

**Learning Activity 2-1: Converting Income to an Annual Figure**

- Ms. Randall receives a total of \$600 TANF benefits per month for herself and her two children.

Annual Income \_\_\_\_\_ Monthly Income \_\_\_\_\_

- Mr. Price receives a gross wage of \$275 bi-weekly.

Annual Income \_\_\_\_\_ Monthly Income \_\_\_\_\_

- Ms. Spiker (age 32) has 3 children (ages 10, 9, and 6). She receives \$150 per week from her mother since she has no income and doesn't want to apply for Welfare.

Annual Income \_\_\_\_\_ Monthly Income \_\_\_\_\_

- Mr. Pfeiffer earns \$310 semi-monthly from his job as a sales clerk.

Annual Income \_\_\_\_\_ Monthly Income \_\_\_\_\_

- Mrs. Bass works as a teacher's aide 40 hours per week earning \$7.25 per hour.

Annual Income \_\_\_\_\_ Monthly Income \_\_\_\_\_

**ANTICIPATING INCOME**

*HCV GB 5-17*

- Use current circumstances to anticipate income. Project for a full 12 months, even if income is not expected to continue, unless verification forms indicate an imminent change, or income is cyclical (such as seasonal workers).

**EXAMPLE OF IMMINENT CHANGE EXPECTED**

- Employer reports a full-time employee receiving \$7.25 per hour will receive this for seven weeks.
- In the eighth week after the effective date of the reexam, the employee will begin to receive \$8.00 per hour
- How is annual income calculated?

**Learning Activity 2-2: Annualizing Income**

- It is August, and the PHA is gathering information for Lou's annual reexamination which will be effective November 1. The PHA has verified that Lou currently earns \$200 semi-monthly, but will be receiving a 5 percent raise effective February 1.
- What is Lou's annual income?

**Learning Activity 2-3: Calculating Annual Income**

**Family Name: Scott**

Head: Wages \$7.25/hour (40 hrs/week)

Spouse: Social Security \$350/month but a 2% COLA was announced and must be applied

Annual Income \_\_\_\_\_

**Family Name: Tilden**

Head: Alimony \$150 semi-monthly

Head: Unemployment \$125 weekly

Annual Income \_\_\_\_\_

**Family Name: Wahl**

Head: Disability benefits \$175/month

F-T Student, 19:  
(not head/spouse/cohead)

Wages \$7.25/hour (20 hrs/week)

Annual Income \_\_\_\_\_

**Learning Activity 2-4: Annual Income on the HUD-50058**

- It's October and you are conducting an annual recertification for John O'Brien, who works part-time in a bakery. He has no other income. PHA policy calls for four current, consecutive pay stubs when calculating annual income. You have collected the following information:

Date	Gross Pay	Net Pay
7/31	\$580	\$495
8/15	\$572	\$489
8/31	\$582	\$497
9/15	\$580	\$495

**Task**

- Calculate John's total income by completing section 7 (7a through 7i) of the 50058 form.

Head of household name	<b>O'Brien</b>	Social Security Number	Date modified (mm/dd/yyyy)
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## 6. Assets

6a. Family member name	No.	6b. Type of asset	6c. Calculation (PHA use)	6d. Cash value of asset	6e. Anticipated Income
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
6f, 6g. Column totals				\$	6f. \$ 6g.
6h. Passbook rate (written as decimal)					0. 6h.
6i. Imputed asset income: 6f X 6h (if 6f is \$5,000 or less, put 0)					\$ 6i.
6j. Final asset income: larger of 6g or 6i					\$ 6j.

## 7. Income

7a. Family member name	No.	7b. Income Code	7c. Calculation (PHA use)	7d. Dollars per year	7e. Income exclusions	7f. Income after exclusions (7d minus 7e)
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
7g. Column total						\$ 7g.

7h. Reserved

7i. Total annual income: 6j + 7g

\$ 7i.

<b>7b: Income Codes</b> <b>Wages:</b> B = own business F = federal wage HA = PHA wage M = military pay W = other wage	<b>Welfare:</b> G = general assistance IW = annual imputed welfare income T = TANF assistance  <b>SS/SSI/Pensions:</b> P = pension S = SSI SS = Social Security	<b>Other Income Sources:</b> C = child support E = medical reimbursement I = Indian trust/per capita N = other nonwage sources U = unemployment benefits
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**Learning Activity 2-5: Imputed Welfare Income**

- Brenda Walsh and her three children currently receive TANF benefits. They do not have any other source of income. The welfare agency has notified you that Ms. Walsh's benefits are being reduced because of fraud. Ms. Walsh's regular TANF amount is \$650 per month. Her TANF is being reduced to \$350 per month, and the reduction is expected to last for the next 12 months. She continues to receive the reduced TANF benefits of \$350 each month.
- Using section 7 of the 50058s on the following pages, calculate the Walsh family's total annual income (lines 7a through 7i) using the scenarios below.
  - **Scenario 1:** Calculate the imputed welfare income and total income for the family.

## Scenario 1 Calculations

Head of household name <b>Walsh</b>	Social Security Number	Date modified (mm/dd/yyyy)
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### 6. Assets

6a. Family member name	No.	6b. Type of asset	6c. Calculation (PHA use)	6d. Cash value of asset	6e. Anticipated Income
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
6f, 6g. Column totals				\$ 6f.	\$ 6g.
6h. Passbook rate (written as decimal)					0. 6h.
6i. Imputed asset income: 6f X 6h (if 6f is \$5,000 or less, put 0)					\$ 6i.
6j. Final asset income: larger of 6g or 6i					\$ 6j.

### 7. Income

7a. Family member name	No.	7b. Income Code	7c. Calculation (PHA use)	7d. Dollars per year	7e. Income exclusions	7f. Income after exclusions (7d minus 7e)
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
7g. Column total						\$ 7g.

7h. Reserved

7i. Total annual income: 6j + 7g

\$ 7i.

<b>7b: Income Codes</b> <b>Wages:</b> B = own business F = federal wage HA = PHA wage M = military pay W = other wage	<b>Welfare:</b> G = general assistance IW = annual imputed welfare income T = TANF assistance  <b>SS/SSI/Pensions:</b> P = pension S = SSI SS = Social Security	<b>Other Income Sources:</b> C = child support E = medical reimbursement I = Indian trust/per capita N = other nonwage sources U = unemployment benefits
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## Scenario 2 Calculations

Head of household name	<b>Walsh</b>	Social Security Number	Date modified (mm/dd/yyyy)
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- **Scenario 2:** It is three months later, Ms. Walsh now begins to receive \$150 per month in alimony. She continues to receive the \$350 per month in TANF. The welfare sanction reducing her TANF benefits from \$650 a month to \$350 a month is still in place. Calculate the imputed welfare income and total annual income on part 7 of the form HUD-500058.

### 7. Income

7a. Family member name	No.	7b. Income Code	7c. Calculation (PHA use)	7d. Dollars per year	7e. Income exclusions	7f. Income after exclusions (7d minus 7e)
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$

7g. Column total \$ 7g.

7h. Reserved

7i. Total annual income: 6j + 7g \$ 7i.

<b>7b: Income Codes</b> <b>Wages:</b> B = own business F = federal wage HA = PHA wage M = military pay W = other wage	<b>Welfare:</b> G = general assistance IW = annual imputed welfare income T = TANF assistance  <b>SS/SSI/Pensions:</b> P = pension S = SSI SS = Social Security	<b>Other Income Sources:</b> C = child support E = medical reimbursement I = Indian trust/per capita N = other nonwage sources U = unemployment benefits
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## Scenario 3 Calculations

Head of household name <b>Walsh</b>	Social Security Number	Date modified (mm/dd/yyyy)
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- **Scenario 3:** It is now six months later. Ms. Walsh has a new job at which she earns \$500 monthly. She continues to receive the \$150 a month in alimony. The welfare sanction reducing her TANF benefits from \$650 a month to \$350 a month is still in place. Calculate the imputed welfare and total annual income on part 7 of the form HUD-50058.

