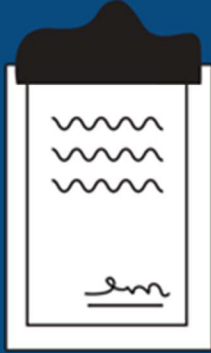


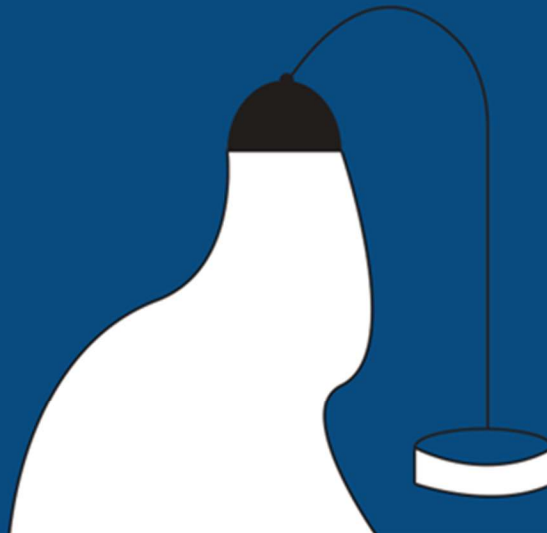


US Housing
CONSULTANTS



ELIGIBILITY ESSENTIALS:

Income & Assets in Today's Tech-Driven Economy



ELIGIBILITY ESSENTIALS:

Income & Assets in Today's Tech-Driven Economy

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Note: There may be areas of the manual that will not be covered during the allotted time and the information is supplied as supplemental information.

Course Introduction

Gig Income

What is "Gig Income"?

When we refer to gig work, we mean short-term, flexible, or freelance jobs that applicants and tenants often find and manage through digital platforms or apps. Gig income is the money earned from these jobs, typically tracked through the platform or app.

In short, gig income consists of non-traditional self-employment from sources such as Uber, Upwork, and OnlyFans, etc.

Gig workers are paid as subcontractors, and as such, they can deduct eligible business expenses. This can present many issues, including obtaining proper verification, projecting future earnings, and creating proper documentation.

Techy Assets

When it comes to determining asset income for affordable housing, it is essential to consider various factors that have become increasingly prevalent in today's digital landscape.

As technology evolves, so do the ways in which people manage and accumulate assets.

Assets such as peer-to-peer payment (P2P) apps, cryptocurrencies, and non-fungible tokens (NFTs) have gained popularity, posing new challenges in assessing income for affordable housing tenants.

ELIGIBILITY ESSENTIALS: Income & Assets in Today's Tech-Driven Economy

References & Notes

Definition of Income Eligibility



Low-Income Housing Tax Credit – Definition of Income Eligibility

An income eligible household is a household whose **GROSS** annual income is at or below the applicable income limit.

IRS Notice 88-80



HUD Multi-Family Housing – Definition of Income Eligibility

An income eligible household is a household whose **GROSS** annual income is at or below the applicable income limit.

24 CFR § 5.609



Rural Development – Definition of Income Eligibility

An income eligible household is a household whose **ADJUSTED** annual income is at or below the Moderate-Income Limit (80% + \$5,500).

7 CFR § 3560.152

RD HB-2-3560 6-9 A. 1./6-7



HOME Investment Partnerships Program (HOME) – Definition of Income Eligibility

The definition of income will either be based on the **GROSS** annual income or the household's taxable adjusted gross income using the IRS 1040 Method of Income. The Participating Jurisdiction (PJ) will make this determination.

24 CFR § 92.203

HOME 2013 Final Rule

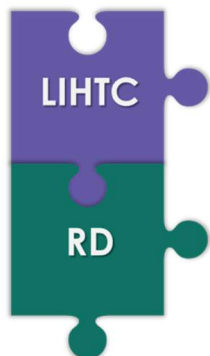


National Housing Trust Fund (NHTF) – Definition of Income Eligibility

The definition of income will either be based on the **GROSS** annual income or the household's taxable adjusted gross income using the IRS 1040 Method of Income. The NHTF Grantee will make this determination.

24 CFR § 93.151

MAINTAINING COMPLIANCE: Definition of Income Eligibility



For LIHTC/RD units, a household's **GROSS** income must be at or below the applicable LIHTC income limit in order for the household to be eligible, even if the household's adjusted income is at or below the RD limit. However, **ADJUSTED** income would still need to be used to calculate the household's Net Tenant Contribution (NTC).

ELIGIBILITY ESSENTIALS: Income & Assets in Today's Tech-Driven Economy

References & Notes

Method of Annual Income Determination



Low-Income Housing Tax Credit – Method of Annual Income Determination

Per IRS Notice 88-80, the Low-Income Housing Tax Credit (LIHTC) program utilizes the Housing and Urban Development's (HUD) method of determining annual household income for HUD's Section 8 program.

HUD's annual income rules can be found in Chapter 5 of the HUD 4350.3 handbook. The rules are based on the 24 CFR § 5.609.



HUD Multi-Family Housing – Method of Annual Income Determination

HUD's annual income rules can be found in Chapter 5 of the HUD 4350.3 handbook. The rules are based on the 24 CFR § 5.609.



Rural Development – Method of Annual Income Determination

Rural Development's annual income guidance can be found in Chapter 6 of the RD HB-2-3560.

RD's Regulations, 7 CFR § 3560.153, states that annual income will be calculated in accordance with the 24 CFR § 5.609 and 5.611.



HOME Investment Partnerships Program (HOME) – Method of Annual Income Determination

Per 24 CFR § 92.203(c), when determining whether a family is income eligible, the Participating Jurisdiction (PJ) must use one of the following two definitions of "annual income".

- 1) Annual income as defined in the 24 CFR § 5.609, or
- 2) Adjusted gross income as defined for purposes of reporting under the Internal Revenue Service Form 1040 series for individual Federal annual income tax purposes.

EXCEPTIONS Under 24 CFR § 92.203(a):

- If the household receives **Project-Based Rental Assistance (Federal or State)** the PJ **may** accept the income determination made by the housing provider under the project-based assistance program.
- If the household receives **Federal Tenant-Based Rental Assistance** (e.g., housing choice vouchers, etc.) the PJ **may** accept the income determination made by the subsidy provider under the tenant-based assistance program.
- Safe Harbor Income Determination

Note: For this training, US Housing Consultants will be training on annual income defined under definition 1 above.



HUD will provide Participating Jurisdictions (PJs) up to one year to implement the changes under 24 CFR § 92.203 of the HOME Final Rule. During this transition period, HUD is allowing PJs and owners to continue to follow the HOME requirements that were in effect immediately prior to the final rules effective date (04/20/2025).

ELIGIBILITY ESSENTIALS:

Income & Assets in Today's Tech-Driven Economy

References & Notes

Method of Annual Income Determination, cont.



National Housing Trust Fund (NHTF) – Method of Annual Income Determination

Per 24 CFR § 93.151(b), the grantee (State Agency or State Designated Entity that receives HTF from HUD) determines which one of the following two income definitions will be used to determine income eligibility for all HTF rental housing properties participating in the grantee's program.

- 1) Annual income as defined in the 24 CFR § 5.609, or
- 2) Adjusted gross income as defined for purposes of reporting under the Internal Revenue Service Form 1040 series for individual Federal annual income tax purposes.

EXCEPTIONS as outlined in 24 CFR § 93.151(a):

- If the household receives **Federal Tenant-Based Rental Assistance** (e.g., housing choice voucher program, HOME tenant based rental assistance, etc.) the grantee **must** accept the income determination made by the subsidy provider under the tenant-based assistance program.
- If the household receives **Project-Based Rental Assistance (Federal or State)** the grantee **must** accept the income determination made by the housing provider under the project-based assistance program.

Note: For this training, US Housing Consultants will be training on annual income defined under definition 1 above.

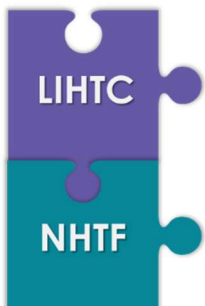
MAINTAINING COMPLIANCE: Method of Annual Income Determination



For LIHTC/HOME units, if the PJ uses the income definition based on the IRS Form 1040:

- The household's income based on the IRS Form 1040 calculation method must be used and be at or below the applicable HOME limit; AND
- The household's annual income must also be calculated in accordance with 24 CFR § 5.609 and this income must be at or below the applicable LIHTC limit.

MAINTAINING COMPLIANCE: Method of Annual Income Determination



For LIHTC/NHTF units, if the grantee uses the income definition based on the IRS Form 1040:

- The household's income based on the IRS Form 1040 calculation method must be used and be at or below the applicable NHTF limit; AND
- The household's annual income must also be calculated in accordance with 24 CFR § 5.609 and this income must be at or below the applicable LIHTC limit.

ELIGIBILITY ESSENTIALS:

Income & Assets in Today's Tech-Driven Economy

References & Notes

Method of Annual Income Determination, cont.

Projecting Income

Current income and household circumstances can be used to project the household's income over the next 12 months unless there is a verifiable change in circumstances that are expected to occur in that period of time.

Historical information (going back 12 months) may be used to project income that is anticipated to be received for less than 12 months.



HUD 4350.3 5-5 A./5-3
8823 Guide 4-7 & 4-8
RD HB-2-3560 6.9 A. 2./
6-8

Determining Income at Recertification: (24 CFR § 5.609(c)(2))



HUD Multi-Family Housing – Determining Income at Recertification (24 CFR § 5.609(c)(2))

Unless the streamlined income determination method is used under 24 CFR §§ 5.657(d), or if the household's gross annual income is being determined using another federal means-tested program income determination, income at annual recertification must be determined taking the following into consideration:

- PHAs/MFH Owners must determine the household's income for the past 12 months and use this amount for the Annual Recertification; however, adjustments must be made to reflect current income, when changes have occurred.
 - Any changes in income since the last annual reexamination, even if they didn't trigger an interim reexamination, must be taken into consideration.
 - Changes in income can result from a loss of income or the addition of a new income source.
 - Changing employers in the prior year doesn't necessarily count as a change if the income remains substantially the same.
 - Cost of Living Adjustments (COLA) to Social Security income and Social Security disability income are always considered changes in income due to automatic annual adjustments mandated by law.
- Income from assets is always anticipated, regardless of the type of income examination.



Low-Income Housing Tax Credit – Determining Income at Recertification (24 CFR § 5.609(c)(2))

Additional guidance is needed from the IRS as to whether paragraph (c)(2) will be applicable to income recertifications for the LIHTC Program.



Rural Development – Determining Income at Recertification (24 CFR § 5.609(c)(2))

Paragraph 5.609(c)(2) will not apply to the RD program.

RD Administrator
Exception Memo Dated
02/29/2024

UL 08-19-2024

ELIGIBILITY ESSENTIALS:

Income & Assets in Today's Tech-Driven Economy

References & Notes

Earned Income vs. Unearned Income

There are nine categorical sources of income inclusions that can be divided into two very distinct categories, earned income and unearned income.

Understanding the distinction between the two categories is critical as it directly relates to the amount of income included for each household member when determining a household's annual income.

Earned Income

Earned income means income or earnings from wages, tips, salaries, other employee compensation, and net income from self-employment. Earned income does not include any pension or annuity, transfer payments (meaning payments made or income received in which no goods or services are being paid for, such as welfare, social security, and governmental subsidies for certain benefits), or any cash or in-kind benefits.

Earned income includes:

1. Wages
2. Self-Employment
3. Military Pay

For Minors (under 18):

EXCLUDE ALL EARNINGS

For Adult Dependent Full-time Students (not head, co-head, or spouse of head):

EXCLUDE ALL EARNINGS IN EXCESS OF \$480

HUD 4350.3 Glossary

24 CFR § 5.100

24 CFR § 5.100

24 CFR § 5.609(a)

24 CFR § 5.609(b)(3)

24 CFR § 5.609(b)(14)

Unearned Income

Unearned income means any annual income, as calculated under § 5.609, that is not earned income.

Unearned income includes:

4. Income from Assets
5. Social Security, Pensions, etc.
6. Welfare Assistance
7. Periodic Allowances (Cash & Non-Cash Contributions, Child Support, etc.)
8. Unemployment Compensation
9. Student Financial Assistance

Include for ALL household members!

24 CFR § 5.100

24 CFR § 5.609(a)

ELIGIBILITY ESSENTIALS:

Income & Assets in Today's Tech-Driven Economy

References & Notes

Earned Income vs. Unearned Income, cont.

Whose Income Is Counted?

Household Member(s)	Earned Income	Unearned Income
Head, Spouse, Co-Head	Yes	Yes
Other Adult	Yes	Yes
Dependents:		
• Children (under the age of 18)	No	Yes
• Full-Time Student (18 & Older – Not the head, co-head, or spouse)	Yes Up to \$480 Annually	Yes
Nonmembers:		
• Live-In Aides	No	No
• Foster Child/Foster Adult	No	No
• Guests	No	No
Emancipated Minors (under the age of 18)		
• Listed as the head, spouse, or co-head	Yes	Yes
• Living with a household and is not listed as the head, spouse, or co-head	No	Yes
Temporarily Absent Adults	Yes	Yes
Permanently Confined Family Members	Household Decision	

HUD 4350.3 5-6/5-7

HUD 4350.3 Figure 5-2/5-8

24 CFR § 5.609(a) & (b)

24 CFR § 5.609(b)(8)

HUD 4350.3 5-6 A. 2./5-8

HUD 4350.3 5-6 B./5-9

HUD 4350.3 5-6 D./5-11

ELIGIBILITY ESSENTIALS:

Income & Assets in Today's Tech-Driven Economy

References & Notes

24 CFR § 5.609(a)

Overview of Income Inclusions

Annual income includes, with respect to the family:

(1) All amounts, not specifically excluded in paragraph (b) of the 24 CFR § 5.609, received from all sources by each member of the family who is 18 years of age or older or is the head of household or spouse of the head of household, plus unearned income by or on behalf of each dependent who is under 18 years of age, and

(2) When the value of net family assets exceeds \$50,000 (*which amount HUD will adjust annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers*) and the actual returns from a given asset cannot be calculated, imputed returns on the asset based on the current passbook savings rate, as determined by HUD.

Nine common income sources include:

- Wages
- Self-Employment
- Military Pay
- Income from Assets
- Social Security, Pensions, etc.
- Welfare Assistance
- Periodic Allowances (Cash & Non-Cash Contributions, Child Support, etc.)
- Unemployment Compensation
- Student Financial Assistance

Overview of Income Exclusions

While it is crucial to be aware of all of the sources of income that are included in annual income, it is equally important to understand what sources of income are federally excluded from income by law.

24 CFR § 5.609(b)

Annual income does not include the following:

- (1) Any imputed return on an asset when net family assets total \$50,000 or less (which amount HUD will adjust annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers) and no actual income from the net family assets can be determined.
- (2) The following types of trust distributions:
 - (i) For an irrevocable trust or a revocable trust outside the control of the family or household excluded from the definition of net family assets under § 5.603(b):
 - (A) Distributions of the principal or corpus of the trust; and
 - (B) Distributions of income from the trust when the distributions are used to pay the costs of health and medical care expenses for a minor.
 - (ii) For a revocable trust under the control of the family or household, any distributions from the trust; except that any actual income earned by the trust, regardless of whether it is distributed, shall be considered income to the family at the time it is received by the trust.
- (3) Earned income of children under the 18 years of age.
- (4) Payments received for the care of foster children or foster adults, or State or Tribal kinship or guardianship care payments.
- (5) Insurance payments and settlements for personal or property losses, including but not limited to payments through health insurance, motor vehicle insurance, and workers' compensation.
- (6) Amounts received by the family that are specifically for, or in reimbursement of, the cost of health and medical care expenses for any family member.
- (7) Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member arising out of law, that resulted in a member of the family becoming disabled.
- (8) Income of a live-in aide, foster child, or foster adult as defined in §§ 5.403 and 5.603, respectively.
- (9)
 - (i) Any assistance that section 479B of the Higher Education Act of 1965, as amended (20 U.S.C. 1087uu), requires be excluded from a family's income; and
 - (ii) Student financial assistance for tuition, books, and supplies (including supplies and equipment to support students with learning disabilities or other disabilities), room and board, and other fees required and charged to a student by an institution of higher education (as defined under Section 102 of the Higher Education Act of 1965 (20 U.S.C. 1002)) and, for a student who is not the head of household or spouse, the reasonable and actual costs of housing while attending the institution of higher education and not residing in an assisted unit.
 - (A) Student financial assistance, for purposes of this paragraph (9)(ii), means a grant or scholarship received from—
 - (1) The Federal government;
 - (2) A State, Tribe, or local government;
 - (3) A private foundation registered as a nonprofit under 26 U.S.C. 501(c)(3);
 - (4) A business entity (such as corporation, general partnership, limited liability company, limited partnership, joint venture, business trust, public benefit corporation, or nonprofit entity); or
 - (5) An institution of higher education.

