

Step 2: Determine monthly average:

\$55

Step 3: Annualize the monthly average:

\$660

ACTIVITY: Monthly Payment Computation

1.	How payments are calculated must be included in policies.	TRUE	FALSE
2.	Monthly rent or homebuyer payments can't exceed 30% of monthly adjusted income for low-income families.	TRUE	FALSE
3.	Non-low-income families can be charged more than 30% of monthly adjusted income	TRUE	FALSE

Activity - Remember Calculating the Delgado's Adjusted Income Using Section 8

- Calculate the annual income for the Delgado household of 6, who wish to rent a home in their home community. The **median income** for a household of 6 is \$74,147
- John Delgado (applicant, 41 years old): \$15.50 per hour, 40 hours per week, no overtime
- Dolores Delgado (co-applicant, 42 years old): \$10.00 per hour, works 30 hours per week, for nine months per year, she also receives \$110.00 per week in unemployment for the other three months
- Grandmother (64 years old): receives Social Security \$400 per month
- 20-year-old daughter, Linda, is a full-time student, earns \$10,000 for part-time work, and has a baby.
- Son, Mike age 17, earns \$2,200 each summer from mowing lawns

Activity

ANTICIPATED ANNUAL INCOME					
A	B	C	D	E	F
Family Members	Wages, Salaries	Benefits, Pensions	Public Asst.	Other Income	Asset Income
John	\$32,240				0
Delores	\$13,130	0			0
Granny		\$4,800			0
Linda		0		\$480	0
					0
1. TOTALS	B \$45,370	C \$ 4,800	D \$ 0	E \$ 480	F \$ \$50,650

TOTAL ANNUAL INCOME EQUALS: B + C + D + E + F

- ▶ 2. Use the annual Income of \$50,650, calculated on the previous slide, to calculate the household's adjusted income using the following information:
 - ▶ Grandmother - Insurance at \$150 per month
 - ▶ Family Insurance - \$400 per month
 - ▶ Grandmother's prescription - \$100 per month
 - ▶ Daughter - Hospital bill for infant \$75 per month
 - ▶ Daycare Expenses: \$700/month - infant
 - ▶ Travel Expenses - \$1,300

- ▶ 3. Assuming the TDHE uses 30% to calculate the monthly house payment, calculate the Delgado's monthly house payment.

Activity - Determining Household Income, Deductions, & Monthly House Payment For The Delgado Family

CALCULATE HOUSEHOLD'S ADJUSTED INCOME:

Medical Expenses

Grandmother -Insurance at \$150 per month
 Family Insurance - \$400 per month
 Grandmother's prescription - \$100 per month
 Daughter - Hospital bill for infant \$75 per month
Childcare Expenses \$700/month - infant
 Travel Expenses
 Student deduction

Less dependent deduction
 (1 dependent plus infant) \$960
 Student deduction (Linda) \$480
 Less Medical Expense Deduction \$0
 (Applicants not 62 or disabled)
 Less Daycare Deduction \$8,400
 Travel Expenses \$1,300
TOTAL DEDUCTIONS \$11,140

Annual Income \$50,650 - Deds. of \$11,140 =	\$39,510
---	-----------------

<p><u>HOUSE PAYMENT USING 30%:</u></p> <p style="text-align: center;"> AI/12 Months Monthly AGI x 30% </p>
--

$$\begin{aligned}
 \$39,510 \div 12 &= \$3,292.50 \\
 \$3,292 \times .30 &= \$987
 \end{aligned}$$

ACTIVITY: Tommy Tiger

- ▶ The Tiger family includes Tommy and Linda Tiger, a married couple, and their two children Anita and Sam. They also have a foster child named Tony Smith who lives with them along with Linda's brother, Mike Billie. The family is currently living in a mobile home but would like to move into a rental unit so that they have more space. Although both Tommy and Linda will each have to drive over 50 miles roundtrip to get to work, they really want to move out of the mobile home.
- ▶ The family has found childcare to take care of Sam after school so they will have an additional \$75 in childcare expenses per week. The housing program's Total Tenant Payment is limited to 30% of the tenant's adjusted income and provides for a \$100 monthly utilities allowance.

FAMILY MEMBER	NAME	AGE	INCOME
Head of Household	Tommy Tiger	62 yrs old	\$350 per week
Spouse	Linda Tiger	48 yrs old	\$500 per week
Daughter	Anita Tiger	17 yrs old	\$100 per week for part-time employment
Son	Sam Tiger	8 yrs old	
Foster child	Tony Smith	16 yrs old	\$300 per month for foster care benefit \$50 per week for part-time employment
Linda's brother	Mike Billie	36 yrs old	\$200 per week

What type of Family is this?

Identify Deductions

ANTICIPATED ANNUAL INCOME

A Family Members	B Wages /Salaries	C Benefits /Pensions	D Public Asst.	E Other Income	F Asset Income
Tommy (ELDERLY)	\$18,200				
Linda	\$26,000				
Mike	\$10,400				
1. TOTALS	B \$54,600	C \$0	D \$0	E \$0	F \$0
TOTAL ANNUAL INCOME EQUALS: B + C + D + E + F				\$54,600	

ACTIVITY - DETERMINING HOUSEHOLD INCOME, DEDUCTIONS, & MONTHLY HOUSE PAYMENT FOR THE TIGER FAMILY

CALCULATE HOUSEHOLD'S ADJUSTED INCOME:

Daycare Expenses = \$75/week - infant

$$\begin{aligned} \$75 \times 52 &= \\ \$3,900 & \end{aligned}$$

Less dependent deduction (2 dependents)	\$960
Travel expense	\$1300
Less Medical Expense Deduction (Applicants not 62 or disabled) . . .	\$0
Less Daycare Deduction	\$3,900
Elderly Deduction	\$ 400
TOTAL DEDUCTIONS	\$6,560

$$\text{Annual Income } \$54,600 - \text{Deds. of } \$6,560 =$$

\$48,040

HOUSE PAYMENT USING 30%:

AGI/12 Months
Monthly AGI x 30%

$$\$48,040 \div 12 = \$4,003$$

$$\$4,003 \times .30 = \$1,200 - \$100 = \$1,100$$



ACTIVITY: Calculating Adjusted income

- ▶ The follow information applies to the next 4 questions:
- ▶ Carrol Family:
 - ▶ Lea Carrol is a school teacher. Her annual income from teaching last year was \$38,300. She has a disabled daughter who had \$7,000 in medical expenses and another \$7,000 in attendant care expenses while Lea was at work.
 - ▶ The tribe charges 30% of adjusted income
 - ▶ Max rent for a low-income family is \$400

ACTIVITY: Calculating Adjusted income

1. Which of the following deductions apply to the family?

- a. Elder/Disabled
- b. Dependent
- c. Medical expenses
- d. Attendant care expenses
- e. Child Care
- f. Travel

2. Which of these is correct?

- a. Family gets a medical expense deduction of $\$7,000 - \$1,149 = \$5,851$
- b. Family gets an attendant care expense deduction of $\$7,000 - \$1,149 = \$5,851$
- c. Family gets a medical and attendant care deduction of $\$14,000 - \$1,149 = \$12,851$

B & D

B

ACTIVITY: Calculating Adjusted income

- Which is correct for the family's total deductions?
 - a. Elder/Disabled \$400 + Dependent \$480 + Medical and Attendant \$12,851 = \$13,731
 - b. Elder/Disabled \$400 + Medical and Attendant \$12,851 = \$13,251
 - c. Dependent \$480 + Attendant \$5,851 = \$6,331
- What is the family's adjusted annual income, adjusted monthly income, and rent payment?
 - a. \$31,969, \$2,664, \$799
 - b. \$31,969, \$2,664, \$400
 - c. \$31,969, \$2,664, \$750

ACTIVITY

What is the maximum rent for a family with zero income?

- A. The family is charged the established flat rent
- B. Zero
- C. \$200 per month minimum rent

definitions of income.

Sample Format for Computing Part 5 Annual Income

1. Name: Daniel and Anabel Ming		2. Identification			
ASSETS					
Family Member	Asset Description	Current Cash Value of Assets	Actual Income from Assets		
Daniel & Anabel	Checking account	\$950	\$0		
Daniel & Anabel	Savings	\$5,000	\$150		
Daniel & Anabel	Certificates of deposit	\$5,000	\$250		
3. Net Cash Value of Assets.....		3. \$10,950			
4. Total Actual Income from Assets.....			4. \$400		
5. If line 3 is greater than \$5,000, multiply line by .02 (Passbook Rate) and enter results here; otherwise, leave blank.			5. \$219		
ANTICIPATED ANNUAL INCOME					
Family Members	a. Wages/Salaries	b. Benefits/Pensions	c. Public Assistance	d. Other Income	e. Asset Income
Daniel	\$22,880				Enter the greater of lines 4 or 5 from above in e.
Anabel				\$12,000	
6. Totals	a. \$22,880	b.	c.	d. \$12,000	e. \$400
7. Enter total of items from 6a. through 6e. This is Annual Income					7. \$35,280

Sample Format for Computing Census Long Form Annual Income

Name: Daniel and Anabel Ming				Identification No.:		
ANTICIPATED ANNUAL INCOME						
Family Member	a. Wages/ Salaries	b. Business Income	c. Interest/ Dividends	d. Benefits/ Pensions	e. Public Assistance	f. Other Income
Daniel	\$22,880		\$400			
Anabel	\$12,000					
1. Totals	a. \$34,880	b.	c. \$400	d.	e.	f.
2. Enter total of items from 1a. through 1f. This is Annual Income						2. \$35,280

Sample Format for Computing IRS 1040 Series Adjusted Gross Income

Name: Daniel and Anabel Ming		Identification No.:			
	Family Member				Subtotal (add a-d)
	a. Daniel	b. Anabel	c.	d.	e.
1. Wages, salaries, tips	\$22,880				\$22,880
2. Taxable interest	\$400				\$400
3. Dividend income					
4. Taxable refunds/ credits/offsets of state/ local income taxes					
5. Alimony received					
6. Business income (or loss)		\$12,000			\$12,000
7. Capital gain (or loss)					
8. Other gains (or losses)					
9. Taxable amount of IRA distributions					
10. Taxable amount of pensions and annuities					
11. Rental real estate, royalties, partnerships, trusts, etc.					
12. Farm income (or loss)					
13. Unemployment compensation					
14. Taxable amount of Social Security benefits					

Security benefits					
15. Other income					
16. Subtotal (lines 1-15)					\$35,280
17. IRA deduction					
18. Medical savings account deduction					
19. Moving expenses					
20. One-half of self-employment tax					
21. Self-employed health insurance deduction					
22. Keogh and self-employed SEP and SIMPLE plans					
23. Penalty on early withdrawal of savings					
24. Paid alimony	\$2,400				\$2,400
25. Subtotal (lines 17-24)					\$2,400
26. Subtract line 25 from line 16. This is <i>Adjusted Gross Income</i>					\$32,880

Explanation

The Mings are not eligible for HOME assistance using the Part 5 and Census Long Form definitions of annual income. Using these two definitions, the Mings income is \$35,280, which exceeds the Low-Income Limit for a family of three of \$34,500.

