ADMISSIONS & OCCUPANCY

August 31-September 2, 2021
Poll: I work as a...

A. Executive Director
B. Board or Tribal Council Member
C. Occupancy
D. Housing Counselor
E. Maintenance/Construction
F. Housing Manager
G. Finance
H. Consultant
I. ONAP Rep
J. I am not sure what my job is
Poll: How Long Have You Been Working In Housing?

A. 0 to 6 months
B. 7 to 12 months
C. 1 to 3 years
D. 4 to 5 years
E. 6 to 10 years
F. 10 years +
Poll: I want to learn about _______. Select all that apply

A. Calculating Income
B. Housing Counseling for low-income families
C. Eligible Families
D. Use the regulations
E. What counts as income
F. Qualifying for a homebuyer program
G. I don’t know.
The Training Team

- Training offered by
- FirstPic Inc. & ONAP
- Who are we?
  - Headquarter ONAP staff
  - ONAP Area Office staff
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 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!
• Be respectful
• Share techniques and advice
• Put cell phones away
• Have fun
Course Structure

• Presentation
• Exercises
• Participant materials
• Examples
• Annotation activities
• References
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
Lesson 1: Overview of NAHASDA Requirements
Lesson 2: Eligible Families
Lesson 3: Rules for Calculating Income
Lesson 4: Income Definitions Under NAHASDA
Lesson 5: Calculating Income Using Section 8
Lesson 6: Calculating Adjusted Income
Lesson 7: Calculating Assistance for Non-Low-Income Families
Lesson 8: Other Program Assistance for Non-Low-Income Families
Lesson 9: Organizing for Admissions & Occupancy Functions
Lesson 10: The Application Process Lesson
Lesson 11: Other Programs’ A&O Requirements
Lesson 12: Waiting List
Lesson 13: Verification
Lesson 14: Selection
Lesson 15: Housing Counseling
Lesson 16: Occupancy
Lesson 17: Lease Management
Lesson 18: Lease Compliance Basics
Lesson 19: Collections
Day 1: A&O Course Agenda

- Applicable NAHASDA Requirements
- Organizing an Admissions & Occupancy Department
- Application Process
- Rules for Calculating Income
- Income Definitions Under NAHASDA
- Calculating Income Using Section 8

Activities
Day 2: A&O Course Agenda

- Calculating Adjusted Income
- Calculating Non-Low-Income Assistance
- Organizing for A&O Functions
- Application Process
- Other Programs A&O Requirements
- Waiting Lists
- ACTIVITIES
Day 3: A&O Course Agenda

Verification & Selection, Occupancy
Housing Counseling
Lease Management

Lease Compliance
Collections

ACTIVITIES
<table>
<thead>
<tr>
<th>Lesson</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Overview of NAHASDA Requirements</td>
</tr>
<tr>
<td>2</td>
<td>Eligible Families</td>
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<tr>
<td>3</td>
<td>Rules for Calculating Income</td>
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<td>Income Definitions Under NAHASDA</td>
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<td>Calculating Income Using Section 6</td>
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<td>Calculating Adjusted Income</td>
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<td>7</td>
<td>Calculating Assistance for Non-Low-Income Families</td>
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<td>8</td>
<td>Other Program Assistance For Non-low-Income Families</td>
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<td>9</td>
<td>Organizing for Admissions &amp; Occupancy Functions</td>
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<td>10</td>
<td>Application Process</td>
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<tr>
<td>11</td>
<td>Other Programs' ABD Requirements</td>
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<tr>
<td>12</td>
<td>Waiting List</td>
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<tr>
<td>13</td>
<td>Verification</td>
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<tr>
<td>14</td>
<td>Selection</td>
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<td>Housing Counseling</td>
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<td>Occupancy</td>
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<td>Lease Management</td>
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<td>18</td>
<td>Lease Compliance Basics</td>
</tr>
<tr>
<td>19</td>
<td>Collections</td>
</tr>
</tbody>
</table>
LESSON 1

Overview of NAHASDA Requirements
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.
What Governs your A&O Program?

• NAHASDA statute
• NAHASDA regulations
• Other funding requirements
• Tribal Law
• State Law
## NAHASDA Requirements

<table>
<thead>
<tr>
<th>Eligible Families</th>
<th>Definition of Annual Gross Income</th>
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<tbody>
<tr>
<td>Tribal Preference</td>
<td>Maintenance &amp; Inspections</td>
</tr>
<tr>
<td>Eligible Activities</td>
<td>Useful Life</td>
</tr>
<tr>
<td>Policies</td>
<td>Adjusted Income</td>
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<tr>
<td>Environmental Requirements</td>
<td>Waiting List</td>
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<tr>
<td>Insurance</td>
<td>Verification</td>
</tr>
<tr>
<td>Uniform Relocation Act</td>
<td>Occupancy</td>
</tr>
<tr>
<td>Conflict of Interest</td>
<td>Recordkeeping</td>
</tr>
</tbody>
</table>
Inspection

PROGRAM GUIDANCE 2014-03 (RECP)
March 21, 2014 Page 2

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. Adequate insurance is insurance in an amount that will protect the financial stability of the recipient’s IHBG program. This means that the recipient’s housing units and privately owned housing 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 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.
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:

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- 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.
Insurance

For example: 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

- **IHBG Funds Expended**
  - 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 Requirements

• Report a potential conflict of interest to ONAP
• Disclose to the public the conflict of interest, the nature of the assistance to be provided the individual, and the specific basis for which there is no conflict.
Conflict of Interest Policies

• Two types of conflict of interest policies required:
  – Employee Conflict of Interest – consistent with NAHASDA requirements.
  – New Requirement: Organizational Conflict of Interest
According to the HUD NAHASDA regulations, the conflict of interest provision does not apply in instances where a person who might otherwise be included under the conflict of interest provision is low-income and is selected for assistance in accordance with the recipient's written policies for eligibility, admission and occupancy of families for housing assistance with NAHASDA funds. Additionally, there is no conflict of interest under applicable tribal law.

A copy of this public disclosure will be provided to the HUD Area office prior to providing any financial assistance. If you have any questions, please feel free
Attached please find a copy of the public disclosures made pertaining to the NAHASDA housing assistance made available to James Bond, Programs Service Manager, and Michelle Ellenwood, Executive Assistant of the NPTHA. Because of an unexpected cancellation, Mrs. Ellenwood’s and Mr. Bond’s assistance was scheduled prior to the submittal of this notice. If you have any questions, please feel free to contact me.

ACTIVITY: FIND THE CITATIONS IN THE 24 CFR PART 1000 NAHASDA REGULATIONS
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.
Eligible Types

- Indian housing assistance
- Development
- Housing Services
- Housing Management Services
- Crime Prevention & Safety
- Model Activities
- Administrative and planning expenses
Housing Assistance Eligibility

• Generally based on:
  – Family income levels
  – Family status
  – Geographic location

• NAHASDA is intended to benefit low-income Indian families
LESSON 2

Eligible Families
ACTIVITY 1: FIND CITATION FOR DEFINING WHO IS INDIAN
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.