Continued...

Overview of Income Exclusions, cont.

24 CFR § 5.609(b)

(9), cont.

(B) Student financial assistance, for purposes of this paragraph (9)(ii), does not include—

- (1) Any assistance that is excluded pursuant to paragraph (b)(9)(i) of this section;
- (2) Financial support provided to the student in the form of a fee for services performed (e.g., a work study or teaching fellowship that is not excluded pursuant to paragraph (b)(9)(i) of this section);
- (3) Gifts, including gifts from family or friends; or
- (4) Any amount of the scholarship or grant that, either by itself or in combination with assistance excluded under this paragraph or paragraph (b)(9)(i), exceeds the actual covered costs of the student. The actual covered costs of the student are the actual costs of tuition, books and supplies (including supplies and equipment to support students with learning disabilities or other disabilities), room and board, or other fees required and charged to a student by the education institution, and, for a student who is not the head of household or spouse, the reasonable and actual costs of housing while attending the institution of higher education and not residing in an assisted unit. This calculation is described further in paragraph (b)(9)(ii)(E) of this section.

(C) Student financial assistance, for purposes of this paragraph (b)(9)(ii) must be:

- (1) Expressly for tuition, books, room and board, or other fees required and charged to a student by the education institution;
- (2) Expressly to assist a student with the costs of higher education; or
- (3) Expressly to assist a student who is not the head of household or spouse with the reasonable and actual costs of housing while attending the education institution and not residing in an assisted unit.

(D) Student financial assistance, for purposes of this paragraph (b)(9)(ii), may be paid directly to the student or to the educational institution on the student's behalf. Student financial assistance paid to the student must be verified by the responsible entity as student financial assistance consistent with this paragraph (b)(9)(ii).

(E) When the student is also receiving assistance excluded under paragraph (b)(9)(i) of this section, the amount of student financial assistance under this paragraph (b)(9)(ii) is determined as follows:

- (1) If the amount of assistance excluded under paragraph (b)(9)(i) of this section is equal to or exceeds the actual covered costs under paragraph (b)(9)(ii)(B)(4) of this section, none of the assistance described in this paragraph (b)(9)(ii) of this section is considered student financial assistance excluded from income under this paragraph (b)(9)(ii)(E).
- (2) If the amount of assistance excluded under paragraph (b)(9)(i) of this section is less than the actual covered costs under paragraph (b)(9)(ii)(B)(4) of this section, the amount of assistance described in paragraph (b)(9)(ii) of this section that is considered student financial assistance excluded under this paragraph is the lower of:
 - (i) the total amount of student financial assistance received under this paragraph (b)(9)(ii) of this section, or
 - (ii) the amount by which the actual covered costs under paragraph (b)(9)(ii)(B)(4) of this section exceeds the assistance excluded under paragraph (b)(9)(i) of this section.

Continued...

Overview of Income Exclusions, cont.

- (10) Income and distributions from any Coverdell education savings account under section 530 of the Internal Revenue Code of 1986 or any qualified tuition program under section 529 of such Code; and income earned by government contributions to, and distributions from, "baby bond" accounts created, authorized, or funded by Federal, State, or local government.
- (11) The special pay to a family member serving in the Armed Forces who is exposed to hostile fire.
- (12)
 - (i) Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);
 - (ii) Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (e.g., special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program;
 - (iii) Amounts received under a resident service stipend not to exceed \$200 per month. A resident service stipend is a modest amount received by a resident for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of life in the development.
 - (iv) Incremental earnings and benefits resulting to any family member from participation in training programs funded by HUD or in qualifying Federal, State, Tribal, or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives and are excluded only for the period during which the family member participates in the employment training program unless those amounts are excluded under paragraph (b)(9)(i) of this section.
- (13) Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era.
- (14) Earned income of dependent full-time students in excess of the amount of the deduction for a dependent in § 5.611.
- (15) Adoption assistance payments for a child in excess of the amount of the deduction for a dependent in § 5.611.
- (16) Deferred periodic amounts from Supplemental Security Income and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts, or any deferred Department of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts.
- (17) Payments related to aid and attendance under 38 U.S.C. 1521 to veterans in need of regular aid and attendance.
- (18) Amounts received by the family in the form of refunds or rebates under State or local law for property taxes paid on the dwelling unit.
- (19) Payments made by or authorized by a State Medicaid agency (including through a managed care entity) or other State or Federal agency to a family to enable a family member who has a disability to reside in the family's assisted unit. Authorized payments may include payments to a member of the assisted family through the State Medicaid agency (including through a managed care entity) or other State or Federal agency for caregiving services the family member provides to enable a family member who has a disability to reside in the family's assisted unit.
- (20) Loan proceeds (the net amount disbursed by a lender to or on behalf of a borrower, under the terms of a loan agreement) received by the family or a third party (e.g., proceeds received by the family from a private loan to enable attendance at an educational institution or to finance the purchase of a car).
- (21) Payments received by Tribal members as a result of claims relating to the mismanagement of assets held in trust by the United States, to the extent such payments are also excluded from gross income under the Internal Revenue Code or other Federal law.

Continued...

Overview of Income Exclusions, cont.

24 CFR § 5.609(b)

(22) Amounts that HUD is required by Federal statute to exclude from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in paragraph (b) of this section apply. HUD will publish a notice in the Federal Register to identify the benefits that qualify for this exclusion. Updates will be published when necessary.

(23) Replacement housing "gap" payments made in accordance with 49 CFR part 24 that offset increased out of pocket costs of displaced persons that move from one federally subsidized housing unit to another Federally subsidized housing unit. Such replacement housing "gap" payments are not excluded from annual income if the increased cost of rent and utilities is subsequently reduced or eliminated, and the displaced person retains or continues to receive the replacement housing "gap" payments.

(24) Nonrecurring income, which is income that will not be repeated in the coming year based on information provided by the family. Income received as an independent contractor, day laborer, or seasonal worker is not excluded from income under this paragraph, even if the source, date, or amount of the income varies. Nonrecurring income includes:

- (i) Payments from the U.S. Census Bureau for employment (relating to decennial census or the American Community Survey) lasting no longer than 180 days and not culminating in permanent employment.
- (ii) Direct Federal or State payments intended for economic stimulus or recovery.
- (iii) Amounts directly received by the family as a result of State refundable tax credits or State tax refunds at the time they are received.
- (iv) Amounts directly received by the family as a result of Federal refundable tax credits and Federal tax refunds at the time they are received.
- (v) Gifts for holidays, birthdays, or other significant life events or milestones (e.g., wedding gifts, baby showers, anniversaries).
- (vi) Non-monetary, in-kind donations, such as food, clothing, or toiletries, received from a food bank or similar organization.
- (vii) Lump-sum additions to net family assets, including but not limited to lottery or other contest winnings.

(25) Civil rights settlements or judgments, including settlements or judgments for back pay.

(26) Income received from any account under a retirement plan recognized as such by the Internal Revenue Service, including individual retirement arrangements (IRAs), employer retirement plans, and retirement plans for self-employed individuals; except that any distribution of periodic payments from such accounts shall be income at the time they are received by the family.

(27) Income earned on amounts placed in a family's Family Self Sufficiency Account.

(28) Gross income a family member receives through self-employment or operation of a business; except that the following shall be considered income to a family member:

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

2024 Federal Register – Updated Income Exclusions

On January 31, 2024, HUD announced updates to the income exclusions in the Federal Register. These changes align with federal statutes to ensure more accurate income determinations. These exclusions will apply to any housing program that utilizes HUD regulations found in 24 CFR § 5.609.

Key Changes to Existing Income Exclusions

Six of the existing income exclusions were notably modified to conform to federal statutes governing the exclusions.

Domestic Volunteer Service Act Payments

Payments to volunteers under the Domestic Volunteer Service Act of 1973 ([42 U.S.C. 5044\(f\)\(1\)](#), [5058](#)); are excluded from income except that the exclusion shall not apply in the case of such payments when the Chief Executive Officer of the Corporation for National and Community Service appointed under [42 U.S.C. 12651c](#) determines that the value of all such payments, adjusted to reflect the number of hours such volunteers are serving, is equivalent to or greater than the minimum wage then in effect under the Fair Labor Standards Act of 1938 ([29 U.S.C. 201](#) et seq.) or the minimum wage, under the laws of the State where such volunteers are serving, whichever is the greater ([42 U.S.C. 5044\(f\)\(1\)](#)). This exclusion also applies to assets.

- Prior to the publication of the Federal Register, payments to volunteers under the Domestic Volunteer Service Act of 1973 were excluded without exception. With the Federal Register update, such payments would be included when determining gross household income, if the CEO of the Corporation for National and Community Service determines that the value of all such payments, adjusted to reflect the number of hours such volunteers are serving, is equivalent to or greater than the minimum wage then in effect under the Fair Labor Standards Act or the minimum wage, under the laws of the State where such volunteers are serving, whichever is the greater.
- The following [memo](#) from AmeriCorps dated 12/22/2023 states “To date, payments to participants and volunteers have not equaled or exceeded the greater of the Federal or state minimum wage. Therefore, income and asset disregard rules apply.”

Veterans' Children Allowances

Any allowance paid to children of Vietnam veterans born with spina bifida ([38 U.S.C. 1802–05](#)), children of women Vietnam veterans born with certain birth defects ([38 U.S.C. 1811–16](#)), and children of certain Korean and Thailand service veterans born with spina bifida ([38 U.S.C. 1821](#)) is excluded from income and assets [38 U.S.C. 1833\(c\)](#).

Prior to the publication of the Federal Register, the text of this exclusion only covered allowances for children of Vietnam veterans born with Spina Bifida, children of woman Vietnam veterans born with certain birth defects and child of certain Korean Service veterans born with Spina Bifida. This exclusion was updated to add that the exclusions also apply to allowances paid to children of certain Thailand service veterans born with Spina Bifida, to conform with the text 38 USC 1833 which was updated June 25, 2019.

Crime Victim Compensation

Any amount of crime victim compensation that provides medical or other assistance (or payment or reimbursement of the cost of such assistance) under the Victims of Crime Act of 1984 received through crime victim assistance program; unless the total amount of assistance that the applicant receives from all such programs is sufficient to fully compensate the applicant for losses suffered as a result of the crime ([34 U.S.C. 20102\(c\)](#)). This exclusion also applies to assets.

Previously, such crime victim compensation was always excluded, however, this exclusion was updated to specify that such amounts may only be excluded if the amount received is not sufficient to fully compensate the applicant for their losses related to the crime. The change to this exclusion was done to conform with federal statute [34 U.S.C. 20102\(c\)](#).

2024 Federal Register – Updated Income Exclusions, cont.

Key Changes to Existing Income Exclusions, cont.

NAHASDA and VA Service-Connected Disability, Death, and Indemnity Benefits

Any amounts (i) not actually received by the family, (ii) that would be eligible for exclusion under [42 U.S.C. 1382b\(a\)\(7\)](#), and (iii) received for service-connected disability under [38 U.S.C. chapter 11](#), or dependency and indemnity compensation under 38 U.S.C. chapter 13 ([25 U.S.C. 4103\(9\)\(C\)](#)) as provided by an amendment by the Indian Veterans Housing Opportunity Act of 2010 ([Pub. L. 111–269](#); section 2) to the definition of income applicable to programs under the Native American Housing Assistance and Self-Determination Act (NAHASDA) ([25 U.S.C. 4101](#) et seq.)

- This exclusion was updated to include reference to exclusion language under Federal Statutes, Title 42 U.S.C and 38 U.S.C, which specifies that this exclusion applies to amounts not received that are excludable under 42 U.S.C 1382B(a)(7), and amounts received for a service-connected disability under 38 U.S.C Chapter 11.

Individual Development Accounts (IDA) under the Assets for Independence Act

Any amounts in an “individual development account” are excluded from assets and any assistance, benefit, or amounts earned by or provided to the individual development account are excluded from income, as provided by the Assets for Independence Act, as amended in 2002 ([Pub. L. 107–110](#), [42 U.S.C. 604\(h\)\(4\)](#));

- This exclusion was updated to clarify that an IDA is excluded from assets, and any IDA benefits are also excluded as income. It should be noted that this program was defunded in 2017.
- Note: Federal Register appears to be referring to incorrect Pub. L., Pub. L 107-110 is ‘No Child Left Behind Act of 2001’. Title IV of Public Law 105–285 is the ASSETS FOR INDEPENDENCE ACT.

Indian Tribal Trust Settlement Payments

Per capita payments made from the proceeds of Indian Tribal Trust Settlements listed in IRS Notice 2013–1 and 2013–55 must be excluded from annual income unless the per capita payments exceed the amount of the original Tribal Trust Settlement proceeds and are made from a Tribe's private bank account in which the Tribe has deposited the settlement proceeds. Such amounts received in excess of the Tribal Trust Settlement are included in the gross income of the members of the Tribe receiving the per capita payments as described in IRS Notice 2013–1. The first \$2,000 of per capita payments are also excluded from assets unless the per capita payments exceed the amount of the original Tribal Trust Settlement proceeds and are made from a Tribe's private bank account in which the Tribe has deposited the settlement proceeds ([25 U.S.C. 117b\(a\)](#), [25 U.S.C. 1407](#));

- This exclusion was updated to reflect IRS Notices 2013-1 and 2013-5, to remove the PIH Notice reference, and to adopt the IRS rule which stipulates that if the per capita payments exceed the amount of the original Tribal Trust Settlements and the payments are made from the tribe's private bank account, the amount that exceed the original settlement amount are included as income.

2024 Federal Register – Updated Income Exclusions, cont.

→ “New” Income Exclusions

Tax Refunds

The amount of any refund (or advance payment with respect to a refundable credit) issued under the Internal Revenue Code is excluded from income and assets for a period of 12 months from receipt ([26 U.S.C. 6409](#)).

- Exclusion updated to reflect the updated statute in 26. USC 6409
- Already excluded for MFH income determinations under 24 CFR 5.609(b)(24)(iv)

ABLE Accounts

Any amount in an Achieving Better Life Experience (ABLE) account, distributions from and certain contributions to an ABLE account established under the ABLE Act of 2014 ([Pub. L. 113–295](#)), as described in Notice PIH 2019–09/H 2019–06 or subsequent or superseding notice is excluded from income and assets.

- Exclusion updated to reflect the updated statute in 26. USC 6409

Emergency Rental Assistance Program

Assistance received by a household under the Emergency Rental Assistance Program pursuant to the Consolidated Appropriations Act, 2021 ([Pub. L. 116–260](#), section 501(j)), and the American Rescue Plan Act of 2021 ([Pub. L. 117–2](#), section 3201). This exclusion also applies to assets.

- This exclusion was added to conform with Public Law published in 2021. HUD previously issued guidance in August of 2021, stipulating that ERA is excluded when determining household income.

