

Should Income from the Older Americans Act Be Counted when Determining Eligibility?

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NEWSBRIEF

(excerpt from Oct. 31, 1997)

OLDER AMERICANS ACT: A question has been raised as to whether or not the income received by a person from a program funded by the Older Americans Act should be counted in determining eligibility for assistance under a CDBG-funded housing rehabilitation program. Title V of The Older Americans Act Amendments of 1987 states that funds received by eligible individuals from projects carried out under the programs established by the Act shall not be considered income for purposes of determining eligibility of such individuals to participate in any housing program for which Federal funds may be available.

The CDBG regulations at Section 570.3 now require grantees to select any of three definitions for purposes of determining whether a family or household is low and moderate income. In this case, the grantee elected to use the IRS method for determining income. Even though the individual pays taxes on income earned from a program funded by the Older Americans Act, this provision of the Act takes precedence over the HUD regulatory definition of income based on the IRS Form 1040. Therefore, for purposes of determining income for a CDBG-funded rehabilitation activity, income received by a person from a program funded by the Older Americans Act should be excluded. For those grantees who use the Section 8 method of calculating income, it should be noted that the Section 8 regulations already incorporate a provision for exclusion of this income.