### 7. Income

7a. Family member name	No.	7b. Income Code	7c. Calculation (PHA use)	7d. Dollars per year	7e. Income exclusions	7f. Income after exclusions (7d minus 7e)
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$

7g. Column total	\$ 7g.
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7h. Reserved

7i. Total annual income: 6j + 7g	\$ 7i.
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<b>7b: Income Codes</b> <b>Wages:</b> B = own business F = federal wage HA = PHA wage M = military pay W = other wage	<b>Welfare:</b> G = general assistance IW = annual imputed welfare income T = TANF assistance  <b>SS/SSI/Pensions:</b> P = pension S = SSI SS = Social Security	<b>Other Income Sources:</b> C = child support E = medical reimbursement I = Indian trust/per capita N = other nonwage sources U = unemployment benefits
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**Learning Activity 2-6: EID Calculation: Stevens Family**

**Task**

- Calculate the amount of the EID family member's earnings to be included in annual income.

**Scenario**

- At Michael Stevens' annual reexamination, his annual income consisted of \$4,500 from veteran's benefits. This has been his only income for the last two years. Michael is disabled.

**Part 1**

- Michael has just reported he became employed on January 15, 2018, and the PHA has verified that he will now be earning \$10,500 per year. He will continue receiving \$4,500 a year from veteran's benefits. PHA policy calls for a 50 percent exclusion during the phase-in period.
  - How much is Michael's prequalifying (baseline) income?  
(ALL income of EID family member prior to qualifying event.)

PBV Rent Calculation

Income and Allowances

Section 2.2: Annual Income Exclusions

**Step 1: Calculate EID family member's exclusion amount.**

<b>A1.</b> Earned income of EID family member	\$	
<b>A2.</b> Earned income, if any, included in prequalifying income.	\$	
<b>A3.</b> Increase in earned income (A1 – A2). <b>If 0 or negative, STOP. Do not exclude any earned income.</b>	\$	
<b>B.</b> Other income of EID family member (including income from assets)	\$	
<b>C.</b> Total annual income of EID family member (A1 + B)	\$	
<b>D.</b> Enter prequalifying income	\$	
<b>E.</b> Full exclusion (C – D, <i>but no more than A3</i> )	\$	
<b>F.</b> 50% exclusion during phase-in period, if applicable (E × 0.50)	\$	

**Step 2: Determine EID family member's wages after exclusion.**

<b>G.</b> EID family member's earnings (HUD-50058, 7d)	\$	
<b>H.</b> Exclusion (E or F, as applicable) (HUD-50058, 7e)	\$	
<b>I.</b> EID family member's earned income after exclusions (G – H) HUD-50058, 7f)	\$	

**Form HUD-50058**

7a. Family member name	No.	7b. Income code	7c. Calculation (PHA use)	7d. Dollars per year	7e. Income exclusions	7f. Income after exclusions (7d minus 7e)
Michael	1	N				
Michael	1	W				
7g. Column total						

PBV Rent Calculation

Income and Allowances

Section 2.2: Annual Income Exclusions

**Part 2**

- Michael is still earning \$10,500 annually, but his veteran's benefits have been reduced to \$3,000.

**Step 1: Calculate EID family member's exclusion amount.**

<b>A1.</b> Earned income of EID family member	\$	
<b>A2.</b> Earned income, if any, included in prequalifying income.	\$	
<b>A3.</b> Increase in earned income (A1 – A2). <b>If 0 or negative, STOP. Do not exclude any earned income.</b>	\$	
<b>B.</b> Other income of EID family member (including income from assets)	\$	
<b>C.</b> Total annual income of EID family member (A1 + B)	\$	
<b>D.</b> Enter prequalifying income	\$	
<b>E.</b> Full exclusion (C – D, <i>but no more than A3</i> )	\$	
<b>F.</b> 50% exclusion during phase-in period, if applicable (E × 0.50)	\$	

**Step 2: Determine EID family member's wages after exclusion.**

<b>G.</b> EID family member's earnings (HUD-50058, 7d)	\$	
<b>H.</b> Exclusion (E or F, as applicable) (HUD-50058, 7e)	\$	
<b>I.</b> EID family member's earned income after exclusions (G – H) HUD-50058, 7f)	\$	

**Form HUD-50058**

7a. Family member name	No.	7b. Income code	7c. Calculation (PHA use)	7d. Dollars per year	7e. Income exclusions	7f. Income after exclusions (7d minus 7e)
Michael	1	N				
Michael	1	W				
7g. Column total						

PBV Rent Calculation

Income and Allowances

Section 2.2: Annual Income Exclusions

**Part 3**

- Michael now reports that, although his earnings remain at \$10,500 annually, his veteran's benefits have increased to \$6,000.

**Step 1: Calculate EID family member's exclusion amount.**

<b>A1.</b> Earned income of EID family member	\$	
<b>A2.</b> Earned income, if any, included in prequalifying income.	\$	
<b>A3.</b> Increase in earned income (A1 – A2). <b>If 0 or negative, STOP. Do not exclude any earned income.</b>	\$	
<b>B.</b> Other income of EID family member (including income from assets)	\$	
<b>C.</b> Total annual income of EID family member (A1 + B)	\$	
<b>D.</b> Enter prequalifying income	\$	
<b>E.</b> Full exclusion (C – D, <i>but no more than A3</i> )	\$	
<b>F.</b> 50% exclusion during phase-in period, if applicable (E × 0.50)	\$	

**Step 2: Determine EID family member's wages after exclusion.**

<b>G.</b> EID family member's earnings (HUD-50058, 7d)	\$	
<b>H.</b> Exclusion (E or F, as applicable) (HUD-50058, 7e)	\$	
<b>I.</b> EID family member's earned income after exclusions (G – H) HUD-50058, 7f)	\$	

**HUD Form 50058**

7a. Family member name	No.	7b. Income code	7c. Calculation (PHA use)	7d. Dollars per year	7e. Income exclusions	7f. Income after exclusions (7d minus 7e)
Michael	1	N				
Michael	1	W				
7g. Column total						

PBV Rent Calculation

Income and Allowances

Section 2.2: Annual Income Exclusions

**Part 4**

- Michael is now entering his phase-in period. His wages dropped to \$10,000 annually, and his veteran's benefits remain at \$6,000.

**Step 1: Calculate EID family member's exclusion amount.**

<b>A1.</b> Earned income of EID family member	\$	
<b>A2.</b> Earned income, if any, included in prequalifying income.	\$	
<b>A3.</b> Increase in earned income (A1 – A2). <b>If 0 or negative, STOP. Do not exclude any earned income.</b>	\$	
<b>B.</b> Other income of EID family member (including income from assets)	\$	
<b>C.</b> Total annual income of EID family member (A1 + B)	\$	
<b>D.</b> Enter prequalifying income	\$	
<b>E.</b> Full exclusion (C – D, <i>but no more than A3</i> )	\$	
<b>F.</b> 50% exclusion during phase-in period, if applicable (E × 0.50)	\$	

**Step 2: Determine EID family member's wages after exclusion.**

<b>G.</b> EID family member's earnings (HUD-50058, 7d)	\$	
<b>H.</b> Exclusion (E or F, as applicable) (HUD-50058, 7e)	\$	
<b>I.</b> EID family member's earned income after exclusions (G – H) HUD-50058, 7f)	\$	

**Form HUD-50058**

7a. Family member name	No.	7b. Income code	7c. Calculation (PHA use)	7d. Dollars per year	7e. Income exclusions	7f. Income after exclusions (7d minus 7e)
Michael	1	N				
Michael	1	W				
7g. Column total						

PBV Rent Calculation

Income and Allowances

Section 2.2: Annual Income Exclusions

**Part 5**

- Michael has been promoted! He is now earning \$18,000 annually. His veteran's benefits remain at \$6,000.