REVIEW 1: CALCULATING INCOME FOR ELIGIBILITY
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.
## 2021 U.S. Median Income Limits

<table>
<thead>
<tr>
<th>2021 U.S. Median Family Income</th>
<th>79,900</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Person</td>
<td></td>
</tr>
<tr>
<td>80%</td>
<td>$44,744</td>
</tr>
<tr>
<td>100%</td>
<td>$55,930</td>
</tr>
<tr>
<td>2 Persons</td>
<td></td>
</tr>
<tr>
<td>80%</td>
<td>$51,136</td>
</tr>
<tr>
<td>100%</td>
<td>$63,920</td>
</tr>
<tr>
<td>3 Persons</td>
<td></td>
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<tr>
<td>80%</td>
<td>$57,518</td>
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<tr>
<td>4 Persons</td>
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<td>$63,920</td>
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<tr>
<td>100%</td>
<td>$79,900</td>
</tr>
<tr>
<td>5 Persons</td>
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<td>80%</td>
<td>$69,034</td>
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<td>100%</td>
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<td>6 Persons</td>
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<td>100%</td>
<td>$91,684</td>
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<td>8 Persons</td>
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<td>80%</td>
<td>$84,374</td>
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<tr>
<td>100%</td>
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### Alaska Income Limits

#### 2021 Alaska MFI Limits

<table>
<thead>
<tr>
<th>2021 Median Family Income</th>
<th>93,990</th>
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<tbody>
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<tr>
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<td>$54,376</td>
<td>$64,144</td>
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<td>$67,970</td>
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<th>2021 Median Family Income</th>
<th>104,580</th>
<th>Juneau</th>
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<tbody>
<tr>
<td>1 Person</td>
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<tr>
<td>10%</td>
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<td>$73,010</td>
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<th>2021 Median Family Income</th>
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<td>$61,600</td>
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<tr>
<td>100%</td>
<td>$77,000</td>
<td>$99,000</td>
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<th>2021 Median Family Income</th>
<th>97,700</th>
<th>Kodiak Island Borough</th>
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<th>2021 Median Family Income</th>
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<tr>
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<td>$69,910</td>
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<tr>
<th>2021 Median Family Income</th>
<th>108,500</th>
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<tr>
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<td>$68,100</td>
<td>$78,100</td>
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<thead>
<tr>
<th>2021 Median Family Income</th>
<th>103,900</th>
<th>Juneau</th>
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<tr>
<td>1 Person</td>
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<tr>
<td>80%</td>
<td>$57,540</td>
<td>$66,140</td>
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<tr>
<td>100%</td>
<td>$72,450</td>
<td>$82,340</td>
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</table>
Calculating Annual Income for Purposes of Eligibility Under NAHASDA
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:
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.
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
Non-Low-Income Families

- Only 10 percent of IHBG can be used for families between 80 to 100 percent of median income
  - If under 10 percent, no HUD approval required other than IHP
  - If over 10 percent, HUD approval required
- If assistance provided to family over 100 percent of median income, HUD approval required
- Must show need for housing that cannot reasonably be met without IHBG assistance
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
ACTIVITY

Review PIH Notice
Assisting Non-Low-Income Families
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.
**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 can 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.
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

<table>
<thead>
<tr>
<th>Applicability</th>
<th>HUD Approval Required</th>
<th>Rent/Homebuyer Payment differential Required by HUD</th>
<th>Counts Against 10% Authority</th>
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</thead>
<tbody>
<tr>
<td>Essential Family</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Law Enforcement</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Continued Occupancy</td>
<td>No</td>
<td>Determined by Tribe/TDHE Occupancy Policy</td>
<td>No</td>
</tr>
<tr>
<td>Non-Low-Income Families (10% Authority) between 80-100% of median income</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Secretary Approved: Exceeding 10% Authority to serve Indian families at 80 – 100% of median income</td>
<td>Yes</td>
<td>Yes</td>
<td>By definition these families exceed the 10% cap.</td>
</tr>
<tr>
<td>Secretary Approved: Indian family over 100% of median income</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>
ACTIVITY: IDENTIFY HOUSING NEEDS FOR NON-LOW-INCOME FAMILIES & ESSENTIAL FAMILIES

REVIEW PIH NOTICE ASSISTING NON-LOW-INCOME FAMILIES
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.
<table>
<thead>
<tr>
<th>DETERMINATION OF NEED</th>
<th>DOCUMENTATION OF NEED</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>4</td>
<td>4</td>
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<tr>
<td>5</td>
<td>5</td>
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<tr>
<td>6</td>
<td>6</td>
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<td>7</td>
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<td>8</td>
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<td>9</td>
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<tr>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td>12</td>
<td>12</td>
</tr>
</tbody>
</table>
### MODERATE INCOME CHECKLIST

#### I. Determination of Need

- **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

- **B. Temporary Housing**
  - Living with Relatives
  - Motels/Hotels
  - Transitional Shelter

- **C. Homeless**

- **D. Cost Burden (Housing costs exceed 50% of AGI including utilities)**

- **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 |
LESSON 3

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

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Annualization Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hourly wages</td>
<td>X 2,080</td>
</tr>
<tr>
<td>Weekly wages</td>
<td>X 52</td>
</tr>
<tr>
<td>Bi-weekly wages</td>
<td>X 26</td>
</tr>
<tr>
<td>Semi-monthly (paid twice/month)</td>
<td>X 24</td>
</tr>
<tr>
<td>Monthly</td>
<td>X 12</td>
</tr>
</tbody>
</table>
# Overview of Methods to Calculate Income

## Gross Monthly Income

<table>
<thead>
<tr>
<th>Pay Schedule</th>
<th>Calculation for Gross Monthly Income</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hourly</td>
<td>Total hourly pay before deductions × hours per week × 52 weeks per year ÷ 12 months</td>
<td>$10/hr × 35 hrs × 52 weeks ÷ 12 months = $1,517</td>
</tr>
<tr>
<td>Weekly</td>
<td>Total weekly pay before deductions × 52 ÷ 12</td>
<td>$750 × 52 weeks ÷ 12 months = $3,250</td>
</tr>
<tr>
<td>Bi-Weekly</td>
<td>Total bi-weekly pay before deductions × 26 ÷ 12</td>
<td>$1,000 × 26 ÷ 12 = $2,167 monthly</td>
</tr>
<tr>
<td>Semi-Monthly</td>
<td>Total semi-monthly pay before deductions × 2</td>
<td>$1,200 × 2 = $2,400 monthly</td>
</tr>
<tr>
<td>Monthly</td>
<td>Total monthly pay before deductions</td>
<td>No calculation</td>
</tr>
<tr>
<td>Self-Employed</td>
<td>Average adjusted gross income, or AGI, from tax returns and/or Profit and Loss Statement, or P&amp;L, ÷ by the number of months of income counted</td>
<td>$70,587 ÷ 24 = $2,941 monthly</td>
</tr>
</tbody>
</table>
Ms. Smith (applicant)
$10/hour X 32 hours/week 48 weeks/year

Mr. Adams
$9/hour, 40 hours/week, 52 weeks/year

Ms. Jones
$7.50/hour, 25 hours/week, 52 weeks/year

What is the annual income for the household?

= $15,360
= $18,720
= $9,750
= $43,830
ACTIVITY:
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 workweek. He also receives $280.00 per week from unemployment. He receives $280.00 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.

   \[
   \text{Annual Income} = \text{Gross Earnings} \times \text{Number of Pay Periods} = \$1,051.58 \times 24 = \$25,237.92
   \]

   \[
   \text{Monthly Income} = \text{Annual Income} \div 12 = \$25,237.92 \div 12 = \$2,103.16 \text{ GMI}
   \]

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.

   \[
   \text{Weekly Income} = \text{Hourly Rate} \times \text{Hours Worked} = \$10.25 \times 40 = \$410
   \]

   \[
   \text{Annual Income} = \text{Weekly Income} \times \text{Number of Weeks} = \$410 \times 52 = \$21,320
   \]

   \[
   \text{Monthly Income} = \text{Annual Income} \div 12 = \$21,320 \div 12 = \$1,776.67 \text{ GMI}
   \]

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.

   \[
   \text{Average Weekly Income} = \frac{\text{Total Income}}{\text{Number of Pay Periods}} = \frac{\$1,081.81}{4} = \$270.45
   \]

   \[
   \text{Annual Income} = \text{Average Weekly Income} \times \text{Number of Weeks} = \$270.45 \times 52 = \$14,063.40
   \]

   \[
   \text{Monthly Income} = \frac{\text{Annual Income}}{12} = \frac{\$14,063.40}{12} = \$1,171.95 \text{ GMI}
   \]
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.

\[
\text{\$12.10 x 40 hours = \$484 per week} \\
\text{\$484 x 32 weeks = \$15,488} \\
\text{\$280 x 20 wks. = \$5,600} \\
\text{\$15,488 + \$5,600 = \$21,088} \\
\text{\$21,088 ÷ 12 = \$1,757.33 GMI}
\]

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.

\[
\text{\$1,262.20 X 26 = \$32,817.20} \\
\text{\$32,817.20 ÷ 12 = \$2,734.76 GMI}
\]
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.

