

# Proficiency in Income Qualification Part 1



Presented by  
Michael Chaney &  
Tamara West  
Technical Advisors,  
Florida Housing Coalition

**Florida Housing**  
Finance Corporation

Sponsored by  
Florida Housing Finance  
Corporation's Catalyst Program

# Our Thanks to the Florida Housing Catalyst Program



**AFFORDABLE HOUSING CATALYST PROGRAM**

**Sponsored by the Florida Housing  
Finance Corporation**



we make housing affordable™

THE FLORIDA HOUSING COALITION



# Catalyst Training Schedule



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

**[www.flhousing.org](http://www.flhousing.org)**

THE FLORIDA HOUSING COALITION



# Webinar Logistics

- Participants are muted
- Enter your questions in the box in your webinar panel
- This webinar is being recorded and will be available at [www.flhousing.org](http://www.flhousing.org)
- A survey will immediately follow the webinar; ***please*** complete it! Thanks!



# Today's Webinar

## Pre-Application Steps

Step 1: Application

Step 2: Income Verification

THE FLORIDA HOUSING COALITION



# Proficiency in Income Qualification Part 2

Register Here:

<https://attendee.gotowebinar.com/register/1669726486782258774>

Topics:

Step 3: Asset Verification

Step 4: Calculation

Step 5: Certification

Step 6: Award

# Overview of Resources for Determining Income

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



# SHIP Published 2022 Income and Rent Limits

(subject to change)

[https://www.floridahousing.org/docs/default-source/developers-and-property-managers/compliance/limits/income-limits/ship-and-hhrp---2022-combined-income-and-rent-limits-\(eff-4-18-2022\).pdf?sfvrsn=e039f57b\\_0](https://www.floridahousing.org/docs/default-source/developers-and-property-managers/compliance/limits/income-limits/ship-and-hhrp---2022-combined-income-and-rent-limits-(eff-4-18-2022).pdf?sfvrsn=e039f57b_0)

HUD release: 4/18/2022

Effective: 4/18/2022

## 2022 Income Limits and Rent Limits Florida Housing Finance Corporation SHIP and HHRP Programs

County (Metro)	Percentage Category	Income Limit by Number of Persons in Household										Rent Limit by Number of Bedrooms in Unit					
		1	2	3	4	5	6	7	8	9	10	0	1	2	3	4	5
Palm Beach County (W Palm Bch-Boca Raton HMFA)  Median: 90,300	30%	19,350	22,100	24,850	27,750	32,470	37,190	41,910	46,630	Refer to HUD		483	518	621	752	929	1,106
	50%	32,200	36,800	41,400	46,000	49,700	53,400	57,050	60,750	64,400	68,080	805	862	1,035	1,196	1,335	1,472
	80%	51,550	58,900	66,250	73,600	79,500	85,400	91,300	97,200	103,040	108,928	1,288	1,380	1,656	1,913	2,135	2,356
	120%	77,280	88,320	99,360	110,400	119,280	128,160	136,920	145,800	154,560	163,392	1,932	2,070	2,484	2,871	3,204	3,534
	140%	90,160	103,040	115,920	128,800	139,160	149,520	159,740	170,100	180,320	190,624	2,254	2,415	2,898	3,349	3,738	4,123

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

THE FLORIDA HOUSING COALITION





# Survival Tools for SHIP Staff



- [www.floridahousing.org](http://www.floridahousing.org)
- SHIP Procedures Manual
- SHIP RULE: Chapter 67-37
- SHIP Statute: 420.907
- On-line Web Tutorial: [www.flhousing.org](http://www.flhousing.org)
- <http://www.flhousing.org/publications/>

# Survival Tools for SHIP Staff (continued)

- FHC Technical Assistance hotline:  
1-800-677-4548
- Local Housing Assistance Plan
- Annual Reports
- Tracking Sheets
- Monitoring Reports



# SHIP Procedures Manual

## **Appendix E Applicant Qualification**

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

### **A. Determining Household Size**

Even before beginning to count the household’s income, it is important to properly count the number of people in the household. It is essential to accurately determine household size, since program eligibility is “adjusted for family size” (as defined in Section 420.9071 (1) of the Florida Statutes). The median income is based on a four-person household. The income eligibility level is lower for households having fewer than four people, and higher for households with more than four people.