The Mings are eligible, however, using the IRS 1040 Form definition of adjusted gross income. Using the IRS definition, which allows for the subtraction of alimony paid, the Mings have an income of \$ 32,880. This is below the Low-Income Limit for a family of three of \$34,500.

IRS 1040 Adjusted Gross Income

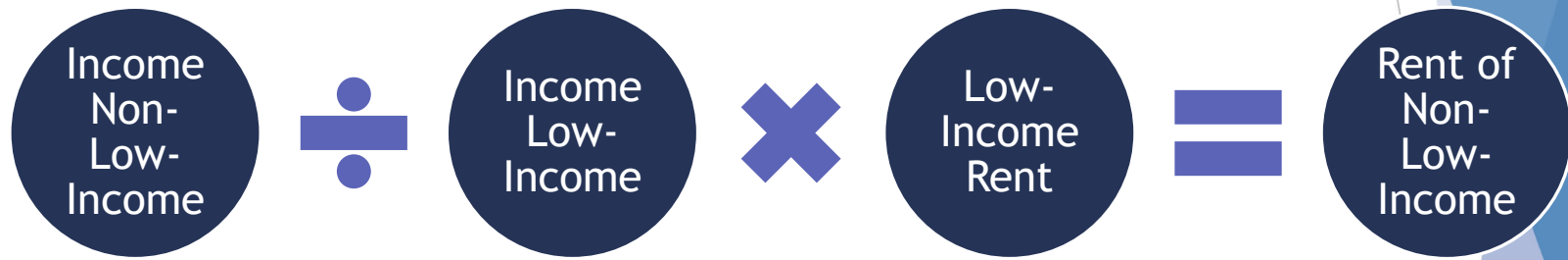
Subtractions	
16. IRA deduction (head of household and spouse).	
17. Medical savings account deduction.	
18. Moving expenses.	
19. One-half of self-employment tax.	
20. Self-employed health insurance deduction.	
21. Keogh and self-employed SEP and SIMPLE plans.	
22. Penalty on early withdrawal of savings.	
23. Paid alimony.	2,400
<i>Subtotal B (Add 16 – 23)</i>	2,400
Subtract subtotal B from subtotal A. This is the Total:	\$32,880

LESSON 8

Calculating Non-Low-Income Assistance



Rent Payment for Non-Low-Income Families



Non-Low-Income Rental Payment Requirements

- ✦ The rent (including homebuyer payments under a lease purchase agreement) to be paid by a non-low-income family cannot be less than [income of non-low-income family/income of family at 80 percent of median income] × [rental payment of family at 80 percent of median income], but need not exceed the fair market rent or value of the unit.



Non-Low-Income Family Rent Payments

To calculate rental payment for non-low-income family, divide their income by 80% of median income

Multiply that number by amount of monthly rent for low-income family

This amount is *minimum monthly payment*.

These procedures should be addressed in policies.

Calculating Rent for Non-Low-Income

- Eighty percent of the median income for a family of four in Fairbanks is \$75,040
- Rental Payment for a family at 80 percent of median income is \$1200 per month.
- FMR 3-bedroom = \$1,793 per month
- ▶ A non-low-income Native Alaskan family of four is \$88,000

Rent Payment for Non-Low-Income Families

$$\begin{array}{c} \text{Income} \\ \text{Non-} \\ \text{Low-} \\ \text{Income} \end{array} \div \begin{array}{c} \text{Income} \\ \text{Low-} \\ \text{Income} \end{array} \times \begin{array}{c} \text{Low-} \\ \text{Income} \\ \text{Rent} \end{array} = \begin{array}{c} \text{Rent of} \\ \text{Non-} \\ \text{Low-} \\ \text{Income} \end{array}$$

$$\begin{array}{c} \$88,000 \end{array} \div \begin{array}{c} \$75,040 \end{array} = \begin{array}{c} 1.17 \end{array} \times \begin{array}{c} \$1200 \end{array} = \begin{array}{c} \underline{\$1,404} \end{array}$$

ACTIVITY: Bill LeBeau

- Bill LeBeau is a medical doctor working in Minnesota. He recently divorced his wife and decided he wanted to take his life into another direction and return to his tribe's reservation. He has accepted an offer to work full time as a doctor at the local tribal clinic. He has earned and will continue to earn \$1,923 a week. His son William, age 22, decided to move back to the reservation with his father and registered as a full-time student at the tribal college. He also got a job working part-time at a nearby restaurant, where he makes \$5,000 a year. William also receives per capita income of \$500 per month from his mother's tribe for oil lease proceeds.

- Bill and his son William want to rent an apartment built by the Tribe's housing program with NAHASDA funds. It is the only housing available within 100 miles of the business center of the reservation where the clinic and tribal college are located. Because Bill has been gone from the reservation for so long, he knows he won't be able to get a land lease on which to build a home or place a mobile home for at least 5 years.

LeBeau continued

1. Calculate the Applicant's income for purposes of determining income eligibility. Is the family income eligible?
 2. List the circumstances under which the Applicant may receive consideration for housing assistance as an applicant over 100% of the median income?
 3. Can the Applicant receive the dependent deduction? Explain your answer.
 4. Assuming that a typical low-income family of 2 earns \$48,320 and pays \$500 per month, calculate the Applicant's house payment.
 5. Identify NAHASDA references that discuss options for calculating income for essential families and moderate-income families
 6. Does the family meet the requirements of an essential family? How would you determine this?
- ✦ List the verification documents you would need to determine eligibility for your housing program

LEBEAU ANSWER

Bill and his son William want to rent an apartment built by the Tribe's housing program with NAHASDA funds. It is the only housing available within 100 miles of the business center of the reservation where the clinic and tribal college are located. Because Bill has been gone from the reservation for so long, he knows he won't be able to get a land lease on which to build a home or place a mobile home for at least 5 years.

1. Which of the following is correct for calculating the family's income?

- A. $(1923/ \text{wk} \times 52 \text{ weeks}) + 5000 + (500 \times 12) = 110,996$
- B. $(1923/ \text{wk} \times 52 \text{ weeks}) + 480 + (500 \times 12) = 106,476$
- C. **$(1923/ \text{wk} \times 52 \text{ weeks}) + 480 + (500 \times 12 - 2000) = 104,476$**

2. The 80% limit for a family of 2 is 48,320 and the 100% limit is 60,400. Can this family be assisted as an essential family?

- A. **Yes. Even though they are over income, they meet the definition of a family whose presence is beneficial to the Indian families in the area and they meet the requirement that housing cannot be met without assistance.**
- B. Yes. They meet the definition of Essential family, and that's the only requirement.
- C. No, the income is too high.

3. How will their rent be calculated?

- A. Because they are Non-low-income at the time of admission, the calculation must be done to make sure they do not receive the same benefit as a low-income family.
- B. The max rent for a low-income family
- C. Fair Market Value
- D. **It depends on the Tribe's policy.**

ACTIVITY: Lebeau

1. Calculate the Applicant's income for purposes of determining income eligibility. Is the family income eligible?

Dad	\$99,996 per year
William	\$6,000 lease income from trust property (Section 8-exclude first \$2,000 with remainder counting as income) (IRS-exclude all trust income)
William	\$5,000 per year part-time earned wages

Section 8 Process:

\$99,996	Dad
\$480	William- full time student, only \$480 counts
\$4,000	William-trust income, first \$2,000 is excluded
<hr/>	
\$104,476	

The family is not low-income eligible using the Section 8 and the IRS definition of income.

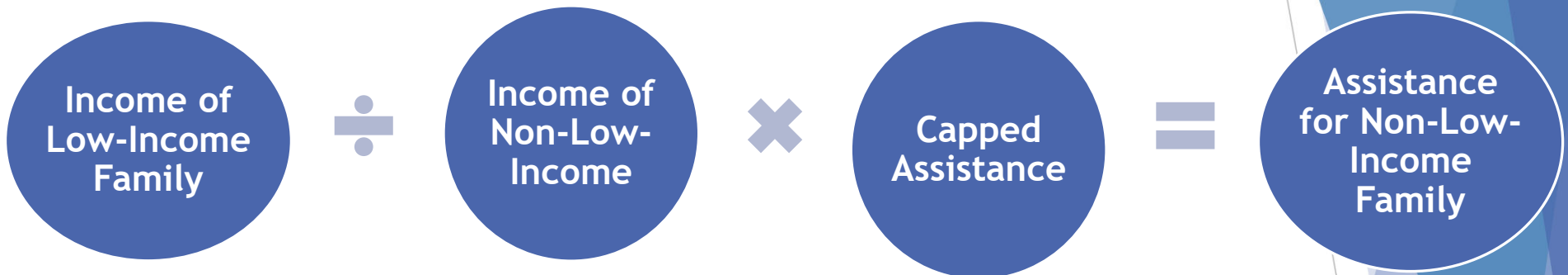
LESSON 9

Other Program Assistance For
Non-low-income Families



Non-Low- Income Other Assistance Payment Requirements

- ✦ Other assistance, including down payment assistance, to non-low-income families, cannot exceed [income of family at 80 percent of median income/income of non-low-income family] × [present value of the assistance provided to family at 80 percent of median income].



Non-Low-Income Other Assistance Payment Formula

- ✦ Other assistance, including down payment assistance, to non-low-income families, cannot exceed [income of family at 80 percent of median income/income of non-low-income family] × [present value of the assistance provided to family at 80 percent of median income].

Eighty percent of the median income for a family of four in Fairbanks is \$75,040.

Down Payment Assistance is capped at \$10,000 for a family at 80 percent of median income

Calculating Down Payment Assistance for Non-Low-Income

Down Payment Assistance for Non-Low-Income Families-

$$\begin{array}{c} \text{Income} \\ \text{Low-} \\ \text{Income} \end{array} \div \begin{array}{c} \text{Income} \\ \text{Non-Low} \\ \text{Income} \end{array} \times \begin{array}{c} \text{Assistance} \\ 80\% \end{array} = \begin{array}{c} \text{Assistance} \\ \text{Non-Low-} \\ \text{Income} \end{array}$$

$$\begin{array}{c} \$75,040 \end{array} \div \begin{array}{c} \$88,000 \end{array} = \begin{array}{c} 85\% \end{array}$$

$$\begin{array}{c} 85\% \end{array} \times \begin{array}{c} \$10,000 \end{array} = \begin{array}{c} \$8,500 \end{array}$$

ACTIVITY

80% of the median income for a family of six in Poarch Creek is \$65,890. The down payment assistance is capped at \$15,000 for a low-income family. A non-low-income family of six earns \$82,200. Calculate the down payment assistance for the non-low-income family.