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

$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

$10,400 + $8,385 = $18,785
$18,785 \div 12 \text{ months} = $1,565 \text{ GMI}$
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 $294.00

$1,323.00

$1,323 ÷ 5 items = $264.60

$264.60 x 52 weeks = $13,759.20

$13,759.20 ÷ 12 = $1,146.60 GMI
LESSON 4

Income Definitions Under NAHASDA
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.
Three methods of defining “income:”

HUD Section 8
U.S. Census
Internal Revenue Service

Housing policies must specify which method adopted – can use method most beneficial to the family

HUD Section 8 method is most common
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.

<table>
<thead>
<tr>
<th></th>
<th>MEMBERS</th>
<th>EMPLOYMENT INCOME</th>
<th>OTHER INCOME</th>
</tr>
</thead>
<tbody>
<tr>
<td>Head</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
</tr>
<tr>
<td>Spouse</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
</tr>
<tr>
<td>Co-head</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
</tr>
<tr>
<td>Other Adult</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
</tr>
<tr>
<td>Dependents</td>
<td>NO</td>
<td>YES</td>
<td>YES</td>
</tr>
<tr>
<td>Child under 18</td>
<td>SEE NOTE</td>
<td>YES</td>
<td>YES</td>
</tr>
<tr>
<td>Foster child</td>
<td>NO</td>
<td>YES</td>
<td>YES</td>
</tr>
<tr>
<td>Foster adult</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
</tr>
<tr>
<td><strong>NON-MEMBERS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Live-in aide</td>
<td>NO</td>
<td>NO</td>
<td></td>
</tr>
</tbody>
</table>
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:

<table>
<thead>
<tr>
<th>Interest</th>
<th>Dividends</th>
<th>Profit from royalties or real estate</th>
<th>Income from payments from an estate or trust fund</th>
</tr>
</thead>
</table>
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

<table>
<thead>
<tr>
<th>SECTION 8</th>
<th>CENSUS</th>
<th>IRS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earned income age 18 + Unearned income less than age 18</td>
<td>Income age 15+</td>
<td>Income all ages depending on amount and type</td>
</tr>
<tr>
<td>Requires special asset computation</td>
<td>Assets calculation included</td>
<td>Assets calculation included</td>
</tr>
<tr>
<td>Child support counted as income</td>
<td>Child support counted as income</td>
<td>Child support excluded as income</td>
</tr>
<tr>
<td>Inheritance counts as asset</td>
<td>Inheritance doesn’t count</td>
<td>Inheritance doesn’t count</td>
</tr>
</tbody>
</table>
Activity - Annual Income for the Delgado Family

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

<table>
<thead>
<tr>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family Members</td>
<td>Wages, Salaries</td>
<td>Benefits, Pensions</td>
<td>Public Asst.</td>
<td>Other Income</td>
<td>Asset Income</td>
</tr>
<tr>
<td>John</td>
<td>$32,240</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Delores</td>
<td>$13,130</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Granny</td>
<td>0</td>
<td>$4,800</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Linda</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>$480</td>
<td>0</td>
</tr>
<tr>
<td><strong>TOTALS</strong></td>
<td>$45,370</td>
<td>$4,800</td>
<td>$0</td>
<td>$480</td>
<td>0</td>
</tr>
</tbody>
</table>

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

$32,240 + $13,130 + $0 + $0 + $4,800 = $50,650
A low-income family has been determined 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 6

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

<table>
<thead>
<tr>
<th>1a. Member Name</th>
<th>1b. Asset Type</th>
<th>1c. Value</th>
<th>Calculation for Asset Cash Value (mv - expenses)</th>
<th>Calculation for Asset Cash Value (mv x income)</th>
<th>1d. Actual Asset Income</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL** $ 

If 1d. Total is greater than 85,000, complete Line 2 and Line 3.
If 1d. Total is less than or equal to 85,000, 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 1d. Total $ 

## Annual Income

<table>
<thead>
<tr>
<th>4a. Family Member Name</th>
<th>4b. Filing Status</th>
<th>4c. Calculation for Employment or Business</th>
<th>4d. Social Security, Pensions, etc.</th>
<th>4e. Public Assistance</th>
<th>4f. Other Income</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4g. Total Income from each source $ $ $ $ $ 

6. Total Income All Sources: Add all amounts on Line 4g. above $ 

8. Total Annual Income: Add Line 5 + Total Asset Income $ 

## Adjusted Income

8. Total Annual Income: Carryover from Line 8 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.) $ 

12a. If positive or zero, enter in Box 12a. $ 

12b. If negative, enter as positive number in Box 12b. $ 

13. Enter $ earned by family member enabled to work as a result of disability expenses $ 


15. If Line 12a. is blank or zero, enter zero $ 

### Medical Expenses

16. Enter the total annual unreimbursed medical expenses for all family members of a disabled or elderly family $ 

### Medical/Disability Assistance Expenses Allowance

18. Enter the total of Line 14 and Line 16 $ 

17. Enter Line 12b. If Line 12b. is blank or zero, enter zero $ 


19. Medical/Disability Assistance Expense: Line 18 minus Line 17. (but not less than zero) $ 

### Travel Expense


19a. Expense enabling family member to work or attend school and/or look for work $ 

20. Total Allowances: Total of Lines 8, 10, 18, and 19 $ 

### Total Adjusted Income


LESSON 5

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
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.)
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.
ACTIVITY REVIEWS: PROGRAM GUIDANCE
Calculating Income, Exclusions, Inclusions
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
  • C. 21275, 1772, 531.6
Adjusted Income

1. Total Annual Income: Carryover from Line 8, or Annual Income table $ 

7. Enter % of Total Annual Income (Line 6 x .03) $ 

Dependent Allowance

8. Allowance for Dependents (Line 6 x .03) 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.) $  

12a. $ 

If positive or zero, enter in Box 12a. $ 

12b. $ 

If negative, enter as positive number in Box 12b. $ 

11. Enter $ earned by family member enabled to work as a result of disability expenses $ 

14. Enter lower of Line 12a. or Line 12b. $ 

if Line 12b. 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 16. $ 

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 and/or attend school and/or look for work $ 

Total Allowances: of Lines 8, 9, 10, 12, and 19. $ 

Total Adjusted Income


Asset Income

4a. Family Member Name 

4b. FAM 

4c. 1st Net Income 

4d. Social Security, etc. 

4e. Public Assistance 

4f. Other Income 

5. Calculation for Asset Cash Value (mv - expenses) $ 

6. Calculation for 1st Net Income $ 

7. Calculation for Asset Cash Value (mv x int/marr) $ 

8. 1st Actual Annual Asset Income $ 

If 1d. Total is greater than 85,000, complete Line 2, and Line 3. 

If 1d. Total is less than or equal to 85,000, 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

5a. Family Member Name 

5b. FAM 

5c. Calculation 

5d. Employment Income 

5e. Social Security, etc. 

5f. Public Assistance 

5g. Other Income 

4g. Total Income from each source $ $ $ $ $ 

6. Total Income All Sources Add all amounts on Line 4g. above; $ 

7. Total Annual Income Add Line 6. + Total Asset Income: $ 


Calculating Annual Income

Assets

- No asset limitation
- Income from assets is recognized as part of annual income
What is an Asset?

<table>
<thead>
<tr>
<th>INCLUDED</th>
<th>EXCLUDED</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Savings Accounts</td>
<td>• Personal property (vehicle used on a regular basis, jewelry, furniture, clothes, etc.)</td>
</tr>
<tr>
<td>• Checking Accounts</td>
<td>• Interest in Indian Trust Land</td>
</tr>
<tr>
<td>• Money Market Accounts</td>
<td>• Assets lost in divorce, foreclosure or bankruptcy</td>
</tr>
<tr>
<td>• 401k</td>
<td>• Assets disposed of for fair market value</td>
</tr>
<tr>
<td>• IRAs</td>
<td>• Term life insurance</td>
</tr>
<tr>
<td>• Real Estate Ownership</td>
<td>• Assets not accessible by the applicant</td>
</tr>
<tr>
<td>• Mutual Funds</td>
<td></td>
</tr>
<tr>
<td>• Whole Life Insurance</td>
<td></td>
</tr>
</tbody>
</table>
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!