# HUD's Online Income Calculator

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

## **CPD Income Eligibility Calculator**

---

- Performs calculations based on the program selected
- Print out information
- User manual and webinars are available

THE FLORIDA HOUSING COALITION



# Three Methods for Determining Income Eligibility

- 24 CFR Part 5 (HOME, SHIP, CDBG)
- IRS FORM 1040 (HOME, SHIP, CDBG)
- Census Long Form (SHIP)

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



# Statutory Intent

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

**Section 420.9075 (4)(j) Florida Statutes**



# Annual Income Definition (24 CFR Part 5)

All amounts, monetary or not, which:

1. Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any family member.
2. Are anticipated to be received from a source outside the household during the 12-month period.
3. Annual income also means amounts derived from assets.

# Income Qualification Process

Step 1: Application

Step 2: Income Verification

Step 3: Asset Verification

Step 4: Calculation

Step 5: Certification

Step 6: Award



THE FLORIDA HOUSING COALITION



# Pre-Application

THE FLORIDA HOUSING COALITION



# Notice of Funding Availability

- If funding is unavailable due to a waiting list, no NOFA required.
- Advertise in a newspaper of general circulation and periodicals serving ethnic and diverse neighborhoods.
- At least 30 days before beginning application period.

# According to SHIP Rule 67-37.005 Advertisement Must Include:

- Projected Amount of the Distribution
- Beginning and end date of application period  
(or instead of end date state 'stop applications once funds are fully encumbered)
- Local contact person.
- Where to apply

*In addition, consider adding Details per Strategy:*

- Estimated amount per strategy
- Income categories assisted
- Selection criteria
- Maximum housing value
- Anything else added should be consistent with the LHAP

# Waiting List/ Priorities

How is the waiting list kept and who has access to wait list?

Should be a list that cannot be compromised.

Track case status on waiting list.

Priorities must be outlined in the LHAP and agreements with sponsors and subrecipients.

If there is a waiting list, no advertising is required. List must be kept for monitors.

THE FLORIDA HOUSING COALITION





# Income Qualification Process

***Step 1: Application***

*Step 2: Income Verification*

Step 3: Asset Verification

Step 4: Calculation

Step 5: Certification

Step 6: Award



THE FLORIDA HOUSING COALITION





# Step 1: Application

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

THE FLORIDA HOUSING COALITION



# Step 1: Application (continued)

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



**Electronic signatures are acceptable including DocuSign**

THE FLORIDA HOUSING COALITION



# Included above Applicant Signature is Information about Florida Statute 817

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

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

THE FLORIDA HOUSING COALITION



# The Application Contains...

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

# Social Security Cards

- Not required in SHIP File
- Use another identifier for household members
- FL Statutes Section 119.071(5)(a)2.a., (I) and (II): “an agency may not collect an individual’s social security number (SSN) unless the agency has stated in writing the purpose for its collection and unless it is imperative for the performance of that agency’s duties ... as prescribed by law.





# Determining Household Size

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

# Household Members *Permanently* in a Hospital, Nursing Home

- The family decides if such persons are included when determining family size for income limits
- Note: If you count the Household member, You count the income.



# Count Foster Children

HUD Handbook 4350.3 Chapter 3:

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

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

HUD Handbook 4350.3 Chapter 5:

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

# Income Question

Annual income includes:

- a. Alimony and child support payments
- b. Foster care payments
- c. Medical expenses reimbursed to the family
- d. Regular contributions from organizations
- e. Both a and d



# Separated but Not Divorced

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

Examples:

- Lease
- Driver's license
- Vehicle registration
- Homestead
- Tax returns



# Household Member in Prison

## Best Practice:

- Count as household member if released within 12 months
- Do not count if release date is more than 12 months

[www.dc.state.fl.us](http://www.dc.state.fl.us):

- Home page: “Inmate Population Info Search”
- Enter name, SS # or birth date & inmate #
- Print scheduled release date for the file