- A. \$14,000
- B. \$13,500
- C. \$11,500
- D. \$12,150

$$\$65,890 / \$82,200 = 80\%$$

$$80\% \times \$15,000 = \$12,150$$

LESSON 10

Organizing for Admissions & Occupancy Functions



Requirements

- ▶ Adopt an Admissions & Occupancy Policy
- ▶ Staffing
- ▶ File Management
- ▶ Reporting





Housing Programs

- ▶ Housing Rehabilitation
- ▶ Down Payment Assistance
- ▶ Lease Purchase Programs
- ▶ Tenant-Based Rental Assistance (TBRA)
- ▶ 1937 Act Low Rent and Mutual Help
- ▶ NAHASDA Rental
- ▶ Emergency Assistance
- ▶ Homeownership

Required Policies

- ▶ Section 203 of NAHASDA requires that certain policies be adopted.
 - ▶ Rent
 - ▶ Insurance
 - ▶ Admissions & Occupancy
 - ▶ Maintenance
 - ▶ Inspections
 - ▶ Conflict of Interest



Purpose of Policies

Provide daily guidance to housing staff in the performance of routine activities

Make decisions more transparent to staff and the community

Are more defensible than unwritten policies when challenges arise



Purpose of Policies

- ❖ Ensure that all housing staff do things the same way, thus promoting consistency and fairness while also minimizing the potential for disputes or legal actions
- ❖ Provide a foundation for sound management and supervision
- ❖ Provide a basis for auditor justification

A&O Policy Elements

Applicable
NAHASDA
Requirements

Income Definitions
Under NAHASDA

Calculating Non-
Low- Income
Assistance

Waiting Lists

Lease Management

Eligible Families

Calculating Income
Using Section 8

Organizing for A&O
Functions

Verification &
Selection,
Occupancy

Lease Compliance

Rules for
Calculating
Income

Calculating
Adjusted Income

Application Process

Housing Counseling

Collections



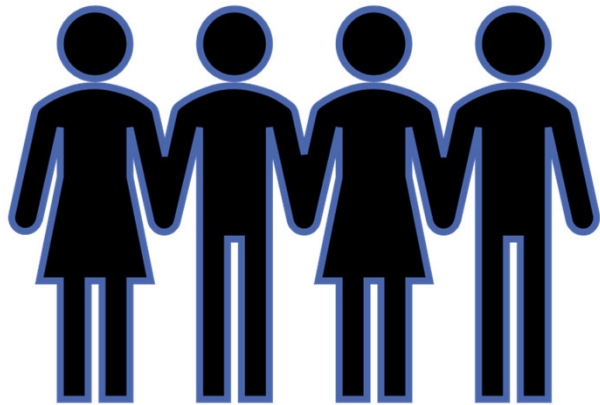
Duties of A & O Staff

- ▶ Receive and process applications
- ▶ Advise applicants of eligibility requirements
- ▶ Interview and screen prospective residents to determine eligibility for housing assistance
- ▶ Interview applicants
- ▶ Verify applicant information
- ▶ Determine eligibility according to policies
- ▶ Compute monthly payments

Architectural blueprints are shown on the left side of the slide, featuring various lines, dimensions, and annotations. The blueprints are partially unrolled, showing detailed floor plans with numerous measurements and labels. The background of the slide is a light blue gradient with abstract geometric shapes on the right side.

Duties of A & O Staff cont.

- ▶ Conduct re-certifications
- ▶ Assist residents with maintenance
- ▶ Visit homes to conduct inspections
- ▶ Provide housing counseling services
- ▶ Meet with Board of Commissioners, or Housing Committee, as required
- ▶ Report Tenants Accounts Receivable (TARS)
- ▶ Assist tenants with maintenance work orders



Intake & Occupancy Staff

- ▶ Assist applicants and residents in:
 - ▶ Obtaining appropriate housing assistance
 - ▶ Meeting financial obligations
 - ▶ Providing counseling in the pre- and post-occupancy phases
 - ▶ Providing formal education classes and one-on-one counseling regarding obligations associated with renting or owning a home.



Accounting Staff

- ▶ Financial Reporting
 - ▶ Accounting Director is responsible for providing
 - ▶ Budgetary performance of the property
 - ▶ Financial reports
 - ▶ Assures all charges to property are proper
 - ▶ Submits financial reports by 11th business day of the month
 - ▶ Explains all major line item variances
 - ▶ Coordinates audits

Housing Manager

Administers and monitors all aspects of housing management including

- planning & development of housing assistance programs
- comprehensive housing counseling
- resident relations
- compliance

Ensures a consistent and optimal rental income stream and applicant and resident satisfaction.





Maintenance Staff

Maintenance Director

Grounds-keeper

Crew Foreman

Labor

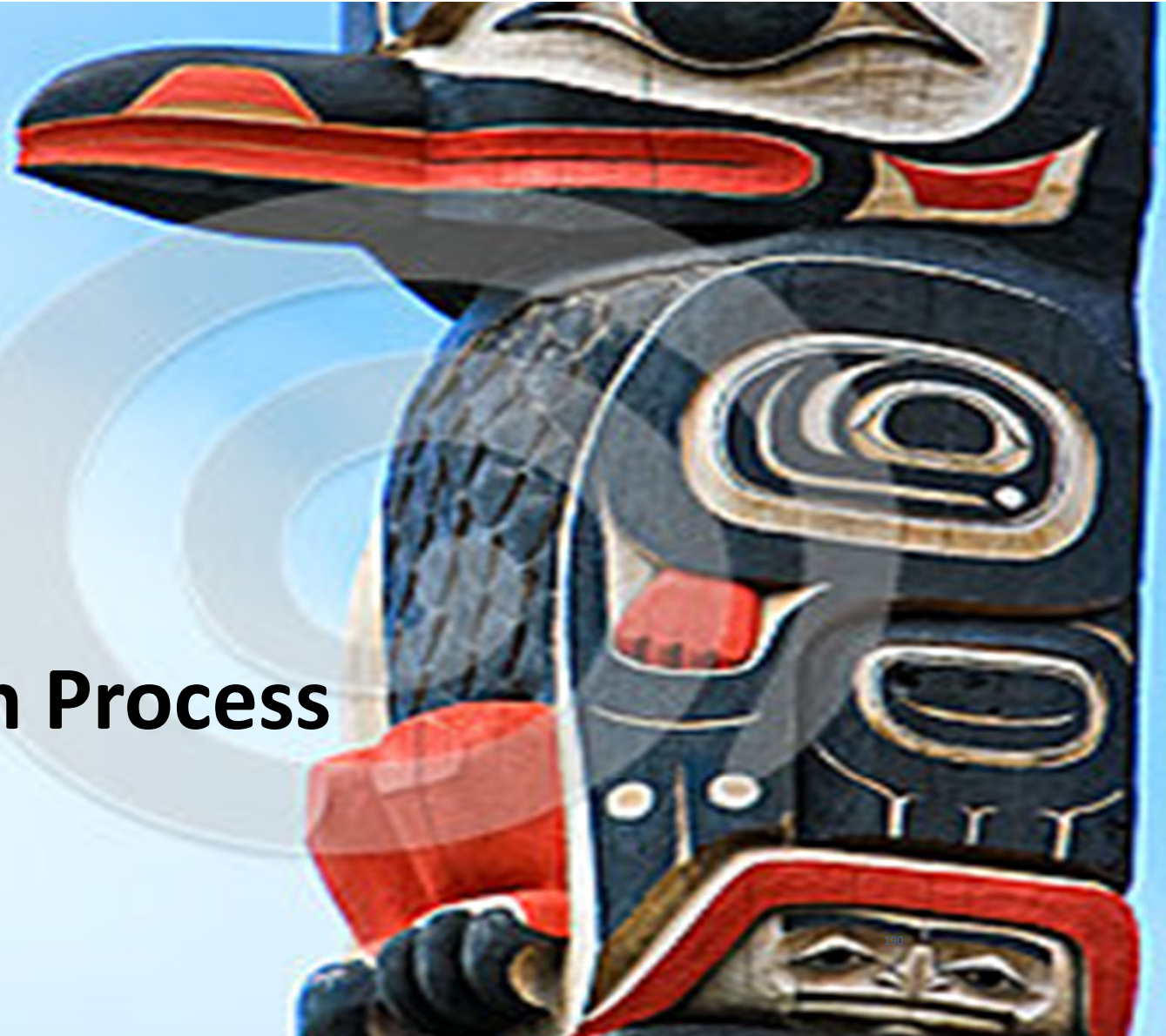
Electrician

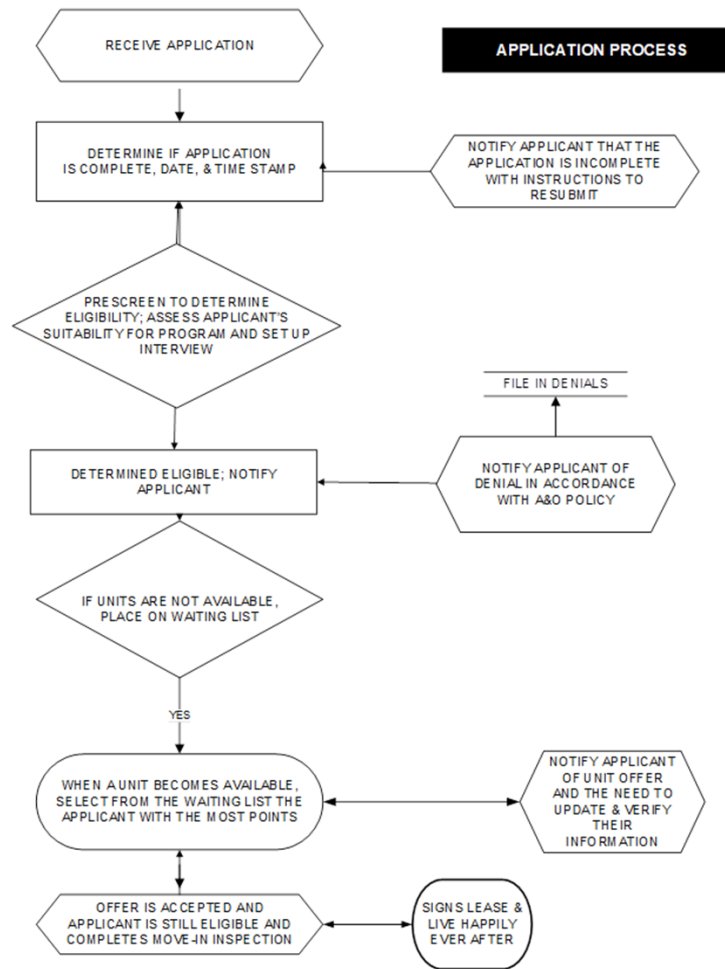
Plumbing

Carpentry

LESSON 11

Application Process





CLIENT REQUESTS ASSISTANCE

COLLECT INITIAL INFORMATION

Name (LFM)
Work Phone
Home Phone
Mailing Address
Email Address
Dependents
Tribal Affiliation
Tribal Enrollment#
DOB
Social Security#
Type of Assistance Requesting

PRE-OCCUPANCY

Assessment/Eligibility Stage

- LOW RENT ASSESSMENT**
- MFA ASSESSMENT**
- IDA ASSESSMENT**
- ELDERLY/DISABLED ASSESSMENT**
- SEC. 184 ASSESSMENT**

Case Management Stage

- LOW RENT CASE MANAGEMENT**
- MFA CASE MANAGEMENT**
- IDA CASE MANAGEMENT**
- ELDERLY/DISABLED CASE MANAGEMENT**
- SEC. 184 CASE MANAGEMENT**

Application Process



- Application Intake
- Client action plan process
- calculate household income
- Complete affordability calculations
- Determine household debt level
- Apply ratios
- Analyze applicant's credit report
- Identify obstacles to mortgage readiness
- One-on-one counseling to remove obstacles
- Identify term of rental period
- Consents to release information
- Homebuyer counseling agreement
- Budget worksheets

Application Process

- ◆
- 1. Note the date and time of a complete application.
- 2. Verify and document all information provided.
- 3. Determine eligibility for the LWOP program.
- 4. Complete the Client action plan (cap) process.