✓ If the total value of the assets is less than $5,000 then only the actual income from the assets (if any) is counted.
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:

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

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.
## Template for Calculating Total Household Income and Adjusted Gross Income

### Asset Income

<table>
<thead>
<tr>
<th>1a. Family Member Name</th>
<th>1b. Asset Type</th>
<th>1c. C/I</th>
<th>Calculation for Asset Cash Value (mv - expenses)</th>
<th>1d. Cash Value of Asset</th>
<th>Calculation for Asset Income (mv x int/div)</th>
<th>1e. Actual Annual Asset Income</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**2. Imputed income from assets**

- HUD approved passbook rate (.02) x 1d. Total

**3. Total Asset Income**

- Greater of Line 2. or 1e. 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.

**TOTAL** $
<table>
<thead>
<tr>
<th>Relation</th>
<th>Asset Description</th>
<th>➊ Actual Cash Value of Assets</th>
<th>➋ Annual Income from Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>HEAD</td>
<td></td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>1a.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2a</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
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

• Recipient counts either: imputed income based on Passbook Rate or actual earnings:
  – Imputed income ($8,500 x .06) = $510
  – Actual income = $150
  – Included in annual income = $510
### Calculating Assets

<table>
<thead>
<tr>
<th>Relation</th>
<th>Asset Description</th>
<th>1 Actual Cash Value of Assets</th>
<th>2 Annual Income from Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>HEAD</td>
<td>non-interest bearing account</td>
<td>3,000</td>
<td>150</td>
</tr>
<tr>
<td>HEAD</td>
<td>non-interest bearing account</td>
<td>5,500</td>
<td>0</td>
</tr>
</tbody>
</table>

**Total Cash Value of Assets** 1a. $8500

**Total Annual Income from Assets** 2a. $150

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.

**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
ACTIVITY: Fred & Ethel

<table>
<thead>
<tr>
<th>Family Members</th>
<th>Position in Family</th>
<th>Age</th>
<th>Family Assets</th>
<th>Asset Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fred Mertz</td>
<td>Head</td>
<td>85</td>
<td>Rental property</td>
<td>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.</td>
</tr>
<tr>
<td>Ethel Mertz</td>
<td>Spouse</td>
<td>81</td>
<td>Savings account</td>
<td>Savings of $5,000 that earned $179 in interest during the past year.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Stock</td>
<td>100 shares of stock in &quot;Why Buy it, Inc.&quot; 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.</td>
</tr>
</tbody>
</table>

Federal Program’s Passbook rate is 6%.

Calculate the Mertz’s asset income by completing the following chart.
**ACTIVITY: CALCULATING ASSETS**

<table>
<thead>
<tr>
<th>Household Member</th>
<th>Assets</th>
<th>Actual Cash Value of Assets</th>
<th>Annual Income from Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fred &amp; Ethel</td>
<td>Rental property</td>
<td>$28,480</td>
<td>$3100</td>
</tr>
<tr>
<td></td>
<td>Savings account</td>
<td>$5000</td>
<td>$179</td>
</tr>
<tr>
<td></td>
<td>stock</td>
<td>$349</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Total Actual Assets Income</strong></td>
<td><strong>1a. $33,829</strong></td>
<td><strong>2. $3,279</strong></td>
<td></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Family Members</th>
<th>Position in Family</th>
<th>Age</th>
<th>Family Assets</th>
<th>Asset Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Archie Bunker</td>
<td>Head</td>
<td>72</td>
<td>Checking account</td>
<td>$595 average 6-month balance in a non-interest-bearing account.</td>
</tr>
<tr>
<td>Edith Bunker</td>
<td>Spouse</td>
<td>73</td>
<td>Savings account</td>
<td>$2,695 at 3.1%</td>
</tr>
</tbody>
</table>

Federal Program’s Passbook rate is 6%.

Calculate the Bunkers’ asset income by completing the following chart. Answers are provided below.
### ACTIVITY: CALCULATING ASSETS

<table>
<thead>
<tr>
<th>Household Member</th>
<th>Assets</th>
<th>Actual Cash Value of Assets</th>
<th>Annual Income from Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Archie</td>
<td>checking account</td>
<td>$595</td>
<td>$0</td>
</tr>
<tr>
<td>Edith</td>
<td>Savings account</td>
<td>$2695</td>
<td>$84</td>
</tr>
</tbody>
</table>

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.

**Total Actual Assets Income**

<table>
<thead>
<tr>
<th>Line</th>
<th>Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>1a.</td>
<td>$3,290</td>
</tr>
<tr>
<td>2.</td>
<td>$84</td>
</tr>
</tbody>
</table>

**LINE 3:** Imputed income from assets - HUD passbook rate \( \times \) $0

**LINE 4:** TOTAL ASSET INCOME: GREATER OF LINE 3 OR 2. $84
<table>
<thead>
<tr>
<th>Family Members</th>
<th>Position in Family</th>
<th>Age</th>
<th>Income Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>George Jefferson</td>
<td>Head</td>
<td>53</td>
<td>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.</td>
</tr>
<tr>
<td>Eloise Jefferson</td>
<td>Spouse</td>
<td>48</td>
<td>Works 18 hours/week at a bank at $7.50/hour. Also receives $50/month from her mother to help with expenses.</td>
</tr>
<tr>
<td>Lionel Jefferson</td>
<td>Son</td>
<td>19</td>
<td>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.</td>
</tr>
</tbody>
</table>
# ACTIVITY 11

## ANTICIPATED ANNUAL INCOME

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>George</td>
<td>$15,080</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eloise</td>
<td>$7,020</td>
<td></td>
<td></td>
<td></td>
<td>$600</td>
</tr>
<tr>
<td>Lionel</td>
<td>$480</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>6. Totals</strong></td>
<td><strong>$22,580</strong></td>
<td><strong>$7,020</strong></td>
<td></td>
<td>$600</td>
<td>N/A</td>
</tr>
</tbody>
</table>

7. Enter total of items from 6a. through 6e. This is Annual Income ............................ 7. $23,180
ACTIVITY 11 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/hour x 40 hours/week x 52 weeks/year, or $15,080.

• Eloise: Eloise’s income from wages of $7.50/hour x 18 hours/week x 52 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 6

Calculating Adjusted Income
Objectives

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

No More Than 30% of AGI

- Rental Assistance
- Homebuyer Payments
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
<table>
<thead>
<tr>
<th>Statutory Deductions cont’d.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Childcare expenses that enable family members to work or go to school</td>
</tr>
<tr>
<td>Earned income of minors under 18</td>
</tr>
<tr>
<td>Travel expenses, not to exceed $25 per family per week</td>
</tr>
<tr>
<td>Other exclusions provided in the local housing policies</td>
</tr>
</tbody>
</table>

*These exclusions are applicable regardless of which method of calculating annual income is used.*
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.
<table>
<thead>
<tr>
<th>TYPE OF DEDUCTION PERMITTED</th>
<th>ELDERLY OR DISABLED</th>
<th>FAMILY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elderly or disabled household</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Dependent</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>childcare</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Medical Expenses</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Disability Assistance Expenses</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>
Qualifying as a Dependent

• Those in the household who are under the age of 18
• A full-time student over the age of 18
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.
Who gets the deduction when two families claim the dependent deduction for a child?
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.
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.
Elderly

• 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.
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).

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

$3,000 - \$750 = \$2,250$ 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.
Travel Expenses

• Must be reasonable and *may not exceed $25 per week* for the entire household, *not per traveler.*
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

ANNUAL INCOME - DEDUCTIONS = ADJUSTED INCOME

ADJUSTED INCOME ÷ 12 = MO. ADJUSTED INCOME

MO. ADJUSTED INCOME × 30% = TTP
Adjusted Income

1. Total Annual Income: Carryover from Line 8, on Annual Income table $

7. Enter % of Total Annual Income (Line 6 x 0.3)  

Dependent Allowance

1. Allowance for Dependents (# of dependents x $480) $

Child Care Allowance

2. 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.) $ $
   12a. $ If positive or zero, enter in Box 12a.
   12b. $ If negative, enter as positive number in Box 12b.