# Boyfriend, Girlfriend or Fiancé

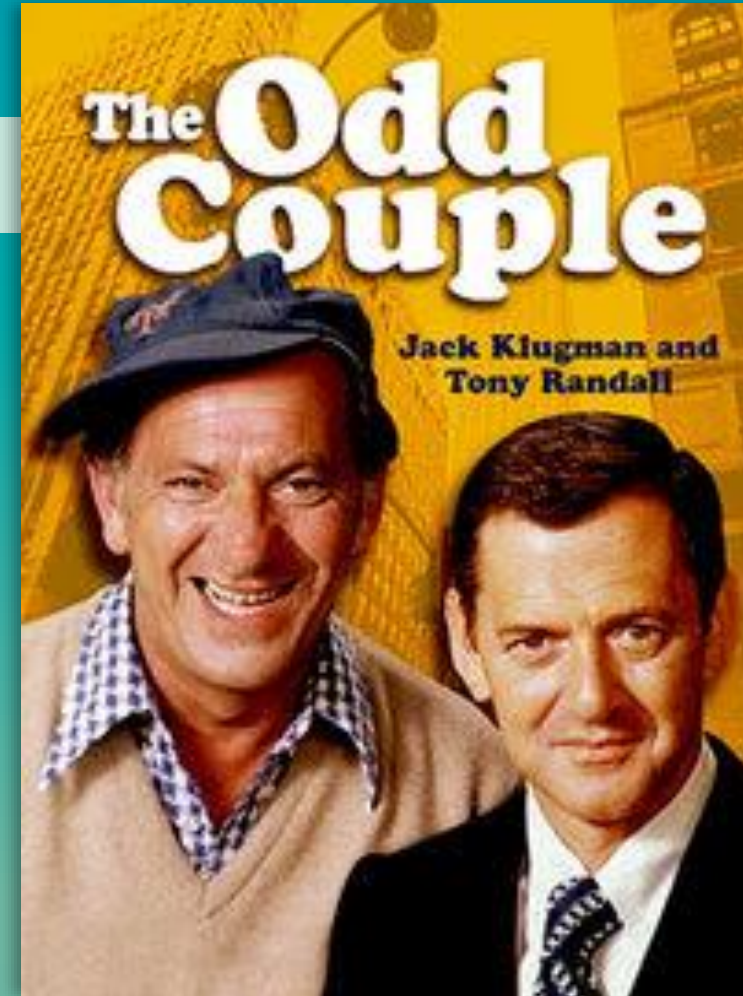
Count if currently part of household  
or will be residing in home when  
purchased



# Roommates and Tenants

Roommates are household members, Tenants are *not*

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





# Live-In Aide

- Is essential to the care, well-being of the person(s)
- Is not obligated to support the person(s)
- Would not be living in the unit except to provide the necessary supportive services
- Note: Do not include the live-in aide as a household member and do not count their income



# Household Size Exercise

David's disability requires that he have assistance with daily activities.

- He will be buying the new home on his own.
- Will have around the clock aides during the week.  
His mother will stay with him on weekends when the aides are off.

# Income Qualification Process

Step 1: Application

**Step 2: Income Verification**

Step 3: Asset Verification

Step 4: Calculation

Step 5: Certification

Step 6: Award



THE FLORIDA HOUSING COALITION



# Step 2: Income Verification Process

Verify:

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

# Step 2: Income Verification Methods

**Methods:**

**Written or Oral Third-Party Verification**

**Acceptable method:**

**Upfront-income verification (UIV)**



# Acceptable Method: Upfront-Income Verification (UIV)

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

# The Work Number



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



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



They need to set up a log-in and password to obtain the needed documents at [www.Theworknumber.com](http://www.Theworknumber.com).