**Step 1: Calculate EID family member's exclusion amount.**

<b>A1.</b> Earned income of EID family member	\$	
<b>A2.</b> Earned income, if any, included in prequalifying income.	\$	
<b>A3.</b> Increase in earned income (A1 – A2). <b>If 0 or negative, STOP. Do not exclude any earned income.</b>	\$	
<b>B.</b> Other income of EID family member (including income from assets)	\$	
<b>C.</b> Total annual income of EID family member (A1 + B)	\$	
<b>D.</b> Enter prequalifying income	\$	
<b>E.</b> Full exclusion (C – D, <i>but no more than A3</i> )	\$	
<b>F.</b> 50% exclusion during phase-in period, if applicable (E × 0.50)	\$	

**Step 2: Determine EID family member's wages after exclusion.**

<b>G.</b> EID family member's earnings (HUD-50058, 7d)	\$	
<b>H.</b> Exclusion (E or F, as applicable) (HUD-50058, 7e)	\$	
<b>I.</b> EID family member's earned income after exclusions (G – H) HUD-50058, 7f)	\$	

**Form HUD-50058**

7a. Family member name	No.	7b. Income code	7c. Calculation (PHA use)	7d. Dollars per year	7e. Income exclusions	7f. Income after exclusions (7d minus 7e)
Michael	1	N				
Michael	1	W				
7g. Column total						

**Learning Activity 2-7: Income from Assets – Interest Income**

- John O'Brien has a savings account with a current balance of \$775. He will earn 1% interest on the account. The PHA determined passbook rate is .0075.
- Assume that Mr. O'Brien's PHA has a policy of using the current balance of a savings account as its cash value.

**Task**

1. List the savings account in section 6 of the 50058 and calculate the anticipated income from the asset. (Complete 6a through 6e.)
2. Calculate final asset income (6f through 6j).
3. Compute total annual income (7i).



Head of household name <b>O'Brien</b>	Social Security Number	Date modified (mm/dd/yyyy)
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## 6. Assets

6a. Family member name	No.	6b. Type of asset	6c. Calculation (PHA use)	6d. Cash value of asset	6e. Anticipated Income
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
6f, 6g. Column totals				\$	6f. \$ 6g.
6h. Passbook rate (written as decimal)					0. 6h.
6i. Imputed asset income: 6f X 6h (if 6f is \$5,000 or less, put 0)					\$ 6i.
6j. Final asset income: larger of 6g or 6i					\$ 6j.

## 7. Income

7a. Family member name	No.	7b. Income Code	7c. Calculation (PHA use)	7d. Dollars per year	7e. Income exclusions	7f. Income after exclusions (7d minus 7e)
John	1	W	578.50 x 24	\$ 13,884	\$	\$ 13,884
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
7g. Column total						\$ 13,884 7g.

7h. Reserved

7i. Total annual income: 6j + 7g

\$ 7i.

<b>7b: Income Codes</b> <b>Wages:</b> B = own business F = federal wage HA = PHA wage M = military pay W = other wage	<b>Welfare:</b> G = general assistance IW = annual imputed welfare income T = TANF assistance  <b>SS/SSI/Pensions:</b> P = pension S = SSI SS = Social Security	<b>Other Income Sources:</b> C = child support E = medical reimbursement I = Indian trust/per capita N = other nonwage sources U = unemployment benefits
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**Learning Activity 2-8: Cash Value of Assets**

- Jenny Day has a house which has a market value of \$250,000. She has an outstanding mortgage balance of \$120,000. If she were to sell, she would pay a realtor \$6,500 commission and closing (settlement) costs of \$500. What is the cash value of the asset?

Market Value \_\_\_\_\_

Less HUD Asset Expenses:\*

Broker Fee \_\_\_\_\_

Legal Fee \_\_\_\_\_

Settlement Costs \_\_\_\_\_

Penalty for Early Withdrawal \_\_\_\_\_

Less Mortgage Balance \_\_\_\_\_

Cash Value \_\_\_\_\_

- \* **Note:** HUD does not specify what “reasonable costs” may be deducted in determining the cash value of an asset. Therefore, PHAs must establish policies that clarify what costs they will deduct.

**Task**

- Obtain the market value of the asset.
- Subtract the allowable HUD asset expenses, which could include:
  - Broker fee
  - Legal fees
  - Settlement costs
  - Penalty for early withdrawal of the invested asset
  - Subtract mortgage balance the family owes (if any) on the asset.

### Learning Activity 2-9: Asset Disposed of For Less than Fair Market Value

- Amanda Blum is disabled and could no longer maintain her home. Several months ago, Amanda “sold” the house to her son for \$10,000, of which she put \$5,000 into a savings account and bought a car with the remaining \$5,000. Her son assumed the mortgage, which has a balance of \$50,000, on the house. The house is appraised at \$85,000. What is the imputed value of the asset?
- The savings account is earning 1% interest. This PHA uses the current value of savings accounts as asset value. Mrs. Blum has no other assets.
- The PHA determined passbook rate is .0075.

Market Value \_\_\_\_\_

Less HUD Asset Expenses:

Realtor’s Commission \_\_\_\_\_

Legal Fee \_\_\_\_\_

Settlement Costs \_\_\_\_\_

Penalty for Early Withdrawal \_\_\_\_\_

Less Mortgage Balance \_\_\_\_\_

Less Amount Received \_\_\_\_\_

Imputed Asset Cash Value (6d) \_\_\_\_\_

### Instructions

- Obtain the market value of the asset.
- Subtract the allowable HUD asset expenses, which could include:
  - Broker fee
  - Legal fees
  - Settlement costs
  - Penalty for early withdrawal of the invested asset
- Subtract any mortgage balance the family owes on the asset.
- Subtract any amount the family received in payment for receipt of the asset.
- Complete final asset income on Section 6 of the HUD-50058.

Head of household name <b>Blum</b>	Social Security Number	Date modified (mm/dd/yyyy)
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## 6. Assets

6a. Family member name	No.	6b. Type of asset	6c. Calculation (PHA use)	6d. Cash value of asset	6e. Anticipated Income
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
6f, 6g. Column totals				\$	6f. \$ 6g.
6h. Passbook rate (written as decimal)					0. 6h.
6i. Imputed asset income: 6f X 6h (if 6f is \$5,000 or less, put 0)					\$ 6i.
6j. Final asset income: larger of 6g or 6i					\$ 6j.

## 7. Income

7a. Family member name	No.	7b. Income Code	7c. Calculation (PHA use)	7d. Dollars per year	7e. Income exclusions	7f. Income after exclusions (7d minus 7e)
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
7g. Column total						\$ 7g.

7h. Reserved

7i. Total annual income: 6j + 7g

\$ 7i.

<b>7b: Income Codes</b> <b>Wages:</b> B = own business F = federal wage HA = PHA wage M = military pay W = other wage	<b>Welfare:</b> G = general assistance IW = annual imputed welfare income T = TANF assistance  <b>SS/SSI/Pensions:</b> P = pension S = SSI SS = Social Security	<b>Other Income Sources:</b> C = child support E = medical reimbursement I = Indian trust/per capita N = other nonwage sources U = unemployment benefits
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**CALCULATING RENTAL INCOME**

- It is possible for a family to own real property and rent it out. The income from this single rental would be reported in part 6 of the HUD form 50058. Only net rental income would be reported.

**Learning Activity 2-10: Net Rental Income**

- As calculated in Learning Activity 2-8: Jenny Day owns a home. The market value is \$250,000, and we calculated the cash value to be \$123,000.
- Jenny is renting this house to a tenant, with income and expenses as shown below. The PHA determined passbook rate is .0075.

		Annual Amount
Rent	\$ 525 per month	6,300
Expenses		
Maintenance	\$ 8 per week	416
Insurance	\$ 30 per month	360
Taxes	\$ 145 - 1st half	290
Mortgage payment	\$ 325 (principal \$65)	
Interest payment on loan		3,120
Utilities (water, sewer, trash)	\$ 40 per quarter	160
Other (explain:)		
		– Total Expenses
Net Rental Income		1,954

**Task**

- Report Jenny's net rental income as given above on the HUD form 50058 following.