13. Enter $ earned by family member enabled to work as a result of disability expenses $

14. Enter lower of Line 12a. or Line 12. 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 16. $

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 $ attend school and/or look for work $


Total Adjusted Income


Asset Income

<table>
<thead>
<tr>
<th>1a. Family Member Name</th>
<th>1b. Asset Type</th>
<th>1c. CIQ</th>
<th>Calculation for Asset Cash Value (mv - expenses)</th>
<th>1d. Cash Value of Asset</th>
<th>Calculation for Asset Income (mv x intrate)</th>
<th>1e. Actual Annual Asset Income</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

If 1d. Total is greater than 85,000, complete Line 2. and 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

<table>
<thead>
<tr>
<th>4a. Family Member Name</th>
<th>4b. PIQ</th>
<th>Calculation</th>
<th>4c. Employment or Business</th>
<th>4d. Social Security, Pensions, etc.</th>
<th>4e. Public Assistance</th>
<th>4f. Other Income</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4g. Total Income from each source $ $ $ $ $

6. Total Income All Sources Add all amounts on Line 4g. above; $

8. Total Annual Income Add Line 6. + Total Asset Income: $


ACTIVITY: Annualizing Income
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 x 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 x 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 ($1,300 x 9 months)
   + 1,800 ($ 600 x 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.
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

<p>| | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>How payments are calculated must be included in policies.</td>
<td>TRUE</td>
<td>FALSE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Monthly rent or homebuyer payments can’t exceed 30% of monthly adjusted income for low-income families.</td>
<td>TRUE</td>
<td>FALSE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Non-low-income families can be charged more than 30% of monthly adjusted income</td>
<td>TRUE</td>
<td>FALSE</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Activity – Remember Calculating the Delgado’s Adjusted Income

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

Use Section 8 to determine the household’s annual income?
## ANTICIPATED ANNUAL INCOME

<table>
<thead>
<tr>
<th>A Family Members</th>
<th>B Wages, Salaries</th>
<th>C Benefits, Pensions</th>
<th>D Public Asst.</th>
<th>E Other Income</th>
<th>F Asset Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>John</td>
<td>$32,240</td>
<td></td>
<td></td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Delores</td>
<td>$13,130</td>
<td></td>
<td></td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Granny</td>
<td>0</td>
<td>$4,800</td>
<td></td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Linda</td>
<td>0</td>
<td></td>
<td></td>
<td>$480</td>
<td>0</td>
</tr>
</tbody>
</table>

### 1. TOTALS

<table>
<thead>
<tr>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
</tr>
</thead>
<tbody>
<tr>
<td>$45,370</td>
<td>$4,800</td>
<td>$0</td>
<td>$480</td>
<td>$50,650</td>
</tr>
</tbody>
</table>

**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:

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
Daycare Expenses
$700/month – infant
Travel Expenses - $1,300

3. Assuming that the TDHE uses 30% to calculate the monthly house payment, calculate the Delgado’s monthly house payment.
ACTIVITY 16 - 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

Childcare Expenses
- Student deduction

Less dependent deduction
- (1 dependent plus infant) $960

Student deduction (Linda) $480

Less Medical Expense Deduction
- (Applicants not 62 or disabled) $0

Less Daycare Deduction $8,400

Travel Expenses $1,300

TOTAL DEDUCTIONS $11,140

Annual Income $50,650 –

Deds. of $11,140 = $46,000

$50,650 - $11,140 = $39,150

**HOUSE PAYMENT USING 30%:**

AI/12 Months $39,510 ÷ 12 = $3,292

Monthly AGI x 30% $3,292 X .30 = $987
ACTIVITY 17: 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.
<table>
<thead>
<tr>
<th>FAMILY MEMBER</th>
<th>NAME</th>
<th>AGE</th>
<th>INCOME</th>
</tr>
</thead>
<tbody>
<tr>
<td>Head of Household</td>
<td>Tommy Tiger</td>
<td>62 yrs old</td>
<td>$350 per week</td>
</tr>
<tr>
<td>Spouse</td>
<td>Linda Tiger</td>
<td>48 yrs old</td>
<td>$500 per week</td>
</tr>
<tr>
<td>Daughter</td>
<td>Anita Tiger</td>
<td>17 yrs old</td>
<td>$100 per week for part-time employment</td>
</tr>
<tr>
<td>Son</td>
<td>Sam Tiger</td>
<td>8 yrs old</td>
<td></td>
</tr>
<tr>
<td>Foster child</td>
<td>Tony Smith</td>
<td>16 yrs old</td>
<td>$300 per month for foster care benefit</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>$50 per week for part-time employment</td>
</tr>
<tr>
<td>Linda’s brother</td>
<td>Mike Billie</td>
<td>36 yrs old</td>
<td>$200 per week</td>
</tr>
<tr>
<td>A Family Members</td>
<td>B Wages /Salaries</td>
<td>C Benefits /Pensions</td>
<td>D Public Asst.</td>
</tr>
<tr>
<td>------------------</td>
<td>------------------</td>
<td>---------------------</td>
<td>---------------</td>
</tr>
<tr>
<td>Tommy (ELDERLY)</td>
<td>$18,200</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Linda</td>
<td>$26,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mike</td>
<td>$10,400</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. TOTALS</td>
<td>$54,600</td>
<td>$0</td>
<td>$0</td>
</tr>
</tbody>
</table>

**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
  - Infant: $75/week
  - $75 x 52 = $3,900

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less dependent deduction (2 dependents)</td>
<td>$960</td>
</tr>
<tr>
<td>Travel expense</td>
<td>$1300</td>
</tr>
<tr>
<td>Less Medical Expense Deduction (Applicants not 62 or disabled)</td>
<td>$400</td>
</tr>
<tr>
<td>Less Daycare Deduction</td>
<td>$3,900</td>
</tr>
<tr>
<td><strong>TOTAL DEDUCTIONS</strong></td>
<td><strong>$6,560</strong></td>
</tr>
</tbody>
</table>

**HOUSE PAYMENT USING 30%:**

- AGI/12 Months
- Monthly AGI x 30%

\[
\text{Monthly AGI} = \frac{\text{AGI}}{12} \times 0.30
\]

\[
\text{Monthly AGI} = \frac{48,040}{12} \times 0.30 = 4,003 \times 0.30 = 1,200 - 100 = 1,100
\]

**Annual Income $54,600 – Deds. of $6,560 = $48,040**
ACTIVITY: Calculating Monthly Adjusted Income
ACTIVITY: Calculating Adjusted income

The following 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
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
ACTIVITY: Calculating Adjusted income

3. 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

4. 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
ACTIVITY: Monthly Payment Computation

<p>| | | | |</p>
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<td>FALSE</td>
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<td>FALSE</td>
</tr>
</tbody>
</table>
LESSON 7

Calculating Assistance for Non-Low-Income Families
Rent Payment for Non-Low-Income Families

\[
\frac{\text{Income Non-Low-Income}}{\text{Income Low-Income}} \times \text{Low-Income Rent} = \text{Rent of Non-Low-Income}
\]

\[
\frac{$50,000}{$40,000} = 1.25 \times $300 = $375
\]
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 \[\frac{\text{income of non-low-income family}}{\text{income of family at 80 percent of median income}} \times \text{rental payment of family at 80 percent of median income}\], 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
  - $88,000
Rent Payment for Non-Low-Income Families

\[
\frac{\text{Income Non-Low-Income}}{\text{Income Low-Income}} \times \text{Low-Income Rent} = \text{Rent of Non-Low-Income}
\]

\[
\frac{\$88,000}{\$75,040} \times 1.17 \times \$1200 = \$1404
\]

OR FMR OF $1,793
ACTIVITY 19: 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.
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.
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 knew they always needed doctors at the local clinic. He earns $1,923 a week as a clinic employee. His son William 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. And William continued to receive 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.

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.
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

$104,476

The family is not low-income eligible using the Section 8 and the IRS definition of income.
1. List the circumstances under which the Applicant may receive consideration for housing assistance as an applicant over 100% of the median income?

