Proficiency in Income Qualification

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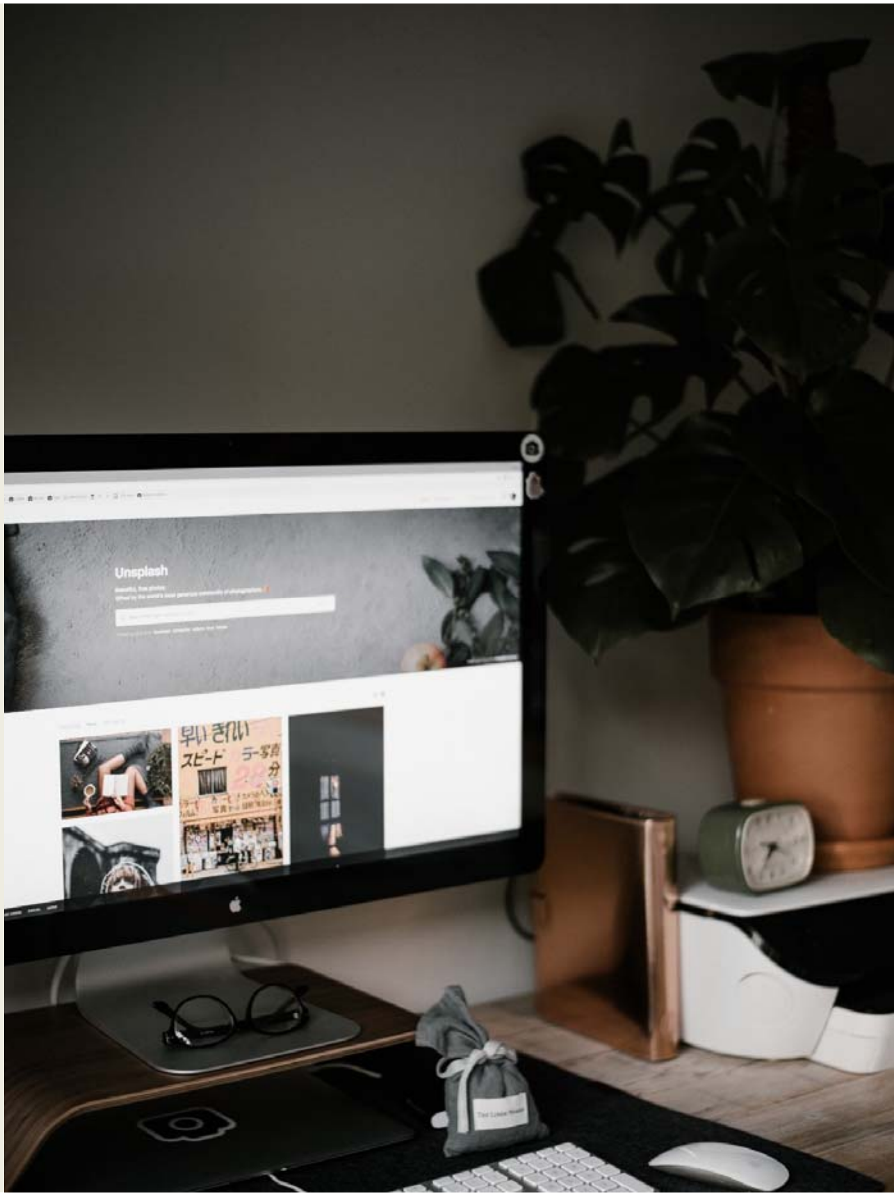
FLORIDA HOUSING COALITION



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AFFORDABLE HOUSING CATALYST PROGRAM

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Catalyst Training Schedule

The Coalition is Florida's affordable housing training and technical assistance provider.

www.flhousing.org

SHIP Advocacy

- Use SHIP logo
- Send your SHIP success stories to us at wells@flhousing.org
- Ensure that subrecipients/Sponsors are giving credit to SHIP

FLORIDA HOUSING COALITION

PUBLICATIONS

Access these valuable resources and more under the Publications tab at Flhousing.org

- Housing News Network Journal
- Florida Home Matters Report
- Accessory Dwelling Unit (ADU) Guidebook
- Adaptive Reuse of Vacant Rentals
- Affordable Housing Resource Guide
- Affordable Housing Incentive Strategies
- CLT (Community Land Trust) Primer
- CLT Homebuyer Education – Teacher's Guide
- CLT Homebuyer Education – Buyer's Guide
- Community Allies Guide to Opportunity Zones
- Community-Based Planning Guide
- Creating a Local Housing Disaster Recovery
- Creating Inclusive Communities in Florida
- Credit Underwriting Guide for Multi-Family Affordable Housing in Florida
- Developing & Operating Small Scale Rental Properties
- Disaster Management Guide for Housing
- Landlord Collaboration Guidebook
- PSH Property Management Guidebook
- Residential Rehabilitation Guide
- SHIP Administrators Guidebook
- Surplus Lands Guidebook
- Supporting Households Moving Out of Homelessness
- Using SHIP For Rental Housing