- ◆
- A. Meet with Client**

- ◆
- 1. Review income.
- 2. Review credit report.
- 3. Review any obstacles to mortgage readiness and prepare a timeline for resolution.

- 4. Identify program options that best suits the applicant's circumstances.
- 5. Identify process for obtaining a TSR, if applicable.
- 6. Explain homebuyer education and housing counseling requirements.
- 7. Schedule classes and one-on-one sessions.
- 8. Prepare a household budget.
- 9. Re-evaluate information and make adjustments as necessary.
- 10. Schedule one-on-one counseling.
- 11. Document and log sessions.



Written Applications

- ✦ Should be time- and date-stamped when received
- ✦ Should be accepted and processed to determine eligibility
- ✦ If waiting list is closed, consider keeping an “inquiry list”
- ✦ Staff should help applicant complete application

Eligibility Screening

- ▶ Criminal background check
- ▶ Landlord references
- ▶ Any outstanding debts
- ▶ Program specific requirements
- ▶ Family composition
- ▶ Tribal enrollment
- ▶ Creditworthiness
- ▶ Principal residence
- ▶ Ability to enter agreement
- ▶ Maintenance history
- ▶ Verification time frame
- ▶ Employment stability


Closing the Interview

- ▶ The interviewer:
 - ▶ Reviews all forms with family
 - ▶ Obtains consent forms
 - ▶ Provides written instructions about any further information or documents needed
 - ▶ Answers family's questions
 - ▶ Explains program rules and requirements



INCOME-BASED Rent Calculation

Annual Income		\$27,000
Adjustments:		
4 dependents @ \$480		(\$ 1,920)
Child Care		(\$ 1,080)
Total Adjustments		\$ 3,000
Adjusted Annual Income		\$24,000
Adjusted Monthly Income	(24,000/12)	\$ 2,000
Monthly Gross Rent	\$2,000 x 30%	\$ 600
Utility Allowance		(\$ 250)
Monthly Rent		\$ 350
Annual Revenue	\$350 x 12	\$ 4,200



LESSON 12
OTHER PROGRAMS’
A&O REQUIREMENTS

Other Programs Criteria

While admissions and occupancy policies apply to housing programs in general, Recipients have created additional programs which generate unique requirements. The following represent examples:

- Down payment and closing costs assistance
- Tenant-based rental assistance
- Housing rehabilitation assistance
- Homeowner loan improvement assistance
- Mold remediation assistance
- Weatherization
- Emergency assistance

Down Payment/Closing Costs Criteria

- ❖ Establish policies governing eligibility of participants and the delivery of assistance
- ❖ Program design considers the following factors:
 - ❖ Amount of assistance
 - ❖ Deferred loan/useful life
 - ❖ Credit qualify
 - ❖ Mortgage qualify
 - ❖ Grant assistance or loan
 - ❖ Availability of existing housing stock/new construction
 - ❖ Affordability ratios

Lease Purchase Criteria

- ✦ Rental with exclusive option to purchase
- ✦ Establish option period based on when the applicant can achieve mortgage readiness
- ✦ Require more in-depth analysis of income and education than those required for a rental
- ✦ May require a prequalification waiting period to ensure applicant is committed to becoming mortgage ready.
- ✦ Selection process more rigorous than rental

Lease Purchase Criteria

- ❖ Rental with exclusive option to purchase
- ❖ Establish option period based on when the applicant can achieve mortgage readiness
- ❖ Require more in-depth analysis of income and education than those required for a rental
- ❖ May require a prequalification waiting period to ensure applicant is committed to becoming mortgage ready.
- ❖ Selection process more rigorous than rental

Lease Option Period Varies

- ❖ Low Income Housing Tax Credits (LIHTC) – 15 years minimum, then home bought or conveyed
- ❖ NPTHA Mortgage-driven – 1-3 years typical, then home mortgage loan is assumed by the homebuyer
- ❖ Design your lease period to match the readiness of your clients
 - ❖ Minor credit repair and counseling – maybe 2 years
 - ❖ More extensive issues – up to 4-5 years

Different needs, different designs

1

COMPONENTS OF CALCULATING AFFORDABILITY

Income		
	Applicant	Co-Applicant
Employer Position	_____	
Monthly		
Gross Income		
Net Income		
Alimony		
Child Support		
Social Security		
Retirement/Pension		
Unemployment		
Part Time		
Food Stamps		
Other		
Total Take Home Income	\$ -	\$ -
Total Combined Income	\$ -	

6

Maximum Monthly PITI Payment Allowed

Enter the LESSER amount from Line 1 or 4 = _____ 5

Escrows

Multiply Line 5 by 20% or use 0 = _____ 6

Subtract Line 6 from 5 = _____ 7
Maximum Mo. Principal + Interest

Affordability

Divide Line 7 by factor _____ = _____ 8

Multiply Line 8 by \$1,000 = _____ 9

..... **STOP**

Use the loan amount to calculate the house payment

_____ 1
Loan Amount

Divide Line 1 by 1,000 to determine Line 2 = _____ 2

Multiply Line 2 by factor of _____ = _____ 3

#	Income	MONTHLY GROSS INCOME	MONTHLY PAYMENT (PRINCIPAL & INTEREST)	QUALIFYING LOAN AMOUNT	TDC AS OF 1-2013	GAP FINANCING NEEDED	TDHE SUBSIDY NEEDED	FAMILY SIZE	PROGRAM
			30%	4.25					
1	\$ 7,800	\$ 650	\$ 195.00	\$ 39,634.15	\$329,338	\$ 289,703.85	\$ 289,703.85	3	
2	\$ 10,747	\$ 896	\$ 268.68	\$ 54,608.74	\$300,991	\$ 246,382.26	\$ 246,382.26	3	
3	\$ 14,560	\$ 1,213	\$ 364.00	\$ 73,983.74	\$262,743	\$ 188,759.26	\$ 188,759.26	2	
4	\$ 16,092	\$ 1,341	\$ 402.30	\$ 81,768.29	\$329,338	\$ 247,569.71	\$ 247,569.71	5	
5	\$ 17,004	\$ 1,417	\$ 425.10	\$ 86,402.44	\$262,743	\$ 176,340.56	\$ 176,340.56	3	
6	\$ 18,200	\$ 1,517	\$ 455.00	\$ 92,479.67	\$300,991	\$ 208,511.33	\$ 208,511.33	4	
7	\$ 27,892	\$ 2,324	\$ 697.30	\$ 141,727.64	\$262,743	\$ 121,015.36	\$ 121,015.36	3	
8	\$ 31,315	\$ 2,610	\$ 782.88	\$ 159,120.93	\$262,743	\$ 103,622.07	\$ 103,622.07	3	
9	\$ 35,600	\$ 2,967	\$ 890.00	\$ 180,894.31	\$329,338	\$ 148,443.69	\$ 148,443.69	5	
10	\$ 37,000	\$ 3,083	\$ 925.00	\$ 188,008.13	\$300,991	\$ 112,982.87	\$ 112,982.87	4	
11	\$ 37,500	\$ 3,125	\$ 937.50	\$ 190,548.78	\$300,991	\$ 110,442.22	\$ 110,442.22	4	
12	\$ 39,520	\$ 3,293	\$ 988.00	\$ 200,813.01	\$300,991	\$ 100,177.99	\$ 100,177.99	4	
13	\$ 39,520	\$ 3,293	\$ 988.00	\$ 200,813.01	\$300,991	\$ 100,177.99	\$ 100,177.99	3	
14	\$ 42,500	\$ 3,542	\$ 1,062.50	\$ 215,955.28	\$300,991	\$ 85,035.72	\$ 85,035.72	3	
15	\$ 46,000	\$ 3,833	\$ 1,150.00	\$ 233,739.84	\$300,991	\$ 67,251.16	\$ 67,251.16	3	
16	\$ 51,000	\$ 4,250	\$ 1,275.00	\$ 259,146.34	\$300,991	\$ 41,844.66	\$ 41,844.66	4	
17	\$ 55,000	\$ 4,583	\$ 1,375.00	\$ 279,471.54	\$300,991	\$ 21,519.46	\$ 21,519.46	4	
18	\$ 56,000	\$ 4,667	\$ 1,400.00	\$ 284,552.85	\$300,991	\$ 16,438.15	\$ 16,438.15	4	
19	\$ 58,000	\$ 4,833	\$ 1,450.00	\$ 294,715.45	\$300,991	\$ 6,275.55	\$ 6,275.55	4	
20	\$ 68,000	\$ 5,667	\$ 1,700.00	\$ 345,528.46	\$300,991	\$ (44,537.46)	\$ (44,537.46)	5	
	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	3	
					\$5,951,869	\$2,347,956	\$ 2,347,956		

Program Maintenance Requirements

Maintenance Type	Homebuyer		Rentals	
	Family	Recipient	Family	Recipient
Routine Maintenance	✓			✓
Damages (tenant-caused)	✓		✓	
Normal Wear and Tear	✓			✓
Non-routine Maintenance	✓			✓
Safety Issues	✓	Repair and invoice family		✓
Insurance Claims		✓	Notification	✓
Inspections		✓		✓

Waiting

Waiting List Preference 1: All Tribal member families who have never been assisted, do not own a home, are Low- or moderate-income and meet all qualifications.