ELIGIBILITY ESSENTIALS:

Income & Assets in Today's Tech-Driven Economy

References & Notes

24 CFR § 5.609(b)(28)

HUD 4350.3 5-6 H./5-13

Earned Income: Self-Employment

When calculating income from a business or self-employment, only include the **net income** from the business, not the gross income.

$$\text{Net Income} = \text{Gross Income} - \text{Business Expenses}$$

In addition to the net income, make sure to **INCLUDE** the following:

- Any wages, contract labor, or other amounts dispersed to household members
- Cash or assets withdrawn by household members
 - Exception: If the withdrawal is a reimbursement of cash or assets invested in the business, then the withdrawals **are not** included in income.



When calculating net income **DO NOT DEDUCT** the following:

- Principal payments on loans
- Depreciation computed on an accelerated basis
- Interest on loans for business expansion or capital improvements
- Other expenses for business expansion or outlays for capital improvements



Example #1 – Determining Income from Self-Employment

Sterling is self-employed and his business has been in operation since 2010.

Sterling's annual gross income from his business is \$48,000, and the annual net income is \$22,000.

Sterling also pays himself \$10,000 annually in wages. He has no other income.

*In this example, \$22,000 would be counted as the net income from the business, and \$10,000 would be counted as wages, resulting in an annual income of **\$32,000**.*

Example #2 – Determining Income from Self-Employment

Myra is self-employed and her business has been in operation since 2012.

Myra's annual gross income from her business is \$28,000, and the annual net income is \$12,000.

Each month Myra withdraws \$1,000 in cash from the business (\$12,000 annually). She clarifies that the withdrawals are not a reimbursement of cash invested in the business.

*In this example, \$12,000 would be counted as net income from the business, and \$12,000 would be counted as other income, resulting in an annual income of **\$24,000**.*

ELIGIBILITY ESSENTIALS: Income & Assets in Today's Tech-Driven Economy

References & Notes

HUD 4350.3 5-6 H. 3./5-14

Earned Income: Self-Employment, cont.



Negative Income from a Business

If the net income from the business is a negative amount, then the income from the business will be counted as **zero**. The negative income from the business cannot be used to offset other household income.

In these circumstances, even though no income will be counted from this source, documentation of the negative income must be maintained in the file.

Example #1 – Determining Income from Self-Employment (Negative Income)

Quinton is self-employed and her business has been in operation since 2015. Quinton's annual gross income from her business is \$15,000 and the net income is \$-5,000.

Quinton's husband, Eli, is employed and earns \$36,000 annually. The household has no other income.

In this example, \$0 would be counted as the net income from the business and \$36,000 would be counted for Eli's wages, resulting in an annual income of **\$36,000**.

Example #2 – Determining Income from Self-Employment (Negative Income)

Jaxon is self-employed and his business has been in operation since 2016. Jaxon's annual gross income from his business is \$58,000 and the net income is \$-15,000.

A review of documentation provided by Jaxon indicates that Jaxon is paying himself wages in the amount of \$10,000 annually.

In this example, \$0 would be counted as net income from the business and \$10,000 would be included from Jaxon's salary, resulting in an annual income of **\$10,000**.

Historical Information

We can look to the past to help us predict the future when determining self-employment income. This can be accomplished by evaluating past tax returns, financial statements, etc., and consulting with the applicant/tenant to project income for the next 12 months.

It is important to ensure that the documents provided, such as tax returns, encompass a full year of income. If the documentation provided does not encompass a full year, the income must be annualized to reflect an entire year's worth of income.

It is also important to have the applicant/tenant certify whether they expect the business to produce the same amount of income, or more, in the next 12 months.

Example – Determining Income from Self-Employment (Annualizing Income)

Sue is applying to move into a unit on February 1st. Sue is self-employed, and her business began operations on July 1st (of the prior year).

Sue provided the manager her prior year tax returns which reflected a gross annual income of \$30,000 and an annual net income of \$20,000.

In this example, **\$40,000** would be counted as the net income from the business, as the prior year tax returns only reflected 6 months of income earned. The income needs to be annualized to encompass an entire year. $(\$20,000 \div 6 \text{ (months)} \times 12 \text{ (months)}) = \$40,000$

ELIGIBILITY ESSENTIALS:

Income & Assets in Today's Tech-Driven Economy

References & Notes

<https://www.irs.gov/businesses/gig-economy-tax-center>

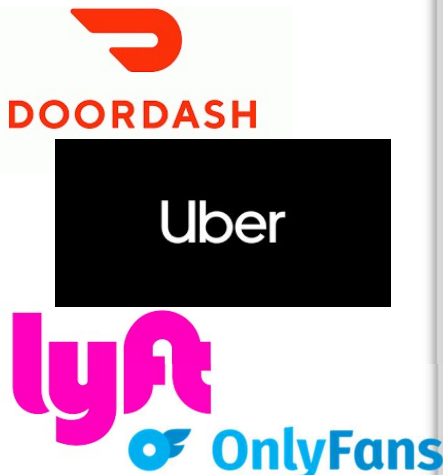
24 CFR § 5.603

Gig Income

Gig income is income earned from people providing on-demand work, services, or goods, referred to as “gig work.” Typically, this type of work can be documented through a digital platform such as an app or website.

Some examples of gig income include, but are not limited to:

- Ridesharing services (e.g., Lyft and Uber)
- Delivery services (e.g., Postmates, Grubhub, and DoorDash)
- Running errands or performing tasks (e.g., Task Rabbit and Upwork)
- Selling goods online (e.g., eBay and Poshmark)
- Providing creative services online (e.g., Twitch and OnlyFans)
- Property and space rentals (e.g., Airbnb)



Gig work is performed by independent contractors.

An independent contractor is defined as being “*An individual who qualifies as an independent contractor instead of an employee in accordance with the Internal Revenue Code Federal income tax requirements and whose earnings are consequently subject to the Self-Employment Tax. In general, an individual is an independent contractor if the payer has the right to control or direct only the result of the work and not what will be done and how it will be done.*”

As gig workers are independent contractors, they are considered self-employed, and their income must be calculated and documented as such.

ELIGIBILITY ESSENTIALS:

Income & Assets in Today's Tech-Driven Economy

References & Notes

Gig Income, cont.

Upwork

Upwork is a platform that allows “freelancers” to apply for contract work.



- Freelancers, including those who earned more than \$600, will not receive a Form 1099-MISC from Upwork.

IMPORTANT

The IRS has delayed their requirement for third party settlement organizations such as Upwork to report transactions of at least \$600. You will still receive a Form 1099-K if you are a U.S. Person and receive at least \$20,000 in payments from your clients on Upwork in 2022 that included 200 or more transactions. If you reach this amount, you will receive a Form 1099-K from Upwork in 2023 for your 2022 transactions.

- For income verification purposes, freelancers can access the following reports (which contains hour-based information in a weekly summary):
 - Transaction History – An itemized history of all earnings and payments
 - Earnings and Billings – View a total of all earnings or the ability to see earnings, by client, for up to the past 3 years
 - Certificate of Earnings – A downloadable PDF of the last 12 months earnings

Note: Freelancer Plus members have the ability to customize the reports using filters and date range options.

TaskRabbit



TaskRabbit is an application platform that allows “Taskers” (aka contractors) to perform tasks for a fee.

Tasks can include moving assistance, furniture assembly, yard work, minor home repairs, house cleaning, and running errands. Each task pays a different rate depending on the type of task. Taskers can also receive tips.

Taskers are paid from the client via credit card or debit card as TaskRabbit is a cashless platform.

Taskers will receive a 1099-K if the individual earns more than \$5,000..

Taskers can access their earnings histories by logging into their account and viewing their transactions. The Tasker can export their transactions to a PDF report which can be emailed.

<https://www.upwork.com>

<https://www.taskrabbit.com>

ELIGIBILITY ESSENTIALS:

Income & Assets in Today's Tech-Driven Economy

References & Notes

Gig Income, cont.

OnlyFans

OnlyFans is a subscription-based social media platform that allows followers or “fans” or “users” to pay for access of restricted content by a “Creator.”



<https://www.onlyfans.com>

How do Creators make money?

1. Fans will pay a monthly subscription (e.g., \$4.99 to \$50). Creators can also create bundles where fans can buy a subscription for 2 or more months at once (maximum bundle price is \$250).
2. Pay-Per-View (PPV) content (up to \$50 per user access)
3. Private Messages/Media (up to \$100 per private message/media)
4. Tips (no minimum or maximum)

Creators receive 80% of the revenue from their earnings from their subscriptions, paid messages, and from their tips. The remaining 20% goes to cover referral payments, payment processing, hosting, support, and all other services provided by the platform.

How is income documented?

Creators will receive an IRS Form 1099 if they have earned and withdrawn more than \$600 in the previous year.

Proof of income from OnlyFans can be located on the Creator's Earning Statistics page.

Twitch

Twitch is an online platform for live streaming.

Twitch allows users to pay to watch an “Affiliate” play video games, chat, interact, and make their own entertainment together (e.g., perform music, share food, and drink recipes, provide podcasts, and talk shows, etc.).



<https://www.twitch.com>

The income received by the Twitch Affiliate (the streamer) is included as income. As the amount can vary each month, the best approach would be to look at the Affiliate's streaming revenue for the last 12 months or from the date they began streaming, whichever is shorter, as well as collect the prior year's 1099 if they have been streaming long enough to file income taxes.

Below is a link that provides information to the Affiliate on accessing their payout screen:

https://help.twitch.tv/s/article/payout-history-dashboard-guide?language=en_US

Gig Income, cont.

Gig Drivers



One very common source of gig income is from gig driving. This could be a drive-partner for Uber and Lyft, but also could include food delivery and other delivery drivers such as UberEats, Grubhub, DoorDash, Postmates, and so on.

Gig drivers (or cyclists) are considered self-employed and their income must be calculated and documented as such.

Many drivers will drive for more than one ride-share service, so it is critical to ensure that an applicant or tenant discloses all driving gigs so that income can be projected as accurately as possible.

Common Expenses for Drivers

- Driver Partner fees
 - Refreshments for passengers
 - Toll and parking fees
 - Chargers and cell phone mounts
 - Cell phone (only portion used for business purposes)
 - Business use of car (either actual expense or standard IRS mileage rate)
- Note: Actual expenses include gas, repairs, maintenance, insurance, etc.

The following pages will outline some ways to document information from the common gig driving/ridesharing services.



ELIGIBILITY ESSENTIALS: Income & Assets in Today's Tech-Driven Economy

References & Notes

Gig Income, cont.

Gig Drivers, cont.

Uber & Uber Eats



- ▣ Drivers can access their 1099 and a tax summary through their online driver accounts. The driver can access their tax summaries by logging in to drivers.uber.com and clicking on "Tax Summary".
 - The tax summary will provide information on expenses, such as driver fees and mileage. The annual Tax Summary will be released in February for the previous year.
- ▣ Drivers can always access their monthly tax statements through their online account. Each tax statement is available a week after the month ends. The driver can also access these monthly tax statements by signing in to drivers.uber.com and clicking on "Tax Information".

<https://www.uber.com>

Uber Tax Information Webpages:

<https://www.uber.com/us/en/drive/tax-information>

<https://help.uber.com/driving-and-delivering/article/monthly-tax-statement?nodeId=04d7218e-383a-442e-bb6b-d0cc98994826>

<https://www.uber.com/us/en/drive/tax-information/faq-and-resources/#:~:text=All%20drivers%20and%20delivery%20people%20will%20receive%20a%20tax%20summary,of%20drivers.uber.com>

Postmates

- ▣ Postmates was acquired by Uber in 2020. Postmates weekly earnings summary is emailed to riders. For more information on accessing weekly earning summaries, direct couriers to visit the following website: <https://www.uber.com/us/en/drive/tax-information/>



Postmates

<https://www.postmates.com>

Lyft

- ▣ Drivers can access their 1099 through their online driver accounts. The driver can access their tax forms by logging in to <https://www.lyft.com/drive/dashboard> and clicking on "Tax Information." Tax information for a year is provided by the end of January in the following year.
- ▣ Drivers can also access earnings summaries through their online driver account. by logging in to their driver dashboard and selecting "Driving History." Earnings summaries are provided by ride, day, week, and year.



<https://www.lyft.com>

Lyft Tax Information Webpage:

<https://help.lyft.com/hc/en-us/driver/articles/115012926967-Tax-information-for-US-drivers>

ELIGIBILITY ESSENTIALS: Income & Assets in Today's Tech-Driven Economy

References & Notes

Gig Income, cont.

Gig Drivers, cont.

DoorDash



<https://www.doordash.com>

- 📄 In the United States, all Dashers that earn \$600 or more within a calendar year will receive a 1099-MISC from Payable.com.
- 📄 DoorDash does not track earnings like Lyft and Uber.
- 📄 To receive proof of the payments a driver has received from DoorDash, drivers must file a support case using the link below.

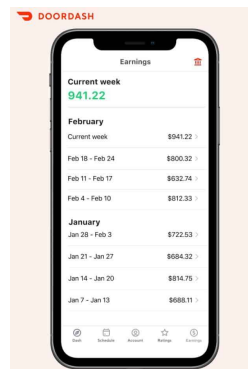
https://help.doordash.com/dashers/s/article/How-can-I-receive-proof-of-payment-history?language=en_US

DoorDash Information Webpages:

https://help.doordash.com/dashers/s/article/Common-Dasher-Tax-Questions?language=en_US&topicId=0TO1a0000007fAvGAI&topicName=Earn%20and%20Get%20Paid

<https://support.stripe.com/express/questions/guide-to-1099-tax-forms-for-doordash-dashers>

<https://dasher.doordash.com/en-us/doordashcrimson>



GrubHub

<https://www.grubhub.com>



- 📄 Drivers can access the last eight (8) pay summaries in the GrubHub drivers app or in their email every Tuesday morning. It should be noted that the pay summaries do not have driver names listed. It is recommended that management also acquire bank statements to match the summary amounts to deposit amounts in the driver's bank account.

- 📄 For more information on accessing this information direct drivers to visit the following website:
<https://driver-support.grubhub.com/hc/en-us/articles/360035686912-Can-you-provide-proof-of-Grubhub-employment->

Amazon Flex

<https://flex.amazon.com>

- 📄 Amazon Flex drivers can access their weekly earnings summaries through the Flex driver app.
- 📄 For more information on Amazon Flex, Earnings and other topics, drivers can visit <https://flex.amazon.com/faq>.



ELIGIBILITY ESSENTIALS: Income & Assets in Today's Tech-Driven Economy

References & Notes

Gig Income, cont.

KNOWLEDGE CHECK:

Self-Employment



Luke wants to move in on January 1st. Luke drives for Lyft and he began providing his services on July 1st of the prior year. Luke provides his prior year tax return which reported a Gross Income of \$28,000 and a Net Income of \$18,600.

Based on this information, what would be the anticipated income from this source for his move-in certification?

ELIGIBILITY ESSENTIALS:

Income & Assets in Today's Tech-Driven Economy

References & Notes

Units Being Used for Business



Low-Income Housing Tax Credit – Conducting Business in Units

The 8823 Guide provides guidance on tenants conducting business in LIHTC units. The guidance states:

If the unit is the tenant's primary residence:

- A tenant **may** use a portion of their LIHTC unit exclusively and on a regular basis as a principle place of business.
- The tenant **can** claim the associated expenses as tax deductions.

Day Care Services

If the tenant is providing daycare services in their LIHTC unit, the tenant **must**:

- *"Have applied for (and not have been rejected), be granted (and still have in effect), or be exempt from having a license, certification, registration, or approval as a daycare facility or home under state law."*

For more information, refer to Form 8829, Expenses for Business Use of Your Home, the form's instructions, and Publication 587, Business Use of Your Home (Including Use by Daycare Providers).

Low-Income Housing Credit Agencies Report of Noncompliance or Building Disposition Audit Technique Guide - Publication 5913 Section G.6 page 60



HUD Multi-Family Housing – Conducting Business in Units

HUD provides guidance on tenants conducting business in assisted units in the HUD Handbook 4350.3, paragraph 6-9 (B)(3), which states:

"Owners may establish house rules covering tenants who conduct incidental business, such as computer work, limited babysitting, etc. in their unit. The rules would deal with or prohibit such things as the:

- a. Amount of traffic (both foot and motor vehicle) associated with such incidental business income;*
- b. Amount of noise associated with such incidental income;*
- c. Prohibition of signs in unit windows;*
- d. Use of parking within the project grounds for such incidental business use;*
- e. Hours such incidental work could be performed if such performance could disturb the rights or comforts of the neighbors; and*
- f. Other such reasonable rules.*

Note: Tenants who conduct incidental business in their unit and receive incidental business income are not in violation of paragraph 13, General Restrictions, of the Model Lease for Subsidized Programs."