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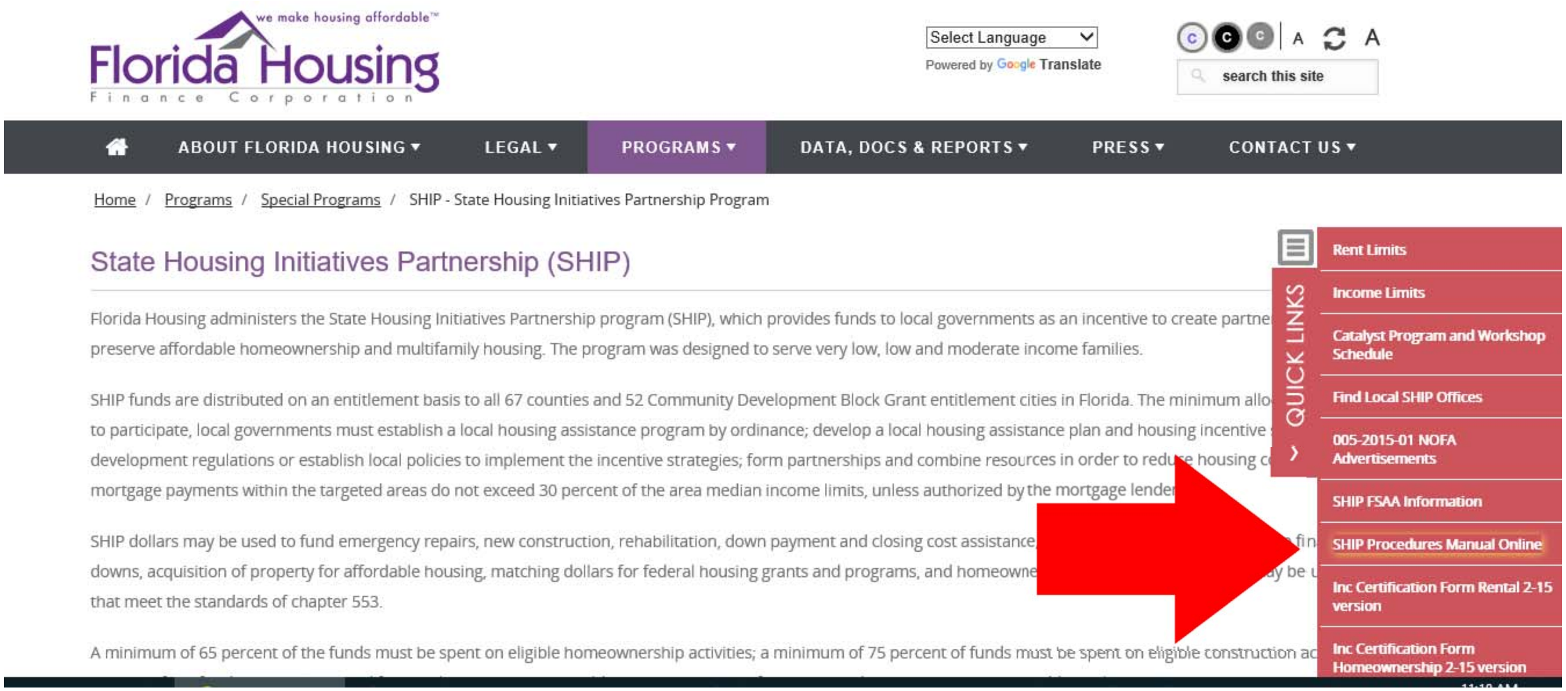
Download the Updated SHIP Manual at: *www.floridahousing.org*



SHIP Procedures Manual

Appendix E
Applicant Qualification

This appendix offers guidance about eligibility determination and the documentation of income, assets and other household details. The guidance pertains to the Section 8 income definition that is commonly used by SHIP administrators. However, SHIP allows for several methods of defining income, which are listed in Section 420.9071 of the Florida Statutes: *"Annual gross income" means annual income as defined under the Section 8 housing assistance payments programs in 24 C.F.R. part 5; annual income as reported under the census long form for the recent available decennial census; or adjusted gross income as defined for purposes of reporting under Internal Revenue Service Form 1040 for individual federal annual income tax purposes or as defined by standard practices used in the lending industry as detailed in the local housing assistance plan and approved by the corporation.*

Those who administer SHIP using an alternative income definition may need to contact the Florida Housing Coalition for guidance specific to that alternative income definition.

A. Determining Household Size

Even before beginning to count the household's income, it is important to properly count the number of people in the household. It is essential to accurately determine household size, since program eligibility is "adjusted for family size" (as defined in Section 420.9071 (1) of the Florida Statutes). The median income is based on a four-person household. The income

Overview of Resources

- Code of Fed Regulation: 24 CFR Part 5
- Income inclusions and exclusions
- HUD Handbook 4350.3: Chapter 5, Appendices 3 and 6C
- Income and rent limits chart

Three Methods for Determining Income Eligibility using SHIP funds

- 24 CFR Part 5
- IRS FORM 1040
- Census Long Form

Regardless of definition used… "Income shall be calculated by annualizing ***verified*** sources of income…to be received…during the ***12 months following*** the effective date of the determination.

Statutory Intent

"The benefit of assistance provided through the State Housing Initiatives Partnership Program must accrue to ***eligible persons*** occupying ***eligible housing*** "

Section 420.9075 (4)(j) Florida Statutes

Waiting List / Priorities

- How is the waiting list kept and who has access to wait list
- Should be a list that cannot be compromised
- Track case status on waiting list
- Priorities must be outlined in the LHAP and agreements with sponsors and subrecipients
- If there is a waiting list, no advertising is required. List must be kept for monitors.

1st Qualified 1st Served OR Priority

- Common: First priority for households qualifying as Special Needs
- LHAP includes priority for very-low income, then low, then moderate.

Annual Income Definition (24 CFR Part 5)

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 family member
2. Are anticipated to be received from a source outside the household during the 12-month period
3. Annual income also means amounts derived from assets

Under COVID - Resident file documents and signatures

HUD 4350.3 Occupancy Handbook contains guidance regarding **extenuating circumstances that cause delay** in the execution of its consent forms and tenant certification and until the IRS issues guidance to the contrary, Florida Housing will emulate HUD and apply the extenuating circumstances principals and postpone execution of all verification and certification documents.

The owner **must document the reasons for the delay** in the resident file ("Applicant/resident did not sign due to COVID-19 risk.") and indicate how and when the tenant will provide the proper signature.