Waiting

Waiting List Preference 2: All Tribal member families who do not own a home, have been previously assisted but did not achieve homeownership for acceptable reasons, are Low- or moderate-income, and meet all qualifications;

Waiting

Waiting List Preference 3: All Tribal member families who do not own a home, are currently assisted by the Recipient's homeownership opportunity program but have not yet achieved homeownership

Selection Preferences

Rehab Program Criteria

Numerous possibilities

- ✦ Owner-occupied
- ✦ Leasehold with qualifying renter
- ✦ Emergency
- ✦ Modernization
- ✦ Essential major repairs
- ✦ Insurance
- ✦ Useful life for homeowner occupied
- ✦ Maintenance counseling
- ✦ Loan or grant
- ✦ Priority for seniors, vets, etc..
- ✦ Oldest homes first or greatest need due to threat to health and safety

Weatherization

- ❖ Weatherization programs have similar considerations as do housing rehabilitation programs, but additional questions need to be asked to determine the extent of assistance required, such as:
 - ❖ Primary Secondary Heating Sources
 - ❖ Types of Appliances
 - ❖ Structural Deficiencies
 - ❖ Consent Form for Utility Usage Data
 - ❖ Weatherization Education Requirements
 - ❖ Property Value Information
 - ❖ Property Standards Requirements
 - ❖ Warranty
- ❖ Useful life and insurance requirements
- ❖ Income restrictions

LESSON 13

Waiting List

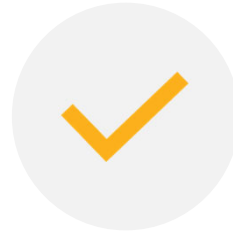




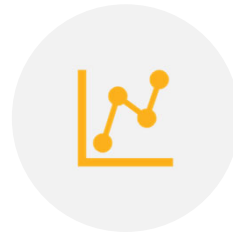
Establishes order of assistance to qualified candidates



Ensures fair and equitable treatment



Implements preference/priorities systems



Serves as source of data about need and demand for units by size, type, and location

Waiting List Purpose

Examples of Waiting List Preferences

- ✦ Income targeting – admission of certain percentage of families within certain income range
- ✦ Residency
- ✦ Tribal affiliation
- ✦ Employment
- ✦ Creditworthiness or mortgage readiness
- ✦ Elderly or displaced single person
- ✦ Persons of disability
- ✦ First time homebuyer

Preferences and Priorities

- ✦ Preferences affect the order of selection for tribal members
- ✦ Preferences affect the order of selection for tribal members
- ✦ Priorities are program specific criteria and are usually point-based or arranged in chronological order.
- ✦ Priorities are program specific criteria and are usually point-based or arranged in chronological order.

Examples of Preferences and Priorities

- Preferences affect the order of selection for tribal members
- Priorities are program specific criteria and are usually point-based or arranged in chronological order.

PREFERENCES

1. Heads of household are enrolled tribal members.
2. Tribal member head of household with federally recognized member cohead
3. Heads of household and children who are members of a federally recognized tribe

CHRONOLOGICAL PRIORITIES

1. Income targeting
2. Creditworthiness
3. Elderly
4. Disabled family
5. Veterans

PRIORITIES BY POINTS

Homebuyer Priorities For Selection Sample

Priority #	Priority
1	Families who can achieve mortgage readiness immediately.
2	Families who can achieve mortgage readiness within 1 to 6 months.
3	Families who can achieve mortgage readiness within 7 to 12 months.
4	Families who can achieve mortgage readiness within 13 to 18 months.
5	Families who can achieve mortgage readiness within 19 to 24 months.
6	Families who can achieve mortgage readiness within 25 to 30 months.
7	Families who can achieve mortgage readiness within 31 to 36 months.
8	Families who can achieve mortgage readiness within 37 to 42 months.

Preferences/Priorities

1. Two heads of household with children who are all enrolled members of the tribe.
2. One head of household (single) and children of applicant are enrolled members.
3. Applicant enrolled member married to Native enrolled in federally recognized tribe with all children enrolled members of applicant tribe.
4. Applicant enrolled member married to non-Indian with all children enrolled members of applicant tribe.
5. Married couple who are enrolled members with no children.
6. Applicant enrolled member married to Native enrolled in federally recognized tribe with no children.

YES	NO
YES	NO
YES	NO
YES	NO
YES	NO
YES	NO

ACTIVITY:

The purpose of the Waiting List is to establish order based on all preferences and other factors.

A. True

B. False

LESSON 14

Verification



Verifications Overview

Cuts across all occupancy areas

All information in tenant file must be verified and properly documented

Recipient needs to establish verification standards and procedures in the A&O Policy

Documentation and verification is a joint responsibility of the Recipient and family

Obtaining information for verification purposes, requires a signed consent for release of information from the family member whose information is being requested

What Must Be Verified

Income, assets and asset income

Income exclusions

Allowances and deductions

Family composition

Social security numbers

Verifying Income Exclusions

For example, payments received under Title V of the Older Americans Act of 1985



The wages of a child under 18 would be the same situation



Verify age - verification of amount is not necessary for wages

A Recipient needs to obtain verification for an income exclusion, if, without that verification, a Recipient would not be able to determine whether or not the income is to be excluded

Zero Income Families



A family budget or statement of financial responsibility should be required



Use up-front verification, for example:
IRS 4506-T
Credit report



Recipient must attempt to determine the source of income when the family's regular expenditures conflict with their claim of zero income

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No Income Certification

I certify, under penalty of perjury, that I am currently not receiving any income from any source. I also certify that when this situation changes, I will report in writing within 10 days of any and all income I receive to CDTHA. This could include odd jobs such as cutting wood, babysitting, automobile repair and donating plasma.

I acknowledge and understand that violation of this agreement could result in criminal prosecution for fraud and will result in repayment of any benefits received as a result of my participation in the low rent program.

My basic monthly living needs are met in the following manner:

EXPENSE	COST	HOW PAID
FOOD		
UTILITIES LIGHTS ELECTRICITY		
TRANSPORTATION COSTS GASOLINE ETC PET FOOD		
CLOTHING NEEDS CHILDREN'S CLOTHING NON FOOD ITEMS HOUSEHOLD CLEANERS ETC CIGARETTES		
MEDICAL / MEDICINES		
TELEPHONE / CABLE		
ENTERTAINMENT		

Each household must provide the following verifications each 30 days if there is no income. Verification of:

- NO UNEMPLOYMENT INSURANCE**
- NO SOCIAL SECURITY BENEFIT**
- NO TEMPORARY AID TO NEEDY FAMILIES (TANF)**

Unemployment can be verified by calling 1-208-332-3574 or going to idahoworks.com
 Social Security verification of NO BENEFITS can be obtained by calling 1800-772-1213.
 Tribal TANF can be obtained by calling 208-686-6306.

OBTAINING VERIFICATIONS IS YOUR RESPONSIBILITY

As the head of household I am responsible for providing verification of NO BENEFITS to CDTHA.

I certify the information to be true.

Household Head Printed Name: _____ DATE: _____

Household Head Signature: _____ DATE: _____

Other Adult Printed Name: _____ DATE: _____

Other Adult Signature: _____ DATE: _____

Interviewed by: _____ DATE: _____

Comments: _____

Standard Verification Forms



Consent to Release Information



Verification of Employment



Verification of Income



Verification of Trust Income



Verification of Savings



Verification of Pensions



Landlord Verification

Verification Forms

Should capture name, position, telephone number of information provider

Should capture current and anticipated earnings and fluctuating pay rates and hours

May want to consider including self-addressed stamped envelope with each verification form mailed out

Authorization for Release of Information/ Privacy Act Statement (form HUD- 9886)

All adult family members & spouse
must sign

Can be used between regular re-
exams to verify unreported income

Applicant's certification that
income & other information is
accurate and complete

Authorization for Release of Information/ Privacy Act Statement (form HUD-9886)

Authorization for the Release of Information/ Privacy Act Notice
to the U.S. Department of Housing and Urban Development (HUD) and the Housing Agency/Authority (HA)

PHIA requesting release of information: (Cross out space if none) (Full address, name of contact person, and date)

PHIA requesting release of information: (Cross out space if none) (Full address, name of contact person, and date)

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB CONTROL NUMBER: 2501-0014
400 1012014

Persons who apply for or receive assistance under the following programs are required to sign this consent form:

- PHA-owned rental public housing
- Turkey, III Homeownership Opportunity
- Mutual Help Homeownership Opportunity
- Section 23 and 19(c) leased housing
- Section 23 Housing Assistance Payments
- HA-owned rental Indian housing
- Section 8 Rental Certificate
- Section 8 Rental Voucher
- Section 8 Moderate Rehabilitation

Failure to Sign Consent Form: Your failure to sign the consent form may result in the denial of eligibility or termination of assisted housing benefits, or both. Denial of eligibility or termination of benefits is subject to the HA's grievance procedures and Section 8 informal hearing procedures.

Sources of Information To Be Obtained

State Wage Information Collection Agencies. (This consent is limited to wages and unemployment compensation I have received during period(s) within the last 5 years when I have received assisted housing benefits.)

U.S. Social Security Administration (HUD only) (This consent is limited to the wage and self employment information and payments of retirement income as referenced in Section 6103(i)(7)(A) of the Internal Revenue Code.)

U.S. Internal Revenue Service (HUD only) (This consent is limited to unearned income [i.e., interest and dividends].)

Information may also be obtained directly from: (a) current and former employers concerning salary and wages and (b) financial institutions concerning unearned salary and wages (i.e., interest and dividends). I understand that income information obtained from these sources will be used to verify information that I provide in determining eligibility for assisted housing programs and the level of benefits. Therefore, this consent form only authorizes release directly from employers and financial institutions of information regarding any period(s) within the last 5 years when I have received assisted housing benefits.

Who Must Sign the Consent Form: Each member of your household who is 18 years of age or older must sign the consent form. Additional signatures must be obtained from new adult members joining the household or whenever members of the household become 18 years of age.

Original is retained by the requesting organization.

ref. Handbooks 7420.7, 7420.8, & 7405.1

form HUD-9886 (7/04)



HUD-9886 MAY ONLY BE USED FOR VERIFICATION SOURCES LISTED ON THE FORM



VALID FOR 15 MONTHS FROM DATE OF SIGNATURE

Third Party Written Verification and Documentation

- ▶ To the maximum extent feasible, Recipients should utilize third party verification sources
- ▶ IRS 4506t is very helpful
- ▶ Must not be hand carried by the family
- ▶ Independent, directly from third party by mail, fax, or other reliable means



Second Party Verification

May be used when:

Information doesn't require certification

- Birth certificate, Social Security card

Third-party verification is impossible or delayed

Income is derived from cash transactions

Need to document lack of income



Housing employee should include memo to file documenting when third-party verification is not available

Check Stubs

Copy of Tax Return

Copy of Social Security award letters

First party Verification

May be used when:

Information doesn't
require certification

- Birth certificate, Social Security card

Third-party
verification is
impossible or
delayed

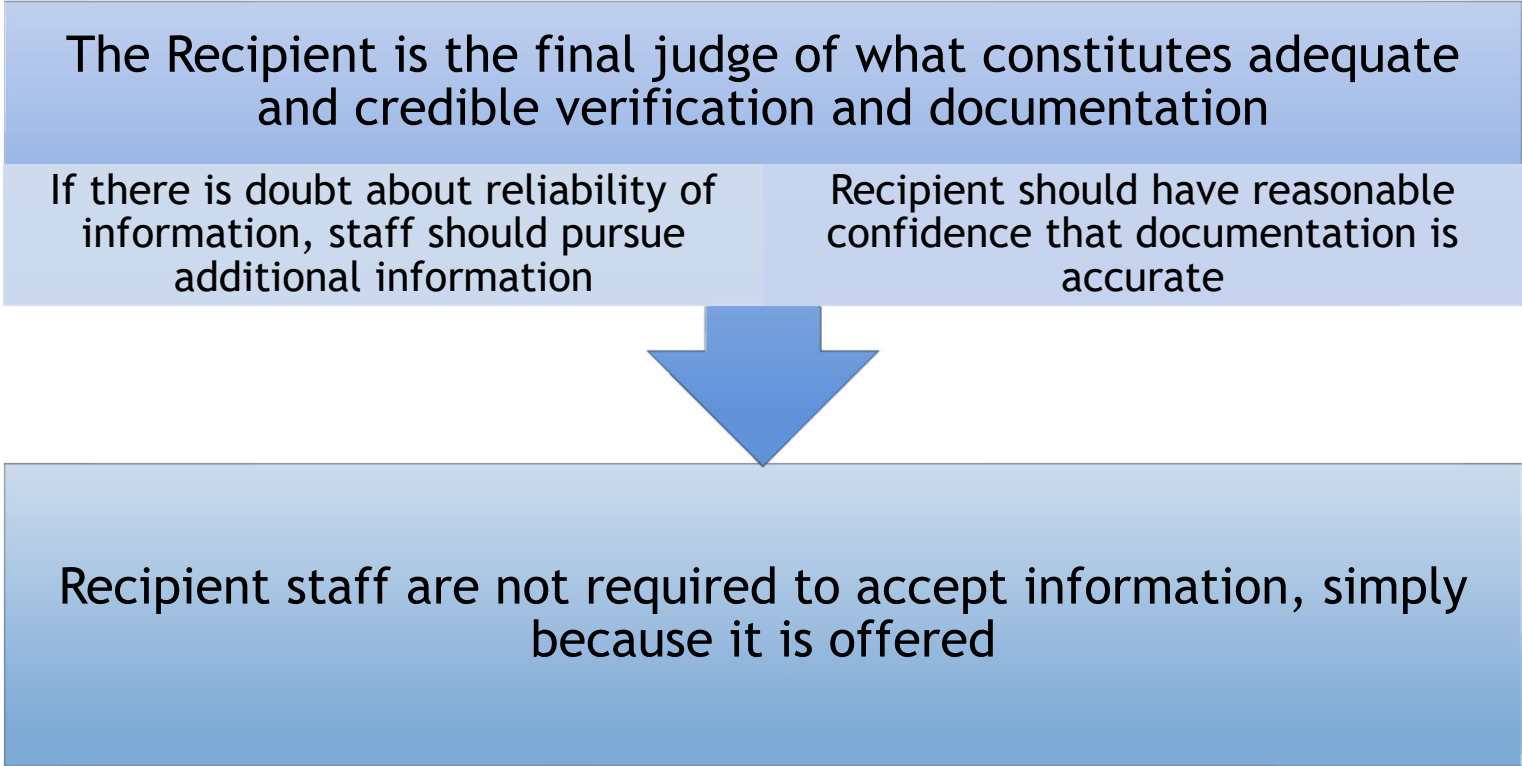
Income is derived
from cash
transactions

Need to document
lack of income



Housing employee should include memo to file documenting when third-party verification is not available

Verification and Documentation



Applicant Self-Certification

May be used when:

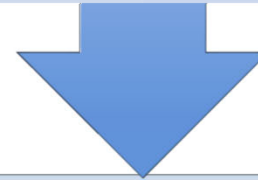
Information doesn't
require certification

- Birth certificate, Social Security card

Third-party
verification is
impossible or
delayed

Income is derived
from cash
transactions

Need to document
lack of income



Housing employee should include memo to file documenting when third-party verification is not available

ACTIVITY:

1. Who has to sign Release Forms for verification?
 - A. Head of Household
 - B. Head of Household and Spouse
 - C. All household members over the age of 18
 - D. All household members

2. Which of the following should be verified?
 - A. Income
 - B. Deductions
 - C. Exclusions
 - D. All of the above
 - E. None of the above

LESSON 15

Selection



Selection Process

- ❖ Applicant completes preliminary application to be determined eligible and placed on waiting list.
- ❖ Applications updated annually.
- ❖ When unit is available, top two applicants notified and asked to be interviewed.
- ❖ Staff verifies applicant information.
- ❖ After verification, eligibility confirmed, offer extended, and unit assigned.



General Selection Criteria

Should be established by admissions policies



Examples:

Ability to make
monthly
payments

Comments
from prior
landlord

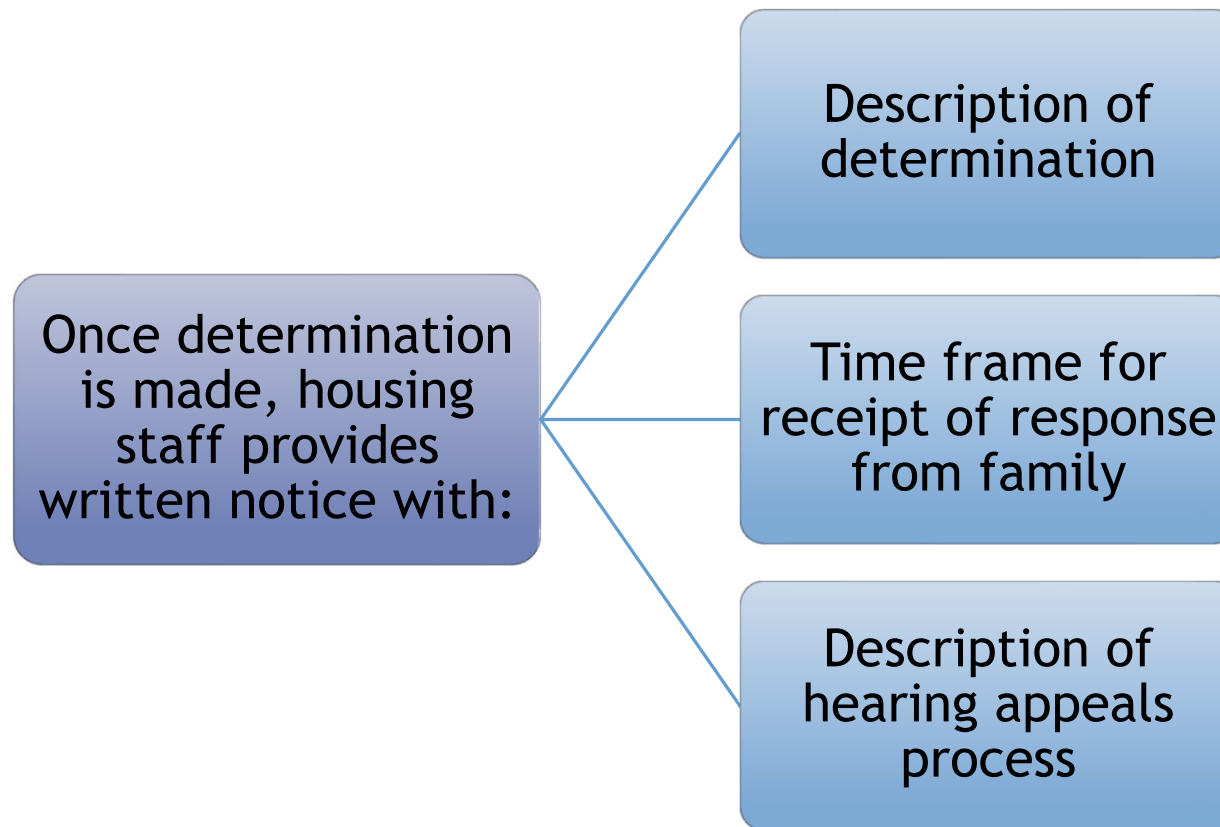
Credit
references

Housekeeping
habits

Criminal
background
check

Disability
accommodations

TERMS AND CONDITIONS



Selection Criteria Different for Different Programs

TERMS	RENTAL	HOMEBUYER
Month-to-Month Agreement		
2 Years Stable Employment		
Creditworthy		
Exclusive Option to Purchase		
Purchase Price		
No Income		
Poor Credit		

Eligibility Criteria for Lease Purchase

- All applicants must be able to pay the minimum rent and achieve mortgage readiness according to their Client Action Plan but not to exceed _____ years.
- Be committed to purchasing the property.
- Have sufficient income required to meet the minimum rent and the other financial obligations of maintaining and buying a home.
- Be able to overcome the obstacles to mortgage readiness in a period of time not to exceed _____ years except in extreme circumstances.
- Be committed to schedule the time to participate in the required group counseling and the one-on-one counseling tailored to the individual family's needs.

LESSON 16

Housing Counseling



Learning Overview

- ✦ Applicable rules
- ✦ Define housing counseling
- ✦ Define one-on-one counseling
- ✦ Types of one-on-one counseling
- ✦ Discuss focus of housing counseling
- ✦ Identify implementation steps for providing housing counseling

What is Housing Counseling?

- ❖ Process of sharing information between a client and housing counselor to help alleviate client's housing problems.
- ❖ It is:
 - ❖ Personal and specific, usually one-on-one
 - ❖ A way to help people help themselves
 - ❖ A relationship
 - ❖ Problem solving in professional manner



Housing Counseling Topics

- Budgeting for financial housing obligations
- Debt management
- Credit repair
- Self-sufficiency services
- Maintenance counseling
- Financial literacy
- Relocation assistance
- Rental assistance
- Early intervention before delinquency
- Homebuyer education
- Pre-purchase
- Post-purchase



Housing Counseling Methods

- ▶ Client Intake Meeting
- ▶ Group Instruction
- ▶ One-On-One Counseling

Challenges to Making Payments



TOO MUCH DEBT



LACK OF STABLE
EMPLOYMENT



LACK OF SAVINGS



LACK OF RESOURCES
TO HANDLE
EMERGENCIES

Types of Counseling

- ❖ Pre-occupancy
- ❖ Pre-purchase
- ❖ Credit counseling
- ❖ Budget counseling
- ❖ Post purchase
- ❖ Default counseling
- ❖ Advocacy



One-on-one Counseling Focuses

- Affordability
- Debt
- Credit
- Down payment assistance
- Recognizing predatory lending practices
- Understanding fair lending
- Avoiding foreclosure
- Resolving a financial crisis

Budget Counseling Involves . . .