HUD 4350.3 6-9 B. 3./6-22

ELIGIBILITY ESSENTIALS: Income & Assets in Today's Tech-Driven Economy

References & Notes

Units Being Used for Business, cont.



Rural Development – Conducting Business in Units

Rural Development regulations do not address tenants conducting business out of their RD assisted units.

That being said, there is RD guidance applicable to the Rural Development Voucher Program (RDVP) which states:

"Using the assisted unit as a residence only and as the only residence of the tenant. Members of the household may engage in legal profit-making activities within the unit, but only if those activities are incidental to the primary use of the unit as a residence. The members of the tenant household may not receive another housing subsidy in the same unit or a different unit;."

Rural Development
Voucher Program Guide
1.9/9



HOME Investment Partnerships Program – Conducting Business in Units

HOME regulations do not specifically address tenants conducting business in their HOME assisted units.



National Housing Trust Fund – Conducting Business in Units

The National Housing Trust Fund program does not specifically address tenants conducting business in their units.

ELIGIBILITY ESSENTIALS:

Income & Assets in Today's Tech-Driven Economy

References & Notes

Self-Employment Documentation



Low-Income Housing Tax Credit – Self-Employment Documentation

Pages 4-12 and 4-13 of the 8823 Guide provide two options for documenting self-employment income, which includes:

1. Obtaining the individual's prior year tax returns and Schedules C. If necessary, the owner can ask the potential tenant to provide a signed Form 8821, which will allow the owner to verify the information with the IRS.
2. If the business has not been in operation long enough to file a tax return, the net income from self-employment can be annualized based on the number of months in the year that the business has been in operation.

The formula to determine this amount is:

Net Income Year-to-Date × 12 Months ÷ Number of Months in Business During the Current Year

The amount can also be determined by using the following formula:

Net Income Year-to-Date ÷ Number of Months in Business During the Current Year × 12 Months

Note: Some state Housing Finance Agencies (HFAs) may have additional documentation requirements relating to self-employment income, such as requiring two years of tax returns to be obtained.

Low-Income Housing Credit Agencies Report of Noncompliance or Building Disposition Audit Technique Guide - Publication 5913, Section G.6, page 59



HUD Multi-Family Housing – Self-Employment Documentation

HUD's guidance regarding acceptable self-employment documentation can be found in the HUD 4350.3 handbook, Appendix 3 (page 17).

The guidance states:

The following documents show income for the prior years. Owners must consult with tenants and use this data to estimate income for the next 12 months.

1. IRS Tax Return, Form 1040, including any:
 - a. Schedule C (Small Business);
 - b. Schedule E (Rental Property Income); and
 - c. Schedule F (Farm Income).
2. An accountant's calculation of depreciation expense, computed using straight-line depreciation rules. (Required when accelerated depreciation was used on the tax return or financial statement.)
3. Audited or unaudited financial statement(s) of the business.
4. Loan application listing income derived from the business during the previous 12 months.
5. Applicant's notarized statement or affidavit as to net income realized from the business during the previous years.

As outlined in the Verification Hierarchy, Level 4, *"PHAs/MFH Owners must use written, third-party verification when the income type is not available in EIV (e.g., self-employment, Go Fund Me accounts, general public assistance, Veterans Administration benefits, etc.)."*

HUD 4350.3 Appendix 3 page 17

HUD Notice H 2023-10, Attachment J, J.5./122

ELIGIBILITY ESSENTIALS: Income & Assets in Today's Tech-Driven Economy

References & Notes

Self-Employment Documentation, cont.



Rural Development – Self-Employment Documentation

Rural Development's guidance relating to self-employment documentation can be found in the HB-2-3560, Exhibit 6-3 (page 6-17). The guidance states:

- Self-employed applicants/tenants must provide current documentation of income and expenses, which cannot be older than the previous fiscal year.
- The Borrower must compare the income and expenses information provided by the applicant/tenant with the latest income tax return and clarify any discrepancies.

RD HB-2-3560 Exhibit 6-3/6-17

Self-Employment Documentation, cont.

24 CFR § 92.203(a)



HOME Investment Partnerships Program – Self-Employment Documentation

HOME regulations do not directly address how self-employment income must be documented. HOME verification requirements can be found at 24 CFR § 92.203(a)(1)(i) which states:

Initial Certification – Income must be documented using Method 1.

Method 1:

Examine at least 2 months of source documents evidencing annual income (e.g., wage statements, interest statements, unemployment compensation statements, etc.) for the household.

- ! **Exception** – If the household receives **Project-Based Rental Assistance** (federal or state) the PJ **may** accept the income determination made by the housing provider under the project-based assistance program.
- ! **Exception** – If the household receives **Federal Tenant-Based Rental Assistance** the PJ **may** accept the income determination made by the subsidy provider under the tenant-based assistance program.
- ! **Safe Harbor Income Determination** (if permitted by the PJ)

Recertification – For subsequent income determinations during the period of affordability, the Participating Jurisdiction may require the use of the methods noted below.

Method 1:

Examine at least 2 months of source documents evidencing annual income (e.g., wage statements, interest statements, unemployment compensation statements, etc.) for the household.

Method 2:

Obtain from the family a written statement or, where needed due to disability, a statement in another format, of the amount of the family's annual income and family size, along with a certification that the information is complete and accurate. The certification must state that the family will provide source documents upon request. If there is evidence that a tenant's statement and certification provided fails to completely and accurately state information about the family's size or income, a tenant's income must be re-examined using at least 2-months of source documents evidencing annual income for the household.

- ! **Exception** – If the household receives **Project-Based Rental Assistance** (federal or state) the PJ **may** accept the income determination made by the housing provider under the project-based assistance program.
- ! **Exception** – If the household receives **Federal Tenant-Based Rental Assistance** the PJ **may** accept the income determination made by the subsidy provider under the tenant-based assistance program.
- ! **Safe Harbor Income Determination** (if permitted by the PJ)

Note: Some PJ's may have additional requirements regarding the documentation of self-employment income, such as requiring two years of tax returns to be obtained.

Self-Employment Documentation, cont.

24 CFR § 93.151(d)



National Housing Trust Fund – Self-Employment Documentation

The Housing Trust Fund (HTF) regulations do not directly address how self-employment income must be documented. The HTF verification requirements can be found at 24 CFR § 93.151(d). The guidance states the following:

Initial Certification – Income must be documented using Method 1.

Method 1:

Examine at least 2 months of source documents evidencing annual income (e.g., wage statements, interest statements, unemployment compensation statements, etc.) for the household.

- ! **Exception** – If the household receives **Project-Based Rental Assistance** (federal or state) the grantee **must** accept the income determination made by the housing provider under the project-based assistance program.
- ! **Exception** – If the household receives **Federal Tenant-Based Rental Assistance** (e.g., housing choice voucher program, HOME tenant based rental assistance, etc.) the grantee **must** accept the income determination made by the subsidy provider under the tenant-based assistance program.

Recertification – For subsequent income determinations during the period of affordability, the Grantee may require the use of the methods noted below.

Method 1:

Examine at least 2 months of source documents evidencing annual income (e.g., wage statements, interest statements, unemployment compensation statements, etc.) for the household.

Method 2:

Obtain from the family a written statement of the amount of the family's annual income and family size, along with a certification that the information is complete and accurate. The certification must state that the family will provide source documents upon request.

Method 3:

Obtain a written statement from the administrator of a government program under which the family receives benefits, and which examines each year the annual income of the family. The statement must indicate the tenant's family size and state the amount of the family's annual income; or alternatively, the statement must indicate the current dollar limit for very low- or low-income families for the family size of the tenant and state that the tenant's annual income does not exceed this limit.

- ! **Exception** – If the household receives **Project-Based Rental Assistance** (federal or state) the grantee **must** accept the income determination made by the housing provider under the project-based assistance program.
- ! **Exception** – If the household receives **Federal Tenant-Based Rental Assistance** (e.g., housing choice voucher program, HOME tenant based rental assistance, etc.) the grantee **must** accept the income determination made by the subsidy provider under the tenant-based assistance program.

Note: Always check with the Grantee to see if there are any additional requirements regarding the documentation of self-employment income.

ELIGIBILITY ESSENTIALS: Income & Assets in Today's Tech-Driven Economy

References & Notes

Review of Tax Returns

Below are highlighted items to be aware of when reviewing an IRS 1040.

Form 1040 Department of the Treasury—Internal Revenue Service
U.S. Individual Income Tax Return **2024** OMB No. 1545-0074 IRS Use Only—Do not write or staple in this space.

For the year Jan. 1–Dec. 31, 2024, or other tax year beginning _____, 2024, ending _____, 20____. See separate instructions.

Your first name and middle initial _____ Last name _____ Your social security number _____
If joint return, spouse's first name and middle initial _____ Last name _____ Spouse's social security number _____

Home address (number and street). If you have a P.O. box, see instructions. _____ Apt. no. _____
City, town, or post office. If you have a foreign address, also complete spaces below. _____ State _____ ZIP code _____
Foreign country name _____ Foreign province/state/county _____ Foreign postal code _____

Filing Status Check only one box.
☐ Single ☐ Head of household (HOH) ☐ Married filing jointly (even if only one had income) ☐ Married filing separately (MFS) ☐ Qualifying surviving spouse (QSS)
If you checked the MFS box, enter the name of your spouse. If you checked the HOH or QSS box, enter the child's name if the qualifying person is a child but not your dependent: _____
☐ If treating a nonresident alien or dual-status alien spouse as a U.S. resident for the entire tax year, check the box and enter their name (see instructions and attach statement if required): _____

Digital Assets At any time during 2024, did you: (a) receive (as a reward, award, or payment for property or services); or (b) sell, exchange, or otherwise dispose of a digital asset (or a financial interest in a digital asset)? (See instructions.) ☐ Yes ☐ No

Standard Deduction Someone can claim: ☐ You as a dependent ☐ Your spouse as a dependent ☐ Spouse itemizes on a separate return or you were a dual-status alien

Age/Blindness You: ☐ Were born before January 2, 1960 ☐ Are blind **Spouse:** ☐ Was born before January 2, 1960 ☐ Is blind

Dependents (see instructions):
If more than four dependents, see instructions and check here ☐

(1) First name	Last name	(2) Social security number	(3) Relationship to you	(4) Check the box if qualifies for (see instructions): Child tax credit	Credit for other dependents
				☐	☐
				☐	☐
				☐	☐
				☐	☐

Income
1a Total amount from Form(s) W-2, box 1 (see instructions) 1a _____
b Household employee wages not reported on Form(s) W-2 1b _____
c Tip income not reported on line 1a (see instructions) 1c _____
d Medicaid waiver payments not reported on Form(s) W-2 (see instructions) 1d _____
e Taxable dependent care benefits from Form 2441, line 26 1e _____
f Employer-provided adoption benefits from Form 8839, line 29 1f _____
g Wages from Form 8919, line 6 1g _____
h Other earned income (see instructions) 1h _____
i Nontaxable combat pay election (see instructions) 1i _____
z Add lines 1a through 1h 1z _____
2a Tax-exempt interest 2a _____ 2b Taxable interest 2b _____
3a Qualified dividends 3a _____ 3b Ordinary dividends 3b _____
4a IRA distributions 4a _____ 4b Taxable amount 4b _____
5a Pensions and annuities 5a _____ 5b Taxable amount 5b _____
6a Social security benefits 6a _____ 6b Taxable amount 6b _____
c If you elect to use the lump-sum election method, check here (see instructions) ☐ _____
7 Capital gain or (loss). Attach Schedule D if required. If not required, check here ☐ 7 _____
8 Additional income from Schedule 1, line 10 8 _____
9 Add lines 1z, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your **total income** 9 _____
10 Adjustments to income from Schedule 1, line 26 10 _____
11 Subtract line 10 from line 9. This is your **adjusted gross income** 11 _____
12 **Standard deduction or itemized deductions** (from Schedule A) 12 _____
13 Qualified business income deduction from Form 8995 or Form 8995-A 13 _____
14 Add lines 12 and 13 14 _____
15 Subtract line 14 from line 11. If zero or less, enter 0. This is your **taxable income** 15 _____

For Disclosure, Privacy Act, and Paperwork Reduction Project, see instructions.

Form 1040 (2024)

Review Filing Status and compare the marital status listed to the status reported by the applicant/tenant and clarify any discrepancies.

If this question is answered yes, make sure the file is documented to demonstrate whether the applicant/tenant currently holds virtual currency. If the applicant/tenant does currently hold virtual currency, it must be treated as an asset.

If an applicant is reporting self-employment as their only source of income, yet an amount appears in item 1, the best practice is to verify termination of these wages.

Pension Benefits are listed on line item 5. SS Benefits are on line 6. Compare to income sources reported by the applicant/tenant and clarify any discrepancies.

Capital Gains are listed on line item 7, which could indicate that the applicant/tenant has a lump-sum asset.

If an amount is listed here, make sure that the applicant also provides the 1040 Schedule 1, which will reflect additional income sources such as business income, Alimony, Pensions, etc. Compare to income sources reported by the applicant/tenant and clarify any discrepancies.

ELIGIBILITY ESSENTIALS: Income & Assets in Today's Tech-Driven Economy

References & Notes

Review of Tax Returns, cont.

Below are highlighted items to be aware of when reviewing an **IRS 1040 (Page 2)**.

If the tax refund is being direct deposited into a checking or savings account, make sure this asset was also disclosed by the applicant/tenant and clarify any discrepancies.

Form 1040 (2024) Page 2

Tax and Credits	16	Tax (see instructions). Check if any from Form(s): 1 ☐ 8814 2 ☐ 4972 3 ☐	16
	17	Amount from Schedule 2, line 3	17
	18	Add lines 16 and 17	18
	19	Child tax credit or credit for other dependents from Schedule 8812	19
	20	Amount from Schedule 3, line 8	20
	21	Add lines 19 and 20	21
	22	Subtract line 21 from line 18. If zero or less, enter -0-	22
	23	Other taxes, including self-employment tax, from Schedule 2, line 21	23
	24	Add lines 22 and 23. This is your total tax	24
Payments	25	Federal income tax withheld from:	
	a	Form(s) W-2	25a
	b	Form(s) 1099	25b
	c	Other forms (see instructions)	25c
	d	Add lines 25a through 25c	25d
	26	2024 estimated tax payments and amount applied from 2023 return	26
	27	Earned income credit (EIC)	27
	28	Additional child tax credit from Schedule 8812	28
	29	American opportunity credit from Form 8863, line 8	29
	30	Reserved for future use	30
	31	Amount from Schedule 3, line 15	31
	32	Add lines 27, 28, 29, and 31. These are your total other payments and refundable credits	32
	33	Add lines 25d, 26, and 32. These are your total payments	33
	34	If line 33 is more than line 24, subtract line 24 from line 33. This is the amount you overpaid	34
	35a	Amount of line 34 you want refunded to you . If Form 8888 is attached, check here	35a
	b	Routing number	
	c	Type: ☐ Checking ☐ Savings	
	d	Account number	
	36	Amount of line 34 you want applied to your 2025 estimated tax	36
Amount You Owe	37	Subtract line 33 from line 24. This is the amount you owe . For details on how to pay, go to www.irs.gov/Payments or see instructions	37
	38	Estimated tax penalty (see instructions)	38
Third Party Designee	Do you want to allow another person to discuss this return with the IRS? See instructions ☐ Yes. Complete below. ☐ No		
	Designee's name	Phone no.	Personal identification number (PIN)
Sign Here	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.		
	Your signature	Date	Your occupation
	Spouse's signature. If a joint return, both must sign.	Date	Spouse's occupation
	Phone no.	Email address	
Paid Preparer Use Only	Preparer's name	Preparer's signature	Date
	Firm's name	Phone no.	Check if: ☐ Self-employed
	Firm's address	Firm's EIN	

Go to www.irs.gov/Form1040 for instructions and the latest information. Form 1040 (2024)

If a tax return is submitted to management unsigned, either:

- Have the applicant sign an affidavit stating that the tax return is a true and accurate copy of the return submitted to the IRS for the given tax year; **OR**
- Request the applicant to submit Form 4506-T "Request for Transcript of Tax Return" to the IRS. This can be requested online at:

<https://www.irs.gov/individuals/get-transcript>

Once the transcript is received, compare the transcript to the return to ensure that the amounts on the return match the amounts on the transcript.