Head of household name	<b>Day</b>	Social Security Number	Date modified (mm/dd/yyyy)
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## 6. Assets

6a. Family member name	No.	6b. Type of asset	6c. Calculation (PHA use)	6d. Cash value of asset	6e. Anticipated Income
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
6f, 6g. Column totals				\$	6f. \$ 6g.
6h. Passbook rate (written as decimal)					0. 6h.
6i. Imputed asset income: 6f X 6h (if 6f is \$5,000 or less, put 0)					\$ 6i.
6j. Final asset income: larger of 6g or 6i					\$ 6j.

## 7. Income

7a. Family member name	No.	7b. Income Code	7c. Calculation (PHA use)	7d. Dollars per year	7e. Income exclusions	7f. Income after exclusions (7d minus 7e)
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
7g. Column total						\$ 7g.

7h. Reserved

7i. Total annual income: 6j + 7g

\$ 7i.

<b>7b: Income Codes</b> <b>Wages:</b> B = own business F = federal wage HA = PHA wage M = military pay W = other wage	<b>Welfare:</b> G = general assistance IW = annual imputed welfare income T = TANF assistance  <b>SS/SSI/Pensions:</b> P = pension S = SSI SS = Social Security	<b>Other Income Sources:</b> C = child support E = medical reimbursement I = Indian trust/per capita N = other nonwage sources U = unemployment benefits
---	---	---

**Learning Activity 2-11: Asset Income**

- Adam East 71 Head
- Janine East 72 Spouse

**Assets & Income from Assets**

- Checking account: 6-month average balance \$525; no interest earned
- CD: Market value \$5,500; penalty for early withdrawal \$600; interest rate 3.5%
- Savings account: Current balance \$4,130; anticipated annual interest rate 1%.
- Stocks: Market value \$4,070; broker fees \$370; anticipated annual dividend \$125
- Undeveloped Property: Market value \$12,840; zero mortgage balance. Recently sold to daughter for \$7,000.
- The PHA determined passbook rate is .0075
- Assume that the East's PHA has a policy of using the current balance of a savings account and the 6-month average balance of a checking account as the cash value of the account.

**Task**

- List the East's assets on the following 50058; compute the cash value of and the anticipated income from the assets (6a through 6e).
- Compute the East's final asset income (6f through 6j).

Head of household name <b>East</b>	Social Security Number	Date modified (mm/dd/yyyy)
------------------------------------	------------------------	----------------------------

## 6. Assets

6a. Family member name	No.	6b. Type of asset	6c. Calculation (PHA use)	6d. Cash value of asset	6e. Anticipated Income
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
6f, 6g. Column totals				\$	6f. \$ 6g.
6h. Passbook rate (written as decimal)					0. 6h.
6i. Imputed asset income: 6f X 6h (if 6f is \$5,000 or less, put 0)					\$ 6i.
6j. Final asset income: larger of 6g or 6i					\$ 6j.

## 7. Income

7a. Family member name	No.	7b. Income Code	7c. Calculation (PHA use)	7d. Dollars per year	7e. Income exclusions	7f. Income after exclusions (7d minus 7e)
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
7g. Column total						\$ 7g.

7h. Reserved

7i. Total annual income: 6j + 7g

\$ 7i.

<b>7b: Income Codes</b> <b>Wages:</b> B = own business F = federal wage HA = PHA wage M = military pay W = other wage	<b>Welfare:</b> G = general assistance IW = annual imputed welfare income T = TANF assistance  <b>SS/SSI/Pensions:</b> P = pension S = SSI SS = Social Security	<b>Other Income Sources:</b> C = child support E = medical reimbursement I = Indian trust/per capita N = other nonwage sources U = unemployment benefits
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**Learning Activity 2-12: Dependent and Child Care Allowance**

- Becky Walker's annual income is \$14,621, all from employment.
- Becky (age 35) has three children, all under 13 years of age. She is paying a total of \$60 per week for child care while she works.

**Task**

- Complete section 8 of the HUD-50058 to get adjusted annual income.

Head of household name <b>Walker</b>	Social Security Number	Date modified (mm/dd/yyyy)
--------------------------------------	------------------------	----------------------------

## 8. Expected Income Per Year

8a. Total annual income: copy from 7i	\$	8a.
---------------------------------------	----	-----

### Permissible Deductions (Public Housing Only. If Section 8, Skip to 8f or 8q)

8b. Family member name	No.	8c. Type of permissible deduction	8d. Amount
			\$
			\$
			\$
			\$
			\$
			\$

8e. Total permissible deductions (sum of column 8d)	\$	8e.
---	----	-----

### If head/spouse/co-head is under 62 and no family member is disabled, skip to 8q

8f. Medical/disability threshold: 8a X 0.03	\$	8f.
8g. Total annual unreimbursed disability assistance expense (if no disability expenses, skip to 8k)	\$	8g.
8h. Maximum disability allowance: If 8g minus 8f is positive or zero, put amount	\$	8h.
	If negative and head/spouse/co-head is under 62 and not disabled, put 0	\$ 8h.
	If negative and head/spouse/co-head is elderly or disabled, copy from 8g	\$ 8h.
8i. Earnings in 7d made possible by disability assistance expense	\$	8i.
8j. Allowable disability assistance expense: lower of 8h or 8i (if 8g is less than 8f and head/spouse/co-head elderly or disabled, copy from 8h)	\$	8j.
8k. Total annual unreimbursed medical expenses (if head/spouse/co-head under 62 and not disabled, put 0)	\$	8k.
8m. Total annual disability assistance and medical expense: 8j + 8k (if no disability expenses, copy from 8k)	\$	8m.
8n. Medical/disability assistance allowance:	If no disability assistance expenses or if 8g is less than 8f, put 8m minus 8f (if 8m minus 8f is negative, put zero)	\$ 8n.
	If disability assistance expenses and 8g is greater than or equal to 8f, copy from 8m	\$ 8n.
8p. Elderly/disability allowance (default = \$400)	\$	8p.
8q. Number of dependents (people under 18, or with disability, or full-time student. Do not count head of household, spouse, co-head, foster child/adult, or live-in aide.)	\$	8q.
8r. Allowance per dependent (default = \$480)	\$	8r.
8s. Dependent allowance: 8q X 8r	\$	8s.
8t. Total annual unreimbursed childcare costs	\$	8t.
8x. Total allowances: 8e + 8n + 8p + 8s + 8t	\$	8x.
8y. Adjusted annual income: 8a minus 8x (if 8x is larger, put 0)	\$	8y.

**Learning Activity 2-13: Disability Assistance Allowance**

- Family Name: Gilmore
- Head: 38      Earned Income: \$ 11,000
- Spouse: 32      Earned Income: \$ 9,000
- Son: 14      (with a disability)
- Disability assistance expense/year \$ 4,600  
(enables spouse to work)

**Task**

- Complete section 8 of the HUD-50058 to determine adjusted annual income.