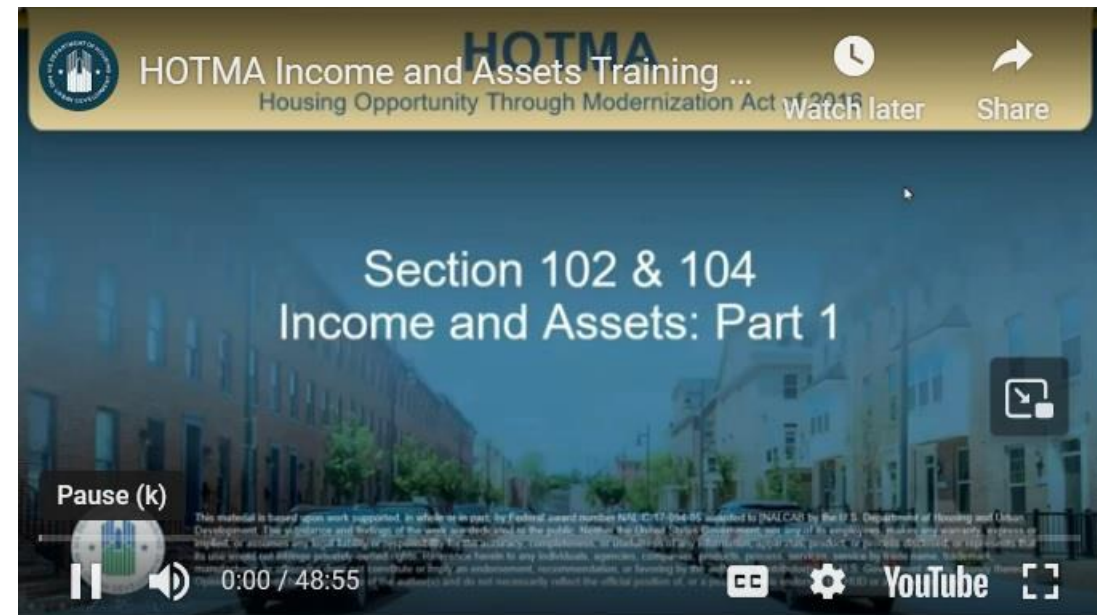
# Changes to Income Qualification Rules Are Coming!

- Housing Opportunity Through Modernization Act of 2016 (HOTMA)
- Modifies the rules for determining household income and assets in HUD's HCV, Public Housing, PBRA, Section 202/811, HOPWA, HOME, and Housing Trust Fund programs.
- Changes do not become effective until January 1, 2024

**See Handout!** Also, more resources:

[https://www.hud.gov/program\\_offices/public\\_indian\\_housing/hotmaresources](https://www.hud.gov/program_offices/public_indian_housing/hotmaresources)

[https://www.hudexchange.info/news/hotma-income-and-assets-training-series/?utm\\_medium=email&utm\\_source=govdelivery](https://www.hudexchange.info/news/hotma-income-and-assets-training-series/?utm_medium=email&utm_source=govdelivery)





# More on Income Qualification CHANGES in 2024

- The changes “incentivize tenant earning and savings goals.”
- “Assisted tenants are allowed to accumulate significant savings under the new asset limit.”

## **FIRST Change:** Authorization to Release Information

- HOTMA change allows all adult household members to sign the form only once instead of annually
  - Relevant to SHIP for rental housing annual re-certifications

# Verification of Employment Form

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

Position: \_\_\_\_\_ Length of Time Employed: \_\_\_\_\_ Pay Rate:

\_\_\_\_\_ Pay Frequency (Hr, Wk, Mo): \_\_\_\_\_ Hours worked per week \_\_\_\_\_

Overtime Pay Rate: \_\_\_\_\_ Average Overtime Hours/Wk: \_\_\_\_\_ Total Annual

Base Pay Earnings: \$ \_\_\_\_\_ Total Overtime Base Pay Earnings: \$ \_\_\_\_\_ Amount and Frequency of

Other Compensation (bonus, raise, commission, tips): \$ \_\_\_\_\_ Vacation Pay (Y or N):

\_\_\_\_\_ If yes, number of days: \_\_\_\_\_ Retirement Account (Y or N):

\_\_\_\_\_ Amount Accessible to Employee: \$ \_\_\_\_\_ Total Gross Annual Income, including other

compensation, for next 12 months: \$ \_\_\_\_\_

Signature of authorized representative: \_\_\_\_\_ Printed Name:

\_\_\_\_\_ Title: \_\_\_\_\_

THE FLORIDA HOUSING COALITION



# "I Can't Get a Third-Party Verification"

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



# Document Verification Change: Applicant Provided Document

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



THE FLORIDA HOUSING COALITION



# MORE on Applicant Provided Document

- Examples: Pay stubs, SSA retirement benefit letter, Unemployment benefit notices.
- Most recent 4 to 6 consecutive pay stubs
- Best Practice “specific time frame” such as 2 months

# CCC Verify



After verifying employment, you can add access to verifications, as well as re-print verifications you have previously purchased.