Getting the Signatures

- When there is a delay in obtaining and/or witnessing the actual family signature(s) due to extenuating circumstances this fact should be noted initially and then when the signatures are subsequently obtained a reference to the original statement can be made to explain what would otherwise appear to be tardy execution of the “Family Certification” (similar to a “true and correct as of [date]” statement). **The date the signature was obtained must be entered on the document.**

- When income determination is conducted by **telephone, the written record of the telephone conversation** should include the penalty of perjury statement that pertains both to the person taking the statement and the applicant.

Income Qualification Process

Pre-Application Steps

Step 1: Application

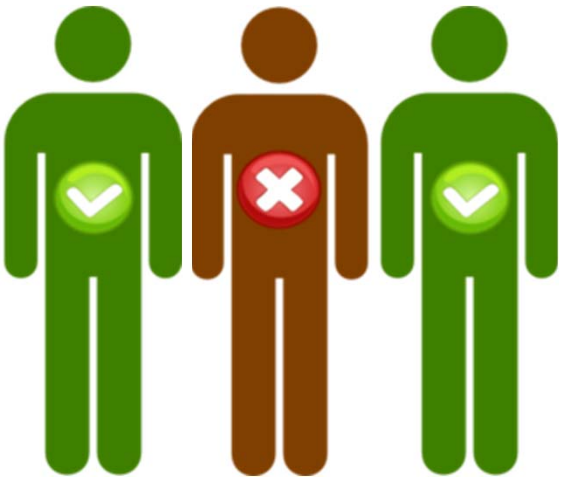
Step 2: Income Verification

Step 3: Asset Verification

Step 4: Calculation

Step 5: Certification

Step 6: Award



Step 1: Application

- Design application to include all information required
- Application – Complete and signed
- Provide a list of documents needed
- Date Stamp/number applications as they arrive

Step 1: Application (continued)

- Keep the applicant informed – Preferably in writing. If calls are made, document file.
- Face to face interview with the applicant.
- The application is signed by all adult household members, including students age 18 and older.

Included above Applicant Signature is information about Florida Statute 817

Florida Statute 817 provides that willful ***false statements*** or misrepresentation concerning income, asset or liability information relating to financial condition is a ***misdemeanor of the first degree***, punishable by fines and imprisonment provided under Statutes 775.082 or 775.083.

"I certify that the application information provided is ***true and complete*** to the best of my knowledge."

The Application Contains…

- **Public Records Statement:** Household members understand that all documents are subject to Chapter 119 of Florida's public records laws.
- **Release of Information:** Signed statement by all adult household members consenting to verification of income and asset information.
- **Social Security Number:** City/County must give written explanation of purpose and authority for collecting social security numbers.

Income Limits and Rent limits

HUD release: 4/24/2019
FHFC Posted: 5/15/2019
Effective: 4/24/2019

2019 Income Limits and Rent Limits
Florida Housing Finance Corporation
SHIP and HHRP Programs

County (Metro)	Percentage Category	Income Limit by Number of Persons in Household										Rent Limit by Number of Bedrooms in Unit					
		1	2	3	4	5	6	7	8	9	10	0	1	2	3	4	5
Calhoun County	30%	12,490	16,910	21,330	25,750	27,950	30,000	32,100	34,150	Refer to HUD		312	367	533	671	750	828
	50%	**18,100**	**20,700**	**23,300**	**25,850**	**27,950**	**30,000**	**32,100**	**34,150**	**36,190**	**38,258**	**452**	**485**	**582**	**672**	**750**	**828**
	80%	28,950	33,100	37,250	41,350	44,700	48,000	51,300	54,600	57,904	61,213	723	775	931	1,075	1,200	1,323
Median: 48,700	**120%**	**43,440**	**49,680**	**55,920**	**62,040**	**67,080**	**72,000**	**77,040**	**81,960**	**86,856**	**91,819**	**1,086**	**1,164**	**1,398**	**1,614**	**1,800**	**1,987**
	140%	50,680	57,960	65,240	72,380	78,260	84,000	89,880	95,620	101,332	107,122	1,267	1,358	1,631	1,883	2,100	2,318
Charlotte County	30%	12,490	16,910	21,330	25,750	30,170	33,250	35,550	37,850	Refer to HUD		312	367	533	699	831	917
(Punta Gorda MSA)	**50%**	**20,100**	**22,950**	**25,800**	**28,650**	**30,950**	**33,250**	**35,550**	**37,850**	**40,110**	**42,402**	**502**	**538**	**645**	**745**	**831**	**917**
	80%	32,100	36,700	41,300	45,850	49,550	53,200	56,900	60,550	64,176	67,843	802	860	1,032	1,192	1,330	1,468
Median: 57,300	**120%**	**48,240**	**55,080**	**61,920**	**68,760**	**74,280**	**79,800**	**85,320**	**90,840**	**96,264**	**101,765**	**1,206**	**1,291**	**1,548**	**1,788**	**1,995**	**2,202**
	140%	56,280	64,260	72,240	80,220	86,660	93,100	99,540	105,980	112,308	118,726	1,407	1,506	1,806	2,086	2,327	2,569
Citrus County	30%	12,490	16,910	21,330	25,750	28,500	30,600	32,700	34,800	Refer to HUD		312	367	533	678	765	843

Always check to make sure you are working with the most current income limits.