Head of household name <b>Gilmore</b>	Social Security Number	Date modified (mm/dd/yyyy)
---------------------------------------	------------------------	----------------------------

## 8. Expected Income Per Year

8a. Total annual income: copy from 7i	\$	8a.
---------------------------------------	----	-----

### Permissible Deductions (Public Housing Only. If Section 8, Skip to 8f or 8q)

8b. Family member name	No.	8c. Type of permissible deduction	8d. Amount
			\$
			\$
			\$
			\$
			\$
			\$

8e. Total permissible deductions (sum of column 8d)	\$	8e.
---	----	-----

### If head/spouse/co-head is under 62 and no family member is disabled, skip to 8q

8f. Medical/disability threshold: 8a X 0.03		\$	8f.
8g. Total annual unreimbursed disability assistance expense (if no disability expenses, skip to 8k)		\$	8g.
8h. Maximum disability allowance: If 8g minus 8f is positive or zero, put amount		\$	8h.
	If negative and head/spouse/co-head is under 62 and not disabled, put 0	\$	8h.
	If negative and head/spouse/co-head is elderly or disabled, copy from 8g	\$	8h.
8i. Earnings in 7d made possible by disability assistance expense		\$	8i.
8j. Allowable disability assistance expense: lower of 8h or 8i (if 8g is less than 8f and head/spouse/co-head elderly or disabled, copy from 8h)		\$	8j.
8k. Total annual unreimbursed medical expenses (if head/spouse/co-head under 62 and not disabled, put 0)		\$	8k.
8m. Total annual disability assistance and medical expense: 8j + 8k (if no disability expenses, copy from 8k)		\$	8m.
8n. Medical/disability assistance allowance:	If no disability assistance expenses or if 8g is less than 8f, put 8m minus 8f (if 8m minus 8f is negative, put zero)	\$	8n.
	If disability assistance expenses and 8g is greater than or equal to 8f, copy from 8m	\$	8n.
8p. Elderly/disability allowance (default = \$400)		\$	8p.
8q. Number of dependents (people under 18, or with disability, or full-time student. Do not count head of household, spouse, co-head, foster child/adult, or live-in aide.)		\$	8q.
8r. Allowance per dependent (default = \$480)		\$	8r.
8s. Dependent allowance: 8q X 8r		\$	8s.
8t. Total annual unreimbursed childcare costs		\$	8t.
8x. Total allowances: 8e + 8n + 8p + 8s + 8t		\$	8x.
8y. Adjusted annual income: 8a minus 8x (if 8x is larger, put 0)		\$	8y.

PBV Rent Calculation

Income and Allowances

Section 2.4: Adjusted Income

**Learning Activity 2-14: Medical Allowance**

- Family Name: Alden
- Head: 81
- Spouse: 80
- Annual Income: \$13,500

**Task**

- Calculate total annual anticipated medical expenses in the chart below.
- Complete section 8 of form HUD-50058 to determine adjusted annual income.

Medical expense calculation	\$ Amount	Times/year	Yearly amount
Health Insurance premium- \$55 monthly	55 x	=	
Head and spouse each pay \$300 annually for eyeglasses	300 x	=	
Doctor visits 4 times a year at \$20 each visit for entire family:	20 x	=	
Anticipated yearly prescription costs of \$425:	425 x	=	
Balance Due on a medical bill of \$325: (Will be paying it off at \$15 a month)	15 x	=	
Total:			

Head of household name	<b>Alden</b>	Social Security Number	Date modified (mm/dd/yyyy)
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## 8. Expected Income Per Year

8a. Total annual income: copy from 7i	\$	8a.
---------------------------------------	----	-----

### Permissible Deductions (Public Housing Only. If Section 8, Skip to 8f or 8q)

8b. Family member name	No.	8c. Type of permissible deduction	8d. Amount
			\$
			\$
			\$
			\$
			\$
			\$

8e. Total permissible deductions (sum of column 8d)	\$	8e.
---	----	-----

### If head/spouse/co-head is under 62 and no family member is disabled, skip to 8q

8f. Medical/disability threshold: 8a X 0.03	\$	8f.
8g. Total annual unreimbursed disability assistance expense (if no disability expenses, skip to 8k)	\$	8g.
8h. Maximum disability allowance: If 8g minus 8f is positive or zero, put amount	\$	8h.
	If negative and head/spouse/co-head is under 62 and not disabled, put 0	\$ 8h.
	If negative and head/spouse/co-head is elderly or disabled, copy from 8g	\$ 8h.
8i. Earnings in 7d made possible by disability assistance expense	\$	8i.
8j. Allowable disability assistance expense: lower of 8h or 8i (if 8g is less than 8f and head/spouse/co-head elderly or disabled, copy from 8h)	\$	8j.
8k. Total annual unreimbursed medical expenses (if head/spouse/co-head under 62 and not disabled, put 0)	\$	8k.
8m. Total annual disability assistance and medical expense: 8j + 8k (if no disability expenses, copy from 8k)	\$	8m.
8n. Medical/disability assistance allowance:	If no disability assistance expenses or if 8g is less than 8f, put 8m minus 8f (if 8m minus 8f is negative, put zero)	\$ 8n.
	If disability assistance expenses and 8g is greater than or equal to 8f, copy from 8m	\$ 8n.
8p. Elderly/disability allowance (default = \$400)	\$	8p.
8q. Number of dependents (people under 18, or with disability, or full-time student. Do not count head of household, spouse, co-head, foster child/adult, or live-in aide.)	\$	8q.
8r. Allowance per dependent (default = \$480)	\$	8r.
8s. Dependent allowance: 8q X 8r	\$	8s.
8t. Total annual unreimbursed childcare costs	\$	8t.
8x. Total allowances: 8e + 8n + 8p + 8s + 8t	\$	8x.
8y. Adjusted annual income: 8a minus 8x (if 8x is larger, put 0)	\$	8y.

**Learning Activity 2-15: Disability Assistance/Medical Allowance (Eva Family)**

- The Eva family qualifies for the elderly/disabled allowance. There are no dependents in the family. The PHA has the following information:
  - SSI: \$ 8,250
  - Employment income: \$ 8,750
  - Total Disability Assistance Expense: \$ 4,300
  - Total Medical Expenses: \$ 1,100

**Task**

- Using the information above, complete section 8 of the HUD-50058 to determine adjusted annual income.

Head of household name <b>Eva</b>	Social Security Number	Date modified (mm/dd/yyyy)
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## 8. Expected Income Per Year

8a. Total annual income: copy from 7i	\$	8a.
---------------------------------------	----	-----

### Permissible Deductions (Public Housing Only. If Section 8, Skip to 8f or 8q)

8b. Family member name	No.	8c. Type of permissible deduction	8d. Amount
			\$
			\$
			\$
			\$
			\$
			\$

8e. Total permissible deductions (sum of column 8d)	\$	8e.
---	----	-----

### If head/spouse/co-head is under 62 and no family member is disabled, skip to 8q

8f. Medical/disability threshold: 8a X 0.03	\$	8f.
8g. Total annual unreimbursed disability assistance expense (if no disability expenses, skip to 8k)	\$	8g.
8h. Maximum disability allowance: If 8g minus 8f is positive or zero, put amount	\$	8h.
	If negative and head/spouse/co-head is under 62 and not disabled, put 0	\$ 8h.
	If negative and head/spouse/co-head is elderly or disabled, copy from 8g	\$ 8h.
8i. Earnings in 7d made possible by disability assistance expense	\$	8i.
8j. Allowable disability assistance expense: lower of 8h or 8i (if 8g is less than 8f and head/spouse/co-head elderly or disabled, copy from 8h)	\$	8j.
8k. Total annual unreimbursed medical expenses (if head/spouse/co-head under 62 and not disabled, put 0)	\$	8k.
8m. Total annual disability assistance and medical expense: 8j + 8k (if no disability expenses, copy from 8k)	\$	8m.
8n. Medical/disability assistance allowance:	If no disability assistance expenses or if 8g is less than 8f, put 8m minus 8f (if 8m minus 8f is negative, put zero)	\$ 8n.
	If disability assistance expenses and 8g is greater than or equal to 8f, copy from 8m	\$ 8n.
8p. Elderly/disability allowance (default = \$400)	\$	8p.
8q. Number of dependents (people under 18, or with disability, or full-time student. Do not count head of household, spouse, co-head, foster child/adult, or live-in aide.)	\$	8q.
8r. Allowance per dependent (default = \$480)	\$	8r.
8s. Dependent allowance: 8q X 8r	\$	8s.
8t. Total annual unreimbursed childcare costs	\$	8t.
8x. Total allowances: 8e + 8n + 8p + 8s + 8t	\$	8x.
8y. Adjusted annual income: 8a minus 8x (if 8x is larger, put 0)	\$	8y.