- ▶ Short -and long-term goals
- ▶ Budgeting –a tool to achieve goals
- ▶ Thoroughly explain the budget creation process



Troubleshooting Tools



Pathways Home: A Native Guide to Homeownership

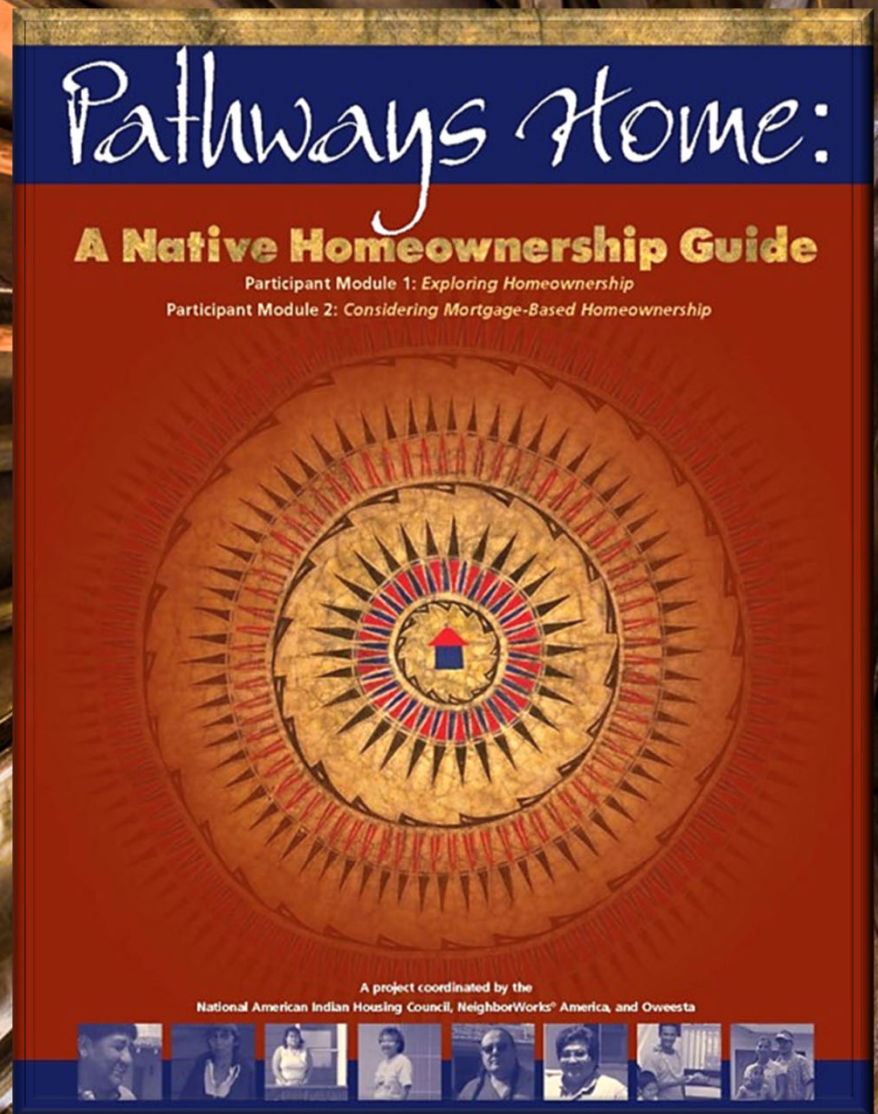
Credit Rebuilding Letters
Budgeting Worksheets



PowerPay® Debt-Reduction System

www.powerpay.org

Pathways Home helps Native people and their families develop the skills required to purchase a home and is the premier homebuyer education course for Native homebuyers.



Exploring Homeownership 02/29

Exploring Homeownership 02/29


Native people—
traditionally land and
homeowners

Exploring Homeownership 01/29

Introduction

Pathways Home: A Native Homeownership Guide

Lesson 1: Exploring Homeownership



Our popular course will now be available *directly* to potential homebuyers completely online!

eLearning.

The course comprises six lessons:



Exploring Homeownership 05/29

Course Outline

This course comprises six lessons.

Certificate of Completion—Go through each lesson thoroughly and complete the final assessment at the end of the course.

Complete the quiz at the end of each lesson.



Click each lesson to view its brief description. After going through each brief description, click X to continue.

- LESSON 01
- LESSON 02
- LESSON 03
- LESSON 04
- LESSON 05
- LESSON 06
- FINAL ASSESSMENT

Exploring Homeownership

Budgeting for Homeownership and Calculating Affordability

Evaluating Credit for Homeownership

Finding a Home

Applying for a Home Loan

Protecting Your Assets

LESSON 17

Occupancy



Other Occupancy Standards

Family
Characteristics

Unit Size

Unit Size

No set requirements to determine unit size

Your policies should consider:

- Number of people in household
- Children expected to be born, adopted, or taken into custody
- Live-in Attendants
- Children who are away at school, but will come home
- Bedroom needs based on health or medical reasons

ACTIVITY:

1. Are tenants or homebuyers required to have counseling prior to move in?
 - A. Yes
 - B. No
 - C. Depends on your policy

2. Are recertifications required for Homebuyers?
 - A. Yes
 - B. No
 - C. Depends on your policy

ACTIVITY:

3. Are inspections required for Homeownership units
 - A. Yes
 - B. No
 - C. Depends on your policy

4. Which of these is not a reason to track maintenance work orders?
 - A. Scheduling work appropriately
 - B. Track costs for the APR
 - C. Track costs for Total Development Cost
 - D. None are reasons to track maintenance work orders
 - E. All are reasons to track maintenance work orders



LESSON 18

Lease Management



Dwelling Lease

- ▶ Can be for rental, lease-to-own, homeownership programs
- ▶ Should be reviewed by attorney
- ▶ Defines contractual obligation between resident and Recipient

Important Inclusions in Lease

- Name of parties
- Unit location
- Amount and due date of monthly payment
- Amount of security deposit
- Utility services
- Each party's obligations
- Housekeeping standards
- Inspections
- Termination clause
- Clause on drugs/criminal activity
- Pet/parking/etc.. policy
- Service animal
- Hoarding

Prohibited Lease Provisions

- ✦ Confession of judgment
- ✦ Seizure of personal property for rent
- ✦ Exculpatory charges
- ✦ Waiver of legal notice
- ✦ Waiver of legal proceedings or jury trial
- ✦ Waiver of right to appeal
- ✦ Requirement to pay cost of legal action regardless of outcome

Rental Housing Lease Topics

- ✦ Using unit as primary, private residence
- ✦ Making monthly payments
- ✦ Keeping unit in good and safe condition
- ✦ Cooperating with recertification and inspection procedures
- ✦ Understanding maintenance process
- ✦ Understanding how disputes and grievances will be handled
- ✦ Reviewing insurance coverage options

Homebuyer Agreement

- ✦ Allows homebuyer to purchase unit or lease unit with option to purchase
- ✦ Specifies resident's obligations:
 - Pay for required maintenance and utilities
 - Ability to contribute land, materials, cash, or labor
 - Capacity to pay monthly homebuyer payments
- ✦ Policies may require mandatory housing counseling to help resident understand financial and social responsibilities of homeownership

ACTIVITY:

How often should leases be updated?

- A. Never
- B. Whenever something in the lease changes
- C. At recertification

LESSON 19
Lease Compliance
Basics





Lease Compliance Topics

- ▶ Maintenance
- ▶ Inspections
- ▶ Recertification

Maintenance Responsibilities

- ✦ Varies by program
 - ✦ Rental – tribe or housing authority
 - ✦ Homeownership – homeowners
- ✦ Policies may require rental tenant to pay for work to repair damages beyond normal wear and tear
- ✦ May be good to include maintenance issues in lease agreement

Maintenance Policy Topics

Emergency, Urgent, Routine,
Non-Routine Services

Vacated Unit Repair

Preventive Maintenance

Inspections and Right of Access

Work Order Process

Standards of Work

Schedule of Costs

Maintenance Counseling

Benefits of a Maintenance Work Order System

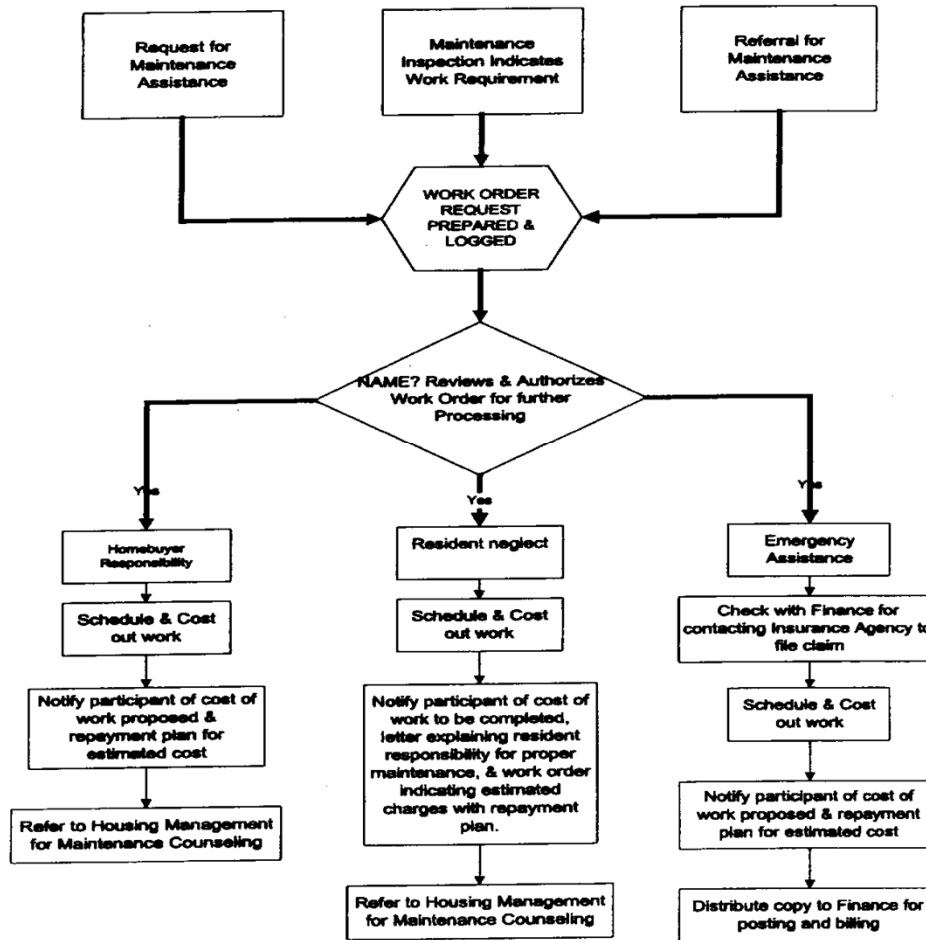
- ✦ Provides ability to control work
- ✦ Schedule work
- ✦ Track work planned and completed
- ✦ Facilitate development of a preventive maintenance plan and a capital improvement plan
- ✦ Allow job costing
- ✦ Comply with TDC



Work Order Procedures

- Work Order (W.O.) issued
- W.O. received by maintenance dept.
- Maint. Supervisor reviews and clears W.O.
- Maint. Supervisor assigns W.O. to appropriate staff and sets schedule
- Work is completed
- W.O. returned and recorded

WORK ORDER PROCESS



WORK ORDER FLOW CHART

Inspections

Move-In Inspection

- ❖ Both Recipient & tenant must be present
- ❖ Documents condition of unit and acts as a basis for all future inspections
- ❖ The move-out inspection is compared to the move-in inspection – tenant is charged for all damage that is beyond normal wear & tear

Move-Out Date: _____ Address: _____
 # of Keys Issued: _____ Manager/Agent: _____

Move-Out Condition Checklist

Area	Good	Fair	Poor	Comments
Living Room				
Walls (spaint, holes)				
Floor, carpet				
Ceiling (spots, holes)				
Bedroom				
Walls (spaint, holes)				
Floor, carpet				
Ceiling (spots, holes)				
Kitchen				
Walls (spaint, holes)				
Floor, carpet				
Ceiling (spots, holes)				
Cabinets, countertop				
Stove, Dishwasher				
Refrigerator				

Move-Out Inspection

- ✦ Within 24 hours of tenant moving out.
- ✦ Move-Out Inspection compared to Move-In Inspection and prior inspections.
- ✦ Maintenance Department determines costs for any repairs
 - ✦ Tenant damage
 - ✦ Wear and tear
 - ✦ Upgrades
 - ✦ Etc.