SHIP Requires a RIC for Each File

FLORIDA HOUSING FINANCE CORPORATION

227 North Bronough Street, Suite 5000, Tallahassee, Florida 32301-1329; (850) 488-4197; Fax (850) 488-9809

RESIDENT INCOME CERTIFICATION - RENTAL HOUSING

State Housing Initiatives Partnership (SHIP) Program

A. **Certification Information** (select one)

- ☐ Initial Certification (IC) Effective Date:
- ☐ Annual Recertification (AR) Effective Date:

B. **Subsidy Use** (check all that apply)

- ☐ Multifamily Rental
- ☐ Other
- ☐ Transitional Housing

C. **Household Information:** Include all household members

Member	Full Name	Relationship to Head	Age
1		HEAD	
2			
3			
4			
5			
6			
7			

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RESIDENT INCOME CERTIFICATION - HOME OWNER

State Housing Initiatives Partnership (SHIP) Program

Effective Date: Allocation Year:

A. **Recipient Information** (select one)

a. ☐ Current homeowner

b. ☐ Home buyer ☐ Existing Dwelling ☐ Newly Constructed Dwelling

B. **Subsidy Use** (check all that apply)

- ☐ Down Payment Assistance
- ☐ Principal Buy Down
- ☐ Closing Costs
- ☐ Rehabilitation
- ☐ Interest Subsidy
- ☐ Emergency Repair
- ☐ Loan Guarantee
- ☐ Other

C. **Household Information:** Include all household members

Member	Full Name	Relationship to Head	Age
1		HEAD	
2			
3			
4			
5			

Determining Household Size

Count as household members:

- Children in joint custody, present 50% or more of the time
- Children away at school who live in household during school recesses
- Children in the process of being adopted
- Temporarily absent family members

Household Members *Permanently* in a Hospital, Nursing Home

The family decides if such persons are included when determining family size for income limits

Note: If you count the

Household member,

You count the income.

Count Foster Children

HUD Handbook 4350.3 Chapter 3:

“The owner must also count all anticipated children. Anticipated children include the following:

- Foster children who will reside in the unit;”
- ALSO: “g. The owner must count foster adults living in the unit.”

HUD Handbook 4350.3 Chapter 5:

- “Payments received by the family for the care of foster children or foster adults are not counted.”

Separated but Not Divorced

Count ***unless*** you can document that separation is permanent.

Examples:

Lease

Driver's license

Vehicle registration

Homestead

Tax returns

Household Member in Prison

Best Practice:

- Count as household member if released within 12 months
- Do not count if release date is more than 12 months
  - www.dc.state.fl.us
    - Home page: "Inmate Population Info Search"
    - Enter name, SS # or birth date & inmate #
    - Print scheduled release date for the file.

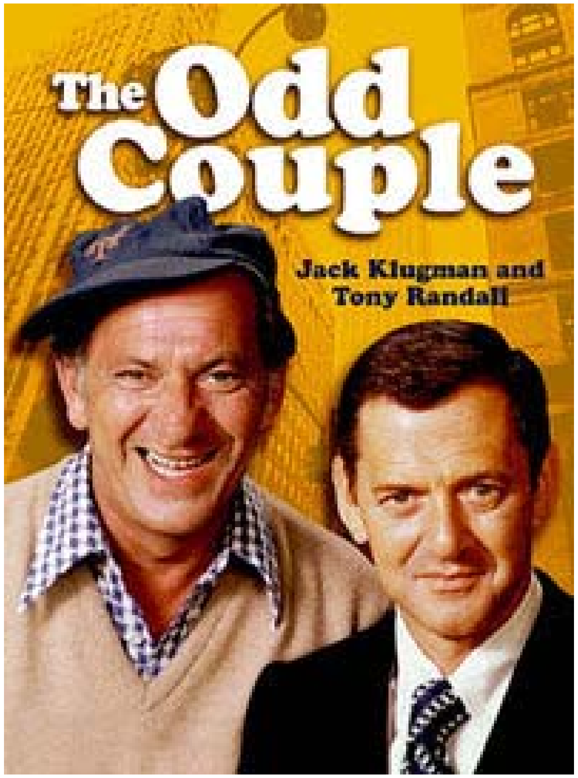
Boyfriend, Girlfriend or Fiancé

Count if currently part of household or will be residing in home when purchased

Roommates and Tenants

Roommates are household members, Tenants are not

- Count roommate's income
- Count rent paid by tenant



Live-In Aide

- Is essential to the care, well-being of the person(s)
- Is not obligated to support the person(s)
- Would not be living in the unit except to provide the necessary supportive services

Household Size Exercise

1. Anna lives with her fiancé. She will be buying a new house using her own income and credit to qualify.
2. Bob has half-of-the-time custody of his 2 kids. He and the mother of the children were never married. He indicates he will be buying a 3 bedroom home so each child can have their own room.

Household Size Exercise (continued)

3. David's disability requires that he have assistance with daily activities.
   - He will be buying the new home on his own.
   - Will have around the clock aides during the week. His mother will stay with him on weekends when the aides are off.

Income Qualification Process

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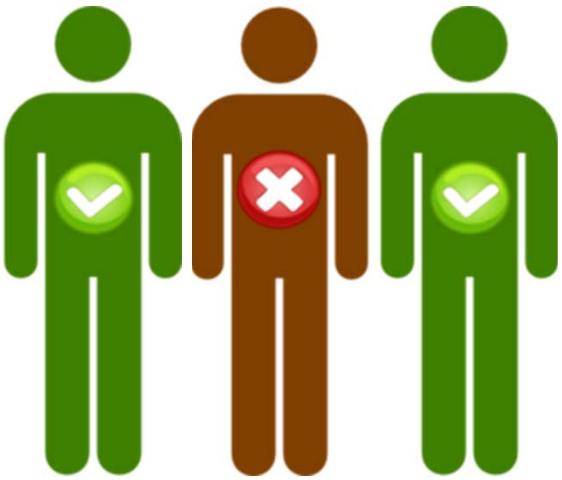

Step 2: Income Verification Process

Verify:

- Employment including overtime and tips
- Social Security
- Child Support/Alimony
- Regular Cash Contributions
- Unemployment Compensation

Step 2: Income Verification Methods

- **Methods:** Written or Oral Third-Party Verification
- **Acceptable method:** Upfront-income verification (UIV)

Acceptable Method: Upfront-Income Verification (UIV)

- UIV is "the verification of income through an independent source that… maintains income information in computerized form…"
- Example: The Work Number