## Section 3.1 Total Tenant Payment and Utility Allowance

### TOTAL TENANT PAYMENT

*CFR 5.628*

- Total Tenant Payment (TTP) is the highest of the following amounts, rounded to the nearest dollar:
  - In non-as-paid states:
    - 30% of family's monthly adjusted income
    - 10% of family's monthly income
    - PHA's minimum rent (\$0 - \$50 depending on PHA policy).
  - In as-paid states:
    - 30% of family's monthly adjusted income
    - 10% of family's monthly income
    - PHA's minimum rent (\$0 - \$50 depending on PHA policy), or
    - Welfare rent
      - That part of welfare assistance received from a public agency, specifically designated by that agency to meet the family's actual housing costs.

### Learning Activity 3-1: Calculation of TTP

- Using the information below, complete the 50058 on the page following from 9a through 9m.

Total annual income from 8a	\$15,780
Adjusted annual income from 8y	\$11,392
PHA's minimum rent	\$35

Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
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### 9. Total Tenant Payment (TTP)

9a. Total monthly income: $8a \div 12$	\$	9a.
9c. TTP if based on annual income: $9a \times 0.10$	\$	9c.
9d. Adjusted monthly income: $8y \div 12$	\$	9d.
9e. Percentage of adjusted monthly income: use 30% for Section 8		9e.
9f. TTP if based on adjusted annual income: $(9d \times 9e) \div 100$	\$	9f.
9g. Welfare rent per month (if none, put 0)	\$	9g.
9h. Minimum rent (if waived, put 0)	\$	9h.
9i. Enhanced Voucher minimum rent	\$	9i.
9j. TTP, highest of lines 9c, 9f, 9g, 9h, or 9i	\$	9j.
9k. Most recent TTP	\$	9k.
9m. Qualify for minimum rent hardship exemption? (Y or N)	\$	9m.

**PHA PROCEDURES**

- The PHA must notify all families of the right to request minimum rent hardship exemptions under the law.
- Notification must advise families that hardship exemptions are subject to applicable PHA informal hearing procedures.
- The PHA can request reasonable documentation of hardship.

**Learning Activity 3-2: Minimum Rent Hardship**

- The Diamond family has requested a hardship exemption from the minimum rent. You have verified that the family does have a hardship.
- Using the information below, calculate the family's TTP while they are exempt from paying minimum rent.

Total annual income from 8a	\$900
Adjusted annual income from 8y	\$55
PHA's minimum rent	\$50

Head of household name <b>Diamond</b>	Social Security Number	Date modified (mm/dd/yyyy)
---------------------------------------	------------------------	----------------------------

### 9. Total Tenant Payment (TTP)

9a. Total monthly income: $8a \div 12$	\$	9a.
9c. TTP if based on annual income: $9a \times 0.10$	\$	9c.
9d. Adjusted monthly income: $8y \div 12$	\$	9d.
9e. Percentage of adjusted monthly income: use 30% for Section 8		9e.
9f. TTP if based on adjusted annual income: $(9d \times 9e) \div 100$	\$	9f.
9g. Welfare rent per month (if none, put 0)	\$	9g.
9h. Minimum rent (if waived, put 0)	\$	9h.
9i. Enhanced Voucher minimum rent	\$	9i.
9j. TTP, highest of lines 9c, 9f, 9g, 9h, or 9i	\$	9j.
9k. Most recent TTP	\$	9k.
9m. Qualify for minimum rent hardship exemption? (Y or N)	\$	9m.

**Learning Activity 3-3: Tenant Rent**

- Using the information below, complete the 50058 on the page following from 11k through 11t.

Rent to Owner	\$800
TTP	\$220
UA	\$40

Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
------------------------	------------------------	----------------------------

## 11. Section 8: Project Based Certificates and Vouchers

11b.	Is family now moving to this unit? (Y or N)		11b
11d.	Did family move into your PHA jurisdiction under portability? (Y or N) (if no, skip to 11g)		11c.
11e.	Cost billed per month (put 0 if absorbed)	\$	11e.
11f.	PHA code billed		11f.
11g.	Housing type: <input type="checkbox"/> Group Home (prorate gross rent) <input type="checkbox"/> SRO: 1 room occupied by 1 person		
11h.	Owner name		11h.
11i.	Owner TIN/SSN		11i.
11k.	Contract rent to owner (if unit has other subsidy, put subsidized rent)	\$	11k.
11m.	Utility allowance, if any	\$	11m.
11n.	Gross rent of unit: 11k + 11m	\$	11n.
11q.	TTP: copy from 9j	\$	11q.

### Rent Calculation (if prorated rent, skip to 11aa)

11r.	Total HAP: 11n minus 11q. If 11q is larger, put 0	\$	11r.
11s.	Tenant rent: 11k minus 11r	If positive or 0, put tenant rent	\$ 11s.
		If negative, credit tenant	\$ 11s.
11t.	HAP to owner: lower of 11k or 11r	\$	11t.

### Prorated Rent Calculation

11aa.	Normal total HAP: 11n minus 11q	\$	11aa.
11ae.	Total number eligible		11ae.
11af.	Total number in family		11af.
11ag.	Proration percentage: 11ae ÷ 11af		11ag.
11ah.	Prorated total HAP: 11aa X 11ag	\$	11ah.
11ai.	Mixed family TTP: 11n minus 11ah	\$	11ai.
11aj.	Utility allowance: copy from 11m	\$	11aj.
11ak.	Mixed family tenant rent: 11ai minus 11aj	If positive or 0, put tenant rent	\$ 11ak.
		If negative, credit tenant	\$ 11ak.
11an.	Prorated HAP to owner: 11k minus 11ak (if 11ak is negative, put 11k)	\$	11an.

**Learning Activity 3-4:     Utility Reimbursement Payment**

- Using the information below, complete the 50058 on the page following from 11k to 11t.

Rent to Owner	\$950
TTP	\$49
UA	\$50

Head of household name	Social Security Number	Date modified (mm/dd/yyyy)
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## 11. Section 8: Project Based Certificates and Vouchers

11b.	Is family now moving to this unit? (Y or N)		11b
11d.	Did family move into your PHA jurisdiction under portability? (Y or N) (if no, skip to 11g)		11c.
11e.	Cost billed per month (put 0 if absorbed)	\$	11e.
11f.	PHA code billed		11f.
11g.	Housing type: <input type="checkbox"/> Group Home (prorate gross rent) <input type="checkbox"/> SRO: 1 room occupied by 1 person		
11h.	Owner name		11h.
11i.	Owner TIN/SSN		11i.
11k.	Contract rent to owner (if unit has other subsidy, put subsidized rent)	\$	11k.
11m.	Utility allowance, if any	\$	11m.
11n.	Gross rent of unit: 11k + 11m	\$	11n.
11q.	TTP: copy from 9j	\$	11q.

### Rent Calculation (if prorated rent, skip to 11aa)

11r.	Total HAP: 11n minus 11q. If 11q is larger, put 0	\$	11r.
11s.	Tenant rent: 11k minus 11r	If positive or 0, put tenant rent	\$ 11s.
		If negative, credit tenant	\$ 11s.
11t.	HAP to owner: lower of 11k or 11r	\$	11t.

### Prorated Rent Calculation

11aa.	Normal total HAP: 11n minus 11q	\$	11aa.
11ae.	Total number eligible		11ae.
11af.	Total number in family		11af.
11ag.	Proration percentage: 11ae ÷ 11af		11ag.
11ah.	Prorated total HAP: 11aa X 11ag	\$	11ah.
11ai.	Mixed family TTP: 11n minus 11ah	\$	11ai.
11aj.	Utility allowance: copy from 11m	\$	11aj.
11ak.	Mixed family tenant rent: 11ai minus 11aj	If positive or 0, put tenant rent	\$ 11ak.
		If negative, credit tenant	\$ 11ak.
11an.	Prorated HAP to owner: 11k minus 11ak (if 11ak is negative, put 11k)	\$	11an.