The transcript should only be used to support the Tax Return but should never be used in lieu of the actual return.

ELIGIBILITY ESSENTIALS: Income & Assets in Today's Tech-Driven Economy

References & Notes

Review of Tax Returns, cont.

Below are highlighted items to be aware of when reviewing **Schedule 1**.

Compare any income sources listed here to what has been reported by the applicant/tenant and clarify any discrepancies.

SCHEDULE 1 (Form 1040)

Department of the Treasury
Internal Revenue Service

Additional Income and Adjustments to Income

Attach to Form 1040, 1040-SR, or 1040-NR.

Go to www.irs.gov/Form1040 for instructions and the latest information.

OMB No. 1545-0074

2024
Attachment
Sequence No. **01**

Name(s) shown on Form 1040, 1040-SR, or 1040-NR

Your social security number

For 2024, enter the amount reported to you on Form(s) 1099-K that was included in error or for personal items sold at a loss

Note: The remaining amounts reported to you on Form(s) 1099-K should be reported elsewhere on your return depending on the nature of the transaction. See www.irs.gov/1099k.

Part I Additional Income

1	Taxable refunds, credits, or offsets of state and local income taxes	1	
2a	Alimony received	2a	
b	Date of original divorce or separation agreement (see instructions):		
3	Business income or (loss). Attach Schedule C	3	
4	Other gains or (losses). Attach Form 4797	4	
5	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	5	
6	Farm income or (loss). Attach Schedule F	6	
7	Unemployment compensation	7	
8	Other income:		
a	Net operating loss	8a	()
b	Gambling	8b	
c	Cancellation of debt	8c	
d	Foreign earned income exclusion from Form 2555	8d	()
e	Income from Form 8853	8e	
f	Income from Form 8889	8f	
g	Alaska Permanent Fund dividends	8g	
h	Jury duty pay	8h	
i	Prizes and awards	8i	
j	Activity not engaged in for profit income	8j	
k	Stock options	8k	
l	Income from the rental of personal property if you engaged in the rental for profit but were not in the business of renting such property	8l	
m	Olympic and Paralympic medals and USOC prize money (see instructions)	8m	
n	Section 951(a) inclusion (see instructions)	8n	
o	Section 951A(a) inclusion (see instructions)	8o	
p	Section 461(l) excess business loss adjustment	8p	
q	Taxable distributions from an ABL account (see instructions)	8q	
r	Scholarship and fellowship grants not reported on Form W-2	8r	
s	Nontaxable amount of Medicaid waiver payments included on Form 1040, line 1a or 1d	8s	()
t	Pension or annuity from a nonqualified deferred compensation plan or a nongovernmental section 457 plan	8t	
u	Wages earned while incarcerated	8u	
v	Digital assets received as ordinary income not reported elsewhere. See instructions	8v	
z	Other income. List type and amount:	8z	
9	Total other income. Add lines 8a through 8z	9	
10	Combine lines 1 through 7 and 9. This is your additional income . Enter here and on Form 1040, 1040-SR, or 1040-NR, line 8	10	

For Paperwork Reduction Act Notice, see your tax return instructions.

Cat. No. 71479F

Schedule 1 (Form 1040) 2024

ELIGIBILITY ESSENTIALS: Income & Assets in Today's Tech-Driven Economy

References & Notes

Review of Tax Returns, cont.

Below are highlighted items to be aware of when reviewing an IRS Schedule C.

If box "H" is checked, then the net income noted may not reflect an entire year. Clarification needs to be obtained from the business owner as to when the business began and then income needs to be annualized.

If an amount is listed in items 11 or 26, obtain clarification from the business owner as to whether the contract labor/wages are paid to a household member. If it is, this amount must be added to annual income.

If an amount is listed in item 13, obtain clarification from the business owner as to what method of depreciation was used. Only depreciation computed on a straight-line basis can be used as a business expense when determining income.

Net income from the business is found in line item 31. If this amount is a negative amount, income from this source must be counted as zero (0). Negative amounts **DO NOT** offset other household income.

SCHEDULE C (Form 1040) **Profit or Loss From Business** (Sole Proprietorship)

OMB No. 1545-0074 **2024** Attachment Sequence No. **09**

Department of the Treasury Internal Revenue Service **Attach to Form 1040, 1040-SR, 1040-SS, 1040-NR, or 1041; partnerships must generally file Form 1065. Go to www.irs.gov/ScheduleC for instructions and the latest information.**

Name of proprietor _____ Social security number (SSN) _____

A Principal business or profession, including product or service (see instructions) _____ **B** Enter code from instructions _____

C Business name. If no separate business name, leave blank. _____ **D** Employer ID number (EIN) (see instr.) _____

E Business address (including suite or room no.) _____ City, town or post office, state, and ZIP code _____

F Accounting method: (1) ☐ Cash (2) ☐ Accrual (3) ☐ Other (specify) _____

G Did you "materially participate" in the operation of this business during 2024? If "No," see instructions for limit on losses ☐ Yes ☐ No

H If you started or acquired this business during 2024, check here ☐ Yes ☐ No

I Did you make any payments in 2024 that would require you to file Form(s) 1099? See instructions ☐ Yes ☐ No

J If "Yes," did you or will you file required Form(s) 1099? ☐ Yes ☐ No

Part I Income

1	Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked ☐	1
2	Returns and allowances	2
3	Subtract line 2 from line 1	3
4	Cost of goods sold (from line 42)	4
5	Gross profit. Subtract line 4 from line 3	5
6	Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	6
7	Gross income. Add lines 5 and 6	7

Part II Expenses. Enter expenses for business use of your home only on line 30.

8	Advertising	8	18	Office expense (see instructions)	18
9	Car and truck expenses (see instructions)	9	19	Pension and profit-sharing plans	19
10	Commissions and fees	10	20	Rent or lease (see instructions):	20a
11	Contract labor (see instructions)	11	a	Vehicles, machinery, and equipment	20a
12	Depletion	12	b	Other business property	20b
13	Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13	21	Repairs and maintenance	21
14	Employee benefit programs (other than on line 19)	14	22	Supplies (not included in Part III)	22
15	Insurance (other than health)	15	23	Taxes and licenses	23
16	Interest (see instructions):			Travel and meals:	
a	Mortgage (paid to banks, etc.)	16a	24a	Travel	24a
b	Other	16b	24b	Deductible meals (see instructions)	24b
17	Legal and professional services	17	25	Utilities	25
18			26	Wages (less employment credits)	26
19			27a	Other expenses (from line 48)	27a
20			b	Energy efficient commercial bldgs deduction (attach Form 7205)	27b
21					
22					
23					
24					
25					
26					
27					
28	Total expenses before expenses for business use of home. Add lines 8 through 27b	28			
29	Tentative profit or (loss). Subtract line 28 from line 7	29			
30	Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method. See instructions. Simplified method filers only: Enter the total square footage of (a) your home: _____ and (b) the part of your home used for business: _____. Use the Simplified Method Worksheet in the instructions to figure the amount to enter on line 30.	30			
31	Net profit or (loss). Subtract line 30 from line 29. • If a profit, enter on both Schedule 1 (Form 1040), line 3, and on Schedule SE, line 2. (If you checked the box on line 1, see instructions.) Estates and trusts, enter on Form 1041, line 3. • If a loss, you must go to line 32.	31			
32	If you have a loss, check the box that describes your investment in this activity. See instructions. • If you checked 32a, enter the loss on both Schedule 1 (Form 1040), line 3, and on Schedule SE, line 2. (If you checked the box on line 1, see the line 31 instructions.) Estates and trusts, enter on Form 1041, line 3. • If you checked 32b, you must attach Form 6198. Your loss may be limited.		32a	☐ All investment is at risk.	
			32b	☐ Some investment is not at risk.	

For Paperwork Reduction Act Notice, see the separate instructions. Cat. No. 11334P Schedule C (Form 1040) 2024

ELIGIBILITY ESSENTIALS:

Income & Assets in Today's Tech-Driven Economy

References & Notes

Introduction to Assets

What Is an Asset?

An asset is an item of value that can be turned into cash.

Annual income includes amounts derived (during the 12-month certification period) from assets to which **any member of the family has access**.



24 CFR § 5.609(a)
HUD 4350.3 5-4 C./5-3
HUD 4350.3 5-7/5-23

Common Asset Terms

Market Value

The value of the asset on the open market.

Example – Jose owns a home that is valued at \$125,000. The Market Value is \$125,000.

Net Family Assets

Net Family Assets refers to the total of a household's **Non-Necessary Personal Property + Real Property**.

The definition of net family assets can be found in 24 CFR § 5.603.

Cash Value/Net Asset Value

The Market Value of the asset **less the cost** to turn the asset into cash. Also referred to as the “**net asset value**.”

Example – Jose wants to sell the home he owns. The home's Market Value is \$125,000 and the realtor/legal fees to sell the home would be \$7,500. The Cash Value is **\$117,500** (\$125,000 – \$7,500 = \$117,500).

24 CFR § 5.603(b)
HUD Notice H 2023-10,
Attachment F, F.6/70

Actual Asset Income

The actual income from the asset, generally is calculated by multiplying the Market Value by the interest rate.

Example – Jose has a savings account where his current balance is \$2,800. The savings account has a 1% interest rate. The actual asset income is **\$28** (\$2,800 x 1% = \$28).

Imputed Asset Income

Imputing asset income on an asset is **only required** when the **net family assets exceed \$51,600** (the 2025 Asset Threshold, which HUD may adjust annually), **and** the actual income from any given asset **cannot** be calculated.

Example – Jose's total net assets are \$120,300 (the home's Cash Value of \$117,500 and the savings account balance of \$2,800). The owner can calculate the actual income of the savings account as \$28. The owner is unable to calculate the actual income earned for the property owned by Jose, because the property neither generates any income for him nor could an income amount be computed as a matter of interest or dividend earnings. Therefore, imputed asset income for the real property must be calculated. The passbook savings rate in effect is 0.45%. The imputed income is **\$528.75**. (\$117,500 x .45% = \$528.75). Total asset income (must be included in the calculation of annual income) for Jose is **\$556.75** (\$28 + \$528.75 = \$556.75).

ELIGIBILITY ESSENTIALS:

Income & Assets in Today's Tech-Driven Economy

References & Notes

Overview of Asset Inclusions & Exclusions

All household assets will fall under one of two categories:

1. Personal Property

- Includes both physical items such as a boat, and non-physical items such as financial assets (checking accounts, stocks, bonds, etc.)

2. Real Property

- Includes houses and land

24 CFR § 5.609(a)

Common Household Assets

• Personal Property

- Cash held in savings and checking accounts, safe deposit boxes, homes, etc.
- Revocable trusts
- Stocks, bonds, Treasury bills, certificates of deposit, mutual funds, and money market accounts
- Retirement and pension funds not recognized by the IRS
- Cash value of life insurance policies available to the individual before death
- Lump-sum receipts or one-time receipts
- A mortgage or deed of trust held by an applicant

• Real Property

- House/Condo
- Land

Assets Owned Jointly

If assets are held by the household and by another individual(s) outside of the household, the total value of the asset is included toward the household's assets. It **is not pro-rated** amongst the owners of the account.

Exceptions...

The entire value of the asset **is not required** to be counted if:

- The household cannot access the asset.
- The household cannot dispose of the asset without permission from other owners.

In situations where the above exceptions apply, the amount of the asset that can be accessed by the household is included in the household's net family assets.

Asset Owned by Business Entity

"If a business entity (e.g., limited liability company or limited partnership) owns the asset, then the family's asset is their ownership stake in the business, not some portion of the business's assets.

However, if the family holds the assets in their own name (e.g., they own one-third of a restaurant) rather than in the name of a business entity, then the percentage value of the asset owned by the family is what is counted toward net family assets (e.g., one-third of the value of the restaurant)."

HUD Notice H 2023-10,
Attachment F, F.4.a/59

HUD 4350.3 5-7 D./5-25

HUD Notice H 2023-10,
Attachment F, F.4.a/59

ELIGIBILITY ESSENTIALS:

Income & Assets in Today's Tech-Driven Economy

References & Notes

24 CFR § 5.609(b)

24 CFR § 5.603(b)

HUD Notice H 2023-10,
Attachment F., F.4.b/60

Overview of Asset Inclusions & Exclusions, cont.

Federally Excluded Assets

While it is crucial to be aware of all the different types of assets that must be included in annual income, it is equally important to be knowledgeable of the types of assets that are federally excluded from being treated as household assets.

(3) Excluded from the calculation of net family assets are:

- i. The value of necessary items of personal property;
- ii. The combined value of all non-necessary items of personal property if the combined total value does not exceed \$50,000 (which amount will be adjusted by HUD in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers);
- iii. The value of any account under a retirement plan recognized as such by the Internal Revenue Service, including individual retirement arrangements (IRAs), employer retirement plans, and retirement plans for self-employed individuals;
- iv. The value of real property that the family does not have the effective legal authority to sell in the jurisdiction in which the property is located;
- v. Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member arising out of law, that resulted in a family member being a person with a disability;
- vi. The value of any Coverdell education savings account under section 530 of the Internal Revenue Code of 1986, the value of any qualified tuition program under section 529 of such Code, the value of any Achieving a Better Life Experience (ABLE) account authorized under Section 529A of such Code, and the value of any "baby bond" account created, authorized, or funded by Federal, State, or local government.
- vii. Interests in Indian trust land;
- viii. Equity in a manufactured home where the family receives assistance under 24 CFR part 982;
- ix. Equity in property under the Homeownership Option for which a family receives assistance under 24 CFR part 982;
- x. Family Self-Sufficiency Accounts;
- xi. Federal tax refunds or refundable tax credits for a period of 12 months after receipt by the family.**

(4) In cases where a trust fund has been established and the trust is not revocable by, or under the control of, any member of the family or household, the trust fund is not a family asset and the value of the trust is not included in the calculation of net family assets, so long as the fund continues to be held in a trust that is not revocable by, or under the control of, any member of the family or household.

****Note:** In the HUD Notice H 2023-10, HUD states that *"At the time of an annual or interim recertification of income, if the federal tax refund was received during the 12 months preceding the effective date of the recertification, then the amount of the refund that was received by the household is subtracted from the total value net family assets. When the subtraction results in a negative number, then net family assets are considered \$0."*

Additional clarification is needed from HUD to confirm whether this exclusion is only applied at recertification and is not applicable at move-in or initial certification.

Additional Asset Exclusions – Per Updated Federal Register Published 1/31/24

On January 31, 2024, the Department of Housing and Urban Development (HUD) announced updates to the income and asset exclusion criteria in the Federal Register. These changes, crucial for determining household eligibility across HUD housing programs, align with federal statutes to ensure more accurate income determinations.

These exclusions will apply to any housing program that utilizes HUD regulations found in 24 CFR § 5.609.

Asset Exclusions:

One notable change is that 17 of the income exclusion were modified to add text that explicitly states that these income sources are also excluded as assets.

The following 17 income exclusions were modified to clarify that the income exclusion is also excluded as an asset.