Verification of Employment Form

Please provide information about anticipated employment income during the next 12 months:

Position:_______________________________________ Length of Time Employed: ______________ Pay Rate: ___________Pay Frequency (Hr, Wk, Mo): ____________ Hours worked per week ____________ Overtime Pay Rate: _______________ Average Overtime Hours/Wk: ____________________________ Total Annual Base Pay Earnings: $_________________Total Overtime Base Pay Earnings: $_____________ Amount and Frequency of Other Compensation (bonus, raise, commission, tips): $ _______________________ Vacation Pay (Y or N): _________________________ If yes, number of days: ______________________ Retirement Account (Y or N): _____________ Amount Accessible to Employee: $ _____________________ Total Gross Annual Income, including other compensation, for next 12 months: $ ________________________

Signature of authorized representative: ____ Printed Name: __________________________________Title: ______________________________

“I Can’t Get a Third-Party Verification”

1. Include copy of the date-stamped original request sent
2. Written notes of follow-up efforts
3. Indicate how long the request has been outstanding without response

Document Verification Change: Applicant Provided Document

- Applicant-provided document considered 3rd party verification
- Dated within last 120 days
- Defined in Section 5-13 of HUD Handbook 4350.3, Chapter 5

MORE on Applicant Provided Document

- Examples: Pay stubs, SSA retirement benefit letter, Unemployment benefit notices.
- Most recent 4 to 6 consecutive pay stubs
- Best Practice "specific time frame"

Example of Employment Wages

[illegible] **EARNINGS STATEMENT**

EMPLOYEE NAME	SOCIAL SEC.ID	EMPLOYEE ID	CHECK No.	PAY PERIOD	PAY DATE
[illegible]	XXX-XX-[illegible]	[illegible]	370050	05/28/15-06/12/15	06/15/15

INCOME	RATE	HOURS	CURRENT TOTAL
GROSS WAGES	28.00	80	2,240.00

DEDUCTIONS	CURRENT TOTAL	YEAR-TO-DATE
FICA MED TAX	32.48	324.80
FICA SS TAX	138.88	1,388.80
FED TAX	360.78	3,607.81
CA ST TAX	106.76	1,067.57
SDI	20.16	201.60

PAY-STUBS.COM

YTD GROSS	YTD DEDCTIONS	YTD NET PAY	TOTAL	DEDUCTIONS	NET PAY
22,400.00	6,590.59	15,809.41	2,240.00	659.06	1,580.94

The Work Number

You can pay to access applicant information through the work number.

Tenants who are employed by companies that use The Work Number can obtain paystubs online for free.

They need to set up a log-in and password to obtain the needed documents at www.Theworknumber.com.

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Timing

Verifications shall be dated no more than ***120 days*** from each other.

- Re-verify those out of compliance

"Stop The Clock"

- Issue Award Letter
- Contract for Lease, Purchase or New Construction
- ***Or*** Fully provide assistance

Unacceptable Method: Enterprise Income Verification (EIV)

- EIV is a computer system that contains employment and income information of individuals who participate in HUD rental assistance programs.
- Very few are authorized to review EIV system data—mostly Public Housing Authority staff
- Do not use EIV for SHIP income verification, since most SHIP staff are not authorized to view it

Social Security Retirement Payments

- Count the gross amount, before deductions
- Alternative to 3rd party verification: Award Letter from past 12 months.
- Recipient may request 'Proof of Income Letter':
  - SSA's number (800) 772-1213
  - Website: *www.socialsecurity.gov/myaccount*

Social Security Examples

Gross income is	$1261.60
Less Medicare of	$ 135.60
Amount received by client is	$ 1126.00

What amount do you use to determine income?

Child Support or Alimony

Count Full Amount of ***Court Awarded*** support

Unless …

- A contempt of court hearing is scheduled

  Or…

- Case has been filed with Department of Revenue's Child Support Enforcement office: 1 (800) 622-5437

Child Support

What if there's no documentation of child support available?

Reason: No marriage or for another reason.

Require the family to sign a certification stating:

- The amount of child support received, or
- That no child support is being received.

Regular Cash Contributions or Gifts

- Count ***regular*** contributions/gifts from persons not living in the unit
- Include rent, utilities paid on behalf of family
- If a non-household member provides groceries, do not count

Common Income Exclusions

- Food Stamps or Meals on Wheels program
- Student financial assistance: scholarships & grants
- Earned income in excess of $480 for full-time student or adopted child assistance
  - ***Unless*** student is the head of the family, spouse, co-head
- Hostile fire military pay
- Inheritances, insurance payments, lump sum SS/SSI
- Live-in-aide income

Mortgage Credit Certificate

- Both MCCs and the EIC are tax credits that provide for a reduction in the tax liability. The intent of MCCs is to help lower-income individuals own a home.
- An individual has to file a tax return to benefit from either of those credits.
- This is not considered income.

Homeowner Voucher issued by the Housing Authority considered income?

- No. Staff at the Florida Housing Finance Corporation reviewed the information provided by Fannie Mae and HUD for the Section 8 Homeownership Voucher program. The information included a recapture agreement with a loan forgiveness clause that the applicant must sign to receive the Section 8 subsidy. The compliance staff concluded that this mortgage contribution is a deferred payment loan and that it should be excluded from annual income. The main intent of the Section 8 Homeownership Voucher program is to help increase the affordability of a low income home buyer's mortgage payment. Counting the mortgage payment subsidy as a source of income might simply defeat the purpose of enabling an applicant to receive additional assistance from SHIP, since the additional income may push the applicant's income beyond the eligible range.