[Home](#)

[Privacy Policy](#)

[Contact Us](#)

[Log in](#)



## FOR GOVERNMENT VERIFIERS

Government agencies can access our system free of charge to instantly obtain:

- Employment verifications
- Income verifications
- Health and Dental insurance enrollment status

for current and former employees of our clients.





# Example of Employment Wages

Advanced Heating and Air, 530 Crane Street Lake Elsinore CA 92530				EARNINGS STATEMENT		
EMPLOYEE NAME	SOCIAL SEC. ID	EMPLOYEE ID	CHECK No.	PAY PERIOD	PAY DATE	
Louise Andrews	XXX-XX-8447	062	370050	05/28/15-06/12/15	06/15/15	
INCOME	RATE	HOURS	CURRENT TOTAL	DEDUCTIONS	CURRENT TOTAL	YEAR-TO-DATE
GROSS WAGES	28.00	80	2,240.00	FICA MED TAX	32.48	324.80
				FICA SS TAX	138.88	1,388.80
				FED TAX	360.78	3,607.81
				CA ST TAX	106.76	1,067.57
				SDI	20.16	201.60
				PAY-STUBS.COM		
YTD GROSS	YTD DEDCTIONS	YTD NET PAY	TOTAL	DEDUCTIONS	NET PAY	
22,400.00	6,590.59	15,809.41	2,240.00	659.06	1,580.94	

THE FLORIDA HOUSING COALITION



2 months of Pay Stubs	
Paid Bi-weekly	
<b>Gross Amount</b>	$\$5,289.33 / 4 = \$1,322.33$ $\$1,322.33 \times 26 = \$34,380.64$ <b>Annual Income = \$34,380.64</b>
\$1,174.39	
\$1,307.76	
\$1,377.93	
\$1,429.25	
<b>Total = \$5,289.33</b>	

2 months of Pay Stubs	
Paid Weekly	
<b>Gross Amount</b>	$\$10,485.67 / 8 = \$1,310.71$ $\$1,310.71 \times 52 = \$68,156.92$ <b>Annual Income = \$68,156.92</b>
\$1,174.39	
\$1,307.76	
\$1,377.93	
\$1,429.25	
\$1,247.35	
\$1,375.22	
\$1,247.33	
\$1,326.44	
<b>Total = \$10,485.67</b>	

# Examples

- Gross Amount
- Most Current
- Be Consistent
- Annualize



# *Unacceptable* Method:

## Enterprise Income Verification (EIV)

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

# Social Security Retirement Payments

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

# Social Security Examples

Gross income is: \$1261.60

Less Medicare of: \$ 135.60

Amount received by client is: \$ 1,126.00

What amount do you use to determine income?

# Child Support or Alimony

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

A contempt of court hearing is scheduled

***Or...***

Case has been filed with Department of Revenue's  
Child Support Enforcement office: **850-488-KIDS**

**<https://floridarevenue.com/childsupport/contact/Pages/default.aspx>**

THE FLORIDA HOUSING COALITION



# Child Support

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

Reason: No marriage or for another reason.

Require the family to sign a certification stating:

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

# Income Question

Marie Smith receives child support from her ex-husband in the amount of \$200 a week. Her child support will terminate in 6 months when her son turns 18.

The income certifier must:

- a. Project the child support earnings over the next 12 months
- b. Only count the six months of child support anticipated to be received
- c. Do not count the child support since it will end in less than 12 months
- d. Depends on internal program policy



# Calculating Income from Self Employed Applicants

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



THE FLORIDA HOUSING COALITION



# Self Employed Applicants

## Count NET Income from a Business

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





# Periodic Payments are Income

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

THE FLORIDA HOUSING COALITION



# Educational Scholarships & Grants

All forms of student financial assistance are ***excluded*** from annual income, whether paid to the student or directly to the educational institution...

***...unless the household is a Section 8 recipient.***



# Unemployment Benefits

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



# Regular Cash Contributions or Gifts

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

# Common Income Exclusions

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

\* **Unless** student is the head of the family, spouse, co-head

# Specifically Excluded

- Major disaster and emergency assistance received by individuals and families under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Pub. L. 93-288, as amended) and comparable disaster assistance provided by the States, local government, and disaster assistance organizations (42 U.S.C. 5155(d)).