- 1. Food stamps
- 3. Alaska Native Claims Settlement Act Payments
- 4. Income from Certain Submarginal Land
- 5. LIHEAP Payments
- 6. Grand River Band of Ottawa Indians Income Distributions
- 7. Per Capita Shares from Judgement Funds
- 10. Agent Orange Settlement Funds Payments
- 11. Maine Indian Claims Settlement Act
- 12. Earned Income Tax Credit (EITC)
- 15. Indian Claims Commission Payments
- 16. Vietnam Veteran Children Allowances
- 17. Crime Victim Compensation
- 19. School Lunch and Child Nutrition Act Benefits
- 20. Seneca Nation Settlement Payments
- 24. Cobell Settlement Payments
- 25. Individual Development Account
- 27. Federal Major Disaster or Emergency Assistance

Asset Exclusions Impact:

Aligning with HUD's treatment of federal tax refunds as an excluded asset it would appear that if a household possesses any of the above excluded assets, then the amounts must be subtracted from the net family assets, but additional information is needed from HUD to confirm.

This could impact when imputing income is required, as well as the asset limitation for Section 8 recipient at initial certification.

24 CFR § 5.609(b)

24 CFR § 5.603(b)

HUD Notice H 2023-10,
Attachment F., F.4.e/67

ELIGIBILITY ESSENTIALS:

Income & Assets in Today's Tech-Driven Economy

References & Notes

Personal Property

NET FAMILY ASSETS = Non-Necessary Personal Property + Equity in Real Property

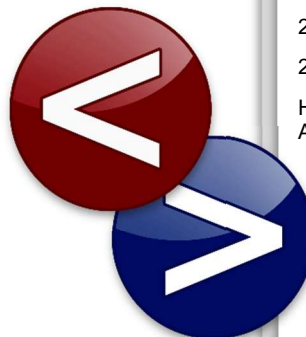
Necessary personal property is **excluded** from net family assets.

In addition, when the combined value of all non-necessary personal property **does not exceed \$51,600**, as adjusted by inflation, all non-necessary personal property is **excluded** from net family assets.

Non-necessary personal property with a combined value **greater than \$51,600**, as adjusted by inflation, is considered part of net family assets, and is **included**.

All household assets will fall under one of two categories:

- **Personal Property**
 - Personal property encompasses both physical items, like boats, and non-physical items, such as bank accounts.
- **Real Property**
 - Such as land and homes



24 CFR § 5.609(a)

24 CFR § 5.603(b)

HUD Notice H 2023-10,
Attachment F, F.4.c/61

Necessary Personal Property

Necessary personal property are items:

- That are essential to the family for the maintenance, use, and occupancy of the premises as a home; or
- That are necessary for employment, education, or health and wellness.

Includes:

- ☐ Personal effects (such as items that are ordinarily worn or utilized by the individual),
- ☐ Items that are convenient or useful to a reasonable existence,
- ☐ Items that support and facilitate daily life within the home.
- ☐ Items that assist a household member with a disability, including any items related to disability-related needs, or that may be required for a reasonable accommodation for a person with a disability.

Non-Necessary Personal Property

Non-Necessary personal property are items:

- ☐ Bank Accounts
- ☐ Financial Investments
- ☐ Luxury Items
- ☐ Items of personal property that do not qualify as necessary personal property.

ELIGIBILITY ESSENTIALS:

Income & Assets in Today's Tech-Driven Economy

References & Notes

HUD Notice H 2023-10,
Attachment F, F.4.c/62

Personal Property, cont.

Who Decides if Personal Property is Necessary or Not?

HUD stipulates that owners/management agents are to gather enough facts to qualify whether an asset is deemed as necessary or non-necessary personal property.

When reviewing information, items of personal property that do not qualify as necessary personal property will be classified as non-necessary personal property.

Examples of Necessary Personal Property & Non-Necessary Personal Property

Necessary Personal Property	Non-Necessary Personal Property
- Car(s)/vehicle(s) that a household relies on for transportation for personal or business use (e.g., bike, motorcycle, skateboard, scooter) - Furniture, carpets, linens, kitchenware - Common appliances - Common electronics (e.g., radio, TV, DVD player, gaming system) - Clothes - Personal effects that are not luxury items (e.g., toys, books) - Wedding and engagement rings - Jewelry used in religious/cultural celebrations and ceremonies - Religious and cultural items - Medical equipment and supplies - Health care – related supplies - Musical instruments used by the household - Personal computers, phones, tablets, and related equipment - Professional tools of trade of the household (e.g., professional books) - Educational materials and equipment used by the household including equipment to accommodate persons with disabilities - Equipment used for exercising (e.g., treadmill, stationary bike, kayak, paddleboard, ski equipment)	- Recreational car/vehicle not needed for day-to-day transportation (e.g., campers, motorhomes, travel trailers, all-terrain vehicles (ATVs)) - Bank accounts or other financial investments (e.g., checking account, savings account, stocks/bonds) - Recreational boat/watercraft - Expensive jewelry without religious or cultural value, or which does not hold household significance - Collectibles (e.g., coins/stamps) - Equipment/machinery that is not used to generate income for a business - Items such as gems/precious metals, antique cars, artwork, etc. 

ELIGIBILITY ESSENTIALS: Income & Assets in Today's Tech-Driven Economy

References & Notes

Personal Property, cont.

Example – Necessary & Non-Necessary Personal Property

Jack and Jill own three items of personal property. They have a checking account (non-necessary personal property) valued at \$5,000 (with no interest rate), a savings account (non-necessary personal property) valued at \$3,000 (with a .05% interest rate), a \$15,000 recreational boat (non-necessary personal property), and Jill's engagement ring (necessary personal property) valued at \$3,000.

Item	Estimated Value	Type of Property	Amount to be Considered as Non-Necessary Personal Property	Asset Income
Checking Account	\$5,000	Non-Necessary Personal Property	\$5,000	\$0
Savings Account	\$3,000	Non-Necessary Personal Property	\$3,000	\$1.50
Ring (engagement ring)	\$3,000	Necessary Personal Property	\$0	\$0
Recreational Boat	\$15,000	Non-Necessary Personal Property	\$15,000	\$0
Total Non-Necessary Personal Property:			\$23,000	\$1.50
Calculation of Total Net Assets				Total Asset Income
Asset	Total to be Considered in Net Family Assets			
Non-Necessary Personal Property	\$0			\$1.50
Real Property	\$0			\$0
Total	\$0			\$1.50

Jack and Jill's total net family assets is \$0, and the asset income is \$1.50.

KNOWLEDGE CHECK: Personal Property



Juanita comes in to apply for an apartment and advises she has the below assets.

Based on the personal property, check whether the asset is considered to be necessary or non-necessary personal property.

Item	Necessary	Non-Necessary
Checking Account		
Certificate of Deposit (CD)		
Engagement Ring		
Motorhome		
Bicycle (for exercising)		
Samsung Cellphone		

ELIGIBILITY ESSENTIALS:

Income & Assets in Today's Tech-Driven Economy

References & Notes

Non-Necessary Personal Property: P2P Payment Apps

Peer-to-Peer (P2P) payment apps allow users to send and receive money from other app users when using an application on the user's mobile devices.

Some common P2P apps are discussed below.

PayPal

PayPal is a service that allows an individual to pay, send money, and accept payments through the use of an internet or mobile application.

PayPal was initially created as an e-commerce platform primarily used to process payments for businesses for online purchases, they have expanded their services to include personal transactions as well.



PayPal allows the user to maintain a cash balance on the user's PayPal Account.

Venmo



Venmo is a subsidiary of PayPal and is a P2P & social media application.

Venmo is primarily used to pay back money to family or friends but includes a social commerce platform that can be used by businesses to accept payment from customers.

Venmo allows the user to maintain a cash balance on the user's Venmo Account and offers a free debit card that users can use to spend money from their Venmo account balance. There is no fee for a user to do a standard "cash out" of their account.

Square Inc. Cash App

Cash App is also a P2P app that is very similar to Venmo, except the Cash App does not have the social networking aspect that Venmo has.

One unique aspect of the Cash App is that it also allows user to buy/sell bitcoins and invest in stocks.

Similar to Venmo, Cash App allows the user to maintain a cash balance on the user's Cash App account and offers a free debit card that users can use to spend money from their Cash App account balance. There is no fee for a user to do a standard "cash out" of their account.



Zelle



Zelle App is another peer-to-peer payment app, but is different than PayPal, Venmo and Cash App, as Zelle is an **instant money transfer** to the user's bank account; meaning, Zelle does not allow users to maintain a cash balance in their Zelle Account.

Digital Payment Apps (Google Pay, Apple Pay, etc.)

Digital Payment Apps allow users to send family and friends money, but also allows users to pay retailers who have a point-of-sale near-field communication reader.

Essentially, these apps allow users to store bank account information in a "digital wallet" Common digital payment apps such as Google Pay and Apple pay do allow a user to maintain a cash balance in their account. There is no fee for a user to do a standard "cash out" of their account.



ELIGIBILITY ESSENTIALS:

Income & Assets in Today's Tech-Driven Economy

References & Notes

Non-Necessary Personal Property: P2P Payment Apps, cont.

Are Peer-to-Peer Payment Apps Assets?

As all of the apps discussed (except Zelle), allow users to maintain a cash balance in their account, the balance of the account should be treated as an asset to the account holder.

Asset Type	Market Value	Cash Value/Net Asset Value	Income Determination
Peer-to-Peer (P2P) Payment Apps	Current Balance	Current Balance <i>*If the total household NNPP is \$51,600 or less, the Cash Value is \$0.00.</i>	Actual Income cannot be determined. <i>*If the household's net family assets are \$51,600 or less, no income will be counted for this asset when determining household income.</i> <i>*If the household's net family assets exceed \$51,600, imputed asset income must be included when determining household income.</i>

If an applicant/tenant is using any of the Peer-to-Peer Payment Apps for business purposes, then the accounts would be excluded as an asset.

Per HUD, assets that are part of an active business are not considered household assets.

Are Deposits Considered Income?

The determination of whether the deposits made into the applicant's/tenant's account are considered income will depend on the answers to the following questions:

- Are the deposits "loan proceeds"? Meaning, are the payments being made to the applicant/tenant by an individual to pay the applicant/tenant back for money that the applicant/tenant loaned to the individual?
If the answer is yes, the deposits **should not** be included as income.
- Are the deposits being made into the account from another household member residing in the unit?
If the answer is yes, the deposits **should not** be included as income.
- Are the deposits being made on a periodic basis (from someone not included in the household) to the applicant/tenant in order to help financially support the applicant/tenant?
If the answer is yes, the deposit **should** be included as income.
Note: If the applicant/tenant has already disclosed that they receive cash contributions, care should be taken to not accidentally count the contributions twice; however, the amounts deposited into the account should be compared to the amounts reported by the applicant/tenant and any discrepancies should be clarified.
- Are the deposits the applicant/tenant accepting payments for a business?
If the answer is yes, these deposits **are not** considered income, as for self-employment, the net income from the business is used. However, the amount of the deposits made into the account should be compared to the business's gross income reported and documented by the applicant/tenant, and any discrepancies should be clarified.

ELIGIBILITY ESSENTIALS:

Income & Assets in Today's Tech-Driven Economy

References & Notes

Non-Necessary Personal Property – Virtual Currency

Virtual currency is a digital representation of a monetary value that acts like currency. It can be stored, traded, and can be exchanged into U.S. Dollars. However, virtual currency is not regulated by a federal or state agency and does not hold any legal tender status.

Cryptocurrency

A cryptocurrency is a type of virtual currency that is secured by cryptography. Cryptocurrencies work using a decentralized technology called Blockchain which spreads its transactions across a large network of computers that manages and records these transactions.

Common types of virtual currency include:

- Bitcoin (BTC)
- Ethereum (Ether)
- Ripple (XRP)
- Bitcoin Cash (BCH)
- EOS
- Cardano (ADA)
- Litecoin (LTC)
- Stellar (XLM)



Data Mining Cryptocurrency

Data Mining is the process of verifying blockchain transactions. This is done by using computers to solve a cryptographic equation.

As a reward for solving the equation, or “mining the block,” the miner will receive new digital coins.

How is it Treated? Income Source OR Income from Asset?

HUD has not addressed the treatment of data mining; it would appear that the value of the coins received by the miner would fall under 24 CFR § 5.609(a) Income Inclusions:

“All amounts, not specifically excluded in paragraph (b) of this section, received from all sources by each member of the family who is 18 years of age or older or is the head of household or spouse of the head of household, plus unearned income by or on behalf of each dependent who is under 18 years of age, and, ‘When the value of net family assets exceeds \$50,000 (which amount HUD will adjust annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers) and the actual returns from a given asset cannot be calculated, imputed returns on the asset based on the current passbook savings rate, as determined by HUD.’”

24 CFR § 5.609(a)

While the IRS is generally not the authority of what is includable as income when determining income eligibility for most affordable housing programs, it is interesting to note that in IRS Notice 2014-21 to regarding crypto mining, the IRS states:

IRS Notice 2014-21

“When a taxpayer successfully mines a cryptocurrency, the fair market value of the coins mined is includible in gross income. Furthermore, an individual whose mining operations constitute a trade or business is subject to self-employment tax on the income derived from those activities. The amount of this income equals the market price of the coins on the day they were awarded on the blockchain. This amount also becomes the miner’s basis in the coins going forward and is used to calculate future gains and losses.”

For additional information, visit the IRS’s FAQ on Virtual Currency:

<https://www.irs.gov/individuals/international-taxpayers/frequently-asked-questions-on-virtual-currency-transactions>

ELIGIBILITY ESSENTIALS: Income & Assets in Today's Tech-Driven Economy

References & Notes

Non-Necessary Personal Property – Virtual Currency, cont.

Cryptocurrency Investing

Investors buy, sell, trade and exchange cryptocurrencies over Coinbase, GDAX, and other exchanges.

Questions about Crypto

Is Cryptocurrency an Asset?

Yes, in the HUD handbook 4350.3, HUD defines an asset as an item of value that can be turned into Cash. As Cryptocurrency can be exchanged for U.S. Dollars, it is considered an asset.

HUD 4350.3 5-7/5-23

Are There Fees to Convert Crypto to Cash?

Sometimes, but not always. Most crypto exchanges charge a fee ranging from .05% to 1.5%, however; some exchanges, such as Robinhood, do not charge any fees.

Does it produce Income or Dividends?

Sometimes, but not always!

Crypto dividends, or crypto rewards, are a type of passive income that is earned for “staking” a crypto asset. The amount of the reward is usually based on the amount of the crypto asset held and often requires that the holder take a specific action to receive the reward, such as staking or creating a transaction.

“Staking” involves buying and setting aside a specified amount of coins for specified amount of time, which varies based on the exchange used and the type of cryptocurrency being held.

Asset Type	Market Value	Cash Value/Net Asset Value	Income Determination
Virtual Currency	# of Coins Owned x Current Coin Value (as of date documented)	Market Value – Conversion Fees (if any)	No Actual Income <u>unless</u> they are receiving staking rewards. (Note: Amount of Crypto Rewards to be received over next 12 Months (if any) – historical data can be used)

Note: In the absence of HUD guidance on this topic, the above formulas are recommended to be used to determine the Market Value, Cash Value, and the Income from the asset.

For Income, the amount of Crypto rewards anticipated to be received over the next 12 months, if any (as the amounts can vary) is used. It is recommended to use historical information to assess future earnings.



Non-Necessary Personal Property – Virtual Currency, cont.

Non-Fungible Token (NFT)

The Merriam-Webster Dictionary defines a non-fungible token as follows “a *unique digital identifier that cannot be copied, substituted, or subdivided, that is recorded in a blockchain, and that is used to certify authenticity and ownership (as of a specific digital asset and specific rights relating to it).*”

Essentially, an NFT is a digital representation of a unique asset.



Is an NFT an Asset?

Yes, as an NFT is an item of value that can be converted to cash, it is considered an asset.

With that being said, valuing an NFT is a challenge, due to fluctuations in demand for said NFT.

If an applicant or tenant owns an NFT that they have purchased, we recommend using the purchase price as the asset value.