Income from Minors

- ***Earned*** income of family members under 18 ***is not*** counted
  - Example: Part time job after school
- Benefits or other ***Unearned*** income of minors ***is*** counted
  - Example: Savings account interest, disability payments

Income Qualification Process

Pre-Application Steps

Step 1: Application

Step 2: Income Verification

Step 3: Asset Verification

Step 4: Calculation

Step 5: Certification

Step 6: Award

Step 3: Verification of Assets

Count all

- Bank accounts
- Stocks or Bonds
- Mutual funds
- IRA / 401K
- Lump sum receipts
- Whole Life Insurance cash value
- Personal property held as investment
- Retirement

Do Not Count

- House that applicant lives in
- Personal property (furniture, cars, wedding ring)
- Term life insurance policies
- Assets not accessible to and that provide no income for the applicant
- Assets that are part of an active business. "Business" does not include rental of properties that are held as an investment and not a main occupation.

Calculating Income from Assets

D. **Assets**: All household members including assets owned by minors

Member	Asset Description	Cash Value	Income from Assets
1			
2			
3			
4			
5			
6			
7			
8			
Total Cash Value of Assets	D(a)	$	
Total Income from Assets		D(b)	$
If line D(a) is greater than $5,000, multiply that amount by the rate specified by HUD (applicable rate .06 %) and enter results in D(c), otherwise leave blank.		D(c)	$

Calculating Income from Assets

Step # 1: Calculate Cash Value

Cash Value = Market value of asset *minus* reasonable costs incurred to convert it to cash.

Examples:

- Early Withdrawal Penalty
- Broker/legal fees assessed to sell or convert the asset to cash

- For Savings accounts use *current* balance
- For Checking accts: *average 6-month* balance

Calculating Property Value

Market value $50,000 (use property appraiser's value)

Less mortgage - $30,000 (get copy of mortgage balance)

Less sales costs - $4,000 (use an online estimate or title company)

Includes closing cost, realtor fees, etc.

Total cash value $16,000

Must document how you arrived at cash value and be consistent

Calculating Income from Assets

Step # 2: Calculate Actual Income

Some Assets Generate Actual Income:

- Savings Account
- Certificate of Deposit
- Real Estate

Calculating Income from Assets

Step # 2: Calculate Actual Income

- Savings Account
- Certificate of Deposit

$125.00 most current balance.

Interest rate 3%

Value of asset is $125.00

Income from asset is $125.00 x .03 = $3.75

Example of Income from Assets Property

$7,200/year = $600 of Monthly Rent

- $2,000/year = Subtract expenses, such as taxes, insurance, and maintenance

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$5,200/year = Actual asset income

Calculating Income from Assets

Step # 3: Calculate Imputed Income

If total assets exceed $5,000, *"impute"* income by multiplying by the passbook rate, currently .06%, specified by HUD

Source: HUD Handbook 4350.3, Chapter 5, Section 5-7 (F)

Imputed income from assets

- Include even small amounts
- Do not round up or down
- The larger amount of actual income from assets and imputed income from asset gets added to income.

D. **Assets**: All household members including assets owned by minors

Member	Asset Description	Cash Value	Income from Assets
1	checking Ocean Bank #5206	$ 1,781.24	$ -
2	Savings Ocean Bank # 6720	$ 8,432.68	$ 16.29
3			
4			
5			
6			
7			
8			
Total Cash Value of Assets	D(a)	$ 10,213.92	
Total Income from Assets			$ 16.29
If line D(a) is greater than $5,000, multiply that amount by the rate specified by HUD (applicable rate .06 %) and enter results in D(c), otherwise leave blank.			$ 6.12

Go Fund Me

Go fund me ONLY converts to an asset if it is deposited into a checking or savings account.

FHFC Guidance:

Monitor the amount of money in a GoFundMe account. If the GoFundMe account plus the household's other assets total $5000 or greater, require that the GoFundMe balance be deposited into a checking or other bank account, so that imputed income from assets may be properly calculated.

Counting a Social Security Debit Card as an Asset

First, a related topic: count the monthly social security benefit as household income

HUD Hot Topics, April 2015:

Handle a Direct Express Debit Card as a savings account

- Current balance is the cash value of the asset

More about Social Security Debit Card

- Applicant provides an account balance no more than 120 days old from an ATM, through the online account service, or a paper statement.
- Verification document must identify the account and the account holder
- There is no actual income from this asset. If household assets exceed $5,000, calculate imputed income

Source: HUD Archives Multifamily Housing 2013 website

Debit Cards

- Many agencies are using debit or EBT cards to issue benefits such as SS/SSI, MFIP, child support or unemployment. We recommend adding a question to your application regarding these cards as they are assets.
- When interviewing a household who receives benefits but does not list any assets, follow up with a question such as, “Do you receive your benefits on a debit card?”