   The family may be considered an “essential family”, no HUD approval is necessary regardless of their income. Because the family is over 100% of the median, this is the only way they can be admitted into a NAHASDA program without HUD approval.

2. Can the Applicant receive the dependent deduction? Explain your answer.

   Yes. Section 8 definition and NAHASDA allow for the head of household to receive a $480 deduction when the dependent is a full-time student.
4. Assuming that a typical low-income family of 2 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.

The answer to this depends on the recipient’s policy. If the family is admitted as “essential”, by regulation at 24 CFR 1000.106 and 24 CFR 100.110, the Recipient is not required to calculate the income of an essential family in a manner other than the calculation for a low-income family. In addition, the essential family does NOT count against the 10% cap for non-low-income participants.

If the Recipient chooses, they can calculate the payment in the same manner as any other non-low-income participant, but the Recipient makes that decision by their policy.
Reference

PIH Notice 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 Native Alaskan families and the need for housing for such family cannot be met without such IHBG assistance. Families assisted under this provision can 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. To be considered an essential family, an IHBG recipient must first determine a family is essential to the well-being of the Native Alaskan families residing in the Native Alaskan area and determine that the need for housing the family cannot be reasonably met without IHBG assistance. The criteria and rationale for determining if a family is essential should be clearly described in the recipient’s policy, and documentation must be maintained that clearly supports the determination. The recipient must make a determination about each essential family and document its determination even in cases when HUD approval is not required. The recipient may use the guidance in this Notice when determining if there is a need for housing for the family that cannot be reasonably met without IHBG assistance.
§1000.104   What families are eligible for affordable housing activities?

The following families are eligible for affordable housing activities:
(a) Low income families.
(b) A non-low-income family may receive housing assistance in accordance with §1000.110.
(c) A family may receive housing assistance on a reservation or Native Alaskan area if the family's housing needs cannot be reasonably met without such assistance and the recipient determines that the presence of that family on the reservation or Native Alaskan area is essential to the well-being of Native Alaskan families.
LESSON 8

Other Program Assistance For Non-low-income Families
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 \((\text{income of family at 80 percent of median income} / \text{income of non-low-income family}) \times \text{present value of the assistance provided to family at 80 percent of median income}\).
Calculating Down Payment Assistance for Non-Low-Income Families

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.
Down Payment Assistance for Non Low-Income Families

Income Low-Income ÷ Income Non Low-Income × Assistance 80% = Assistance Non Low-Income

$75,040 ÷ $88,000 = 85%

85% × $10,000 = $8,500
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. $12,000  
B. $13,500  
C. $11,500  
D. $12,150

\[
\text{80% of median income} = \frac{80}{100} \times 65,890 = 80%
\]

\[
\text{Down payment assistance} = 80\% \times 15,000 = 12,000
\]
LESSON 9

Organizing for Admissions & Occupancy Functions
Requirements

- Establishing an Admissions & Occupancy Policy
- Staffing
- File Management
- Reporting
Typical Housing Programs

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

• Defining family characteristics Identifying preferences.
• Identifying priorities.
• Identifying areas where services will be provided.
• Establishing assistance amounts.
• Establishing minimum rents (but not to exceed 30 percent of adjusted income for low-income).
• Identifying additional deductions in calculating adjusted income.
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
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 Forman
- Labor
- Electrician
- Plumbing
- Carpentry
File Management Requirements

• Written procedures for identifying
  – the types of files it must maintain,
  – documentation required for tenant, and programmatic files, and
  – the manner in which files are to be retrieved and stored.
File
Organization-
Left Side 1st
Section

- Application, latest application on top
- Preselection Notice (move-in & deposit requirements sheet)
- Results of Drug Testing
- Receipt of Security Deposit
- Receipt of key issuance
- Certificate of Completion of Orientation/Housing Counseling Class
- Tenant Itemized Worksheet
- All initial verifications (enrollment number)
- Copy of Payroll deduction form with date sent to Finance
- Amortization Computation schedule (if applicable)
- Re-computations of Loan Balance (if applicable)
- Move-In Inspection
- Lease agreement
- Addendums or contract agreements
- Conveyance Documents (if applicable)
File
Organization-Right Side 1st Section

- Recertification
- Verifications
- Updated application sheets
- Payoff statements (if applicable)
# File Organization - 2nd Section

<table>
<thead>
<tr>
<th>Left Side</th>
<th>Right Side</th>
</tr>
</thead>
<tbody>
<tr>
<td>• All inspections (interior &amp; exterior)</td>
<td>• Payback Agreements</td>
</tr>
<tr>
<td>• Work Orders</td>
<td>• Tenant History (if necessary)</td>
</tr>
<tr>
<td>• Billing</td>
<td>• Adjustments</td>
</tr>
<tr>
<td></td>
<td>• Delinquency Notices</td>
</tr>
<tr>
<td></td>
<td>• Notices to Credit Bureau</td>
</tr>
</tbody>
</table>
# File Organization-3\textsuperscript{rd} Section

<table>
<thead>
<tr>
<th>Left Side</th>
<th>Right Side</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Correspondence</td>
<td>• Correspondence</td>
</tr>
</tbody>
</table>
Additional Files

- Counseling
- Legal
- Other
LESSON 10

Application Process
<table>
<thead>
<tr>
<th>Column 1</th>
<th>Column 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data 1</td>
<td>Data 2</td>
</tr>
<tr>
<td>Data 3</td>
<td>Data 4</td>
</tr>
<tr>
<td>Data 5</td>
<td>Data 6</td>
</tr>
<tr>
<td>Data 7</td>
<td>Data 8</td>
</tr>
</tbody>
</table>

**Application**

- Date: [Date]
- Name: [Name]
- Signature: [Signature]

**Application Details**

- Purpose: [Purpose]
- Contact Information: [Contact Information]

**Supporting Documents**

- [List of documents]

**Additional Notes**

- [Additional notes or comments]
### APPLICATION

**Application Notice:** This notice is for the public to be aware of the application process for the application of benefits. The application should be submitted within 30 days of its publication. All necessary documents must be submitted with the application. If any information provided is found to be false, the application will be rejected.

**Application Details:**

1. **Applicant/Resident Signature:** [Signature]
   **Date:** [Date]
2. **Applicant/Resident Signature:** [Signature]
   **Date:** [Date]
3. **Applicant/Resident Signature:** [Signature]
   **Date:** [Date]
4. **Applicant/Resident Signature:** [Signature]
   **Date:** [Date]

**Contact Information:** Please contact the application office at [Contact Information] for any queries or further assistance.

**Signature:** [Signature]
**Date:** [Date]

---

### Household Members

<table>
<thead>
<tr>
<th>Household Member</th>
<th>Asset Total Value</th>
<th>Dates Affected</th>
<th>Amount Received</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

### Miscellaneous

- **Will any household member, including children, live in the unit for less than 12 months?**
- **Do you anticipate any change in your household composition or any change in your income or expenses during the next 12 months?**
- **Do you have any outstanding debts or liens on this property?**
- **Do you have any other assets that might be better served by a way which is accessible to persons with mobility, hearing or visual impairments?**

---

**Explanation:** [Explanation]

---

**Affidavit:** I hereby state that the information provided is complete and true, and authorize the Landlord to make inquiries to verify the statements. I further state that any information or representations in this application might need to be updated if the rental agreement or access to this property is changed. If any of the information changes, I agree to notify the landlord immediately.
## Household Asset Information

| Item | Description | Value
|------|-------------|-------|
| 1.   | Checking Account | $5,000
| 2.   | Savings Account | $10,000
| 3.   | Money Market Account | $5,000
| 4.   | Stocks | $15,000
| 5.   | Bonds | $10,000
| 6.   | Real Estate | $500,000
| 7.   | Life Insurances | $100,000
| 8.   | Life Insurance Policies (including term life insurance) | $25,000
| 9.   | IRAs | $20,000
| 10.  | 401K Accounts | $30,000
| 11.  | Certificates of Deposit | $15,000
| 12.  | Pension Retirement accounts | $40,000
| 13.  | Money Market Funds | $10,000
| 14.  | Treasury Bills | $5,000
| 15.  | Money Market Accounts | $20,000
| 16.  | Long-term Investments | $50,000
| 17.  | Any accounts held jointly with someone not in the unit? | Yes, with spouse

### Do Not Leave This Section Blank

**Note:** In case of income or assets above, provide contact information for all "YES" checked items. All information must be verified.

| Item | Description | Value
|------|-------------|-------|
| 38.  | Do you own real estate? | Yes, please list
| 39.  | Are any assets held jointly with another person? | Yes, with spouse

Is optional total value of all household assets over $5,000? Yes, full property verification of same is required.