ELIGIBILITY ESSENTIALS:

Income & Assets in Today's Tech-Driven Economy

References & Notes

24 CFR § 5.609(a)
24 CFR § 5.603(b)
HUD Notice H 2023-10,
Attachment F.4.a/59
HUD 4350.3 5-7 G. 8./5-38
RD HB-2-3560 6.10 E. 2./
6-26

Disposed Assets



If a household member has disposed of an asset, or a business, for \$1,000 less than the asset's Fair Market Value, the asset must still be included as a household asset for **two (2) years from the date of disposal**.

If a household member created an irrevocable trust for a beneficiary who is not part of the household, the creation of the trust is considered a disposed asset for a period of **two (2) years from the date of creation**.

Assets disposed of for less than Fair Market Value as a result of foreclosure or bankruptcy are not considered disposed assets.

Determining the Value of a Disposed Asset

The value of the disposed asset (disposed asset value) that is to be included on the household certification is the Cash Value of the asset less any amounts actually received for the asset.

Market Value

- Costs to Sell (if any)
- Amount Received (if any)

= Disposed Asset Value

Example – Disposed Asset Value

Tony sold his home worth \$80,000 to his best friend, Pilar, for \$20,000. Tony did not have an outstanding mortgage balance and the legal fees to sell the home totaled \$10,000.

In this example, management would calculate the information as follows:

\$80,000 (Market Value)

- *\$10,000 (Costs to Sell)*
- *\$20,000 (Amount Received)*

= \$50,000 (Disposed Asset Value)

\$50,000 is the Disposed Asset Value that must be counted as a household asset for a period of 2 years from the date of disposal.

While there is no actual income derived from the asset, the asset value must be included when determining the household's total net asset value.

ELIGIBILITY ESSENTIALS:

Income & Assets in Today's Tech-Driven Economy

References & Notes

Actual & Imputing Asset Income

When the value of net family assets **exceeds \$51,600** (which amount HUD will adjust annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers) **and** the actual returns from a given asset **cannot be calculated**, imputing asset income utilizing the current passbook savings rate (as determined by HUD) **will be required**.

The imputing asset income **will not** be required when the actual asset income can be determined.

Net family assets are defined in 24 CFR § 5.603.



24 CFR § 5.609(a)(2)

HUD Notice H 2023-10, Attachment F, F.6.a/70

HUD Notice H 2023-10, Attachment F, F.6.b/71

RD HB-2-3560 6.10 E./ 6-22

NET FAMILY ASSETS = Non-Necessary Personal Property + Equity in Real Property

Actual Asset Income

In general, actual asset income is the actual income generated by the asset, typically produced from interest or dividends earned on the asset.

When Actual Asset Income CANNOT Be Calculated

In HUD Notice H 2023-10, Example F8, page 72, HUD clarified the meaning of “*cannot be calculated*.”

☐ **Real Property and Non-Financial Items of Unnecessary Personal Property:**

If the property does not generate any income, or if income from the property cannot be computed based on interest or dividends, then actual income cannot be calculated.

Example – Actual Asset Income Cannot Be Calculated

*A household owns an RV with a value of \$58,000. They do not rent the RV out. Since the unnecessary personal property does not generate any income and since income cannot be determined based on interest or dividends earned, actual income cannot be calculated, therefore imputed income for the RV **must** be determined and used when determining household income.*

When Actual Income IS Zero

In HUD Notice H 2023-10, page 72, HUD clarified when an asset produces \$0 in actual income.

☐ **For Financial Assets Held:**

If the financial asset does not generate income, the actual income from the asset is considered to be zero, and income on the asset is not imputed.

Example – Actual Income is Zero

*A household has a checking account with a current value of \$62,000 and 0% interest rate. The actual income from this asset is \$0.00 and income on the asset **is not** imputed.*

ELIGIBILITY ESSENTIALS: Income & Assets in Today's Tech-Driven Economy

References & Notes

Actual & Imputing Asset Income, cont.

Imputing Asset Income

❑ Imputing Asset Income IS NOT Required

- If a household's net family assets exceed \$51,600, but actual income from **ALL** assets can be determined, imputing income is not required.
- If a household's net family assets are less than \$51,600, even if actual income cannot be determined for all assets, imputing asset income is not required.



❑ Imputing Asset Income IS Required

- If a household's net family assets exceed \$51,600, and if the actual income can be computed for some assets, but not all assets, determine the actual income for those assets, then calculate the imputed income for all remaining assets where the actual income cannot be determined, and **COMBINE** both amounts to account for assets of a combined value of over \$51,600.



	Actual Income	Imputed Income	Income to Include in Annual Income
Total Assets ≤ \$51,600	Include	(N/A)	Actual Income
Total Assets > \$51,600 & Actual Income can be calculated for ALL assets	Include	(N/A)	Actual Income
Total Assets > \$51,600 & Actual Income can be calculated on SOME assets	Calculate the Actual Income for the assets which actual income can be calculated	Calculate the Imputed Income for remaining assets	Actual Income + Imputed Income
Total Assets > \$51,600 & Actual Income cannot be calculated on ANY assets	(N/A)	Calculate asset income using total Cash Value of ALL assets × HUD passbook rate	Imputed Income

Passbook Savings Rate

The passbook savings rate for 2025 is **.45%**.

For more information on the passbook savings rate, please visit:

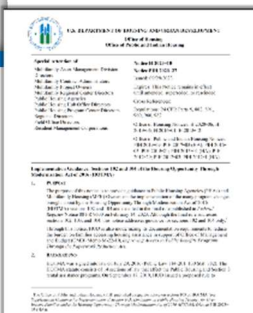
<https://www.huduser.gov/portal/datasets/inflationary-adjustments-notifications.html>

24 CFR § 5.609(a)(2)

HUD Notice H 2023-10,
Attachment F, F.5/69

H 2023-10 – PASSBOOK SAVINGS RATE

For 2024, the passbook rate will be 0.40 percent. Below is an explanation of how the passbook rate was calculated for 2024. For reexaminations that occur after January 1, 2024, but before the date on which the PHA/MFH Owner implements the new passbook rate, PHAs may continue to set their own passbook rates, and MFH Owners must continue to use the 0.06 percent passbook rate. PHAs may also choose to implement the 2024 HUD passbook rate before complying with HOTMA as they have the flexibility to set their own passbook rate.



ELIGIBILITY ESSENTIALS:

Income & Assets in Today's Tech-Driven Economy

References & Notes

Actual & Imputing Asset Income, cont.

Passbook Savings Rate, cont.



Rural Development – Passbook Savings Rate

Considerations for Projects with Layered Funding

RD has provided flexibility for owners of properties with layered funding programs until July 1, 2025. No penalties will be imposed for implementing provisions of HOTMA prior to July 1, 2025.

Examples include, but are not limited to:

- **Passbook Savings Rate:** Using a rate of 0.06% instead of the updated 0.40% for 2024 and .45% beginning January 1, 2025
- **Imputed Asset Income:** Utilizing the Asset Threshold instead of \$5,000

Example – Imputing Asset Income IS Required

Kenny and Denny are twins who are applying for a unit.

Denny has the following asset:

- ☐ Savings account with a cash value of \$15,500 and an interest rate of .05%, generating \$7.75 in annual interest income.

Kenny has the following assets:

- ☐ A CD with a current value of \$30,000 and a cash value of \$27,000, and an interest rate of 0.1% generating \$30.00 in annual interest income.
- ☐ A recreational boat with a cash value of \$10,000

In this scenario, since the **Net Family Assets exceed \$51,600**, and actual income from all assets cannot be determined, imputing asset income **is** required for the asset where the actual income cannot be determined (i.e., Actual Income cannot be determined for the boat).

The total **Net Family Assets** is **\$52,500**.

Imputed Income: \$45.00 ($\$10,000 \times .45\% = \45 (Cash Value of boat $\times$ current passbook rate))

Actual Income: \$37.75 ($\$7.75 + \$30.00 = \37.75)

Total Income from Assets: \$82.75 ($\$45.00 + \$37.75 = \82.75)

Example – Imputing Asset Income IS NOT Required

Destiny and Sam are cousins who are applying for a unit.

Destiny has the following assets:

- ☐ Savings account with a cash value of \$37,000 and an interest rate of .05%, generating \$18.50 in annual interest income.
- ☐ Savings Bond with a cash value of \$15,000 and an interest rate of 2.3%, generating \$345.00 in annual interest income.

Sam has the following assets:

- ☐ Savings account with a cash value of \$4,000 and an interest rate of .05%, generating \$2.00 in annual interest income.
- ☐ A CD with a current value of \$10,000 and a cash value of \$8,000. The CD has an interest rate of .5%, generating \$50.00 in annual interest income.

In this scenario, even though the **Net Family Assets exceed \$51,600** since actual income from all assets can be determined, imputing asset income **is not** required.

ELIGIBILITY ESSENTIALS: Income & Assets in Today's Tech-Driven Economy

References & Notes

Actual & Imputing Asset Income, cont.

Example – Imputing Asset Income IS NOT Required

Remington and Eli Leroy are cousins who are applying for a unit.

Remington has the following asset:

- ❑ Savings account with a cash value of \$7,000 and an interest rate of .05%, generating \$3.50 in annual interest income.

Eli Leroy has the following assets:

- ❑ Savings account with a cash value of \$4,000 and an interest rate of .05%, generating \$2.00 in annual interest income.
- ❑ A jet ski with a cash value of \$10,000.

In this scenario, since the **Net Family Assets do not exceed \$51,600**, imputing asset income on the jet ski **is not** required.

Example – Net Family Assets Determination & Imputing Asset Income

Charlie is applying for a unit and advises he has the following assets. He has a checking account (non-necessary personal property) valued at \$2,800 (with no interest rate), a savings account (non-necessary personal property) valued at \$8,000 (with a .025% interest rate), a stamp collection (non-necessary personal property) valued at \$1,000, and a piece of land (real property) that is actively for sale valued at \$75,000.

Item	Value	Type of Property	Total to be Considered in the Net Family Assets
Checking Account	\$2,800	Non-Necessary Personal Property	\$0 (NNPP total is less than \$51,600)
Savings Account	\$8,000	Non-Necessary Personal Property	\$0 (NNPP total is less than \$51,600)
Stamp Collection	\$1,000	Non-Necessary Personal Property	\$0 (NNPP total is less than \$51,600)
Land	\$75,000	Real Property	\$75,000

Total Net Family Assets: \$75,000

As the Net Family Assets is **over \$51,600**, management will have to verify all assets and will have to impute asset income where the actual asset income is not known (i.e., the stamp collection and the real property).

Calculation of Income from the Assets	
Asset	Asset Income Calculation
Non-Necessary Personal Property	Savings Account ($\$8,000 \times .025\% = \2.00) Stamp Collection ($\$1,000 \times .45\% = \4.50)
Real Property	Land ($\$75,000 \times .45\% = \337.50)
Total	\$344

Charlie's total net family assets is **\$75,000**, and the asset income is **\$344**.

ELIGIBILITY ESSENTIALS: Income & Assets in Today's Tech-Driven Economy

References & Notes

Actual & Imputing Asset Income, cont.

KNOWLEDGE CHECK: Imputing Asset Income



Micah is moving into a unit and has the following assets:

- ☐ Checking account with a current balance of \$21,540; the checking account does not have any interest
- ☐ Savings account with a current balance of \$17,300 and an interest rate of .02%, generating \$3.46 in annual interest income
- ☐ Real Estate (Actively for Sale) with a Cash Value of \$129,000

Based on the above scenario, please answer the following questions:

1. What is the total Net Family Assets?
2. Will management need to verify all household assets? or
3. Is Imputing Asset Income on the Real Estate required? or
4. What is the total income from assets?

ELIGIBILITY ESSENTIALS: Income & Assets in Today's Tech-Driven Economy

References & Notes

Asset Limitation – Section 8 ONLY (includes 202/8)



Low-Income Housing Tax Credit – Asset Limitation

The asset limitation does not apply to the LIHTC program.



Rural Development – Asset Limitation

The asset limitation does not apply to any RD programs.



HOME Investment Partnerships Program (HOME) – Asset Limitation

The asset limitation does not apply to the HOME program.

HOTMA regulations impose two asset limitations for households receiving or applying to receive Section 8 assistance.

Section 8 assistance **will not** be provided at move-in or upon recertification (based on the PHAs/MFH Owners policies and procedures) to any household, if:

- ✗ The household's net assets exceed \$103,200, **OR**
 - ✗ The household owns real property that is suitable for occupancy, that the household has a legal right to reside in, and the effective legal authority to sell.
- Real Property has the same meaning as that provided under the law of the State in which the property is located.
- Suitable for Occupancy Different factors impact the determination of whether real property is considered suitable for occupancy or not.

UL 08-19-2024

RD HB-2-3560. 6.10/6-19

HUD Notice H 2023-10, Attachment A/16

HUD Notice H 2023-10, Attachment A, A.1/16

Real property would **not be** considered **suitable for occupancy** if:

- ✗ **Non-Residential Property:** The property is commercial property that cannot be legally occupied as a residence by the property owner, such as a gas station or a clothing store.
- ✗ **Disability-Related Needs:** The property does not meet the disability-related needs for all household members. Disability-related needs include:
 - Physical accessibility requirements
 - Disability-related need for additional bedrooms
 - Proximity to accessible transportation
- ✗ **Property Size:** The property is not large enough for the size of the household.
- ✗ **Geographic Location:** The geographical location of the property creates a hardship for the household (e.g., excessive commutes to work or to school as determined by the owner/agent).
- ✗ **Physical Condition of the Property:** The property is not safe to reside in because of the physical condition of the property (e.g., property's physical condition poses a risk to the family's health and safety and the condition of the property cannot be easily remedied); or
- ✗ **No Legal Right:** Is not a property that the household may reside in under the State or local laws of the jurisdiction where the property is located.

ELIGIBILITY ESSENTIALS:

Income & Assets in Today's Tech-Driven Economy

References & Notes

Asset Limitation – Section 8 ONLY (includes 202/8), cont.

Real Property Limitation – Exceptions:

- A. The household is receiving assistance under 24 CFR 982.620 or assistance under the Homeownership Option in 24 CFR Part 982 for the real property
- B. The real property is jointly owned by a member of the household and at least one non-household member who does not live in the assisted unit, if the non-household member resides at the jointly owned property
- C. Any person who is a victim of domestic violence, dating violence, sexual assault, or stalking
- D. The property is actively for sale

Acceptable Documentation

Net Assets

Per the requirements applicable under 24 CFR § 5.659, the net assets for a household may be based on a certification by the household that the net family assets (as defined in § 5.603) do not exceed \$51,600, without taking additional steps to verify the assets declared. (Assets must be verified at move-in and then every third year.)

Real Property Limitation

Household eligibility with the real property limitation may be based on a household certification declaring that the household does not have any present ownership interest in any real property.

Note: For the VAWA exception for the real property limitation the owner must accept a self-certification from the household member, and the restrictions on requesting documentation under § 5.2007 apply.

Optional Enforcement at Annual & Interim Recertification

PHAs/MFH Owners have **three (3) options** for enforcement of the Asset and Real Property Limitation at Annual and Interim Recertification.

→ **Total Non-Enforcement**

PHAs/MFH Owners may choose to not enforce the asset limitation at Annual or Interim Recertification if such a policy is established in writing. If such a policy is adopted, PHAs/MFH Owners are still required to calculate net family assets when determining annual income at Annual & Interim Recertification. Non-enforcement policies must be detailed in the Admin Plan, or ACOP or MFH Owner's Tenant Selection Plan.

→ **Total Enforcement**

PHAs/MFH Owners may choose to fully enforce the asset limitation at Annual or Interim Recertification, if such a policy is established in writing. If such policy is adopted PHAs/MFH Owners must initiate termination or eviction proceedings **within 6 months** of the Annual or Interim Certification that determined that the household no longer meets the asset limitation. Enforcement policies must be detailed in the Admin Plan, or ACOP or MFH Owner's Tenant Selection Plan.