Cash App Card

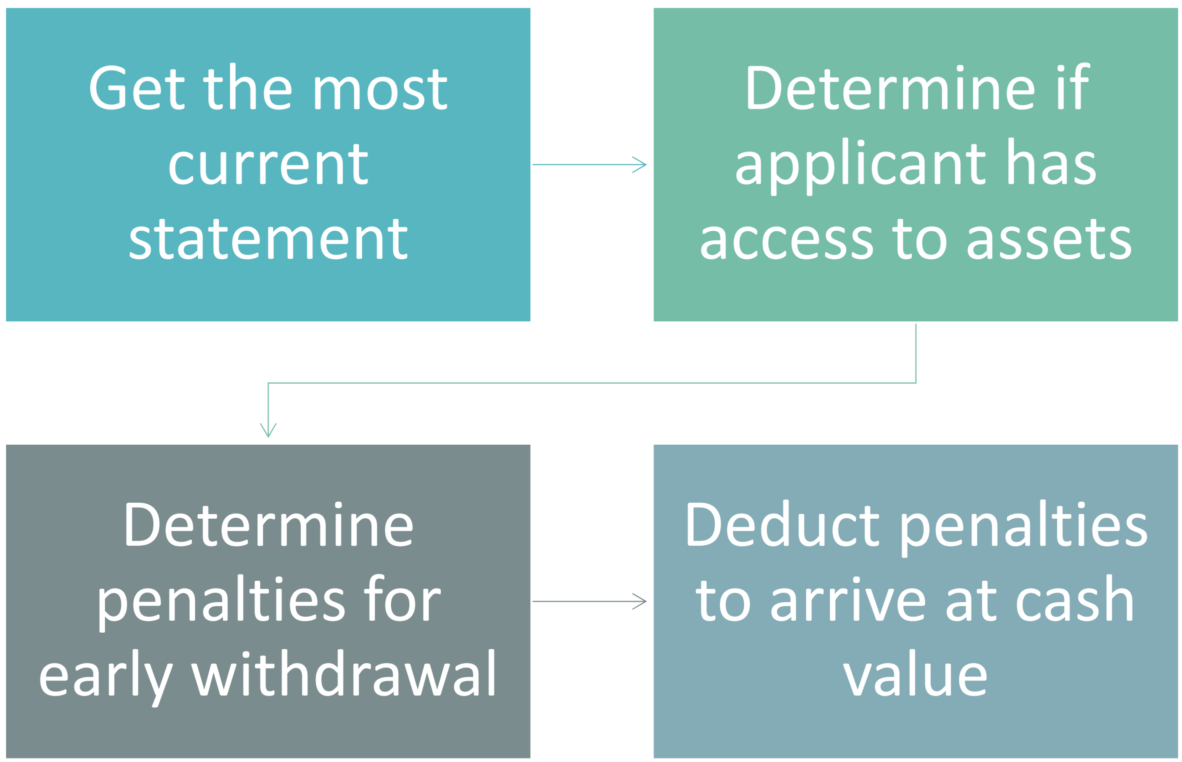
Cash apps require due diligence to determine how they work and are used. Generally, if the app is associated with a bank account you would not include it as an asset since any monies are transferred directly to the bank account.

Some cash apps have the option of holding cash and it does NOT have to be associated with a bank account. In those cases, the cash app would be treated as an asset and verification of the current balance would be needed.

Retirement Accounts

- These are assets if money is accessible, even if withdrawal would result in a penalty.
- Amounts only accessible upon retirement are not counted.

Retirement Accounts



Asset Example

- Juan has a checking account with a current balance of $1,000 and an average 6 - month balance of $870. It earns .2% interest
- He received an inheritance that he used to buy a new car ($12,000), pay off his $3000 credit card bill and open a mutual fund account with the remaining $15,000 w/ an interest rate of 1.3%.

Income from asset

$870 x .2% = $1.74

$15,000 x 1.3% = 195.00 + 1.74 = $196.74

Imputed income from asset

$870 + 15,000 = $15,870 x .06% = $9.52

Carry over the higher of the two $196.74

Name of Household member	Asset Description	Cash Value of Asset	Actual income from asset
1. Juan Herrera	Checking Acct - Chase # 1234 @.2%	$870 (av. 6-month balance)	$1.74
2. Same	Mutual fund Vanguard # 4321 @1.3%	$15,000.00	$195.00
3. Cash value of assets		$15,870.00	________
4. Actual income			$196.74
If line 3 is greater than $5000 multiply line 3 by .06% and enter here	(passbook rate)		$9.52

Asset Exercise

- Peter has a **checking** account with a current a balance of $700 and a 6 - month average balance of $595. The account earns no interest.
  - **Cash value $595.00**
  - **Income from asset $0**
- James has a **savings** account with a current balance of $2,695 (average balance $2,500), which earns 1%
  - **Cash Value $2,695**
  - **Income from asset $2695 x 1% = $26.95**

Do you have to calculate imputed income from assets?

Income Qualification Process

Pre-Application Steps

Step 1: Application

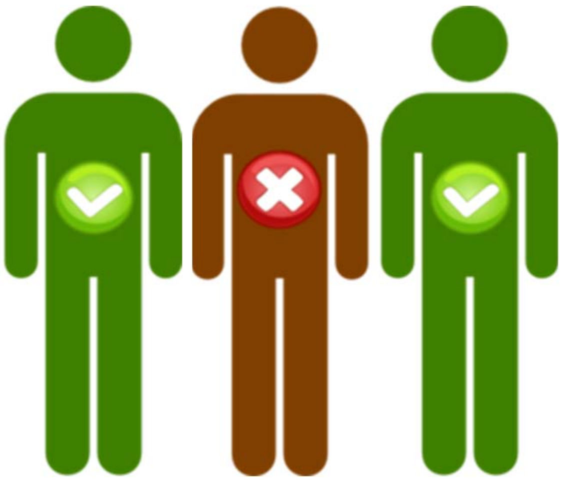
Step 2: Income Verification

Step 3: Asset Verification

Step 4: Calculation

Step 5: Certification

Step 6: Award



Step 4: Calculation Methodologies

- Always use gross, Do not round up or down
- Verification shows range of hours:
  - take the high end
- To annualize full-time employment, multiply
  - hourly wages by 2,080 hours
  - weekly wages by 52
  - bi-weekly amounts by 26
  - semi-monthly amounts by 24
  - monthly amounts by 12

Calculating Income from Self Employed Applicants

- One or two tax returns
- Profit and Loss Statement
  - Schedule C of tax return
- Signed statement estimating seasonal earnings or explaining circumstances

Self Employed Applicants
Count NET Income from a Business

- Count any salaries distributed to household members
- Check personal tax returns and business tax returns
- If the net income from a business is negative, count it as zero

Periodic Payments are Income

- Annuities
- Insurance policies
- Retirement funds
- Pensions
- Disability or death benefits

Educational Scholarships & Grants

- All forms of student financial assistance are *excluded* from annual income, whether paid to the student or directly to the educational institution…
- *…unless the household is a Section 8 recipient.*

Unemployment Benefits

- Project benefits for a 12-month period regardless of the termination date
- Document amount of benefits received and frequency