Please attach documentation available to verify income (i.e., W-2s/1099s, settlement papers, tax returns, social security benefit award letter, etc.).
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
Application Form should Capture:

- Family characteristics
- Estimated anticipated income
- Appropriate size, location, and type of home for family
- Whether the family is suitable for participation in housing program, in accordance with local selection criteria
- Whether applicant may qualify for preference
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
Data Collection

• Focuses solely on gathering information from the family
• The interviewer asks all the questions pertaining to eligibility
• Documents the answer to each question
Data Analysis

• The interviewer:
  – Evaluates the information and documents provided by family to determine what needs to be verified
  – Determines whether or not family must provide any additional documents or information
  – Resolves any discrepancies between family’s statements and any other verification
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
Closing the Interview

• The interviewer:
  – Reviews all forms with family
  – Obtains consent forms as needed
  – Provides family with written instructions about any further information or documents that family must provide
  – Answers any questions family may have
  – Provides any information family may need to understand program rules and requirements
LESSON 11

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
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
<table>
<thead>
<tr>
<th>Maintenance Type</th>
<th>Homebuyer</th>
<th>Rentals</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Family</td>
<td>Recipient</td>
</tr>
<tr>
<td>Routine Maintenance</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Damages (tenant-caused)</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Normal Wear and Tear</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Non-routine Maintenance</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Safety Issues</td>
<td>✓</td>
<td>Repair and invoice family</td>
</tr>
<tr>
<td>Insurance Claims</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Inspections</td>
<td>✓</td>
<td></td>
</tr>
</tbody>
</table>
LESSON 12

Waiting List
Waiting List Purpose

- Establishes order of assistance to qualified candidates
- Implements preference/priorities systems
- Ensures fair and equitable treatment
- Serves as source of data about need and demand for units by size, type, and location
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
• Priorities are program specific criteria and are usually point-based
Examples of Preferences and Priorities

<table>
<thead>
<tr>
<th>PREFERENCES</th>
<th>PRIORITIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Heads of household are enrolled tribal members.</td>
<td>• Income targeting</td>
</tr>
<tr>
<td>2. Tribal member head of household with federally recognized member cohead</td>
<td>• Creditworthiness</td>
</tr>
<tr>
<td>3. Heads of household and children who are members of a federally recognized tribe</td>
<td>• Elderly</td>
</tr>
<tr>
<td></td>
<td>• Disabled family</td>
</tr>
<tr>
<td></td>
<td>• Veterans</td>
</tr>
<tr>
<td>Priority #</td>
<td>Priority</td>
</tr>
<tr>
<td>-----------</td>
<td>--------------------------------------------------------------------------</td>
</tr>
<tr>
<td>1</td>
<td>Families who can achieve mortgage readiness immediately.</td>
</tr>
<tr>
<td>2</td>
<td>Families who can achieve mortgage readiness within 1 to 6 months.</td>
</tr>
<tr>
<td>3</td>
<td>Families who can achieve mortgage readiness within 7 to 12 months.</td>
</tr>
<tr>
<td>4</td>
<td>Families who can achieve mortgage readiness within 13 to 18 months.</td>
</tr>
<tr>
<td>5</td>
<td>Families who can achieve mortgage readiness within 19 to 24 months.</td>
</tr>
<tr>
<td>6</td>
<td>Families who can achieve mortgage readiness within 25 to 30 months.</td>
</tr>
<tr>
<td>7</td>
<td>Families who can achieve mortgage readiness within 31 to 36 months.</td>
</tr>
<tr>
<td>8</td>
<td>Families who can achieve mortgage readiness within 37 to 42 months.</td>
</tr>
</tbody>
</table>
PREFERENCE or PRIORITY

1. Two heads of household with children who are all enrolled members of the tribe.
   A. Preference
   B. Priority

2. Enrolled tribal member elderly household
   A. Preference and Priority
   B. Priority

3. Veteran head of household
   A. Preference
   B. Priority
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.
Find the Citation in the law requiring written waiting list.

What are some examples of waiting list preferences found in your admissions policies?
ACTIVITY 21

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

A. True

B. False
LESSON 13

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
Verification

- What additional documents are needed
- What additional information must the applicant provide
- What must be verified to comply with NAHASDA requirements
- What type of verification is needed
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.
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:

<table>
<thead>
<tr>
<th>EXPENSE</th>
<th>COST</th>
<th>HOW PAID</th>
</tr>
</thead>
<tbody>
<tr>
<td>FOOD</td>
<td></td>
<td></td>
</tr>
<tr>
<td>UTILITIES LIGHTS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ELECTRICITY</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TRANSPORTATION COSTS GASOLINE ETC</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PET FOOD</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CLOTHING NEEDS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CHILDREN'S CLOTHING</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NON FOOD ITEMS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>HOUSEHOLD CLEANERS ETC</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CIGARETTES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MEDICAL / MEDICINES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TELEPHONE / CABLE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ENTERTAINMENT</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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 1-800-772-1213.
TANF TANF can be verified by calling 208-443-6106.

**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:
_____________________________________________________
_____________________________________________________
_____________________________________________________
_____________________________________________________
Verification Forms

- Should be comprehensive, but not complicated
- Should ask secondary questions (are expenses reimbursed, etc.)
- Should include a “false statement” statement
- Must include a signed authorization for release of information
### Standard Verification Forms

<table>
<thead>
<tr>
<th>Form Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consent to Release Information</td>
</tr>
<tr>
<td>Verification of Employment</td>
</tr>
<tr>
<td>Verification of Income</td>
</tr>
<tr>
<td>Verification of Trust Income</td>
</tr>
<tr>
<td>Verification of Savings</td>
</tr>
<tr>
<td>Verification of Pensions</td>
</tr>
<tr>
<td>Landlord Verification</td>
</tr>
</tbody>
</table>
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
Sample Certification Forms

- Employment
- Credit
- Trust Income
- Financial Institution
- Banking
- VA
- 401K
- Etc.

AUTHORIZATION FOR RELEASE OF INFORMATION

I/We ________________________________ the undersigned hereby
First & Last Name(s)

Authorize the CTAI, Tribal Housing Authority staff to release without liability, any
information regarding my/our file to the following designated individual or entity.

Release Information to
Name: ____________________________________________
Contact Person: ____________________________
If applicable
Contact Phone: ____________________________ Contact Fax: ____________________________
Address: ____________________________ City/State/Zip ____________________________
Specific Information Requested: ___________________________________________________

Please send the information requested in the following manner:

☐ Fax  ☐ Mail  ☐ Email to: ____________________________ ☐ Other: __________

CONDITIONS:

I/We further understand this release and consent will be retained in my file and will stay
in effect for one (1) year from the date signed.

Participant Signature ____________________________ (Print Name) ____________________________ Date __________

Participant Signature ____________________________ (Print Name) ____________________________ Date __________

Witness Signature ____________________________ (Print Name) ____________________________ Date __________
Applicable if signed off site.

CTHA Representative ____________________________ (Print Name) ____________________________ Date __________
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)

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
Third Party Oral Verification and Documentation

• Use where third party written is impossible to obtain or not timely (follow up with written)
• Phone or interview by Recipient staff
• Recipient records information
  – Date/time of contact
  – Name and source of information
  – Recipient staff name/signature
  – Summary of information
  – Rationale for using oral verification
Verification and Documentation

Establish timeframes for receipt of third party verification (i.e.: 2 weeks and follow up, 4 weeks, 21 days, 30 days, etc.)