MONTHLY INSPECTIONS



- ✦ Each new tenant must commit to having their home inspected on a monthly basis for the first three months. If no tenant damage occurs and the home is maintained in a healthy and safe manner the tenant graduates to having their home inspected every **Three Months**

Appendix 5: Move-In/Move-Out Inspection Form

[Company name]
[Company address]

Property		Resident	
Apartment No.	Unit Size	Move-In Inspection Date	Move-Out Inspection Date

Item	Condition		Cost to Correct
	Move-In	Move-Out	
ENTRANCE/HALLS			
Steps and landings			
Handrails			
Doors			
Hardware/Locks			
Floors/Coverings			
Walls/Coverings			
Ceilings			
Windows/Coverings			
Lighting ¹			
Electrical Outlets			
Closets ²			
Fire alarms/equipment			
LIVING ROOM			
Floor/Coverings			
Walls/Coverings			
Ceiling			
Windows/Covering			
Lighting ¹			
Electrical outlets			



the home's
Inspection report

Move-out

- ✦ Should require 30-day written notice
- ✦ Conduct inspection
- ✦ Unit should be close to original condition
 - ✦ Family pays for damages but not wear and tear

Interim Recertification Examples

Job loss	Retirement	Change in family composition - death, birth	Resident moves out and changes income
Pay raise	Unemployed resident becomes employed	Substantial increase in allowances, e.g., childcare or travel expenses	Resident turns 62 years of age

Corrective Action for Noncompliance

Legal action should be preceded by:

- Phone communication
- Home visit
- First Corrective Action Plan letter
- Second Corrective Action Plan letter
- Third letter informing of referral for legal action

Written documentation is critical in event of legal action

LESSON 20

Collections



Purpose of Collections Policy

- ✦ Inform residents of guidelines for rent collection, house payments, housing services, and payment of work orders
- ✦ Ensure continuation of adequate housing services while providing for safety and well-being of residents
- ✦ Promote fairness and due process

Collection Policies should Include:

- ✦ Required monthly payment should be in lease
- ✦ Definition of delinquent account
- ✦ Process for extensions and partial payments due to hardships
- ✦ Process for:
 - Budget counseling sessions
 - Notice of delinquency
 - Payback agreement
 - Notice of termination

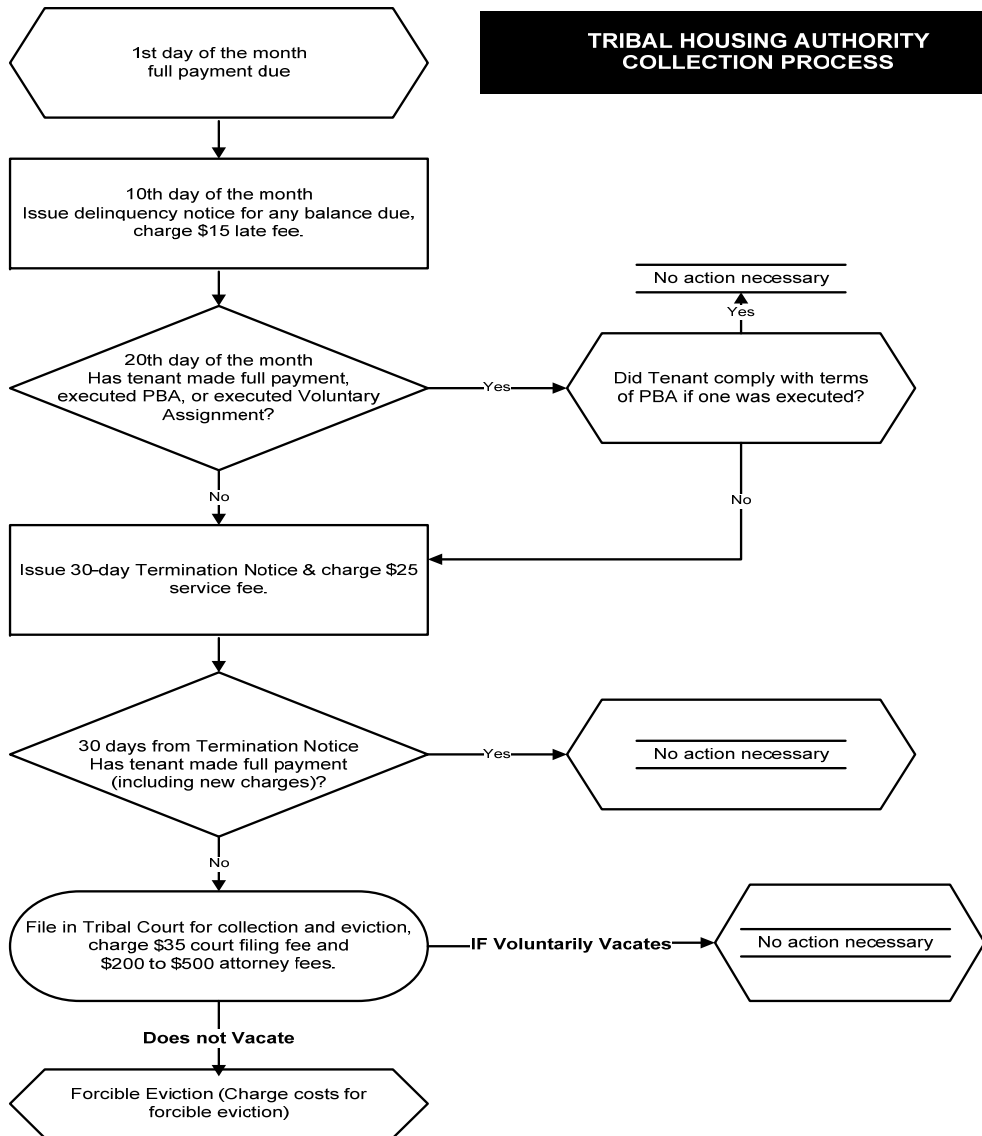
Collection Policies should Include:

- ✦ Explanation of permanent loss of eligibility for future services
- ✦ Process for:
 - Grievance hearing
 - Administrative hearing

Eviction

- ✦ Provides remedy of last resort
- ✦ Tribe or housing authority may file civil action against resident in appropriate legal jurisdiction
- ✦ Premised on breach of agreement arising from non-payment or other just cause

**TRIBAL HOUSING AUTHORITY
COLLECTION PROCESS**



Why Collecting is Critical

- ✦ NAHASDA allows tribe or housing authority to tailor monthly payment amounts to community needs and affordability
- ✦ Failure to collect payments hurts future housing assistance
- ✦ Legal and other collection costs take away from other affordable housing activities

Rent Calculation

Annual Income		\$27,000
Adjustments:		
4 dependents @ \$480		(\$ 1,920)
Child Care		(\$ 1,080)
Total Adjustments		\$ 3,000
Adjusted Annual Income		\$24,000
Adjusted Monthly Income	(24,000/12)	\$ 2,000
Monthly Gross Rent	\$2,000 x 30%	\$ 600
Utility Allowance		(\$ 250)
Monthly Rent		\$ 350
Annual Revenue	\$350 x 12	\$ 4,200

ACTIVITY: IHBG Subsidy

	Using Maximum	Generous IHA	Very Generous IHA
Average Adjusted Monthly Income	\$2,000	\$2,000	\$2,000
Percentage Used	30%	20%	10%
Monthly Gross Rent	\$600	\$400	\$200
Utility Allowance	\$ -0-	\$100	\$200
Net Rent Payment	\$600	\$300	\$-0-
Units	100	100	100
Monthly Revenue	\$ 60,000	\$ 30,000	\$ -0-
Annual Revenue	\$ 720,000	\$ 360,000	\$ -0-
Annual Expenses	(\$900,000)	(\$900,000)	(\$900,000)
IHBG Subsidy Needed	\$ <u>180,000</u>	\$ <u>540,000</u>	\$ <u>900,000</u>

Monitor Legal Activity

COURT ASSESSMENT REVIEW AUGUST 2009			
Note: This audit was completed by JCS, as a review of active and inactive cases that Sker had worked on. TB completed the Tenant Adjustment Requests			
#	Results of Review	Request Submitted	Assessment Completed
	Assess \$500, \$35 was assessed	8/5/2009	DONE
	Court case resolved.	n/a	n/a
	Court case resolved.	n/a	n/a
	Court case closed.	n/a	n/a
	Assess \$500, \$35 when case file	8/5/2009	DONE
	Court case resolved.	n/a	n/a
	Court case resolved.	n/a	n/a
	Paid off before assessed. Lost a	n/a	n/a
	Court case resolved.	n/a	n/a
	Assess \$500, \$35 was assessed	8/5/2009	DONE
	\$83.40 processor fee assessed 07-13-2009		
	Court fees have been being ass	n/a	n/a
	Waiting on summary from accountant		
	Assess \$500, \$35 when case file	8/5/2009	DONE
	Assess \$500, \$35 when case file	8/5/2009	DONE
	Assess \$500, \$35 when case file	8/5/2009	DONE
	Conveyed so no assessment of	n/a	n/a
	Deceased. Closed case.	n/a	n/a
	Assess \$500, \$35 when case file	8/5/2009	DONE

Case Management

Everyone has a role in collections and compliance.

Everything they do can have an impact on the program's success.

Make all of the efforts for collection and compliance positive and constructive.

Handle collections and compliance on a case-by-case basis

Collection Tips

1. Establish ability and willingness to evict.
2. Match policies with your practices.
3. Follow up.
4. Use receipts and remember to say “thank you.”
5. Recognize a participant of the month – emphasize positive payment history.
6. Aggressively offer job placement services. Promote self-sufficiency.
7. Address the toughest cases in monthly staff meetings.
8. Revisit incentives for prompt payment.
9. Communicate with both spouses and other family members, if appropriate.
10. Develop skills in using the appropriate court system.

Any Questions???