→ **Limited Enforcement** with an option to cure. HUD permits PHAs/MFH Owners to adopt a policy of limited enforcement. The only difference between Enforcement and Limited Enforcement is that is that Limited Enforcement provides the household an opportunity to cure the noncompliance within 6 months of the household being determined to be out of compliance with the asset limitation. If a PHA/MFH Owner adopts a Limited Enforcement policy, the policy must address the timeframe for curing the noncompliance, which can be a period of less than 6 months, but cannot be a period that exceeds 6 months. Curing the noncompliance will depend on whether the household was out of compliance due to having net family assets in excess of \$103,200 or due to having real property.

HUD Notice H 2023-10,
Attachment A, A.4.a/23

HUD Notice H 2023-10,
Attachment A, A.1/17

HUD Notice H 2023-10,
Attachment A, A.4.a/23

HUD Notice H 2023-10,
Attachment A, A.3/18

HUD Notice H 2023-10,
Attachment A, A.3.a/18

HUD Notice H 2023-10,
Attachment A, A.3.b/19

HUD Notice H 2023-10,
Attachment A, A.3.c/19

ELIGIBILITY ESSENTIALS: Income & Assets in Today's Tech-Driven Economy

References & Notes

Asset Limitation – Section 8 ONLY (includes 202/8), cont.

Optional Enforcement at Annual & Interim Recertification, cont.

→ Limited Enforcement, cont.

If the household is out of compliance due to net assets exceeding \$103,200, the household could purchase items that are considered necessary personal property such as a computer or purchasing a car that would be used as a main mode of transportation.

Households cannot cure this noncompliance by giving away their assets or donating to charity, as this would be considered disposing of asset for less than market value, and the disposed asset value would still be treated as a household asset for two (2) years from the date of disposal. One option that would cure the noncompliance would be for the household to use funds to create a non-revocable trust for another member of the household.

If the household is only out of compliance with the real property limitation, the property owner could cure the noncompliance by demonstrating that the household no longer owns the property or that the property is up for sale. It is important to note that if the property is up for sale, it is still counted toward the household's net family assets.

When PHAs/MFH Owners have a limited enforcement policy and a household demonstrates that they have cured noncompliance, PHAs/MFH Owners must record the curing of the noncompliance in the resident's file and permit the household to continue to receive assistance. The related updates to the household's income and assets would be accounted at the next Annual or Interim Recertification, whichever occurs first.

HUD Notice H 2023-10,
Attachment A, A.3.c/19

HUD Notice H 2023-10,
Attachment A, A.3.d/21

Exception Policies

HUD is permitting PHAs/MFH Owners the option of establishing exceptions to the asset limitation at Annual and Interim Recertification. Exception policies may be based on the age, disability, income, and the ability of the household to find suitable alternative housing and whether supportive services are being provided.

HUD provides the following sample policies in Example A1 of Attachment A, and are as follows:

Sample Policy A: For all families that meet the definition of extremely low-income at reexamination and are found to be non-compliant with the asset limitation, the PHA/MFH Owner will not enforce the asset limitation at reexamination. Such families will not be subject to termination or eviction proceedings due to noncompliance with the asset limitation at reexamination. All other families will be subject to a limited enforcement policy and provided six (6) months to cure the noncompliance.

Sample Policy B: For all families that meet the definition of extremely low-income at reexamination and are found to be non-compliant with the asset limitation, the PHA/MFH Owner will not enforce the asset limitation at reexamination. Such families will not be subject to termination or eviction proceedings due to noncompliance with the asset limitation at reexamination. All other families will be subject to the enforcement policy.

Sample Policy C: Families with an elderly family member or a member with a disability will be given six (6) months to cure their noncompliance with the asset limitation, as stated in the PHA/MFH Owner's policies. All other families will be subject to a limited enforcement policy and provided four (4) months to cure noncompliance.

Sample Policy D: Families with an elderly family member or a member with a disability will be given six (6) months to cure their noncompliance with the asset limitation, as stated in the PHA/MFH Owner's policies. All other families will be subject to the enforcement policy.

ELIGIBILITY ESSENTIALS: Income & Assets in Today's Tech-Driven Economy

References & Notes

Asset Limitation – Section 8 ONLY (includes 202/8), cont.

Special Considerations for Terminating Assistance or Eviction for Noncompliance with the Asset Limitation

HUD clarified that PHAs/MFH Owners are not required to immediately initiate termination of assistance when a household is determined to be out of compliance with the asset limitation. HUD encourages PHAs/MFH Owners to set policies for the initiation of termination of assistance that allows a household enough time find alternate housing.

HUD has also provided guidance as to whether assistance needs to be terminated or if the household must be evicted, which is summarized below.

- **Section 8 Project-Based Rental Assistance & Section 202/8:** Households who are not compliant with the asset limitation, **assistance must be terminated**, and the household must either pay the contract rent for the unit or vacate the unit after termination of assistance.
- **Housing Choice Voucher Program:** Participants who are not compliant with the asset limitation are subject to **termination of assistance**, but there is no requirement that the unit owner initiate eviction because of noncompliance with the asset limitation.
- **Public Housing Program:** Participants who are not compliant with the asset limitation are subject to **termination of assistance and eviction from the unit**, if they fail to vacate the unit voluntarily. There is no general provision that allows such families to remain and pay an alternative rent.
- **Section 8 Project-Based Voucher Program:** Participants who are not compliant with the asset limitation are subject to **termination of assistance**. The PHA and owner may agree to remove the unit from the HAP contract.
- **Section 8 Moderate Rehabilitation Program:** Participants who are not compliant with the asset limitation are **no longer eligible for assistance**. 24 CFR § 882.512 expressly allows that families who were eligible at admission but subsequently become ineligible may remain in HAP contract units.

Required Policy Updates to Administrative Plans, ACOPs, and Tenant Selection Plans

- **Admission Policies:** Administrative Plans, ACOPs, or Tenant Selection Plans must include the prohibition of admitting household whose net family assets exceed \$103,200 (as adjusted for inflation) and/or own an interest in real property that is suitable for occupancy. Policies should indicate the general parameters PHAs/MFH Owners will use when determining whether the location of real property constitutes a geographic hardship.
- **Recertifications Policies:** Administrative Plans, ACOPs, or Tenant Selection Plans must include PHAs/MFH Owners policies for enforcing the asset limitation at recertification. Such policy must address when termination of assistance or evictions proceedings will be initiated, where enforcement or limited enforcement policies are established. Policies should indicate the general parameters PHAs/MFH Owners will use when determining whether the location of real property constitutes a geographic hardship.

HUD Notice H 2023-10,
Attachment A, A.5/24

HUD Notice H 2023-10,
Attachment A, A.6/26

Asset Limitation – Section 8 ONLY (includes 202/8), cont.

Example #1 – Net Family Asset Limitation Met

A household is applying and has the following assets:

- IRA Current Value: \$42,000
- Checking Account Current Value: \$22,000
- Savings Account Current Value: \$39,000

The household's net family assets total \$61,000, as the value of the IRA is excluded from the calculation of net family assets. Since the value of the household's net family assets is **less than** \$103,200, the household meets the Net Family Asset Limitation.

Example #2 – Net Family Asset Limitation Met

A household is applying with the following assets:

- Checking Account Current Value: \$10,000
- Savings Account Current Value: \$15,000
- Equity in Real Property (property actively for sale) Value: \$90,000

As the value of the household's Non-Necessary Personal Property is less than \$51,600, the value of the checking account and savings accounts are excluded from the calculation of net family assets, resulting in net family assets of \$90,000. Since the value of the household's net family assets is **less than** \$103,200, the household meets the Net Family Asset Limitation.

Example #3 – Net Family Asset Limitation NOT Met

A household is applying with the following assets:

- Checking Account Current Value: \$10,000
- Savings Account Current Value: \$15,000
- Stocks Value: \$60,000
- Equity in Real Property (property actively for sale) Value: \$65,000

As the value of the household's Non-Necessary Personal Property exceeds \$51,600, the value of the of all of the above assets are included the calculation of net family assets, resulting in net family assets of \$150,000. Since the value of the household's net family assets exceeds \$103,200, the household **DOES NOT** meet the Net Family Asset Limitation.

Example #4 – Real Property Limitation

A household is applying with the following assets:

- Checking Account Current Value: \$2,000
- Savings Account Current Value: \$1,500
- Real Property Value: \$92,000

The home is suitable for occupancy and the household did not meet a Real Property Limitation exception. In this scenario, the household **IS NOT** eligible for Section 8 assistance due to having the Real Property.

ELIGIBILITY ESSENTIALS: Income & Assets in Today's Tech-Driven Economy

References & Notes

Asset Limitation – Section 8 ONLY (includes 202/8), cont.

KNOWLEDGE CHECK:

Asset Limitation



Bea is moving into a Section 8 unit and has the following assets:

- ☐ Checking account with a current balance of \$10,240; the checking account does not have any interest
- ☐ Savings account with a current balance of \$24,800 and an interest rate of .03%, generating \$7.44 in annual interest income
- ☐ Real Estate (Actively for Sale) with a Cash Value of \$100,000

Based on the above scenario, please answer the following questions:

1. What is the total Net Family Assets?
2. Will management need to verify all household assets? or
3. Is Imputing Asset Income on the Real Estate required? or
4. What is the total income from assets?
5. Is Bea in compliance with the Section 8 Asset Limitation? or



Amanda Lee Gross

VP of Compliance
training@us-hc.com
(603) 223-0003

Ms. Gross has over 22 years of hard-won, real-world knowledge and experience in all aspects of the affordable housing industry.

She began her career as a site manager, eventually rising to the position of compliance director for a large multi-state property management company.

Ms. Gross leveraged her experience to become a highly skilled, nationally recognized trainer in Fair Housing, LIHTC, Rural Development, HUD, and HOME.

Over the last 12 years, she has conducted hundreds of trainings nationwide and has provided consulting services to state housing finance agencies, public housing authorities, management companies, and developers.

Ms. Gross is a featured speaker at numerous industry housing events. She also provides custom-tailored training to private organizations that understand that highly-trained staff are more effective and better able to protect the assets and reputation of the company. She also works in the consulting capacity, advising clients in the development of their policies and procedures, optimizing project compliance performance, and addressing audit findings.

"I have had the great pleasure of leading a couple of classes with Amanda Gross – trainer extraordinaire at US Housing Consultants. I feel like I'm the "old guard" watching over the "rising star". Amanda's classes are full of necessary information, and she has a knack for delivering compliance content in such a way that you will never be bored. If you get a chance, be sure to join her for a LIHTC or HUD training."

--- Mary Ross, President, Ross Business Development, Inc.

Ms. Gross's areas of expertise focus on the following programs:

- Fair Housing & Violence Against Women Act (VAWA)
- Low-Income Housing Tax Credit (LIHTC) Program
- USDA Rural Development Rental Housing Program
- HUD Multifamily Housing Programs
- HOME Investment Partnerships Program
- Tax-Exempt Bond Compliance



@amandaleegross



@amandaleegross



@amandalee_gross



/in/amandalee-gross



Gary Kirkman

Director of Compliance Training

gkirkman@us-hc.com

(603) 223-0003 ext. 104

Gary Kirkman brings over 20 years of leadership experience in the affordable housing industry and currently serves as the Director of Compliance Training at US Housing Consultants.

Gary began his career as a Regional Property Manager, overseeing Rural Development and HUD properties. His passion for supporting communities and mentoring others led to his promotion to Training Specialist, where he managed multiple affordable housing communities while providing hands-on training to staff on program requirements.

He later advanced to the role of Training Director, where he played a key role in developing company policies and procedures and leading the organization's training initiatives. During this time, Gary also partnered with property owners and developers to present at town council meetings, advocating for the development of affordable housing in areas where it was most needed.

Earlier in his career, Gary was recognized as an award-winning Community Manager, receiving the Best Overall Compliance in Affordable Housing award for the Southeast Region within a property management company portfolio.

Known for his engaging and relatable style, Gary is a seasoned public speaker who regularly conducts both public and private trainings. He is a frequent presenter at industry conferences, where he provides expert guidance on all major affordable housing programs.

Gary is highly respected by colleagues and industry professionals alike, with many praising his deep knowledge, approachable demeanor, and dedication to helping others succeed. Colleagues have stated, *"He has the ability to learn complex compliance requirements and teach them in a manner that others can learn"* and *"Because of his positive disposition, his reflective way of operating, and all of the character traits that make him so special, Gary's questions never go unanswered, and his searches always bring him to exciting new discoveries."*

Gary's areas of expertise focus on the following programs:

- Low-Income Housing Tax Credit (LIHTC) Program
- HUD Multifamily Housing Programs
- USDA RD Rental Housing Program
- HOME Investment Partnerships Program
- Fair Housing and Accessibility
- Violence Against Women Act (VAWA)
- Project and Asset Management
- Customer Service & Marketing



@GaryUSHousing



@Gary_USHousing



@Gary_USHousing



/in/gkirkman



Randy McCall

Housing Compliance Trainer

rmccall@us-hc.com

(603) 223-0003 ext. 118

Mr. Randy McCall brings over twenty years of affordable housing experience. His passion and in-depth knowledge of affordable housing programs has enabled him to successfully provide training to management companies, city/state/federal agencies, and non-profit entities.

Mr. McCall's career began as an on-site leasing agent and then progressed to other on-site positions including Assistant Manager, Assistant Maintenance Supervisor, Bond Compliance Manager, Social Activities Manager, and Senior Community Manager.

His experience also includes work as a Compliance Specialist, Physical Inspector, and Regional Compliance Auditor. His experience led him to a State Housing Finance Agency where he worked as a Training Specialist and was promoted to Supervisor of Rental Compliance in the Asset Management Department.

Throughout his career he has also utilized his experience and skills to create training materials for inexperienced and seasoned learners. He has also been featured on panels at industry conferences.

Mr. McCalls's areas of expertise focus on the following programs:

- Low-Income Housing Tax Credit (LIHTC) Program
- HUD Multifamily Housing Programs
- USDA RD Rental Housing Program
- HOME Investment Partnerships Program
- Fair Housing and Accessibility
- Violence Against Women Act (VAWA)
- Project and Asset Management
- Customer Service & Marketing
- Underwriting and Funding Application



@ RandyUSHousing



@ Randy_McCall_Trainer



@ RLMcCall5



/in/randy-mccall



Morgan Baldwin

Housing Compliance Trainer

mbaldwin@us-hc.com

(603) 223-0003 ext. 152

Morgan Baldwin brings years of experience in the affordable housing industry to her role as a Housing Compliance Trainer at US Housing Consultants.

She began her career as a Compliance Specialist, focusing on detailed monitoring and auditing of various multifamily housing programs throughout Florida.

Morgan's path into affordable housing was anything but conventional. Originally pursuing a career in dentistry, she entered the industry with no prior experience — a journey that reflects her curiosity, resilience, and commitment to purposeful work.

Today, Morgan delivers training nationwide on the complexities of programs such as:

- Low-Income Housing Tax Credit (LIHTC)
- HOME Investment Partnerships Program
- Community Development Block Grant Disaster Recover (CDBG-DR)
- National Housing Trust Fund (NHTF)
- HUD Multifamily Housing Programs.

Morgan's expertise is supported by a Bachelor of Applied Science (BAS) degree and the respected Housing Credit Certified Professional (HCCP) certification from the National Association of Home Builders.

Recognized for her ability to make compliance approachable and relatable, Morgan empowers others to confidently navigate the complexities of regulatory requirements with clarity and assurance.

Morgan's mission is clear: to inspire and educate the next generation of housing professionals, ensuring affordable housing remains accessible, equitable, and sustainable for all.



[@morganbaldwinushc](#)



[/in/morganbaldwinushc](#)



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Affordable Housing programs provide so much more than shelter. For millions of families, these programs provide a life with hope, stability, safety, and dignity. Staying in compliance with the requirements for these programs is not just red tape – it is about ensuring the long-term viability of assisted housing programs and it is about ensuring that families have a place to call home that is safe and well-maintained.

Contact Us For More Information

US Housing Consultants 72 N. Main Street, Suite 202, Concord, NH 03301
www.us-hc.com | (603) 223-0003 | clientservices@us-hc.com