**Learning Activity 3-5: Case Study of Prorated Assistance**

- **Family Information:** The Fulton family consists of the following members:

Relation	Name	Age	Disabled	Citizenship Status
Head	Henry Fulton	72	Y	Eligible noncitizen
Spouse	Tai Fulton	66	N	Eligible noncitizen

- Henry Fulton receives \$670 a month in SSI. He and his wife have a savings account earning 1.75% interest per year with a current balance of \$7,800. They also have a non-interest bearing checking account with an average 6-month balance of \$900. The Fultons are paying off an old hospital bill of \$1,200 at \$90 a month.
- **Unit information:**
  - Utility allowance: None
  - Rent to owner: \$535
- **PHA information:**
  - In determining the cash value of assets, EHA policy calls for using:
    - The current balance in savings accounts
    - The 6-month average balance in checking accounts
  - EHA's minimum rent is \$50
- The PHA determined passbook rate is .0075.

**Task**

1. Based on the information above, complete the following Form HUD-50058 through line 11t.
2. Now assume that Tai Fulton's brother, an ineligible noncitizen, comes to live with the family. Given no other change in the information above, complete lines 11aa through 11an to calculate prorated rent for the Fultons.

Head of household name <b>Fulton</b>	Social Security Number	Date modified (mm/dd/yyyy)
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## 6. Assets

6a. Family member name	No.	6b. Type of asset	6c. Calculation (PHA use)	6d. Cash value of asset	6e. Anticipated Income
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
6f, 6g. Column totals				\$ 6f.	\$ 6g.
6h. Passbook rate (written as decimal)					0. 6h.
6i. Imputed asset income: 6f X 6h (if 6f is \$5,000 or less, put 0)					\$ 6i.
6j. Final asset income: larger of 6g or 6i					\$ 6j.

## 7. Income

7a. Family member name	No.	7b. Income Code	7c. Calculation (PHA use)	7d. Dollars per year	7e. Income exclusions	7f. Income after exclusions (7d minus 7e)
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
7g. Column total						\$ 7g.
7h. Reserved						
7i. Total annual income: 6j + 7g						\$ 7i.

<b>7b: Income Codes</b> <b>Wages:</b> B = own business F = federal wage HA = PHA wage M = military pay W = other wage	<b>Welfare:</b> G = general assistance IW = annual imputed welfare income T = TANF assistance  <b>SS/SSI/Pensions:</b> P = pension S = SSI SS = Social Security	<b>Other Income Sources:</b> C = child support E = medical reimbursement I = Indian trust/per capita N = other nonwage sources U = unemployment benefits
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Head of household name <b>Fulton</b>	Social Security Number	Date modified (mm/dd/yyyy)
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## 8. Expected Income Per Year

8a. Total annual income: copy from 7i	\$	8a.
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### Permissible Deductions (Public Housing Only. If Section 8, Skip to 8f or 8q)

8b. Family member name	No.	8c. Type of permissible deduction	8d. Amount
			\$
			\$
			\$
			\$
			\$
			\$

8e. Total permissible deductions (sum of column 8d)	\$	8e.
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### If head/spouse/co-head is under 62 and no family member is disabled, skip to 8q

8f. Medical/disability threshold: 8a X 0.03	\$	8f.
8g. Total annual unreimbursed disability assistance expense (if no disability expenses, skip to 8k)	\$	8g.
8h. Maximum disability allowance: If 8g minus 8f is positive or zero, put amount	\$	8h.
	If negative and head/spouse/co-head is under 62 and not disabled, put 0	\$ 8h.
	If negative and head/spouse/co-head is elderly or disabled, copy from 8g	\$ 8h.
8i. Earnings in 7d made possible by disability assistance expense	\$	8i.
8j. Allowable disability assistance expense: lower of 8h or 8i (if 8g is less than 8f and head/spouse/co-head elderly or disabled, copy from 8h)	\$	8j.
8k. Total annual unreimbursed medical expenses (if head/spouse/co-head under 62 and not disabled, put 0)	\$	8k.
8m. Total annual disability assistance and medical expense: 8j + 8k (if no disability expenses, copy from 8k)	\$	8m.
8n. Medical/disability assistance allowance:	If no disability assistance expenses or if 8g is less than 8f, put 8m minus 8f (if 8m minus 8f is negative, put zero)	\$ 8n.
	If disability assistance expenses and 8g is greater than or equal to 8f, copy from 8m	\$ 8n.
8p. Elderly/disability allowance (default = \$400)	\$	8p.
8q. Number of dependents (people under 18, or with disability, or full-time student. Do not count head of household, spouse, co-head, foster child/adult, or live-in aide.)	\$	8q.
8r. Allowance per dependent (default = \$480)	\$	8r.
8s. Dependent allowance: 8q X 8r	\$	8s.
8t. Total annual unreimbursed childcare costs	\$	8t.
8x. Total allowances: 8e + 8n + 8p + 8s + 8t	\$	8x.
8y. Adjusted annual income: 8a minus 8x (if 8x is larger, put 0)	\$	8y.

Head of household name	<b>Fulton</b>	Social Security Number	Date modified (mm/dd/yyyy)
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### 9. Total Tenant Payment (TTP)

9a.	Total monthly income: $8a \div 12$	\$	9a.
9c.	TTP if based on annual income: $9a \times 0.10$	\$	9c.
9d.	Adjusted monthly income: $8y \div 12$	\$	9d.
9e.	Percentage of adjusted monthly income: use 30% for Section 8		9e.
9f.	TTP if based on adjusted annual income: $(9d \times 9e) \div 100$	\$	9f.
9g.	Welfare rent per month (if none, put 0)	\$	9g.
9h.	Minimum rent (if waived, put 0)	\$	9h.
9i.	Enhanced Voucher minimum rent	\$	9i.
9j.	TTP, highest of lines 9c, 9f, 9g, 9h, or 9i	\$	9j.
9k.	Most recent TTP	\$	9k.
9m.	Qualify for minimum rent hardship exemption? (Y or N)	\$	9m.

Head of household name	<b>Fulton</b>	Social Security Number	Date modified (mm/dd/yyyy)
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## 11. Section 8: Project Based Certificates and Vouchers

11b.	Is family now moving to this unit? (Y or N)		11b.
11d.	Did family move into your PHA jurisdiction under portability? (Y or N) (if no, skip to 11g)		11c.
11e.	Cost billed per month (put 0 if absorbed)	\$	11e.
11f.	PHA code billed		11f.
11g.	Housing type: <input type="checkbox"/> Group Home (prorate gross rent) <input type="checkbox"/> SRO: 1 room occupied by 1 person		
11h.	Owner name		11h.
11i.	Owner TIN/SSN		11i.
11k.	Contract rent to owner (if unit has other subsidy, put subsidized rent)	\$	11k.
11m.	Utility allowance, if any	\$	11m.
11n.	Gross rent of unit: 11k + 11m	\$	11n.
11q.	TTP: copy from 9j	\$	11q.

### Rent Calculation (if prorated rent, skip to 11aa)

11r.	Total HAP: 11n minus 11q. If 11q is larger, put 0	\$	11r.
11s.	Tenant rent: 11k minus 11r	If positive or 0, put tenant rent	\$ 11s.
		If negative, credit tenant	\$ 11s.
11t.	HAP to owner: lower of 11k or 11r	\$	11t.

### Prorated Rent Calculation

11aa.	Normal total HAP: 11n minus 11q	\$	11aa.
11ae.	Total number eligible		11ae.
11af.	Total number in family		11af.
11ag.	Proration percentage: 11ae ÷ 11af		11ag.
11ah.	Prorated total HAP: 11aa X 11ag	\$	11ah.
11ai.	Mixed family TTP: 11n minus 11ah	\$	11ai.
11aj.	Utility allowance: copy from 11m	\$	11aj.
11ak.	Mixed family tenant rent: 11ai minus 11aj	If positive or 0, put tenant rent	\$ 11ak.
		If negative, credit tenant	\$ 11ak.
11an.	Prorated HAP to owner: 11k minus 11ak (if 11ak is negative, put 11k)	\$	11an.