# Mortgage Credit Certificate

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



# Homeowner Voucher issued by the Housing Authority considered income?

- No.
- Staff at the Florida Housing Finance Corporation reviewed the information provided by Fannie Mae and HUD for the Section 8 Homeownership Voucher program.
- The compliance staff concluded that this mortgage contribution is a deferred payment loan and that it should be excluded from annual income.

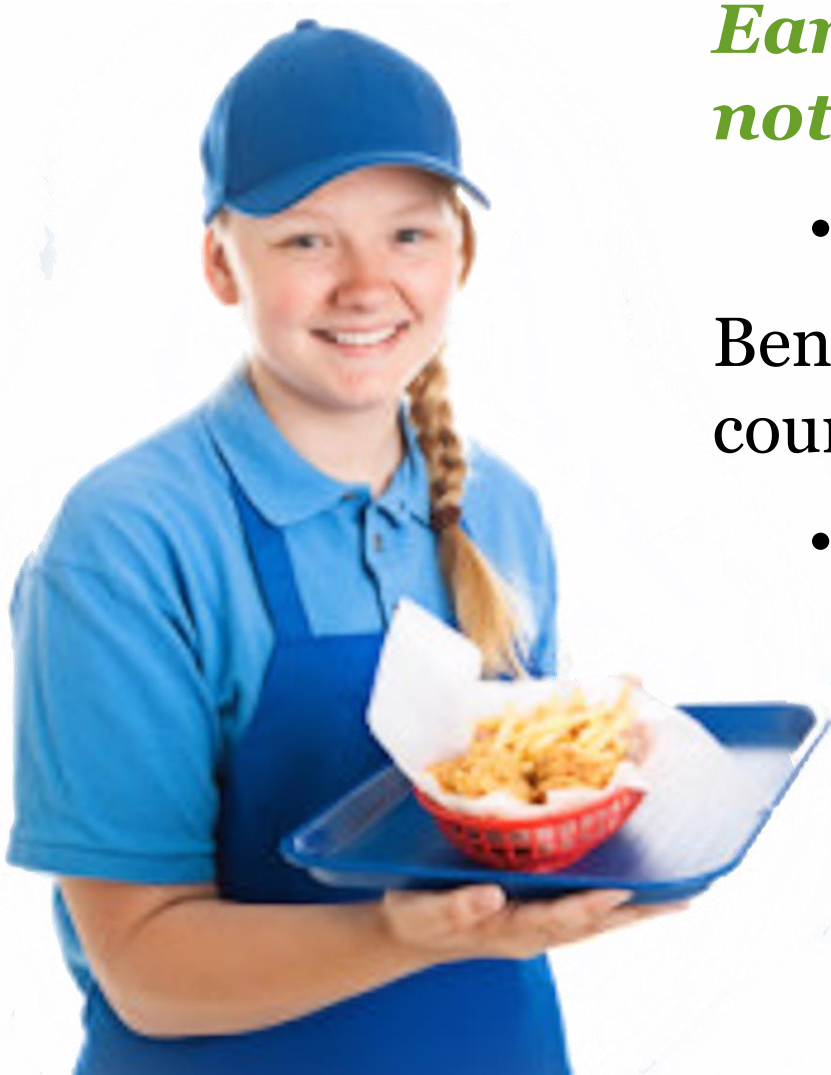
# Income from Minors

***Earned*** income of family members under 18 ***is not*** counted

- Example: Part time job after school

Benefits or other ***Unearned*** income of minors ***is*** counted

- Example: Savings account interest, disability payments



# File Guidance

---

File Checklist

---

Date stamp all verifications

---

All documents: signed, dated

---

Use one method

---

Be consistent

---

Have someone else review your calculations

---

Explain discrepancies

---



THE FLORIDA HOUSING COALITION



# FLORIDA HOUSING COALITION PUBLICATIONS

Access these valuable resources and more  
under the Publications tab at [Flhousing.org](http://Flhousing.org)





# Please complete the evaluation!



Tamara West  
Technical Advisor  
[west@flhousing.org](mailto:west@flhousing.org)



Michael Chaney  
Technical Advisor  
[chaney@flhousing.org](mailto:chaney@flhousing.org)

Technical Assistance Hotline: 1-800-677-4548