Income Qualification Process

Pre-Application Steps

Step 1: Application

Step 2: Income Verification

Step 3: Asset Verification

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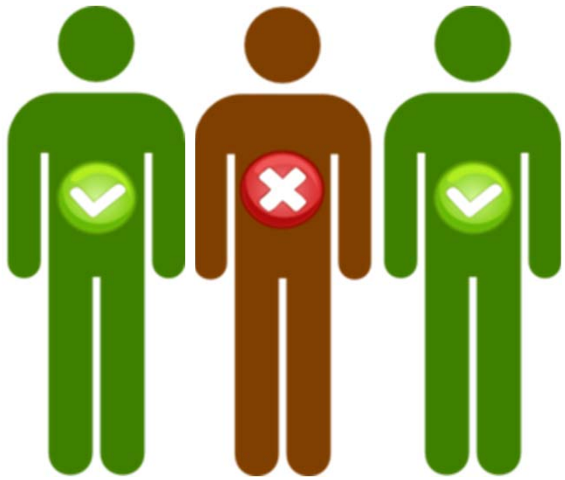
Step 5: Certification

Step 6: Award



Step 5: Income Certification

- Review of Steps 1-4
- Re-check and document Computations
- All household members over 18 sign. Housing Provider Signs last.
- Effective Date: Date last person signs
- Allocation Year: SHIP fund Year
- Issue award letter
- No white out

Income Certification Quiz: When to Use Which Income Limits

FLORIDA HOUSING FINANCE CORPORATION

227 North Bronough Street, Suite 5000, Tallahassee, Florida 32301-1329; (850) 488-4197; Fax (850) 488-9809

RESIDENT INCOME CERTIFICATION - RENTAL HOUSING

State Housing Initiatives Partnership (SHIP) Program

A. **Certification Information** (select one)

☐	Initial Certification (IC)	Effective Date:	
☐	Annual Recertification (AR)	Effective Date:	

B. **Subsidy Use** (check all that apply)

☐	Multifamily Rental	☐	Other
☐	Transitional Housing		

C. **Household Information:** Include all household members

Member	Full Name	Relationship to Head	Age
1		HEAD	

QUIZ: When to Use Which Income Limits

March 6, 2015	2015 Income Limits Posted
January 27, 2016	Completed application
Feb 18, 2016	All verifications received
March 28, 2016	2016 Income Limits Posted
April 8, 2016	Administrator Signed Certification
April 9, 2016	Adult HH members Signed Cert
April 9, 2016	Award Letter mailed

Effective Date on the Certification Form?
Use 2015 or 2016 Income Limits?
Any activity completed "Out of Order?"

Notary Required

If one or more of the household members signs the certification without a SHIP staff person present, the signatures must be notarized.

F. **Recipient Statement:** The information on this form is to be used to determine maximum income for eligibility. I/we have provided, for each person set forth in Item C, acceptable verification of current and anticipated annual income. I/we certify that the statements are true and complete to the best of my/our knowledge and belief and are given under penalty of perjury.

WARNING: Florida Statute 817 provides that willful false statements or misrepresentation concerning income and assets or liabilities relating to financial condition is a misdemeanor of the first degree and is punishable by fines and imprisonment provided under S 775.082 or 775.83.

Signature of Head of Household	Date	
Signature of Spouse or Co-Head of Household	Date	
Signature of Household Member (over 18 years)	Date	
Signature of Household Member (over 18 years)	Date	
Signature of Household Member (over 18 years)	Date	
Signature of Household Member (over 18 years)	Date	

Calculate this Household's Income

James White

- Full time $14.25 /hour, Overtime (time and half) of 8 hours/month, Pension of $400/month

Mary White

- 18 hours/week at a bank @ $12.50/hour
- Her mom gives $50/month to help w/ expenses

James White Jr, age 20

- 15 hrs./week, $8/hour, FT college student

Household member	Wages/ salary	Benefit/ pension	Public assistance	Other	Total
James	$31,692	$4,800			$36,492
Mary	$11,700			$600	$12,300
James Jr	$480				$480
TOTAL	$41,820	$4,800		$600	$49,272

James
Salary = 14.25 x 40 x 52= **$29,640**;
Overtime = 14.25 x 1.5 x 8 x 12 = **$2,052**;
Pension = 400 x 12 = $**4800**

Household member	Wages/ salary	Benefit/ pension	Public assistance	Other	Total
James	$31,692	$4,800			$36,492
Mary	$11,700			$600	$12,300
James Jr	$480				$480
TOTAL	$41,820	$4,800		$600	**$49,272**

Mary

12.50 x 18 x 52= **$11,700**; Mom = $50 x12 =**$600**

James Jr

Full time student over 18, not head of household – count first **$480** only

Denial Letter

"You're Not Eligible"

What should a denial letter include?

Income Qualification Process

Pre-Application Steps

Step 1: Application

Step 2: Income Verification

Step 3: Asset Verification

Step 4: Calculation

Step 5: Certification

Step 6: Award

Step 6. Award

- Award letter or written commitment
- State the terms/conditions of the award
- Execute Lease
- Specifies an "expiration" date
- Provides "next steps"

Avoid Common Administrative Mistakes

Income Calculations

- Exceeding 120-day clock
- Inaccurate or Incomplete Verifications
- Missing or incomplete Income Certification

Tips from the monitors

1. Include income calculations in the file.

- Helpful to monitors and auditors.
- Reduces the number of questions.
- Helps during staff turnover.

2. Avoid multiple verifications for income and assets.

- Greater risk of errors.
- Creates conflicting information.
- Generates more discrepancies.

File Tips

- Keep a log of actions
- Update a file checklist
- Date stamp all verifications
- All documents: signed, dated

Please complete the evaluation!

Aida Andujar
Andujar@flhousing.org
954-593-8988

Technical Assistance Hotline: 1-800-677-4548