## CHAPTER 5 Rent Calculation Quiz

### Part I - True/False

T/F

1. Earned income in excess of \$480 of full-time students 18 and older (who are not the head, spouse or co-head) is excluded from annual income. . . . . \_\_\_\_\_
2. Actual income from assets is to be included when the total cash value of all family assets is \$5,000 or less . . . . . \_\_\_\_\_
3. The income of a temporarily absent spouse must be included in the annual income.. . . . \_\_\_\_\_
4. A PHA may establish a minimum rent of \$0 . . . . . \_\_\_\_\_
5. In the PBV program, only adult persons with disabilities can qualify for the earned income disallowance. . . . . \_\_\_\_\_
6. Lump-sum payments are always counted as assets. . . . . \_\_\_\_\_
7. Disability assistance expenses may be deducted if they enable a family member to work or attend school. . . . . \_\_\_\_\_
8. Income of a 17-year-old mother who has quit school to work but is still living with her parents is included in annual income. . . . . \_\_\_\_\_
9. The interest on the savings account of a 7-year-old boy is included in annual income.. . . . \_\_\_\_\_
10. A PHA may deny a family the child care allowance if there is an unemployed adult family member in the household who may be available to provide the child care.. . . . \_\_\_\_\_
11. A family consists of a 61 year old head of household and his 62 year old spouse. Their annual income is \$12,000. They have anticipated verified medical expenses of \$1,000. The family's adjusted annual income is \$10,960. \_\_\_\_\_

**Part I - True/False**

**T/F**

12. Jeremy Cook has been receiving \$350 per month in TANF. He just enrolled in a qualifying state training program, from which he is now receiving \$500 a month. TANF benefits ended. He has no other income. The PHA must exclude the entire \$500 from his annual income. . . . . \_\_\_\_\_
13. The PHA must exclude all amounts received from a HUD-funded training program. . . . . \_\_\_\_\_
14. If a family has had their welfare reduced for fraud or non-compliance with the welfare department's economic self-sufficiency program, the PHA must include imputed welfare income in the family's rent calculation. . . . . \_\_\_\_\_
15. A deferred periodic payment from the late start of TANF benefits is treated as an asset and therefore excluded from the family's annual income. . . . . \_\_\_\_\_
16. The average balance for 6 months is always counted as the cash value of a savings account. . . . . \_\_\_\_\_
17. Only disabled families are eligible for a disability assistance allowance. . . . . \_\_\_\_\_
18. Food stamp benefits are included in annual income. . . . . \_\_\_\_\_
19. When income from employment is annualized, the gross income is used. . . . . \_\_\_\_\_
20. A family can qualify for more than one allowance. . . . . \_\_\_\_\_

**PART II - Multiple Choice**

21. When net family assets are greater than \$5,000, income from assets is based upon:
  - a. Actual income from assets
  - b. Imputed income from assets
  - c. The greater of imputed or actual income from assets
22. The formula to find the cash value of assets for calculation of rent is:
  - a. Market value less current loan balance, if any, less anticipated expenses to sell
  - b. Market value less 6% Realtor fee
  - c. Market value less annual taxes
23. Assets do not include:
  - a. Checking accounts
  - b. The family car
  - c. Personal property held as an investment such as coin collections
  - d. The cash surrender value of a life insurance policy
24. Which of the following determines the cash value of a checking account?
  - a. Current balance
  - b. Average monthly balance for prior six months
  - c. PHA policy
25. XYZ PHA is conducting an interim reexamination to begin Jason's EID initial period. Jason recently reported that he obtained a job and will be earning \$10 per hour while working 25 hours per week. Prior to obtaining this job, he was receiving \$300 per month in TANF. His TANF benefits ended when he became employed. How much of Jason's annual earnings will be included?
  - a. \$0
  - b. \$4,700
  - c. \$9,400
  - d. \$3,600
  - e. \$13,000
26. Jenna Jones owned a home appraised at \$300,000. There was no mortgage balance. Last month, she sold the house to her son for \$1. Her son paid all fees and costs of the sale. The PHA must:
  - a. Count \$299,999 in the total cash value of her assets for two years from the date she sold the home
  - b. Count the \$1 in annual income
  - c. Count \$299,999 in her annual income from two years from the date she sold the home
  - d. Terminate Jenna's assistance



27. Income of minors to be included in annual income is:
- \$100 birthday gift from grandpa
  - Interest on savings account
  - Social Security
  - Wages
  - b and c
28. If known income will be received for less than one year:
- Treat as sporadic income
  - You may annualize and conduct an interim if there is a change
  - Use \$100 per family member for the time no income is expected
  - Use 10% of last year's income
29. To convert bi-weekly income to annual income, multiply by:
- 52
  - 24
  - 26
  - 12
30. The Smith family's total tenant payment is based on the PHA's minimum rent of \$50. They have just requested the minimum rent hardship exemption, and the PHA has determined that the family qualifies. The Smith Family has the following income information:
- 10% of their monthly income is \$15
  - 30% of the adjusted monthly income is \$4
  - Welfare rent does not apply.
- The Smith family's TTP will now be:
- \$0
  - \$4
  - \$15
  - \$50
31. Assets do not include:
- Checking accounts with balances of less than \$100
  - Cash value of a life insurance policy
  - Personal property not held as an investment
  - Savings accounts
  - All of the above

**PART III - Review this family and answer the questions below**

- |  |                                     |
|--|-------------------------------------|
| a. Head, age 45                            | f. Granddaughter, age 1             |
| b. Spouse, age 45                          | g. Grandmother, age 70              |
| c. Son, age 19, who is a Full-Time Student | h. Disabled brother of head, age 39 |
| d. Daughter, age 16, who has quit school   | i. No one                           |
| e. Foster child (male), age 12             |                                     |

32. Who qualifies this family for a \$400 elderly/disabled allowance?  
[Fill in correct letter (s)]:

\_\_\_\_\_

33. Who gets a \$480 dependent allowance? [Fill in correct letter (s)]

\_\_\_\_\_

34. Who gets a medical allowance? [Fill in correct letter (s)]

\_\_\_\_\_

35. If the spouse has a disability, who gets a medical allowance? [Fill in correct letter(s)]

\_\_\_\_\_

**PART IV - Fill In The Blanks**

36. Annual Income minus HUD allowances = \_\_\_\_\_

37. There are \_\_\_\_\_ HUD allowances; they include:

(\$400) \_\_\_\_\_

(\$480) \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

38. Rent to Owner – HAP = \_\_\_\_\_

### Earned Income Disallowance Calculation (HCV: only for persons with disabilities)

**Family Name** \_\_\_\_\_

**Family Member** \_\_\_\_\_

- How much is the EID family member's Pre-qualifying (baseline) income?  
(ALL income of EID family member prior to qualifying event):

#### *Step 1: Calculate the full exclusion amount*

<b>A1.</b> Enter EARNED income of EID family member	\$	
<b>A2.</b> Earned income, if any, included in prequalifying income.	\$	
<b>A3.</b> Increase in earned income (A1 – A2). <b>If 0 or negative, STOP.</b> <b>Do not exclude any earned income.</b>	\$	
<b>B.</b> Enter other income of EID family member (including income from assets)	\$	
<b>C.</b> Total annual income of EID family member (A1 + B)	\$	
<b>D.</b> Enter prequalifying income	\$	
<b>E.</b> Full exclusion (C minus D, but no more than A3)	= \$	
<b>F.</b> 50% exclusion during phase-in period ( $E \times 0.50$ if applicable)	= \$	

#### *Step 2: Determine EID family member's wages after exclusion*

<b>G.</b> Enter EID family member's earnings (HUD-50058, 7d):	\$	
<b>H.</b> Enter exclusion from E or F (as applicable):	\$	
<b>I.</b> EID family member's earned income after exclusions (HUD-50058, 7f): (G minus H)	= \$	

#### *HUD Form 50058*

7a. Family member name	No.	7b. Income Code	7c. Calculation (PHA use)	7d. Dollars per year	7e. Income exclusions	7f. Income after exclusions (7d minus 7e)
7g. Column total						