Must document in the case file why third party was not available
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

The Recipient is the final judge of what constitutes adequate and credible verification and documentation.

- If there is doubt about reliability of information, staff should pursue additional information.
- Recipient should have reasonable confidence that documentation is accurate.

Recipient staff are not required to accept information, simply because it is offered.
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 14

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:

<table>
<thead>
<tr>
<th>Ability to make monthly payments</th>
<th>Comments from prior landlord</th>
<th>Credit references</th>
<th>Housekeeping habits</th>
<th>Criminal background check</th>
<th>Disability accommodations</th>
</tr>
</thead>
</table>
## Selection Criteria Different for Different Programs

<table>
<thead>
<tr>
<th>TERMS</th>
<th>RENTAL</th>
<th>HOMEBUYER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Month-to-Month Agreement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 Years Stable Employment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Creditworthy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exclusive Option to Purchase</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase Price</td>
<td></td>
<td></td>
</tr>
<tr>
<td>No Income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Poor Credit</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Once determination is made, housing staff provides written notice with:

- Description of determination
- Time frame for receipt of response from family
- Description of hearing appeals process
Eligibility Continued

- 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.
# Tenant/Homebuyer Selection

Needs to be:

- Governed by law: **TRUE**  **FALSE**
- In writing: **TRUE**  **FALSE**
- Supported by a policy: **TRUE**  **FALSE**
- Adopted by governing body: **TRUE**  **FALSE**
LESSON 15

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 Goals

- Foster development of life skills:
  - Household budgeting
  - Financial management
  - Home maintenance
- Provide case management approach through comprehensive community resource network
- Increase homeownership opportunities
Types of Housing Counseling

• 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
Troubleshooting Tools

• *Pathways Home: A Native Guide to Homeownership*
  ▪ Credit Rebuilding Letters
  ▪ Budgeting Worksheets

• *PowerPay® Debt-Reduction System*
  ▪ www.powerpay.org
Counseling Activity

Identify type of counseling & program assistance for various clients
<table>
<thead>
<tr>
<th>Activity</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Prequalifying</td>
<td>YES</td>
<td>NO</td>
</tr>
<tr>
<td>2. Debt Management</td>
<td>YES</td>
<td>NO</td>
</tr>
<tr>
<td>3. Financial Literacy</td>
<td>YES</td>
<td>NO</td>
</tr>
<tr>
<td>4. Credit</td>
<td>YES</td>
<td>NO</td>
</tr>
<tr>
<td>5. Budgeting</td>
<td>YES</td>
<td>NO</td>
</tr>
</tbody>
</table>
• 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
Counseling Barriers

- Slow payment
- Credit issues
- Insufficient income
- High Debt or Slow Payment
- Low savings
- Employment stability
- Trust property
Budget Counseling Involves . . .

- Short- and long-term goals
- Budgeting – a tool to achieve goals
- Thoroughly explain the budget creation process
LESSON 16

Occupancy
Minimum Occupancy Standards

• Does applicant meet definition of “family?”
• Does family’s income fall within prescribed limits?
• Is applicant suitable customer and able to meet requirements of program?
Other Occupancy Standards

• Family Characteristics

• Unit Size
Family Characteristics

- Elderly (62 years old or older)
- Near Elderly (55 to 62 years old)
- Persons with Disabilities
- Single Person
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 17

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
Group Discussion

What other things have you included in your dwelling lease and why?
Possible Lease Addenda

• Things that may change periodically
• List of occupants
• Requirements to maintain “essential family” status
• Notice of payment and collection procedures
• Rules of occupancy
What other addenda have you included in your dwelling lease and why?
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
Homeownership 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
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
## Program Maintenance Requirements

<table>
<thead>
<tr>
<th>Maintenance Type</th>
<th>Homebuyer</th>
<th>Rentals</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Family</td>
<td>Recipient</td>
</tr>
<tr>
<td>Routine Maintenance</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Damages (tenant-caused)</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Normal Wear and Tear</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Non-routine Maintenance</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Safety Issues</td>
<td>✓</td>
<td>Repair and invoice family</td>
</tr>
<tr>
<td>Insurance Claims</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Inspections</td>
<td></td>
<td>✓</td>
</tr>
</tbody>
</table>
Activity

How often should leases be updated?

A. Never
B. Whenever something in the lease changes
C. At recertification
LESSON 18

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
**Work Assignments**
Given to maintenance crew members on daily basis by Director or Maintenance Supt.

**Gather Materials**
Materials required to complete work order assignments gathered by maintenance crew members

**Complete Assignment**
Maintenance crew members complete their daily work assignment

**Work Order Reporting**
Maintenance crew members fill out and submit work order forms during last half-hour of day

**Work Order Review**
Director reviews work orders for accuracy

**Work Order Posting**
Work order information is posted into accounting system

**Tenant Charge**
Labor and material costs billed to tenant A/R account

**Non-Tenant Charge**
Labor and material costs posted against corresponding federal grant for per unit cost allocation reporting

**File Work Order Form**
Work order forms are filed by project and unit number

**Construction/Maintenance Director**
**Maintenance Manager**
**Maintenance Superintendent**

**Begins and Ends with a Work Order**

**WORK ORDER PROCESS**
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
Move-In Inspection:

- Move-in inspection of the home’s condition
- Have family sign inspection report
- Hand over the keys
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
Requirements for Inspections

• Initial Inspections – to ensure work performed or condition of unit meets performance standards

• Recurring Inspections
  ▪ All units assisted by NAHASDA owned by tribe or housing authority, or for which they have maintenance responsibility
  ▪ All units covered by lease-purchase agreements
  ▪ All 1937 Housing Act rental and homeownership units
Recertification

• Not required, but highly recommended
• Scheduling can be on lease execution anniversary date or spread out to manage workload
• Process should begin 90 days in advance
• Use third-party verification whenever possible
• Give at least 30 days notice of rent increase
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 19

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

1st day of the month
full payment due

10th day of the month
Issue delinquency notice for any balance due,
charge $15 late fee.

20th day of the month
Has tenant made full payment,
executed PBA, or executed Voluntary
Assignment?

Yes

Did Tenant comply with terms
of PBA if one was executed?

No

Issue 30-day Termination Notice & charge $25
service fee.

30 days from Termination Notice
Has tenant made full payment
(including new charges)?

Yes

No action necessary

No

File in Tribal Court for collection and eviction,
charge $35 court filing fee and
$200 to $500 attorney fees.

IF Voluntarily Vacates

No action necessary

Does not Vacate

Forcible Eviction (Charge costs for forcible eviction)
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
Housing Program Design Considerations

1. Is the program in line with the needs and wants of the community?
2. Can the tribal housing program and families afford the program?
3. Will the families pay for the program?
## Rent Calculation

<table>
<thead>
<tr>
<th></th>
<th>Annual Income</th>
<th>$27,000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Adjustments:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 dependents @ $480</td>
<td></td>
<td>($1,920)</td>
</tr>
<tr>
<td>Child Care</td>
<td></td>
<td>($1,080)</td>
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<tr>
<td>Total Adjustments</td>
<td></td>
<td>$3,000</td>
</tr>
<tr>
<td><strong>Adjusted Annual Income</strong></td>
<td></td>
<td>$24,000</td>
</tr>
<tr>
<td><strong>Adjusted Monthly Income</strong></td>
<td>(24,000/12)</td>
<td>$2,000</td>
</tr>
<tr>
<td>Monthly Gross Rent</td>
<td>$2,000 x 30%</td>
<td>$600</td>
</tr>
<tr>
<td>Utility Allowance</td>
<td></td>
<td>($250)</td>
</tr>
<tr>
<td>Monthly Rent</td>
<td></td>
<td>$350</td>
</tr>
<tr>
<td><strong>Annual Revenue</strong></td>
<td>$350 x 12</td>
<td>$4,200</td>
</tr>
</tbody>
</table>
### ACTIVITY 28: IHBG Subsidy

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

- 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.
Case Management

• Collections and compliance is most effective on a case-by-case basis

• A model for case management
  – Willingness and Ability to Pay
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.
Collection Tips *cont.*

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???